



Public Finance

In a First, Value of Govt Freebies to be Computed

India will, for the first time, compute the value of the freebies provided by the government in the overall consumption, officials said. While the Consumer Expenditure Surveys (CES) in the past have had questions on freebies received by households, an attempt at imputation of their value has never been made, they said. *(The Economic Times)*

Shift to old pension scheme by 5 States, a fiscally regressive step

The shift to the old pension scheme (OPS), which is a defined benefit scheme, by some States will modestly improve their cash flows but remain a fiscally regressive step, according to ICRA. In the last 12-18 months, Chhattisgarh, Himachal Pradesh, Jharkhand, Punjab, and Rajasthan Informed the Government of India (GoI) about their decision to revert to the OPS from the National Pension System (NPS), which is a defined contribution scheme. *(BusinessLine)*



Taxation

Interest under Mahila Samman Scheme to be Taxed as per Slab

Interest received under the Mahila Samman Certificate scheme will not be subject to tax deducted at source (TDS) and will be taxed as per the applicable tax bracket of the account holder, the Centre said on Wednesday. The Central Board of Direct Taxes clarified the matter in a notification dated May 16. Union finance minister Nirmala Sitharaman had announced Mahila Samman Saving Certificate, a new small savings scheme for women and girls, in the budget for 2023-24. *(The Economic Times)*

Tariffs High on Goods to Compete with 'Non-transparent' Geographies: Goyal

Commerce and industry minister Piyush Goyal on Tuesday said India has to keep tariffs high on many products at times to compete with certain geographies which are "very non-transparent" and the developed countries are the "unintended consequence of the high tariffs". *(The Economic Times)*

Drive to Identify Fake GST Registration, Evasion

With GST evasion crossing over `1 lakh crore in 2022-23, Centre and state tax officers have initiated a two-month long special drive to identify fake GST registration and nab offenders. The GST Policy Wing had earlier this month written to Principal Chief Commissioners of Central Tax highlighting that fake/ non-genuine registrations are being used to fraudulently pass on input tax credit to unscrupulous recipients by issuing invoices without any underlying supply of goods or services or both. *(The Economic Times)*

Windfall Tax on Local Crude Reduced to Zero

India on Monday reduced windfall tax on domestically produced crude oil to nil from ₹4,100 per tonne, aligning it with softening international crude oil prices. The export duty exemption for petrol, diesel and aviation turbine fuel will continue. The new rate will be effective from May 16, according to a notification issued by the Central Board of Indirect Taxes and Customs (CBIC). This is the second time when the windfall tax on crude has been reduced to zero. *(The Economic Times)*



National Accounts and State of the Economy

Retail Inflation Falls Below 5%; IIP Growth at 5-mth Low

Retail inflation eased to an 18-month low of 4.7% in April from 5.66% in the preceding month, sliding toward the Reserve Bank of India's target 4% rate, suggesting the central bank may continue to hold policy rates at current levels for longer. *(The Economic Times)*

India's Recovery Bright Spot for Global Outlook

Finance minister Nirmala Sitharaman on Friday said India's strong recovery in the aftermath of the pandemic is a "bright spot for the global growth outlook". *(The Economic Times)*

10-Year Yield Closes Below 7% After 13 Months on Strong Bond Demand

Yield on the 10-year benchmark government bond settled below the 7% mark for the first time in 13 months as unexpectedly firm demand at a primary sale and anticipation of softer inflation spurred appetite for sovereign debt. *(The Economic Times)*

India remains a bright spot, likely to grow 6.7% in 2024: UNDESA report

Robust domestic demand will drive India's economic growth in 2023, while higher interest rates and weaker external demand will continue to weigh on investment and exports during the calendar year, the United Nations Department of Economic and Social Affairs (UNDESA) said on Wednesday. *(Business Standard)*

S&P retains India credit rating, expects sound fundamentals to underpin growth

The Indian economy is performing well amid challenging global conditions and sound fundamentals will underpin its growth over the next two to three years, S&P Global Ratings said on Thursday, retaining the country's sovereign credit rating. *(The Hindu)*

India to contribute 16% to global GDP growth over 2023-24: Morgan Stanley

With the Indian economy being a key contributor for Asian economic growth outperformance, the broad-based recovery in demand runs counter to the weakness seen outside Asia, said Morgan Stanley in a report. *(Business Standard)*

PM to Head Niti Council Meeting Next Week

The Niti Aayog will hold the eighth meeting of its governing council next week to deliberate on India's priorities over the next one year. Prime Minister Narendra Modi, who is the chairman of the council, will head the meeting, which is expected to be attended by chief

ministers of all states, lieutenant governors of union territories and key Cabinet ministers. *(The Economic Times)*

Wholesale Prices in Deflation Zone for First Time in 3 Years

Wholesale inflation dropped into the deflation zone for the first time in three years in April, fuelling hopes of a further easing of retail prices and raising the prospects of a cut in interest rates. *(The Economic Times)*

Formal Job Creation Up Under ESIC

Formal job creation under the Employees' State Insurance Scheme registered a month-on-month growth of 8.1% in March to 1.73 million, compared to 1.6 million formal workers added to the organisation in February. *(The Economic Times)*

Niti Member for Increasing Maternity Leave to 9 Months

NITI Aayog member VK Paul on Monday urged private and public sectors to consider enhancing the maternity leave for women workers from six months to nine months. *(The Economic Times)*

High-Level Panel Soon for Implementing National Credit Framework

The government will soon set up a high-level panel for smooth implementation of the National Credit Framework (NCrF), which aims at integrating academic education and skilling in India. The NCrF will come into force from August. *(The Economic Times)*

Peak power demand hits historic high of 220 Gw, may cross that level soon

At around 3 pm on Wednesday, India's daily peak power demand touched 220 gigawatts (Gw)—the highest daily peak ever in the history of the country. *(Business Standard)*

Centre's Skills Training to Include AI Courses

The Centre is looking to revamp its skilling programme to introduce artificial intelligence (AI) related courses as part of efforts to create a future-ready workforce. *(The Economic Times)*

Centre unlikely to undertake any new PSU disinvestment in 2023-24

The Union government is unlikely to undertake any new public-sector undertaking (PSU) disinvestment—including privatisation of public-sector banks—in 2023-24, said a senior official in the know. Any such stake sale might take place only after the general elections next year. *(Business Standard)*

Govt Looks to Hire Retirees in Health, Education Sectors

The Centre has initiated internal discussions on engaging and hiring retirees for part-time work, consulting roles and mentorship functions in sectors such as education and healthcare, which are facing demand-supply gaps in talent, said officials. *(The Economic Times)*

Govt mulls setting up of eight new cities in country: Official

A plan to develop eight new cities to alleviate population burden on the existing urban centres in the country is under consideration. The 15th Finance Commission in one of its reports had recommended that new cities should be developed, said M B Singh, director of the G20 unit of the Union Housing and Urban Affairs Department. The cities will be developed in a planned and organized manner and will have a positive impact on social and economic activities within a radius of 200 km. *(The Economic Times)*



Banking and Monetary Policy

Payments banks approach RBI to rehaul regulations

With the payments bank model not having evolved in the expected manner, industry participants have approached the Reserve Bank of India to relook at the regulations. *(BusinessLine)*

Weekly Rupee View: Strong dollar could keep rupee in check

The US debt ceiling stalemate is keeping the currency market sentiment on the risk-off side. This is leading to the dollar (USD) performing well against other currencies. Consequently, the rupee (INR) depreciated against the greenback over the last week, in line with our expectations. *(BusinessLine)*

Banks seek more time from RBI to meet ECL provisioning norms

Banks have sought another year from the Reserve Bank of India (RBI) to meet norms on Expected Credit Loss (ECL) provisioning requirements, said Sunil Mehta, Chief Executive of Indian Banks' Association. *(BusinessLine)*

India Inc may heave a sigh of relief as prominent banks' MCLR unchanged in May

India Inc. may heave a sigh of relief as prominent banks have slammed the brakes on hikes in the marginal cost of funds-based lending rate (MCLR). This will ensure that their cost of borrowing from banks will stabilise at current levels. *(BusinessLine)*

Urban co-op banks want RBI to permit them to undertake one-time settlement of bad loans

Urban co-operative banks (UCBs) have requested the Reserve Bank of India to allow them to do one-time settlement (OTS) of bad loans along the lines of OTS available for commercial banks. *(BusinessLine)*

RBI to join GFIN's Greenwashing TechSprint to tackle ESG risks

The Reserve Bank of India has opened the application window for all India based firms and innovators to participate in Global Financial Innovation Network (GFIN)'s first ever Greenwashing TechSprint. The window will close on May 21, 2023. *(BusinessLine)*

RBI tells banks/financial institutions to ensure complete transition away from LIBOR

The Reserve Bank of India has asked banks financial institutions to ensure that new transactions undertaken by them or their customers do not rely on or are priced using the US\$ LIBOR (London Interbank Offered Rate) or the Mumbai Interbank Forward Outright Rate (MIFOR). *(BusinessLine)*

Banks to commence '100 Days 100 Pays' campaign for return of unclaimed deposits

The Reserve Bank of India (RBI), on Friday, said banks will commence a '100 Days 100 Pays' campaign, where they will trace and settle the top 100 unclaimed deposits of every bank in every district within 100 days. *(BusinessLine)*



EU urged to crack down on imports of Indian fuels made with Russian oil

The European Union should crack down on India reselling Russian oil into Europe as refined fuels, including diesel, the EU's high representative for foreign policy, Josep Borrell. India has emerged in the past year as a top buyer of Russian oil following Moscow's invasion of Ukraine on February 24, 2022. Access to cheap Russian crude has boosted output and profits at Indian refineries, enabling them to export refined products competitively to Europe and take a bigger market share. *(BusinessLine)*

Rupee falls 14 paise to 82.76 against US dollar

The rupee depreciated 14 paise to 82.76 against the US dollar in early trade on Friday, as weak Asian peers and strength of the American currency in the overseas market weighed on investor sentiments. At the interbank foreign exchange, the domestic unit fell to 82.76 in initial trade, registering a decline of 14 paise over its last close. *(BusinessLine)*

ADB approves \$300 mn loan to improve transport connectivity in Nepal

The Asian Development Bank (ADB) has approved a \$300 million loan to improve transport connectivity in Nepal to international trade routes, particularly to India and Bangladesh. The ADB said it will provide additional financial support to develop climate change mitigation and adaptation guidelines for road projects, bidding documents, performance indicators, and long-term performance-based maintenance. *(Business Standard)*

Euro's use in international payments at 3-year low, Yuan's at 5 month high

The euro's use for international payments dropped in April to the lowest in three years as those using the US dollar ticked up and the Chinese yuan's share rose to the highest in five months. Data from the Society for Worldwide Interbank Financial Telecommunications, or SWIFT, showed the proportion of cross-border transactions involving Europe's common currency fell to 31.74% of the total in April from 32.64% in March. Dollar usage climbed further to 42.71% from 41.74%. *(Business Standard)*

World Bank expects UAE's non-oil economy to expand by 4.8% in 2023

The World Bank has projected that the real GDP of the UAE will grow by 2.8 per cent in 2023, as the non-oil sector is expected to achieve strong growth of 4.8 per cent, driven by robust domestic demand, particularly in tourism, real estate, construction, transportation, and manufacturing sectors. *(Business Standard)*

EU proposes reforming customs to target online sellers like Amazon, Alibaba

The European Union proposed reforming its customs union with objectives that include making sure that trading platforms such as Amazon.com Inc and Alibaba Group Holding Ltd. comply with the bloc's regulations. The European Commission's proposal would introduce data-driven systems, streamlining reporting requirements for traders by reducing the time needed to complete import procedures, providing a single EU interface and facilitating data re-use. *(Business Standard)*



Agriculture and Rural Economy

Wheat procurement near 26 mt, MP only hope to augment Central Pool supplies

As wheat procurement reaches 25.9 million tonnes (mt) as on Ma15, the total purchases look to be between 26 mt and 27 mt this year. The drive to procure wheat in Punjab, Uttar Pradesh and Madhya Pradesh is scheduled to end within a month. There could be a surplus of about 8 mt against the annual demand under the food security law and other welfare schemes, potentially helping the government to make provision for market intervention. *(Business Standard)*

Resume trading in suspended agri-derivatives

It has been a considerable period since commodity derivatives market regulator SEBI suspended more than half-a-dozen agricultural commodities. In October 2022, the Commodity Derivatives Advisory Committee (CDAC) suggested relaunching futures trading for those suspended commodities whose prices are below the minimum support price (MSP). *(Business Standard)*

Cabinet nod for ₹1.08 lakh crore kharif fertilizer subsidy

With fertilizer prices continuing to remain high due to global factors such as a fall in production and hiked logistics costs, especially due to the Ukraine situation, the Centre expects this year's fertilizer subsidy to cross ₹2.25 lakh crore. Accordingly, the Union Cabinet on Wednesday approved a ₹1.08 lakh crore subsidy for the ongoing kharif or monsoon season, Fertilizers Minister Mansukh Mandaviya said. *(The Hindu)*

Circular economy necessary to promote livelihood security: Agri scientist

Circular economy is the need of the hour to promote entrepreneurship and livelihood security for better health index of the people, Padma Bhusan awardee agriculture scientist R B Singh said on Tuesday. Singh emphasised the importance of agricultural and industrial waste management for environmental sustainability and entrepreneurship after inaugurating a five-day training programme here, an official statement said. *(Business Standard)*

Summer crop area marginally down YoY

The sowing of summer crops is marginally down at 69.20 lakh hectares this year against 70.30 lakh hectares a year ago, according to the latest data released by the agriculture ministry. The sowing area under pulses and coarse cereals is higher year-on-year, while the acreage of rice and oilseeds is lower. *(The Economic Times)*

Growing for the future! Discussing the untapped potential of India's horticulture sector

The Economic Times, in association with Bayer and Knowledge Partner Grant Thornton Bharat, conducted the India Horticulture Future Forum 2023. Herein, subject matter experts, policymakers, industry leaders and representatives of multilateral development organisations, as well as farmer representatives in horticulture, deliberated on a range of necessary interventions in the sector. *(The Economic Times)*

Rang De collaborates with Mission Samriddhi to launch Mushroom Fund for underserved TN farmers

Peer-to-peer social investing platform Rang De has collaborated with social impact enterprise Mission Samriddhi to launch the Mushroom Fund. This specialised investment fund intends to support underserved farmers in Tamil Nadu to drive sustainable income from mushroom cultivation. *(The Economic Times)*

Apple production may halve due to unseasonal rains, snowfall; import restrictions to keep prices up

Unseasonal rains, snowfall till the end of April, and temperature dipping to 7-8 degrees Celsius have impacted the apple crop in Himachal Pradesh, Uttarakhand, and Jammu & Kashmir with growers estimating that production will be halved from last year. *(The Economic Times)*

Tur traders propose campaign to promote use of other pulses

Indians' love for arhar or tur dal is giving traders and the processing industry sleepless nights. Production has not kept pace with demand and the highest selling dal's wholesale price has shot up about 60%. Tur traders are now telling the government to start a national campaign to educate consumers about eating other pulses like chana, masur, moong and yellow peas which are available in abundance at cheaper rates. *(The Economic Times)*

Wheat prices rise 4% in two weeks

Wheat prices have increased by more than 4% in the last two weeks across the country - an unusual occurrence during the harvest season that runs from April to June because normally the new crop keeps the supply side augmented, experts said. One of the possible reasons for upward movement in prices is the holding of wheat by farmers, they said. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Investments in Hospitality Sector on Comeback Trail

Investments in the Indian hospitality sector are likely to exceed \$2.3 billion (about ₹19,000 crore) over the next two to five years, according to the first-ever hospitality report released by real estate consulting firm CBRE South Asia. *(The Economic Times)*

E-Scooters may get Pricier on Proposed Subsidy Cut

India is proposing to slash the subsidy for electric two-wheelers to 15% of the sale price from 40% at present to spread the incentive to a larger number of vehicles, officials said. The ministry of heavy industries (MHI) has sent a recommendation in this regard to a high-level inter-ministerial panel that will take a final call on the matter. *(The Economic Times)*

PLI Schemes for Labour-Intensive Toys, Leather Sector on the Cards

The government intends to roll out a production linked incentive (PLI) scheme for more labour-intensive sectors such as toys, leather and footwear, Department for Promotion of Industry and Internal Trade (DPIIT) secretary Rajesh Kumar Singh said on Wednesday.

“PLI scheme is showing significant dividends across many sectors. The intention is to also roll out this PLI scheme for more labour-intensive sectors such as toys, leather and footwear and other such sectors where employment benefits will be more significant,” Singh said at an industry interaction (*The Economic Times*).

Housing Sales in FY23 up 48% to Rs 3.47 Lakh Crore

Housing sales rose 48 per cent year-on-year to Rs3.47 lakh crore during the last fiscal across seven major cities on higher volumes and better price realisation, according to Anarock. (*The Economic Times*)

Govt. more than doubles outlay on PLI for IT hardware to ₹17,000 crore

The Union Cabinet approved an updated Production Linked Incentive (PLI) scheme for IT hardware manufacturing, with the total budgetary outlay increased to ₹17,000 crore, Minister of Electronics and Information Technology Ashwini Vaishnaw announced. (*The Hindu*)

Manufacturing, electricity output drags IIP growth to a 5-month low

Industrial output growth slid to a five-month low of 1.1% in March, slowing sharply from February’s 5.8% as electricity, consumer durables and non-durables recorded contractions from a year earlier, and manufacturing expanded just 0.5%. Mining output grew 6.8% in March, while capital goods and infrastructure goods production rose 8.1% and 5.4%, respectively. Primary goods’ output growth, however, more than halved sequentially, from 6.9% in February to 3.3% in March. (*The Hindu*)

Amazon’s cloud arm to invest \$12.7 billion in India by 2030

Amazon Web Services (AWS) said it plans to invest \$12.7 billion in India by 2030 to meet the fast-growing customer demand for cloud services in the country. The cloud-computing arm of e-tailer Amazon had already invested \$3.7 billion in India between 2016-2022. (*The Hindu*)

Centre puts start-ups’ merger approval process on fast track

The Centre has further streamlined the merger approval process for start-ups under the ‘fast track merger’ scheme introduced in 2016, now binding the Corporate Affairs Ministry (MCA) to time-bound decision making on merger proposals filed under the scheme. (*BusinessLine*)

Highways, airports fuelling expansion of organised restaurant industry

With the development of infrastructure, coupled with a strong resurgence in travel post-pandemic, travel retail is becoming a key channel for the organised restaurant industry. Restaurant and cafe chains are focussing on more aggressive expansion plans in post-pandemic times with highways and airports offering great opportunities, say players. About ₹Rs 350 crore released under the Indian Footwear and Leather Development Programme so far. (*BusinessLine*)

Govt examining various initiatives to support leather sector

To give a boost to the labour-intensive leather and footwear sector, the Commerce and Industry Ministry is looking at formulating some initiatives to support manufacturers such as enhancing availability of raw materials, officials have said. (*BusinessLine*)

Surge in paper and paperboard imports threatens Indian industry; IPMA calls for urgent action

Imports of paper and paperboard in India have jumped 47 per cent from ₹7,839 crore in FY22 to ₹11,513 crore in FY23, according to the latest data issued by the Directorate General of Commercial Intelligence & Statistics (DGCI&S). The Indian Paper Manufacturers Association warns that these imports are negatively impacting the domestic industry and jeopardizing livelihoods, calling for measures to level the playing field. *(BusinessLine)*

India's newest infra lender to loan Rs 1 lakh crore this fiscal

The Indian government-backed National Bank for Financing Infrastructure and Development (NaBFID) expects to sanction close to 1 trillion rupees (\$12.23 billion) in loans this financial year, its top executive told Reuters on Tuesday. The infrastructure lender, which started operations last year, has sanctioned in-principle loans worth 450 billion rupees so far and is ready to disburse 230 billion rupees. *(The Economic Times)*

AEPC promoting sustainable manufacturing practices in garment clusters to boost exports

Exporters body AEPC on Monday said it is promoting sustainable manufacturing practices such as usage of environment- friendly technologies to reduce carbon emission in different garment clusters of the country to boost exports. Apparel Export Promotion Council of India (AEPC) is holding a series of deliberations with all stakeholders, including brands, associations, and industry on the subject. *(BusinessLine)*

Commerce ministry may import monitoring system for leather products

The commerce ministry is considering introducing an import monitoring system for the leather sector, under which a trader will have to provide advance information about the imports and obtain a registration number, an official said. *(Business Standard)*



News on Kerala

KSUM is ranked top public business incubator in the world

The Kerala Startup Mission (KSUM) has been ranked as the world's top public business incubator by the UBI Global World Benchmark Study 2021-2022 of Business Incubators and Accelerators, marking a recognition of its key role in start-up initiatives in the State. *(The Hindu)*

Kerala: an exemplary story in palliative care

The World Health Organization (WHO) considers palliative care as an approach to improve the quality of life of patients and families confronting life-threatening illnesses such as cardiovascular diseases, cancer, and chronic obstructive pulmonary disease. overall, Kerala's community palliative care model merits attention as a global exemplar, not just for healthcare, but also for broader social and public innovations. *(The Hindu)*

Kerala will become a State without landless and extremely poor families by 2025: Chief Minister

Kerala will become a State without landless and extremely poor people by 2025, Chief Minister Pinarayi Vijayan has said. He was addressing the valedictory of State-level distribution of title deeds in Thrissur on Sunday organised in connection with the second anniversary of the Left Democratic Front (LDF) government. [\(The Hindu\)](#)

Govt. will continue its market intervention activities: Chief Minister

K-Store project launched. Stores to offer services such as bank transactions, bill payments, etc. 108 K-Stores will be fully functional by May 30. [\(The Hindu\)](#)

Ideas from Urban Dialogues to be part of urban policy: Rajesh

Consultations with a wide range of stakeholders, including common people, will go into the preparation of the urban policy, says M.B. Rajesh at the Kerala Urban Dialogues series organised by KILA. [\(The Hindu\)](#)

K-RERA revamped website to give buyers accurate information on real-estate projects

For builders, it opens up a commercial opportunity as the website encourages transparency, accountability and credibility, says Minister. [\(The Hindu\)](#)

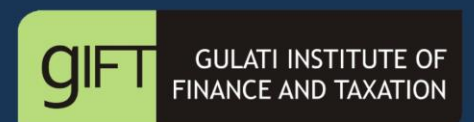
Review of regulatory framework needed to create a vibrant real estate sector: study

A study by the Gulati Institute of Finance and Taxation (GIFT) has recommended a re-examination of the current regulatory framework for the real estate sector in Kerala. Observing that the State's tax structure prevents the emergence of a vibrant real estate sector, the report, 'Regulation and Development: A Study of Real Estate Sector in Kerala,' has recommended that the stamp duty in the State, which is higher compared to other states, be reduced to 5%. [\(The Hindu\)](#)

T'puram trumps Kochi in prices of apartments in 60-110sq.m category

Trivandrum recorded a higher increase in carpet area compared to Kochi for apartments between 60sq.m-110sq.m within a span of eight years (2013-2021), while apartments above 110 sq.m (1,184 sq.ft) became pricier by 79% in Kochi during the same period, as per a report by Gulati Institute of Finance and taxation which was submitted to Kerala Real estate regulatory authority on Wednesday. [\(The Times of India\)](#)

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



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