



Public Finance

18 States yet to receive ₹4,700 crore in MGNREGS wages from Union government

The latest figures, show that the Centre's dues to many other States are also significantly high, with just three months to go for the financial year to end. The Centre, as on December 14 owes ₹4,700 crore of wages to 18 states and ₹5,450 crore worth material costs to 19 States. (*The Hindu*)

PFRDA proposes bringing gig workers into pension fold: Chairman

India's pension fund regulator has recommended the federal government introduce a UK-like pension scheme for the country's gig workers, a move aimed at bringing about 90 per cent of the overall workforce into the pension fold, its chairman told Reuters. (*BusinessLine*)

Govt liabilities up 1% to ₹147 L cr in Q2

The total liabilities of the government increased to ₹147.19 lakh crore at September-end from ₹145.72 lakh crore at the end of June, according to the latest data on public debt. In percentage terms, it reflects a marginal quarter-on-quarter increase of 1% in the second quarter of 2022-23. (*The Economic Times*)

Lower Subsidy Bill Seen in FY24 Even After Free Grains

The Centre's subsidy bill is expected to fall in the next fiscal year even after making food grain free for the poor as the additional allocation under the Covid-19 relief scheme will end in December this year. However, the food subsidy payout will likely be as much as ₹25,000 crore higher than in the pre-Covid years with the Centre also deciding to bear the cost of foodgrain transport. (*The Economic Times*)



Taxation

CAI seeks withdrawal of 11% import duty imposed on cotton

Cotton Association of India (CAI) has sought the withdrawal of the 11% import duty imposed on cotton last year, saying that the textile industry is working at half its installed capacity. This comes amid a sharp decline in demand for Indian textile products in the West. (*Mint*)

I-T returns. Last chance to file revised ITR for FY22 ends on December 31

If you have yet to file Income Tax Return (ITR) for fiscal year 2021-22 (assessment year 2022-23), you have six days to do it and that too with penalty. Failure to not file ITR could also lead to prosecution. December 31 is the due date not just for filing the original return but also for the revised return. It means if one needs to rectify the mistake in the return filed on or before the due date (for example July 31 for salaried class), then she can do that on or before July 31. However, no penalty be levied on revised return. (*BusinessLine*)

Government tweaks GST rules for claiming input tax credit

A taxpayer under Goods and Services Tax (GST) will be required to reverse the input tax credit (ITC) claimed by November 30 in case his supplier has failed to deposit the dues taxes by September 30, the finance ministry has said Tuesday. The ministry has inserted Rule 37A in Central Goods and Services Tax rules to give effect to the new provision. *(The Economic Times)*

CBIC asks taxmen to recover lower dues from firms under insolvency

The Central Board of Indirect Taxes and Customs (CBIC) issued two key circulars on Wednesday, clarifying its stance on the treatment of tax dues from companies undergoing insolvency and the limitation period for issuing show-cause notices under the Goods and Services Tax (GST) regime. This is following the approval of the GST Council in its December 17 meeting. *(Business Standard)*



National Accounts and State of the Economy

India emerges as leading investment destination for billionaires worldwide

India emerged as one of the leading investment destinations for billionaires across the world, as per the UBS Billionaire Ambitions Report 2022. The report is based on surveys, questions and information from the UBS Evidence Lab on over 2,500 billionaires across 75 markets. Billionaires are looking to put more of their money in India due to the strong growth of the region's economy, according to the report. *(The Economic Times)*

Global slowdown not mirrored in India, says Finance Ministry

India's economic momentum has been sustained well in the third quarter of 2022-23 and there is cause for cautious optimism as the slowdown in global economic activity is not mirrored in India's performance of various high-frequency indicators, the Finance Ministry said. "Private consumption, bolstered by pent-up demand, reached its highest among all second quarters during the past 11 years at 58.4% of GDP. *(The Hindu)*

Focus on labour reforms, social security for informal workers in 2023

Expanding the social security coverage for unorganised workers and pursuing states to make rules for labour codes will be the key priorities for the government in 2023, as efforts continue to strengthen the country's labour market. With India set to host G-20 leaders' summit for the first time next year, the Union labour ministry will also pursue key employment-related agenda touching upon global skill gaps, gig and platform economy, sustainable financing of social security schemes and other issues. *(Business Standard)*

India's growth rate to be 6.4% for next 5 years: UK-based research centre

India's annual growth trajectory for the next five years is expected to be 6.4 per cent, after which it is likely to rise to 6.5 per cent during the subsequent nine years, according to the Centre for Economics and Business Research (CEBR). This is going to lead India to the third spot in global ranking by 2037 from the existing fifth in the World Economic League Table in 2022. *(Business Standard)*

Unfunded pension scheme is a tax on future generations, says Sanyal

Concerned over revival of the Old Pension Scheme by certain Opposition-ruled States, Economic Advisory Council to the Prime Minister (EAC-PM) member Sanjeev Sanyal on Monday said unfunded pension schemes are ultimately a tax on future generations. Mr. Sanyal further said given the current stress in the global economy and the repeated downgrades done to the world GDP growth numbers by international agencies, it was quite obvious that 2023 would also be a difficult period. *(The Hindu)*

Retail, farm segments set to drive credit growth in FY23: CRISIL

Strong domestic demand, healthier corporate balance sheets, and a well-capitalised banking sector are expected to steer India towards a 7 per cent gross domestic product (GDP) print in 2022-23. A large part of this growth will be spurred by the retail segment. In fact, bank credit to the retail segment, which was up 11.5 per cent on-year as of October 2022, is projected to accelerate, rising 17-18 per cent on-year in the current fiscal year, primarily owing to rising demand for home loans. *(Business Standard)*



Banking and Monetary Policy

Note in circulation rise 8 pc annually to Rs 32 lakh crore: FM

Finance Minister Nirmala Sitharaman on Monday said note in circulation (NiC) has witnessed an annual growth of 7.98 per cent to Rs 31.92 lakh crore as of December 2, 2022. The demand for currency depends upon several macroeconomic factors, including economic growth and level of interest rates, she said in a reply to the Lok Sabha. *(The Economic Times)*

RBI report shows credit growth spurs public lenders' balance sheets to 10-year high in first half of FY23

Under the backdrop of a highly uncertain global environment caused by globalisation of inflation, energy and food shortages, and synchronised tightening of monetary policy worldwide, the Indian economy was exhibiting signs of a gradual strengthening of the growth momentum, drawing from macroeconomic fundamentals, the Reserve Bank of India (RBI) said in the Report on Trends and Progress of Banking in India 2021-22. *(The Hindu)*

Indian banks' fundraising spree to continue in Jan-Mar to enhance capital, say analysts

Banks are set to raise at least ₹300 billion in the January-March quarter, as they look to lock in funding in a tightening liquidity situation. Fundraising from banks so far in this fiscal has already crossed that of the previous year, when banks had raised ₹760 billion, according to data from Prime Database. *(The Hindu)*

Banks increase deposit rates on tight liquidity, high credit growth

Major banks such as Punjab National Bank, Canara Bank, State Bank of India (SBI), and Bank of India are offering peak interest rates of 7.25 per cent, 7 per cent, 6.75 per cent and 6.75 per cent, respectively. Banks have made a beeline to increase rates on their deposits as liquidity in the system has tightened and credit growth has remained consistently high. *(Business Standard)*

NBFCs need to be mindful of rising borrowing costs, says RBI report

While non-banking finance companies (NBFCs) have weathered the pandemic reasonably well, they have to be mindful of the rising borrowing costs they face in the wake of tightening monetary policy measures, the Reserve Bank of India (RBI) said in its Trend and Progress Report for 2021-22. *(Business Standard)*

RBI to streamline charges for a safer, more affordable payments system

The Reserve Bank of India (RBI) is aiming to streamline the framework of charges for different payment systems to ensure that the country has a state-of-the-art payment system, which is not only safe and secure but also swift and affordable. *(Business Standard)*

Bank frauds from card, net-based transactions rise, shows RBI report

The average amount of fraud — defined as the total amount involved in frauds divided by number of frauds — decreased substantially during 2021-22, data from Reserve Bank of India's (RBI's) Trend and Progress Report shows. In terms of the number of frauds, the modus operandi seems to have shifted to card or internet-based transactions. Cash frauds are on the rise as well, the report said. *(Business Standard)*

Banks' net NPA ratio at 10-yr low, GNPA's continue downward journey: RBI

The rise in profitability that aided banks to improve their provisions has resulted in net non-performing assets (NPAs) to net advances ratio falling to 1.3 per cent in September 2022 – the lowest in 10 years — the Reserve Bank of India's (RBI's) Financial Stability Report said. *(Business Standard)*

Banks using quality liquid assets to fund loan growth: RBI report

The decadal high credit growth amid slow deposit accretion and tight liquidity conditions have meant that banks are drawing down their high-quality liquid assets (HQLAs) to fund the demand for credit in the economy, the Reserve Bank of India's (RBI) Financial Stability Report said. *(Business Standard)*

RBI stress tests show bad loans may ease next year

Banking sector bad loans could slightly decline to 4.9% of total advances by September 2023 under the baseline stress scenario, down 10 basis points (bps) from September this year, the Reserve Bank of India (RBI) said on Thursday. *(Mint)*

Banks need robust credit appraisal policies to limit credit risk: RBI

Banks in India need to ensure they have robust due diligence and credit appraisal mechanisms in place to limit credit risk, given that uncertainties in the current macroeconomic conditions could be challenging, a report by the Reserve Bank of India said on Tuesday. *(Mint)*

Banks told to have nodal officers to assist trade settlement in Rupee

The government has asked banks to designate nodal officers who can act as a single point of contact to facilitate and promote 'international trade settlement in Indian rupees' and open special rupee vostro accounts (SRVA). The move is intended to push banks as points of referral and assist the trading community in rupee settlement. *(The Economic Times)*



UK cricket exports eye boost with India free trade deal

According to DIT, an FTA could see taxes cut or even removed entirely, along with a range of duties on other exports that would help UK firms expand into an economy due to become the world's third largest by 2050. *(The Economic Times)*

China Covid surge stokes supply fears among Indian traders

India's exports to China are falling as there is already a slowdown in the Chinese economy. The spread of Covid-19 and the upcoming Chinese New Year in the second half of January could lead to further workforce shortages. *(The Economic Times)*

India-Australia trade agreement to boost exports of gem and jewellery, engineering goods

The India-Australia ECTA (Economic Cooperation and Trade Agreement) that becomes effective on December 29 will boost exports of gem and jewellery, engineering goods and plastic goods, said the industry executives at an outreach programme on India-Australia ECTA and India-UAE CEPA (Comprehensive Economic Partnership Agreement) held in Kolkata on Wednesday. *(The Economic Times)*

Russia, India plan to drop use of US dollar, euro in bilateral trade: Russian diplomat

If the two countries switch to rupee-rouble settlement without addressing trade imbalance, then Russian banks that accept rupee payments from Indian buyers and release the corresponding amount to Russian sellers in rouble will see a huge pile-up of the rupee even after buying back all the rouble Russian buyers pay for Indian products and services. *(The Economic Times)*

'Atmanirbhar Bharat should not merely be a classical import substitution policy'

India's Free Trade Agreements with partner countries won't result in increased market access solely due to reduced tariff walls, says Biswajit Dhar, Professor, JNU. Indian businesses have to become more price-competitive and conform to standards. In an interview with businessline, Dhar talks about various challenges facing India's manufacturing sector and exports. *(BusinessLine)*

Engineering exports decline for fifth straight month in November

Engineering goods exports declined for the fifth month in a row, falling a marginal 0.30 per cent (year-on-year) to \$8.07 billion in November 2022, pulled down by the continued slowdown in China and the EU and the export duty on steel, according to the Engineering Export Promotion Council of India (EEPC). *(BusinessLine)*

Exporters on edge as raging covid in China derails trade

The covid-19 surge in China has triggered concern among Indian exporters as it may add to the softening of demand from Western countries. China, India's largest trading partner, reported an 11% decline in imports in November, and the latest outbreak could further hit exports of Indian goods. *(Mint)*

CAD doubles to all-time high of \$36.4 b in Q2 FY23

India's current account deficit (CAD) doubled sequentially to an all-time high of \$36.4 billion in Q2 FY23 from \$18.2 billion in the previous quarter, and was nearly four times higher than the \$9.7 billion posted a year ago. CAD for FY22 was at \$38.77 billion. *(BusinessLine)*

Engaging with ESMA but alternative arrangements also under deliberation: RBI report

Even as it engages with relevant stakeholders, including ESMA (European Securities and Markets Authority) and the European Commission, the RBI is also deliberating on alternative arrangements with entities likely to be impacted by ESMA's decision to de-recognise six Indian clearing houses. *(BusinessLine)*



Agriculture and Rural Economy

81 cr. people to get free food grains for one year

The Union Cabinet on Friday decided to provide free foodgrains to all 81 crore beneficiaries covered under the National Food Security Act (NFSA) for one year. The beneficiary families which used to pay ₹1 for coarse cereals, ₹2 for wheat and ₹3 for rice per kg will now get 35kg of foodgrains free for the next one year and others will get 5kg for free in a month till December 2023. *(The Hindu)*

India's rabi crops sowing rises 4.4% led by wheat

Farmers in India have sown rabi crops across 620.62 lakh hectares as of Friday, an increase of 4.4 per cent year-on-year from the previous cropping season, Union farm ministry data showed. During the same period last year, the total acreage was 594.62 lakh hectares. *(The Economic Times)*

After a tumultuous 2022, natural rubber sees muted outlook in the new year

Natural rubber prices fell by almost a fourth for the RSS-4 grade from around ₹170 per kg at the beginning of 2022 to below ₹140 towards the end of the year. Poor demand from China, the largest consumer of natural rubber, and the slowdown in Europe are said to be the reasons behind the slump, while the outlook for the new year remains muted on the rising geopolitical uncertainties. *(BusinessLine)*

Cotton arrivals dip in Telangana, AP as prices ruling low

There is a steep drop in cotton arrivals in Telangana and Andhra Pradesh. At Warangal market yard, the arrivals this year has fallen by about 45 per cent to 1.98 lakh quintals as on today against 3.61 lakh quintals the same day last year. While farmers have attributed it to the poor yields this year owing to excessive rains at the beginning of the season, the trade and industry have alleged that some farmers are holding back stocks due to relatively lower prices. *(BusinessLine)*

Crisil sees agro-chemical sector growing at 15-17% on strong demand

Agro-chemical sector will grow at 15-17 per cent this fiscal after a stellar 23 per cent growth logged last fiscal, primarily driven by continued strong exports and stable domestic demand. The revenue will further grow by 10-12 per cent next fiscal as India

continues to benefit from the China+1 strategy of global players and key molecules going off patent, rating agency Crisil said. [\(BusinessLine\)](#)

OMCs considering to hike purchase price of ethanol made from damaged grains

The Petroleum Ministry may soon decide to revise the price of ethanol made out of damaged food grains. Though the industry has been demanding higher rate for ethanol, the oil marketing companies (OMCs) are likely to revise it to ₹58.50/litre from the current ₹55.54, sources said. [\(BusinessLine\)](#)

2023 looks bleak for cardamom on lower production, prices

The outlook for cardamom in 2023 seems to be not so rosy, amid reports of farmers abandoning the crop in the main growing regions of Idukki on declining prices. With rates plummeting to ₹800-850 per kg range, there is accumulation of stocks in the consuming centers, leading to a tepid local demand. There has been a 25 per cent drop in auction arrivals during the peak cropping months of October and November. [\(BusinessLine\)](#)



Industry, Manufacturing, Services and Technology

Retail industry sees 19% rise in sales during Apr.-Nov.: RAI

India's retail industry saw a 19% rise in sales over pre-pandemic levels during the April-November 2022 period riding on the back of strong performance of segments such as quick service restaurant and footwear, Retailers Association of India (RAI) said. [\(The Hindu\)](#)

Rural adoption, customisation to lead fintech growth in 2023

After a transformative 2022, fintechs are hopeful of getting back to growth in 2023, led by rural technological adoption and customisation of offerings even as focus intensifies on collaborations and partnerships with banks and NBFCs. This year saw significant growth in the fintech segment on the back of retail and MSME credit demand and pandemic-driven physical constraints. [\(BusinessLine\)](#)

Three telecom equipment companies file claims for subsidies under PLI scheme for FY22

As the production-linked incentive scheme for telecom manufacturing is set to complete its second year, three telecom equipment manufacturing companies have filed claims for the disbursement of incentives for the 2021-22 fiscal year with the Department of Telecommunications. As the December 31st deadline to file for claims for the 2021-22 financial year nears, only three companies met the necessary production and investment targets to file claims for the scheme's first year, according to senior officials at the DoT. [\(BusinessLine\)](#)

India's crude oil production expected at 34 mt in FY24: Oil Minister

India's crude oil production is expected to grow by 10 per cent to 34 million tonnes in the next financial year, beginning April 2023, on the back of the government opening up the Exploration and Production (E&P) sector, Oil Minister HS Puri said. [\(BusinessLine\)](#)

Airbag industry in India to grow to ₹7,000 crore by FY27: Icra

The industry size of airbags, a key safety feature in vehicles, is expected to grow to up to ₹7,000 crore by FY2027 in India, from the current levels of around ₹2,500 crore, according to ratings agency Icra. *(BusinessLine)*

Eyeing ethanol, sugar industry ramps up investments to improve cane yield

The Indian sugar industry is ramping up investments to improve cane varieties in the country and it believes sugarcane yields can go up substantially based on available products and data collected by the Indian Sugar Mills Association (ISMA). *(BusinessLine)*

India's fintech industry to face a tough 2023 as investments cool: Bain

India's \$50 billion fintech industry will face hurdles in the form of tougher regulatory scrutiny and tighter liquidity leading to higher cost of capital for some companies next year, Rakesh Pozhath, partner at consulting firm Bain & Company, said. *(Business Standard)*

Majority of employers in manufacturing sector keen to hire in Q4: Report

Majority of manufacturing companies plan to hire more people in the next three months amid increasing domestic demand, according to a survey. *(Business Standard)*

India plans \$2 billion incentive for green hydrogen industry, says report

India is planning a \$2 billion incentive programme for the green hydrogen industry, three sources told Reuters, in a bid to cut emissions and become a major export player in the field. *(Business Standard)*

Blue-collar industry sees sharp rise in job opportunities: Report

The blue-collar industry has witnessed a sharp rise in job opportunities in the country and tier 2 cities have become the epicenters for such opportunities, said a report. *(Business Standard)*

Eleven captive and commercial coal mines to begin production in FY23: IEA

A total of 11 captive and commercial mines are expected to commence production in the current financial year ending March 2023, with five blocks being dedicated to power sector and two for steel production. *(BusinessLine)*

India's digital ad spend to climb to \$21 billion by 2028: Redseer

India's spend on digital advertisement would witness a steep climb and hit \$21 billion by 2028, Redseer Strategy Consultants forecast. Although the current fiscal is expected to see slower growth due to global economic slowdown, increasing interest rates and energy crisis, Redseer predicted that macroeconomic engines would pick up momentum again by FY24. *(The Hindu)*

Civil aviation sector witnessing strong V-shaped recovery: Jyotiraditya Scindia

The country's civil aviation sector is witnessing a very strong V-shaped recovery with encouraging domestic passenger numbers, and the growth will continue in the coming years, Union Minister Jyotiraditya Scindia said. After being significantly hit by the coronavirus pandemic, the sector is on the recovery path and the daily domestic air passenger traffic has been above the 4-lakh mark for the past few weeks. *(The Economic Times)*

Proposed AVGC policy will help propel industry growth: CII

The Confederation of Indian Industry (CII) on Wednesday said the proposed national and State AVGC (animation, visual effects, gaming and comics) policies can help catapult the industry to be a \$100-million sector. *(BusinessLine)*

India's mineral production increases 2.5% in Oct

The country's mineral production rose by 2.5% in October compared to the year-ago period, the mines ministry said. This is second consecutive month this fiscal when country's mineral production mineral clocked positive growth. *(Mint)*

Food processing industry invests Rs 4,900 crore under PLI scheme so far: Government

The government on Thursday said the food processing industry has made an investment of Rs 4,900 crore under the production-linked incentive (PLI) scheme so far. The PLI scheme for the food processing industry, with an outlay of Rs 10,900 crore, was approved on March 2021. It is to be implemented for a period of seven years till 2026-27. *(The Economic Times)*

Pilot rollout of Made-in-India branding of steel likely in early 2023

The Steel Ministry, which has been looking at a 'Made-in-India' branding for steel produced domestically and exported overseas, is planning to roll out the pilot project with two companies – PSU major SAIL and the country's largest stainless steel maker Jindal Stainless Ltd (JSL). *(BusinessLine)*

Budget 2023 Wish List: India needs to emphasize on capacity building for emerging sectors, aid startups for country's march to the top

Several areas of tax and regulatory rationalization will help improve the competitiveness of the domestic VC and startup industry, attract more investors to invest, and provide a more certain regulatory environment. Also, there is a need for the government to set up Fund of Funds for Industry oriented early-stage capital – just like PLI, early-stage funding of funding in some sectors such as space, Agritech, hardware, Industry 4.0, and Energy to promote entrepreneurship and drive new investments in these sectors. *(The Economic Times)*

Retail industry sees 19% rise in sales during Apr-Nov 2022

India's retail industry saw a 19 per cent rise in sales over pre-pandemic levels during the April-November 2022 period riding on the back of strong performance of segments such as quick service restaurant and footwear, Retailers Association of India (RAI) . Region wise, eastern part clocked the highest growth at 21 per cent as compared to the same period in 2019. *(Mint)*



News on Kerala

Kerala to conduct school achievement survey

For the first time, the State will be conducting a State-level school achievement survey at the end of January to identify learning gaps in students in the aftermath of COVID-19. The State Council of Educational Research and Training (SCERT) is preparing the assessment

framework to gauge students' learning competencies in the wake of observations that the pandemic significantly impacted learning. *(The Hindu)*

Kerala seeks Central support for hiking rubber production incentive

Given the steep fall in rubber prices, the State government has requested support from the Centre for raising the rubber production incentive from ₹170 to ₹250 per kg. The government has sought Central assistance in view of the huge expenditure involved. Agriculture Minister P. Prasad placed the request before Union Commerce and Industry Minister Piyush Goyal in a letter dated December 24. *(The Hindu)*

CM-PM meeting calls for boosting Centre-State ties

Chief Minister Pinarayi Vijayan met Prime Minister Narendra Modi at the latter's office in South Block on Tuesday. Both leaders discussed the emerging threat of another wave of COVID-19 infections and the precautions to contain the pandemic's resurgence. Mr. Vijayan apprised Mr. Modi of the anti-pandemic measures initiated by Kerala. *(The Hindu)*

Govt extends free import of tur, urad, refined palm oil

In a separate notification, the DGFT also extended till further notice, the free import of refined bleached deodorised palm oil and palmolein from the extant deadline of December 31, 2022. However, the directorate has retained the restriction that the imports of these refined oils will not be allowed through any port in Kerala. *(The Economic Times)*

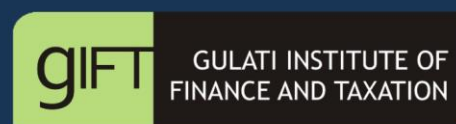
SAT Hospital is now centre of excellence for rare diseases

The SAT Hospital on Government Medical College Hospital campus here has been included on the Union Health Ministry's centre of excellence list for rare diseases, Minister for Health Veena George has said. *(The Hindu)*

Safe drinking water in all households : K.N. Balagopal

Comprehensive plans have been devised to ensure safe drinking water in all households, Finance Minister K.N. Balagopal has said here on Saturday. *(The Hindu)*

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