



Public Finance

The fight for fiscal autonomy

In a recent debate between Union Finance Minister Nirmala Sitharaman and Opposition MPs on price rise, Ms. Sitharaman said the States should do more, ignoring the fact that the reduced fiscal autonomy of the States gives them little leeway to do much. Similarly, the increasing reliance of the Union government on indirect taxes such as the GST has directly contributed to price rise and inequality. But despite reduced fiscal autonomy, States such as Tamil Nadu and Kerala have contained price rise and inflation through targeted interventions. *(The Hindu)*

States' borrowing cost rises 11 bps to 7.84 pc

States' borrowing cost went up with the weighted average cut-offs increasing by 11 basis points to 7.84 per cent at Monday's auction, nearly wiping off the decline in the last week's auctions. Last week's decline was the steepest so far this year. Since the beginning of this fiscal, states have been paying much higher for their market borrowings with the average yields sniffing at the 8-percentage-mark for many weeks. But with falling international crude prices and also the fall in the US yields last week, the yields on central government bonds have also declined this week. *(The Economic Times)*

Govt aims to monetise infra assets worth Rs 1.62 lakh crore in 2022-23

The government has set a target to monetise infrastructure assets worth Rs 1.62 lakh crore in the current financial year, Minister of State for Finance Pankaj Chaudhary said on Monday. *(ThePrint)*

Centre releases 2 instalments of tax devolution worth ₹1.17-lakh crore to States

The Centre on Wednesday released two instalments of tax devolution to State Governments totalling ₹1,16,665.75 crore. The monthly amount for August 2022 would have otherwise been ₹58,332.86 crore. The release of two instalments in one go is in line with the Centre's commitment to strengthen the hands of States to accelerate their capital and developmental expenditure, the finance ministry said. *(BusinessLine)*

Freebies: Uttar Pradesh, Maharashtra are among top-2 states with highest liabilities

A PIL has been filed in the Supreme Court against freebies by state governments. As per the petition, the Indian states have outstanding liabilities of ₹59,89,360 crore as of March 31, 2021, and new sources of risk have emerged in the form of rising expenditure on non-merit freebies. Among the Indian states, Uttar Pradesh and Maharashtra top the chart with liabilities of ₹6,62,891 crore and ₹5,36,891 crore respectively. *(Mint)*



Taxation

CAG shows several gaps in GST regime

The Comptroller and Auditor General (CAG) has pointed to several gaps in the goods and services tax (GST) regime, including problems with the refund mechanism as well as with the filing system and failure of the IT platform provider GSTN in checking the filed data (*Times of India*)

Complete verification of GST transitional credit claims, CAG tells CBIC

The Comptroller and Auditor General (CAG) has recommended completing verification of transitional credit allowed under the GST mechanism. This and other recommendations are part of a report tabled in Parliament on Monday. (*BusinessLine*)

Still half baked—the bread vs rusk tax case

Two High Courts have conflicting views on whether rusk is actually bread; it is now up to the SC to decide (*BusinessLine*)



National Accounts and State of the Economy

Record keeping rules for charitable institutions get tighter

All charitable trusts, institutions, universities and other educational trusts and medical institutions are required to keep and maintain books of account, original bills of payment, PAN card, Aadhar card and address of voluntary donors and trustees, along with details of loan taken and investment made by them. (*The Economic Times*)

Taxpayers won't be eligible for Atal Pension Scheme

Income-tax payers will not be allowed to enrol in the government's pension security scheme Atal Pension Yojana (APY) from October 1. "From October 1, any citizen who is or has been an income-tax payer, shall not be eligible to join APY," the finance ministry said in the notification issued on Wednesday. (*The Economic Times*)

India likely to be fastest growing economy, says government source

A government source on Thursday said that India is likely to be the fastest growing economy in the world this year, according to news agency PTI. The PTI source also revealed that the government is taking constant measures and is monitoring and engaging with the Reserve Bank of India (RBI) to bring down inflation. (*The Economic Times*)

Youth and women suffering the most, says Anand Mahindra on India's economy

Highlighting the issue of jobless growth plaguing the Indian economy, Mahindra Group chairman Anand Mahindra on Friday stressed the need to boost manufacturing to create jobs on a mass scale and take advantage of the global factors that are moving in India's favour. (*The Economic Times*)

Festive season: Burst of discretionary spending likely till December; recovery seen for electronics, gifting too

Demand for discretionary products, electronics and gift items in the festive season (August to December) is expected to be 15-25% more than what it was in the corresponding period of 2019, the last festive period to have no Covid-induced protocols or restrictions, several company executives said. (*The Economic Times*)

Freebies, welfare schemes are different: SC

Observing that freebies and social welfare schemes are two different things, the Supreme Court on Thursday said a balance has to be struck between the economy losing money and welfare measures. (*BusinessLine*)

Health, education were never called freebies: FM Sitharaman

Finance Minister Nirmala Sitharaman, on Thursday, came out strongly against Delhi Chief Minister Arvind Kejriwal for his deliberate obfuscation of freebies and welfare measures. The Centre's response to Kejriwal made a distinction between welfarism providing for health, education and PDS system and being fiscally imprudent by promoting schemes like free power, which the government can ill-afford. (*BusinessLine*)

Competition Bill will facilitate ease of doing business, says CCI Chairperson Ashok Kumar Gupta

Centre had on August 5 introduced the Competition (Amendment) Bill, 2022 in Lok Sabha to amend the Competition Act, 2002. Competition Commission of India (CCI) Chairperson Ashok Kumar Gupta spoke to *BusinessLine* on wide range of issues around the Bill providing regulatory perspective on the proposed amendments and their underlying rationale. (*BusinessLine*)

64% Indians surf mobile internet on the cheap

Which is the most common possession of an average Indian household? It is the mobile phone, going by the National Family Health Survey (2019-21). Almost all the households surveyed (93 per cent) owned a mobile phone, even as only 89.4 per cent had cots or mattresses, for instance. (*BusinessLine*)

As valuation dips, India has 5 fewer unicorns now

There were a large number of unicorns or start-up companies valued at \$1 billion created during the pandemic. But the slowdown in the start-up ecosystem could be impacting these show-stoppers. Five start-ups — PayTM Mall, Snapdeal, Hike, Shopclues and Quikr -are no longer unicorns, with their valuation falling below \$1 billion. The total number of unicorns may, therefore, have reduced to 103 now. (*BusinessLine*)

Industry cheers, states clamour over Electricity Bill amendments

The amendments to the Electricity Act, 2003, introduced in Parliament recently, have given overarching power to the Centre and central government agencies in areas that were either a state subject or followed a federal model. (*Business Standard*)

India's data localisation rules to be a barrier to digital trade: US

India's proposed data localisation requirements under which firms need to store data within India "will serve as significant barriers to digital trade" between the two countries, says the US government. (*Business Standard*)

Concerns over runaway inflation and CAD seem to have tapered off

With commodity prices easing due to fears of recession in advanced economies, the concerns regarding runaway inflation and current account deficit (CAD) have abated in India, a top policymaker said on Thursday. *(Business Standard)*

Globalisation shocks that could help India

Over the past decade and a half, financial, health, and geopolitical shocks have pummelled world trade. Some argue that these three shocks might even lead to the death of globalisation. But the reality is likely to be more complex: The disruptions will probably transform the global trading system rather than shrink it, with the impact varying across countries. Significantly, China will probably lose, while India might even gain. *(Business Standard)*

No chance of recession, India to be fastest growing economy this year: Report

India will be the fastest growing major economy this year and the next despite headwinds from rising inflation, widening trade deficit and a declining rupee, a top government source said on Thursday. *(Business Standard)*

'Internet of Things' may revolutionise the agricultural sector

The net benefit of IoT application is the increased agricultural output, improved quality of agricultural products, reduced labour costs coupled with increased agricultural income for farmers. IoT finds immense application in agricultural sector, wherein, the sustainable future of food is considered as the target by almost all the developing economies. *(Business Standard)*

Statsguru: Six charts explain why India's trade deficit is widening

The IMF revised India's growth downward, and data from the commerce ministry show that the trade deficit is widening. The International Monetary Fund (IMF) recently revised the global growth projection downward and reduced this year's forecast from 3.6 per cent in April's projection to 3.2 per cent in its July update of the World Economic Outlook. In October 2021, the international body had projected 4.9 per cent growth in world output for 2022. *(Business Standard)*

India holds world's highest rate of recognising start-ups per day

Prime Minister Narendra Modi had envisioned "a new India that taps on the entrepreneurial potential of its people" as he mentioned in the Independence Day speech from the Red Fort on August 15, 2015 (Indian Independence Day). A programme has been initiated to lay out an action plan to build a strong ecosystem for nurturing innovation and start-ups in the country. *(Business Standard)*

Macroeconomic challenges revisited

Shakar Acharya went on to outline some macroeconomic consequences for India, including likely outturns in key macroeconomic indicators in fiscal 2022-23, and listed some desirable policy responses by the government and the Reserve Bank of India (RBI). Four months later, it may be timely to revisit these issues and take stock. Policies are moving in the right direction, but vulnerabilities remain. *(Business Standard)*

'Current account deficit concerns will ease with falling commodity prices'

Concerns about India's trade and current account deficits are likely to dissipate in view of the recent decline in global commodity prices, a top government official said on Thursday,

asserting that criticism which equated the country's import duties to a protectionist approach in trade was misplaced. *(The Hindu)*

PSU general insurers book ₹26,364 cr loss for health portfolio in last 5 years

All four public sector insurers incurred losses of ₹26,364 crore in the health insurance portfolio for the last five years due to higher claims in group policies, a CAG report said. "The losses of the health insurance business of PSU insurers either wiped out/decreased the profits of other lines of business or increased the overall losses," an audit report by CAG tabled in Parliament recently said. *(The Hindu)*

Economy is an island of macroeconomic and financial stability, says RBI Governor Shaktikanta Das

Reserve Bank of India Governor Shaktikanta Das on August 5, 2022 said the country's economy is an island of stability despite two Black Swan events and multiple shocks. "In an ocean of high turbulence and uncertainty, Indian economy is an island of macroeconomic and financial stability," Mr. Das told reporters during the post policy press conference. *(The Hindu)*

Services sector growth slipped to four-month low in July: S&P Global PMI

India's services sector growth hit a four-month low as demand weakened amid inflation pressures, as per the S&P Global India Services Purchase Managers' Index (PMI) which moderated to 55.5 in July from an 11-year high of 59.2 in June. A reading of 50 on the PMI indicates no change in business activity levels. *(The Hindu)*

Youth employment deteriorated in India: ILO report

India experienced severe working-hour and employment losses in 2020 and 2021, and Indian youth employment deteriorated in 2021 compared to 2020, according to the Global Employment Trends for Youth 2022 report released by the International Labour Organisation on Thursday. The recovery in youth employment is still lagging globally, the report says confirming that COVID-19 has hurt young people more than any other age group. *(The Hindu)*

Ranking of democracies should be objective, contextual, says Chief Election Commissioner

Chief Election Commissioner Rajiv Kumar on Thursday said any ranking of democracies by international agencies should be objective and take into account the local context. In the keynote address, Mr. Kumar said "democracy and democratic institutions flourish when all groups of people are fully represented", an ECI statement said. *(The Hindu)*

CVC brings down pendency of disciplinary matters against govt. employees

The Central Vigilance Commission has drastically brought down the pendency of disciplinary matters against central government employees and carried out an exercise to review pending cases so as to ensure that all cases reach a logical end within a reasonable time. *(The Hindu)*

Jairam Ramesh opposes provisions of Wildlife Bill passed in Lok Sabha

A week since the Lok Sabha passed the Wildlife (Amendment) Bill, Jairam Ramesh, Chairman, Parliamentary Standing Committee on Wildlife and Climate Change (Committee) has objected to provisions of the Bill. The approved Bill allows the "transfer and transport...for a religious or any other purpose" of captured elephants a deviation Mr.

Ramesh alleged from the Committee's recommendation that they be allowed only for temple elephants (religious purposes). *(The Hindu)*

Explained | Why is there uproar over the Electricity (Amendment) Bill, 2022?

The opposition to the Bill is primarily from farmers' groups as they fear that the Bill will lead to stopping subsidies and that power distribution will thereafter be under the control of private companies. The workers in the power sector also oppose the Bill citing that privatisation of distribution companies and generating units will result in job losses. *(The Hindu)*

Election Commission collects 2.5 crore Aadhaar numbers in special drive

The Election Commission of India (ECI) has collected over 2.5 crore Aadhaar details since it started a drive on August 1 for electorates to voluntarily link their Aadhaar with Voter ID, according to an ECI statement on Wednesday. *(The Hindu)*

Rains, cooling commodities augur well for economy: Centre

Easing global commodity prices bodes well for the economy and will reflect positively on the current account deficit (CAD) even as the central government keeps a close watch on trends in inflation, especially from the perspective of protecting the interests of the poor and the middle class, a top government official said on Thursday. A promising monsoon means half the battle is won, the person said. *(Mint)*



Banking and Monetary Policy

RBI penalises eight cooperative banks

The RBI on Monday said it has imposed penalties on eight cooperative banks, including a fine of Rs 40 lakh on the Mehsana Urban Co-operative Bank, Gujarat, for non-compliance with various norms. *(The Economic Times)*

How to read the signals from our call money market

With the Reserve Bank of India tightening liquidity conditions to counter the rising inflationary trend in the country, inter-bank call money rates have been rising. This has resulted in higher short-term borrowing costs for companies. *(Mint)*

The coming Sebi storm for fintechs

For nearly a week in July, a curious scene played out near the residence of a senior executive of a mutual fund distributor in Mumbai "I found a man outside my house every day. He would ask me where I was going, when I would be back and when the mutual fund units would be processed," recalls the senior sales officer. *(Mint)*

SBI hopes rising yields will drive companies to banks

State Bank of India (SBI) is counting on renewed interest from corporates for credit offtake as rising bond yields make market borrowings more expensive. *(Mint)*

Rupee falls 40 paise to close at 79.6 against USD as risk appetite declines

The rupee fell 40 paise to close at 79.64 (provisional) against the US dollar on Monday amid waning risk appetite among investors. Lower global crude prices and a rally in

domestic equities restricted the losses to some extent, forex dealers said. *(Business Standard)*

RBI prescribes norms for small finance banks looking to deal in forex

The Reserve Bank on Monday said small finance banks which have completed two years of operations and have a minimum net worth of Rs 500 crore can deal in foreign exchange. *(Business Standard)*

RBI cancels banking licence of Rupee Co-operative Bank

The Reserve Bank of India (RBI) on Wednesday cancelled the licence of Rupee Co-operative Bank Ltd in Pune with effect from six weeks from today. According to a press release, the commissioner for cooperation and registrar of Cooperative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. *(The Economic Times)*

Major credit-score provider to exclude medical debts

Credit-score provider VantageScore Solutions LLC said it would stop factoring all medical debts that are in collections into the latest versions of its scores. VantageScore's decision goes beyond a recent move by Equifax Inc., Experian PLC and TransUnion to remove many medical collections from people's credit reports. *(Mint)*

RBI targets unfair methods in digital lending with new norms

The Reserve Bank of India (RBI) on Wednesday issued the first set of guidelines for digital lending, to crack down on illegal activities by certain players. This follows the recommendation of a Working Group on Digital Lending that had submitted its report recently. *(The Hindu)*

RBI issues digital lending norms to curb malpractices

The Reserve Bank of India (RBI) on Wednesday unveiled a regulatory framework to make digital lending safe for members of the public in the backdrop of this mode of lending gaining traction and sharp practices coming to the fore. *(BusinessLine)*

RBI rate hike triggers increase in interest rate on bank deposits

Since the RBI's 50 bps rate hike on Friday, several banks, such as YES Bank, Indian Overseas Bank, Indian Bank, Canara Bank, Jammu & Kashmir Bank, Kotak Bank, and Ujjivan Small Finance Bank, have hiked the rates on their fixed deposits in certain maturity buckets by 10–25 bps. *(BusinessLine)*

'Expected credit loss' framework can wait

The concept of ECL is not new. It was floated in April 2018 as a part of Indian Accounting Standard. But IndAS was deferred, mainly on account of the fact that the banking system was not prepared to implement it at that point of time. The ECL framework also suffers from a weakness — it aims to reckon the loss (on account of a particular loan) by finding the probability of default (PD) based on historical behaviour, whereas in reality the servicing pattern of a loan is not uniform throughout its currency and is bound to move for better or worse depending upon the borrower's cash flow. *(BusinessLine)*

Profit of public sector banks rises 9% to Rs 15,306 cr in June qtr

All the 12 public sector banks earned a cumulative profit of about Rs 15,306 crore, registering a 9.2 per cent growth annually, despite poor showing by large lenders like SBI and PNB. *(Business Standard)*

What is the 'Letter of Comfort' banned by the Reserve Bank of India?

The Reserve Bank of India (RBI) has disallowed the use of Letters of Comfort (LoC), which may impact loans worth Rs 35,000 crore. Sixty per cent of these belong to power, healthcare, engineering & construction, and road sectors, a Times of India report stated. *(Business Standard)*



External Sector

Rupee slides 39 paise on dollar demand

The Indian rupee is likely to depreciate against the US Dollar on Wednesday amid strong US dollar, risk aversion in markets, US inflation and Fed rate hike fears. USDINR spot price is expected to trade in a range of Rs 78.50 to Rs 80.50 in next couple of sessions. Rupee depreciated by 39 paise to close at 79.63 against the US dollar *(Financial Express)*.

Commerce ministry recommends anti-dumping duty on Chinese cutting tool

The Directorate General of Trade Remedies (DGTR) has recommended the duty after conducting an investigation on the dumped imports of 'resin bonded thin wheels'. It is used in various sectors ranging from welding and cutting. The directorate in its findings has concluded the item is being imported from China into India in significant quantities in both absolute and relative terms. *(The Economic Times)*

India may scrap import duty on wheat to arrest surging prices, sources say

If the government does remove the duty, and international prices also fall, then traders say they could start importing, especially during the upcoming festival season, when higher demand typically drives domestic prices higher. The South Asian country barred wheat exports in May after the crop suffered a heatwave, but domestic prices still rose to a record high. *(The Economic Times)*

India's Covid-19 fiscal stimulus was relatively small, say experts

The International Monetary Fund (IMF) said last week that to maintain external sector balance at a comfortable level over the medium term, India should gradually withdraw its fiscal and monetary policy stimulus. It must also develop export infrastructure and negotiate free-trade agreements with key trading partners to provide a sustainable boost to exports, it said. *(Business Standard)*

India's Russian refined product imports treble

India's imports of Russian crude slowed a bit in July, dropping 5% to 917,000 barrels per day (bpd), according to Vortexa. With 1.06 million barrels per day (mbd), China remained the biggest importer of sea-borne Russian crude in July. Imports of Russian refined products have tripled in recent months from the preceding three-year average, according to energy cargo tracker Vortexa. *(The Economic Times)*

India's trade gap with UAE widens as oil imports rise

India's trade gap with the United Arab Emirates ballooned fourfold in the May-June period, the first two months since the India-UAE free trade agreement came into effect, driven by a jump in oil and gold imports. The country's trade deficit with the UAE

widened to \$3.92 billion in the two-month period from \$980 million the year earlier. *(Mint)*

India plans investments across sectors to strengthen link with Sri Lankan economy

India plans to invest in Sri Lanka across sectors through both private and public firms and interconnect the Lankan economy with the Indian economy to boost the sagging fortunes of the island nation. The sectors that India is focusing to invest include renewable energy, hydrocarbons, ports and infrastructure, IT and hospitality. *(The Economic Times)*

Govt to restrict maida, suji exports from August 14

The Centre announced that the export of maida and suji will be allowed only after an inter-ministerial panel approves it, effectively restricting their shipments a month after a similar notification for *atta* (wheat flour) was issued. *(BusinessLine)*

Domestic tractor sales dip 15% in July, exports grow

The month of July proved to be a mixed bag for the tractor industry as production surpassed the one-lakh mark for the second consecutive month and exports stayed robust, but domestic sales reported a year-on-year and month-on-month decline. *(BusinessLine)*

EU to end duty benefits for 1,800 goods under Generalised Tariff Preference Scheme

India's exports of plastics, stone, machinery and mechanical appliances worth \$7.9 billion to the EU will no longer be eligible for low or zero-duty concessions from January, 2023 as the bloc would withdraw these benefits under the Generalised Tariff Preference Scheme (GSP). Exports of almost 1,800 products of plastics, fur, stone, plaster, cement, asbestos, and machinery and mechanical appliances will cease to get the benefits and make Indian goods more expensive with exporters paying. *(The Economic Times)*

Indian organic products find global takers

Between 2019-20 and 2021-22, a total of 1,978,460.38 million tonnes (mt) of organic products valued at \$2,480.24 million were exported. About 50 per cent of these exports went to the US while 37 per cent went to the European Union (EU) *(BusinessLine)*

Rupee rebounds 38 paise to 79.25 against dollar on forex inflows

The rupee on Wednesday rebounded by 38 paise to close at 79.25 against the US currency following foreign fund inflows and a weak greenback in the global markets. The US dollar index traded lower ahead of the release of US inflation data which was widely expected to be marginally lower than June numbers. *(ThePrint)*

CAD will ease as commodity prices dip

Concerns about India's trade and current account deficits are likely to dissipate in view of the recent decline in global commodity prices, a top government official said on Thursday, asserting that criticism which equated the country's import duties to a protectionist approach in trade was misplaced. *(The Hindu)*

How India can give a boost to agri exports

The recent policy initiatives are helping expand the market, but more must be done on the quality and food processing fronts. There is a lot of scope for R&D in agriculture, especially in the development of high-yielding seeds, creation of an efficient plant disease forecast system, and effective post-harvest management. While national food security is

important, there's a need to focus on value-added exports in food processing. [\(BusinessLine\)](#)

IMF paints a gloomy growth picture

The International Monetary Fund (IMF), in its latest July 2022 World Economic Outlook (WEO) Update, foretells a story of a gloomy and more uncertain outlook for the global economy. While the global growth was projected at 3.6 per cent in April 2022, as per the latest July 2022 projections, it is 3.2 percent, a 0.4 percentage point downward revision within three months. [\(BusinessLine\)](#)

Import of lentils likely to surge as prices dip

Lentils imports by India during the current financial year are likely to rise on ample global supplies with major producers like Canada and Australia seen harvesting bigger crops in weeks ahead. The expectations of higher crop is seen weighing on lentil prices globally, which have started declining. [\(BusinessLine\)](#)

Rupee gains sharply as slowing US inflation softens Fed hike fears

The Indian rupee opened higher against the dollar on Thursday as a decline in the U.S. inflation rate boosted Asian currencies, lifting risk appetite. The rupee was trading at 79.25 per U.S. dollar by 0333 GMT, up from 79.52 in the previous session. Asian shares and currencies rose after U.S. headline inflation slowed more than expected, prompting traders to pare bets of aggressive policy tightening by the Federal Reserve. [\(Business Standard\)](#)

FinMin to consider reviewing export duty once Steel Ministry sends a formal proposal

The Finance Ministry has said it will consider reviewing export levies on steel once it gets a formal proposal from the Steel Ministry. [\(BusinessLine\)](#)

India-UK aim to conclude free trade agreement by end of October

India and the UK aim to conclude the free trade agreement by the end of October this year, the commerce and industry ministry said in a statement on Thursday, adding that the two countries concluded the fifth round of talks for the agreement on July 29. The talks were held in a hybrid manner with some of the teams meeting in New Delhi and majority of officials joining virtually. [\(The Economic Times\)](#)

RBI opens Bharat Bill Payment System for NRIs to pay bills; no need for NRE A/C

The Reserve Bank of India on Friday widened the scope of the Bharat Bill Payment System, enabling it to accept cross-border in-bound bill payments. [\(BusinessLine\)](#)

Rising net SIP inflows point to return of retail investors

Net inflow at ₹8,600 crore in June accounted for 70 percent of gross flow of ₹12,276 crore. It is not just the foreign portfolio investors who are flocking to the Indian equity market but also the retail investors in mutual funds through systematic investment plan. [\(BusinessLine\)](#)



Agriculture and Rural Economy

FCI wheat procurement lower than 10,000 tonnes in 9 States

While Punjab was the main contributor to wheat buffer stocks this year, procurement by the Food Corporation of India (FCI) was less than 10,000 tonnes in as many as nine states. *(BusinessLine)*

At NITI Aayog meet, States call for effective MSP plan for oilseeds, pulses

One of the key demands made by the States at the seventh meeting of the Governing Council of NITI Aayog on Sunday was for effective implementation of the minimum support price (MSP) on oil seeds, whose import bill annually is to the tune of a whopping ₹1 lakh crore. *(BusinessLine)*

PMGKAY extension won't cast a shadow over foodgrain availability

There is no problem of availability of foodgrains in the Central pool stock if the government wants to extend the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) for another six months after its due expiry date in September. *(BusinessLine)*

Record prices lift cotton acreage

Backed by a five-year high acreage, India's cotton production in the coming season (October 2022-September 2023) will likely be around 375 lakh bales (of 170 kg each) but the weather Gods will have to be kind for that to happen. *(BusinessLine)*

Indian organic products find global takers

Between 2019-20 and 2021-22, a total of 1,978,460.38 million tonnes (mt) of organic products valued at \$2,480.24 million were exported. About 50 per cent of these exports went to the US while 37 per cent went to the European Union (EU). *(BusinessLine)*

More farmers opt for sugarcane

With the area under sugarcane for the 2022-23 season (October-September) likely to be higher by at least four per cent, India is expected to go through a sugar season similar to the current season. *(BusinessLine)*

Paddy acreage still down 13%, triggers final output fall concerns

The area under paddy — the biggest foodgrain during the kharif season — was almost 13 per cent lower in the week ended August 5 as compared to the same period last year despite a slight pick-up in rains in the main growing regions, triggering fears of a 10-12 million-tonne drop in final output. *(Business Standard)*

Dairy farmers to get Rs 4 per litre milk more till March 2023: Kerala min

Dairy farmers would be paid an additional Rs 4 per litre of milk till March next year as part of a Rs 28 crore project for them as it was not possible to increase price of milk in the state presently, Kerala Minister for Animal Husbandry and Dairy Development J Chinchurani said on Thursday. *(Business Standard)*

Good signs on crop insurance front as gross premium declines by 11%

As the Centre has been trying to win back States that quit the flagship Pradhan Mantri Fasal Bima Yojana (PMFBY), a drop in gross premium in the current kharif season can be a good sign for the crop insurance scheme. [\(BusinessLine\)](#)

Intellectap, TRIF launch carbon finance platform to support small farmers

Intellectap, part of the Avishkaar Group and the Transform Rural India Foundation (TRIF), announced the launch of a national carbon finance platform that will help Indian smallholder farmers leverage climate/ carbon finance for sustainable agro-forestry, climate smart agriculture and other activities that can result in carbon sequestration and mitigation. [\(BusinessLine\)](#)



Industry, Manufacturing, Services and Technology

Indian Deep Tech firms team up to take on giants in 5G gear supply

A group of 60 indigenous companies have forged an alliance under the banner of VoICE-Voice of Indian Communication Technology Enterprises-in a bid to bag telecommunications contracts from telecom operators and government agencies, who will be undertaking capex in the much-awaited 5G rollout. [\(BusinessLine\)](#)

IT firms laid low by high attrition rate While some expect the trend to linger, others say it is slowing down

The Indian IT services industry has been badly affected by high rate of attrition, which started to climb steadily since the quarter ended June 2021 (Q1 FY22) with a total of 4.89 lakh employees leaving the top eight companies, including Tata Consultancy Services, Cognizant, Infosys and Wipro, in the last five quarters. [\(BusinessLine\)](#)

India may not benefit from Industry 4.0

The recently concluded 5G spectrum auction is viewed as a reflection of India's determination to be a leader in the adoption of the so-called Industry 4.0. But the Big-Tech pushed Industry 4.0 narrative blindfolding India into being a forex draining 'digital consumer economy' rather than a leader. [\(BusinessLine\)](#)

'Abnormal' trend in domestic cotton futures worries textile industry

The behaviour of cotton futures on the Multi Commodity Exchange of India (MCX) has surprised textile industry players with a section of them expressing concern over the developments. [\(BusinessLine\)](#)

Despite global dip in prices, steel firms pay higher royalty on iron ore

The delay in fixing the average selling price of iron ore by the Indian Bureau of Mines (IBM) has put steel companies in a spot as they have to pay higher royalty even as iron ore prices are on a downtrend. [\(BusinessLine\)](#)

Indian companies eye new trade channels in US amid erosion of generic prices

Dr Reddy's has begun tapping some of those platforms. While the company calls Amazon as its primary partner, it is also working with other e-commerce platforms such as Thirty Madison, Click Therapeutics, Truepill to sell over-the-counter (OTC) medications.

Currently sales through e-commerce constitutes about 10% of its OTC business, but it is growing fast. (*The Economic Times*)



News on Kerala

The Union Government Is Arbitrarily Squeezing States' Fiscal Freedom To Borrow

K.N. Balagopal, the Kerala finance minister, recently wrote a detailed letter to the Union finance minister Nirmala Sitharaman in the backdrop of the grave financial crisis that state governments are facing currently. The letter states that the Union Ministry of Finance has arbitrarily, in the name of off-budget borrowing, made a reduction of approximately Rs 4,000 crore in the net borrowing limits of the state. (*The Wire*)

Centre shouldn't go against federal structure of Constitution: Kerala CM

The Centre should not go against the federal structure of the Constitution and legislation on subjects listed in its concurrent list should be carried out in consultation with the States, Kerala Chief Minister Pinarayi Vijayan said on Sunday. (*The Economic Times*)

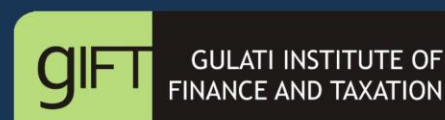
KIIFB scam: ED political tool for BJP, will not appear, says Isaac

Two-time former Kerala Finance Minister Thomas Isaac on Thursday refused to appear before the Enforcement Directorate in connection with the Kerala Infrastructure Investment Fund Board (KIIFB) scam at their office in Kochi, saying that ED was a political tool to target political rivals. (*Business Standard*)

Kudumbashree members to pack parcels in post offices

A Memorandum of Understanding between the Kudumbashree Mission and the Postal department for entrusting packing of parcels in post offices to the Kudumbashree was signed here on Thursday. Minister for Local Self-Governments M.V. Govindan who presided over function said a new chapter was being scripted with the engagement of Kudumbashree members in packing work in the Postal department. (*The Hindu*)

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