



## Public Finance

### **Momentum of FY23 sustains but some headwinds ahead: FinMin**

India will sustain its growth in a more durable way than before, a report by Finance Ministry said on Thursday. The report, however, cautioned about headwinds that could pose challenges if they are overlooked. Indian economy grew by 7.2 per cent in FY23 and the upward movement in January-March quarter played a major role in the overall growth. *(Business Line)*

### **India to reject call for anti-subsidy tax on some Chinese steel products**

India will not impose countervailing duty (CVD) on select steel products imported from China despite a recommendation from trade officials and lobbying from local steel manufacturers, a government source told Reuters. *(Business Standard)*

### **G20 Finance Ministers-Central Bank Governors meeting to end with a communique**

The third Finance Minister Central Bank Governor (FMCBG)'s meeting under India's presidency may end with the issuance of a communiqué as efforts are on to evolve a consensus on all outstanding issues, Finance Ministry officials indicated on Thursday. *(Business Line)*



## Taxation

### **28% GST on online gaming to yield Rs 20,000 cr annually: Revenue Secretary**

The government anticipates earning an additional Rs 20,000 crore per annum after the GST Council implemented a 28% tax on full bet value for online gaming, horse racing, and casinos. Indian online gaming companies are currently only paying around 2-3% GST. *(The Economic Times)*

### **Income Tax Department targets 50 cases per AO for survey and TDS verification**

The Income Tax Department has set a target of 50 cases per Assessing officer to be picked up for survey/online TDS verification. It has prescribed 16 parameters on which these cases could be picked up. These parameters include negative growth in TDS payment against healthy growth in Advance tax payment, cases of sick units or units with negative operating margins, cases showing a negative trend in payment etc. *(Business Line)*

### **Net direct tax collection grows 16 per cent to Rs 4.75 lakh crore, so far in FY24: I-T dept**

India's net direct tax collection so far this fiscal grew 16 per cent to Rs 4.75 lakh crore, said Income Tax department on Monday. "Direct Tax collection, net of refunds, stands at

Rs 4.75 lakh crore which is 15.87 per cent higher than the net collections for the corresponding period of last year." *(The Economic Times)*

### **GST Council decides to levy uniform taxation for utility vehicles**

India's Goods and Services Tax (GST) Council said that uniform taxation would be levied on multi utility vehicles and sports utility vehicles, according to a statement. The body, chaired by India's Finance Minister Nirmala Sitharaman and comprised of state finance ministers, decided all large cars, by whatever name they are called, will attract 22% cess, which is an additional tax imposed over and above GST. *(Business Standard)*

### **Net direct tax mop-up grows 16% to ₹4.75 lakh crore so far this fiscal**

Gross direct taxes, which had risen 12.7% as of June 17, had grown 14.65% to ₹5.17 lakh crore by July 9, as per the Income Tax Department. Direct tax collections have picked up pace over the past month, with net inflows rising 15.9% to ₹4.75 lakh crore by July 9, helping the government meet more than 26% of its target for this year. *(The Hindu)*



## **National Accounts and State of the Economy**

### **India may be world's 2nd-largest economy by 2075, says Goldman Sachs**

Currently, India is the world's fifth-largest economy, behind Germany, Japan, China and the US. According to the Economic Survey tabled in Parliament in January this year, the Indian economy was projected to reach the \$3.5 trillion mark by the end of March. *(Business Standard)*

### **Agriculture, allied sectors contribution to GDP can further rise on strengthened marketing; FPOs are key: Amit Shah**

Cooperation Minister Amit Shah has said that the Farmer Producer Organisations (FPOs) can enhance the contribution of agriculture and allied sectors to India's GDP by strengthening marketing. Shah highlighted the significant initiatives taken by the Modi government in the past nine years to boost the income of farmers. *(The Economic Times)*

### **India will be a \$4 trillion economy in 2024-25: PHD Chamber**

The size of the Indian Economy will cross 4 trillion in 2024 -25 and the per capita nominal GDP will also cross \$2800, said an analysis conducted by the industry body, PHD Chamber of Commerce and Industry. *(The Economic Times)*

### **21% unorganised workers exit PM pension scheme**

Nearly 21% informal workers have unsubscribed from the Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM), the Union government's pension scheme meant for unorganised workers, in less than six months, the Economic Times reported. *(The Economic Times)*

### **India to surpass US to become world's 2nd largest economy by 2075: Goldman Sachs report**

India will become the second largest economy in the world by 2075 surpassing not only Japan and Germany but also the US, stated a Goldman Sachs report on Monday. According to the investment bank report, as India's population of 1.4 billion people becomes the world's largest, its GDP is forecast to expand dramatically. *(The Economic Times)*

## India's wholesale inflation contracts at a faster clip of 4.12% in June

India's wholesale price-based inflation declined 4.12 per cent in June on an annual basis from a contraction of 3.48 per cent in May, the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry stated on Friday. *(The Economic Times)*

## Tomato price spike may contribute to headline inflation

The recent rise in tomato prices across India could jeopardise the headline inflation forecast, according to a study by the Reserve Bank of India's development research group, which suggested better supply management to ensure price stability. *(The Economic Times)*



## Banking and Monetary Policy

### Aim to increase e-rupee transactions to 10 lakh per day by 2023-end:

#### RBI DG T Rabi Sankar

The Reserve Bank of India, which is aiming for a million retail central bank digital currency (CBDC) transactions per day by the end of the current year, considers more efficient and cheaper cross-border transactions as a key aim in the development of the digital currency, deputy governor T Rabi Sankar said. *(The Economic Times)*

### RBI governor asks banks to remain extra careful and vigilant, focus on governance

Reserve Bank of India Governor Shaktikanta Das has reemphasised the need for bank chief executives to pay heed to strengthening governance by focusing on the three areas of compliance, risk management and audit functions. *(The Economic Times)*

### Mudra loans disbursal up 23% at ₹81,597 crore in Q1

The disbursal of Pradhan Mantri Mudra Yojana (PMMY) loans increased 23 per cent to ₹81,597 crore in the first quarter of FY24, compared to ₹62,650 crore in the same quarter last year. In the last financial year ended March 2023, the disbursements of small business loans Yojana (PMMY) registered an all time high at ₹4.50-lakh crore. *(Business Line)*

### Borrowings by banks hit a 8-month high of ₹5.05-lakh cr

Borrowings of banks touched an eight month high of ₹5.05 lakh crore as of June 16, the highest since October 21, as per data in the Reserve Bank of India's weekly bulletin. The surge is expected to have been driven by short-term fund requirement of banks owing to quarterly advance tax payments, market participants said. *(Business Line)*

### Unsecured loans jump 47% in 2 years till March led by small-ticket lending

Unsecured retail loans grew at a CAGR (compounded annual growth rate) of 47 per cent from March 2021 to March 2023 led by digital and information-oriented small ticket lending, according to TransUnion CIBIL's Credit Market Indicator (CMI) report. *(Business Line)*



## External Sector

### **India to reject call for anti-subsidy tax on some Chinese steel products**

India will not impose countervailing duty (CVD) on select steel products imported from China despite a recommendation from trade officials and lobbying from local steel manufacturers, a government source told Reuters. *(Business Standard)*

### **India must recalibrate its product exports**

India's merchandise exports have grown from \$303.5 billion in FY2018 to \$451 billion in FY2023, an average annual growth rate of 9.7 per cent. Though the rate seems satisfactory, when compared with that in developing East Asian economies like Malaysia and Vietnam, the country needs to be more dynamic. *(Business Line)*

### **Trade Ministers' meeting in London to help resolve sticky issues in proposed FTA**

India is hopeful of substantial progress in resolution of the handful of sticky matters remaining in the proposed India-UK Free Trade Agreement (FTA) as Commerce and Industry Minister Piyush Goyal and UK Secretary of State for International Trade Kemi Badenoch engage in discussions over two days in London starting Monday. *(Business Line)*

### **India ups crude oil imports from the US as Russian shipments stagnate**

As crude oil imports from Russia exhibit signs of stagnation, India has gradually increased its shipments of the critical commodity from the US, which is clawing back its lost share. *(Business Line)*



## Agriculture and Rural Economy

### **Heavy rains good for paddy, but may delay sowing of other crops**

The recent spell of rain in several parts of the country will benefit the paddy crop, while sowing of other crops such as oilseeds and pulses may be slightly delayed, the government has said. *(Business Line)*

### **No takers for FCI's rice at ₹31/kg**

The offtake of wheat in the third round of e-auction, as part of the Centre's Open Market Sale Scheme (OMSS) to tame rising foodgrain prices, witnessed sales of over 42 per cent of the 4.18 lakh tonnes (lt) on offer on Wednesday. *(Business Line)*

### **Tepid response: Govt likely to tweak open-market sale policy for rice**

The government on Monday said it was open to tweaking the open-market sale (OMS) scheme for rice after getting a response less than expected in the sale tender a few days ago, and it hoped participation would pick up in subsequent tenders while the process continued till March next year. *(Business Standard)*

### **Deficit rains hit tur seeding in Karnataka, Maharashtra**

The acreages under tur or red gram, a key kharif pulses crop, are down by half for the week ended July 9 as deficit rains in the key producing regions of Karnataka and Maharashtra have impacted the seeding. The sluggish trend in seeding is seen triggering concerns among growers and the trade. *(Business Line)*

### **Rice prices set to rally further as weather threatens producers' yields**

Rice is a staple for more than 3 billion people and nearly 90% of the water-intensive crop is produced in Asia, where the El Nino weather pattern usually brings lower rainfall. *(Business Standard)*

### **India's organic cotton farming again caught in row over data on global production**

India's organic cotton cultivation yet again figures in a global controversy. This time, it is over the Organic Cotton Market Report 2022, released by the Textile Exchange, a non-profit organisation that claims to drive a positive action on climate change. *(Business Line)*

### **Tomatonomics — Behind the kitchen staple's soaring prices**

Would the late American novelist and food column writer Laurie Colwin review her comment "a world without tomatoes is like a string quartet without violins" in today's Indian situation if she were alive?. *(Business Line)*



## **Industry, Manufacturing, Services and Technology**

### **Private sector share in investment sees sharp decline in Q1**

Private investors turned cautious in the first quarter of 2023-24, with fresh manufacturing investment plans shrinking 17.5% year-on-year and overall project outlays rising just 4.7% to ₹3.88 lakh crore, according to Projects Today. *(The Hindu)*

### **GST Tribunal: Industry seeks clarity, time-bound resolution**

While the GST regime is now six years old, taxpayers have had to approach the courts to resolve disputes as the government dithered on setting up the GST Appellate Tribunal (GSTAT). "The GST Council should frame rules and fix a definite timeline for the formation of GSTAT, which will streamline jurisprudence and help taxpayers address grievances," said Bimal Jain, chairman of the indirect tax committee at industry chamber PHDCCI. *(The Hindu)*

### **Govt to soon share infrastructure data from Gati Shakti portal with industry, investors**

The government is working out a mechanism to share data with industry and potential investors about multi-modal connectivity as well as other physical and social infrastructure captured on the PM Gati Shakti platform. *(The Hindu)*

### **Expedite loan sanction, disbursement for projects under Rs 10,000 crore UIDF: Financial services secretary**

Financial Services Secretary, Vivek Joshi, has called for the rapid sanction and disbursement of loans to designated projects under the Rs 10,000-crore Urban Infrastructure Development Fund (UIDF) as part of a bid to construct better infrastructure in Tier 2 and 3 cities in India. *(The Economic Times)*

### **Indian pharma to reach \$57 b by FY25: Report**

The Indian pharma, which has a strong footprint in the generics segment grew by nearly 5 percent on a y-o-y basis to \$49.78 billion in FY23, and is expected to reach \$57 billion by FY25, according to the CareEdge report. *(Business Line)*

### **India's ethanol program will cap future sugar exports: BMI report**

BMI says that there is currently a fast development of additional capacity to produce ethanol in India, where the biofuel is made mainly from sugarcane. As more ethanol plants start production, more of the country's sugarcane crop will be used to make the fuel, limiting the amount of sugar that will be produced. *(Business Line)*

### **India's industrial output up 5.2% in May from 4.5% in April**

India's Index of Industrial Production (IIP) rose by 5.2% YoY in May 2023 inclusive of growth in manufacturing, power generation, and mining sectors. Manufacturing output surged 5.7% YoY while power generation grew by 0.9% YoY as against a decline in April. *(The Economic Times)*

### **India's renewable energy sector likely to add 45 GW by 2025: Report**

India's renewable energy sector is poised for a major expansion, with projections suggesting an increase of around 45 gigawatts (GW) by the fiscal year 2025, according to a report from CareEdge Ratings. This boom in capacity is attributed to a substantial project pipeline and an attractive bidding roadmap luring developers into the space. *(Mint)*

### **Icra expects domestic tyre demand to grow 6-8% in FY24**

Rating agency Icra Ltd on Wednesday said it maintains its year-on-year (YoY) growth forecast for domestic tyre demand for the current financial year (FY24) at 6-8%. This projection, it said, is supported by favourable demand from original equipment manufacturers (OEM) and an expected revival in the replacements market. *(Mint)*



## **News on Kerala**

### **Federal structure of the country under threat: Chief Minister Pinarayi Vijayan**

Chief Minister Pinarayi Vijayan accused the Centre of trespassing into the rightful domains of the States and attempting to prevent them from carrying out their responsibilities. The federal structure of the country is facing serious challenges today. There are instances where laws passed by the State legislatures cannot be put into operation as the final assent is withheld. Deliberate attempts are being made by the Centre to block them, he alleged. *(The Hindu)*

### **Kerala to decide on holding socio-economic caste census to include more castes on OBC list**

The Kerala government may have to conduct a socio-economic caste census (SECC) to decide on the inclusion of Nair, Brahmin, Kshatriya, and Ambalavasi castes on the Other Backward Classes (OBC) list in the State. The inclusion on the OBC list would entitle the community members to reservation in employment and admissions to educational



institutions. However, revision of the SECC would be a cumbersome and socially volatile exercise. *(The Hindu)*

### **Kerala seeks quick nod for KERA**

Agriculture Minister P. Prasad has urged the Central government to expedite the approval for the World Bank-assisted Kerala Economic Revival Program (KERA) aimed at agricultural revival through socio-economic interventions. After a meeting with Union Finance Minister Nirmala Sitharaman, he presented the State's position on the matter, Mr. Prasad said Kerala expected \$200 million as World Bank loan. *(The Hindu)*

### **Kerala seeks nod for 1% 'ad hoc borrowing' in 2023-24**

The State government has urged the Centre to allow it an "ad hoc borrowing increase" of 1% of the GSDP above the ceiling set for the 2023-24 fiscal in view of the resource loss suffered by the State. Finance Minister K. N. Balagopal conveyed the State's requirement to Union Finance Minister Nirmala Sitharaman. *(The Hindu)*

### **Kerala to conduct census of the elderly**

The State government will carry out a census to determine the elderly population in Kerala and prepare a databank on senior citizens, Chief Minister Pinarayi Vijayan said. The exercise would be undertaken on the lines of the disability census conducted in 2015. *(The Hindu)*

### **Six districts in Kerala see drop in grades in school performance index**

Six districts in the State have seen a drop in their grade in the Performance Grading Index for Districts (PGI-D) report for 2021-22 as compared to that for 2020-21. The PGI-D released by the Union Ministry of Education assesses the performance of the school education system at the district level. *(The Hindu)*

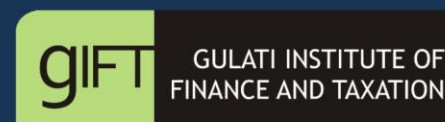
### **Kerala gets ODF Plus status for proper sanitation, waste disposal**

Kerala has been bestowed with the 'Open Defecation Free (ODF) Plus' status by the Centre for making all the villages in the state meet the parameters prescribed under the Swachh Bharat Mission, the state government said. *(Business Standard)*

### **Punjab delegation visits Kerala to learn tech to plug revenue leakage**

A Punjab government delegation led by Finance and Excise Minister Harpal Singh Cheema visited Kerala to learn about technological interventions in plugging revenue leakage and raising excise revenue. *(Business Standard)*

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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