



Public Finance

Govt to issue new 10-year G-Sec at next Friday's auction

The Government has decided to issue a new 10-year Government Security (G-Sec) at the next weekly auction on August 19. This comes in the wake of the outstanding amount in the 10-year benchmark G-Sec (coupon rate: 6.54 per cent) touching ₹1.56-lakh crore. This paper was first issued on January 17. Usually, when the outstanding in a G-Sec reaches ₹1-lakh crore to ₹1.50-lakh crore, the Government issues a new paper. (*BusinessLine*)

Corporate tax collection soars 34% between April and July: I-T dept

The Income-tax department on 12 August 2022 said that tax collections from corporates soared 34 per cent in first four months of the fiscal over that in the equivalent period in 2021-22, indicating that the “simplified tax regime with low rates and no exemptions” has lived up to its promise, the department said. (*Business Standard*)

Finmin clears ₹807 crore as one-time settlement for Rurban Mission

The Department of Expenditure has released an additional ₹807 crore as one-time settlement for the Shyama Prasad Mukherjee Rurban Mission (SPMRM) to pay for all the works that were sanctioned before March 31. The department has refused to release any additional amount for work initiated after March 31, as the scheme had been phased out as part of a rationalisation of centrally sponsored schemes, officials in the finance ministry said. (*The Economic Times*)

DESH Act: Concessional corporate tax rate proposed for extended period remains sticking issue

The Finance Ministry is yet to give a go-ahead to the Commerce & Industry Ministry's proposal of offering a concessional corporate tax rate of 15 per cent for an extended period to all greenfield and some brownfield units in the 'development hubs' that are to come up once the proposed Development of Enterprise and Service Hubs (DESH) legislation replaces the existing Special Economic Zones (SEZ) Act, a source tracking the matter has said. (*BusinessLine*)

Govt cuts windfall profit tax on domestic crude oil to Rs 13,000 per tonne

The government on 18 August 2022 increased windfall profit tax on diesel export to Rs 7 per litre from Rs 5 per litre earlier. Besides, the government again imposed Rs 2 per litre tax on export of aviation turbine fuel after scrapping it earlier this month. The new changes will come into effect from August 19. (*Business Standard*)

'State Budgets signal intent to raise capex outlays'

States are looking to ramp up capital spending and rein in revenue deficits this year as they chart a return to the path of fiscal consolidation following the pandemic shock, and have even factored in the loss of GST Compensation from the Centre, an analysis of major States' 2022-23 Budgets shows. A study of 18 major States' Budgets by the National Institute of Public Finance and Policy (NIPFP) shows that although they have factored in

slower growth this year compared with 2021-22, the State governments aim to reduce revenue spending by 0.13% of Gross State Domestic Product (GSDP) and increase capex by 0.24% of GSDP. *(The Hindu)*



Taxation

Corporate tax collection soars 34% between April and July: I-T dept

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CBIC ups threshold for prosecution, arrest in Customs offences

The Central Board of Indirect Taxes and Customs (CBIC) has upped the threshold for launching prosecution and arrest to ₹50 lakh in case of smuggling and ₹2 crore in case of duty evasion. Earlier, these limits were ₹20 lakh and ₹1 crore, respectively. Experts say higher threshold will reduce the litigations. *(BusinessLine)*

At Sept meet, GST Council ‘unlikely to correct inverted duty structure on textiles’

The GST Council is unlikely to take up correcting inverted duty structure for textile anytime soon. Meanwhile, the Council in its next meeting will take up two issues—a circular for not imposing IGST on ocean freight and opening up windows for transitional credit beside reports by two Group of Ministers (GoM). *(BusinessLine)*

GST hurting key sectors

The article addresses a host of issues confronted by infrastructure and e-commerce sectors with GST. *(BusinessLine)*

HC dismisses plea against GST levy based on Facebook posts

Social media posts on the organising of weddings and other events helped GST officials assess and impose levy. Now, Andhra Pradesh High Court has relied on these posts to dismiss a petition against the assessment. *(BusinessLine)*

All categories of taxpayers can now file updated returns for AY 2020-21 and 2021-22

All categories of Income Tax assesseees can now file updated returns for the Assessment Years 2020-21 and 2021-22, with the payment of additional tax. However, this facility is not available for those seeking a refund. *(BusinessLine)*

GST rates could change to correct inverted duty, exemptions: Report

The Goods and Services Tax (GST) Council may make rate changes in some services or products and withdraw some exemptions in a bid to correct instances of inverted duty, The Economic Times reported on Tuesday. *(Business Standard)*

Centre may release Rs 35,000 cr to states as June GST compensation

The Centre may release about Rs 35,000 crore to states as goods and service tax (GST) arrears by September-end, Business Standard has learnt, taking the compensation for the year (FY23) to Rs 1.2 trillion. *(Business Standard)*

CBIC directs GST officers to not summon senior execs in first instance

It has also said that the top brass of companies may not be summoned in the first instance, unless there are genuine reasons to believe that they are involved in decision-making leading to loss of revenue to the exchequer. Only those who have the intention to evade tax or utilise wrong input tax credits, etc, will be arrested. *(Business Standard)*

Fixing these design flaws can help states collect more GST

The Centre's GST shortfall compensation regime for states ended on June 30. But due to Covid impact and long-term structural constraints, the states want it to be extended. *(Mint)*

Govt cuts windfall profit tax on domestic crude oil to Rs 13,000 per tonne

The government on late Thursday increased windfall profit tax on diesel export to Rs 7 per litre from Rs 5 per litre earlier. Besides, the government again imposed Rs 2 per litre tax on export of aviation turbine fuel after scrapping it earlier this month. *(Business Standard)*



National Accounts and State of the Economy

CPI numbers for March 2023 could be even lower than 5%: SBI Ecowrap

The inflation trajectory for India is expected to be benign and CPI numbers for March 2023 could be even lower than 5 per cent, due to signs of softening crude oil prices which can cool off inflationary concerns further locally, an SBI Ecowrap report said. *(Business Standard)*

July retail inflation eases to 6.71% on food prices, stays above RBI target

Data released by the National Statistical Office on Friday showed consumer price index-based inflation for July was 6.71 per cent, compared with 7.01 per cent in June. Consumer food price index (CFPI) was 6.75 percent in July, down sharply from 7.75 per cent in June. *(Business Standard)*

Elevated inflation warrants appropriate policy response, says RBI article

Retail inflation based on the consumer price index (CPI) softened to 6.71 per cent in July, mainly on account of moderation in food prices. The Reserve Bank has increased the benchmark lending rate (repo) in three quick successions by 140 basis points to tame inflation, which remains above its tolerance level for the seventh month in a row. *(The Economic Times)*

Unrealistic to assume India will record sustained growth of 8 pc, says Montek Singh Ahluwalia

According to Ahluwalia, those who think India's growth projections in the near future are 7 - 7.5 per cent should recognise that the country cannot maintain that pace for such a long time. He said India's annual per capita income is around USD 2,000 and it is unlikely that it would increase to USD 12,000 by 2047 to become a high-income country as per the World Bank's definition. *(The Economic Times)*

Most economists see GDP growing at slower pace in Q1 than MPC projection

Most economists believe that India's economy grew at a slower pace than the monetary policy committee's (MPC's) projection of 16.2 per cent in the first quarter of financial year 2022-23 (Q1FY23). Their projections range between 14.5 per cent and 16 per cent. *(Business Standard)*

'Dolo-650 makers spent Rs 1,000 cr on docs for prescribing drug': SC asks Centre to file a reply

The Central Board for Direct Taxes (CBDT) has accused makers of the Dolo-650 tablet of distributing freebies worth Rs 1,000 crore to doctors as consideration for prescribing the tablet, said senior advocate Sanjay Parikh, appearing for the Federation of Medical and Sales Representatives Association of India. The petition urged to issue direction to give the Uniform Code of Pharmaceutical Marketing Practices a statutory basis and make it effective by providing a monitoring mechanism, transparency, accountability as well as consequences of violations. *(The Economic Times)*

An ageing workforce could become India Inc's achilles heel

As per CMIE estimates, 42% of India's workforce in 2016-17 was in their forties and fifties and this had risen to 51% by 2019-20 and to 57% by 2021-22. Further, 17% of India's labour force in 2016-17 was of the 15-24 years age bracket but this has dropped to 13% by 2021-22 as youngsters have delayed joining the labour market either because of lack of adequate jobs or opting for higher studies. *(The Economic Times)*

IRCTC floats tender for appointing consultant for digital data monetisation

Indian Railway Catering and Tourism Corporation (IRCTC) plans to leverage the data assets to increase revenue as well as improve customer experience. To this end, the railway PSU has floated a tender for appointing a consultant for digital monetisation, which it expects will help generate ₹1,000 crore in revenue. *(BusinessLine)*

69% of jobs in India under threat of automation: Report

69 per cent of Indian jobs are theoretically under the threat of automation by 2040 according to a recent report by a market analytics firm, Forester, on the 'Future of Jobs Forecast' between 2020 and 2040. While India will be one of the few economies in the Asia Pacific region to see massive workforce expansion in the future, the country will face challenges in incorporating automation as well as job creation of additional entrants into the work force. *(BusinessLine)*

Retailers report sales growth of 18% in July compared to pre-pandemic levels

Retailers witnessed 18 per cent sales growth in July compared to pre-pandemic levels despite inflationary pressures with expectations of a strong festival season in the coming months. This was higher than growth levels seen in June 2022 at 13 per cent compared to June 2019. Categories, such as sports goods, footwear, apparel, and furniture and furnishing led this growth, according to the latest survey by the Retailers Association of India (RAI). *(BusinessLine)*

11 States/UTs show higher retail inflation than national average, Telangana continues to record the highest

Amidst headline retail inflation coming down to a 5 month low in July, 11 States, including big states such as Maharashtra and Gujarat, have recorded higher growth rates than the national number. Another important factor is rural inflation continues to be higher than

urban in many of the 22 States and Union Territories, for which inflation number is released every month. *(BusinessLine)*

Centre and State Ministers to meet for Labour Conference in Tirupati

Following a gap of several years, a national conference of Union and State labour ministers is set to be held later this month with the proposed Labour Codes at the top of the agenda. The National Labour Conference will be held on August 25 and 26 in Tirupati, according to official sources. Union Labour Minister, Bhupender Yadav, as well as State labour ministers will attend the meet. *(BusinessLine)*

Rohingya refugees in Delhi to be given flats, security

Rohingya refugees from Myanmar in India's capital will be allotted apartments and provided with police protection, a government minister said on Wednesday, signalling a change in the stance towards members of the Muslim minority. "India has always welcomed those who have sought refuge," Minister for Housing and Urban affairs Hardeep Singh Puri said on Twitter, outlining new provisions for Rohingya refugees in New Delhi. *(BusinessLine)*

India needs robust flood management policy

This year, the heavy rainfall has caused devastating floods in several States, resulting in more than 1,439 lives being lost, 365,770 houses being damaged, and crop damage in 307 districts, per data from the Disaster Management Division, Ministry of Home Affairs. Apart from the rising death toll, crop and infrastructure damage has risen over the years. *(BusinessLine)*

Non resident without permanent establishment in India not liable for TCS

The Income Tax Department has said that the provision related with Tax Collected at Source (TCS) will not be applicable on buyers who are non-resident Indians (NRI) and not having permanent establishment (PE) in India. This will also help tour operators selling overseas tour packages to such non-resident buyers. *(BusinessLine)*

ECLGS expanded to help hospitality, related sectors

The Union Cabinet on Wednesday approved an enhancement in the Emergency Credit Line Guarantee Scheme (ECLGS) of ₹50,000 crore, raising its limit to ₹5 lakh crore, with the additional amount being deployed for enterprises in hospitality and related sectors that were hit hard by the COVID-19 pandemic. *(The Hindu)*

No more Atal Pension Yojana benefits for Income Tax payers from October 1

Income tax payers will not be allowed to enrol in the government's social security scheme Atal Pension Yojana (APY) from October 1, according to a notification. The government introduced APY on June 1, 2015, to provide social security to workers mainly in the unorganised sector. Subscribers of the scheme get a minimum guaranteed pension of ₹1,000 to ₹5,000 per month after attaining 60 years of age depending on their contributions. *(The Hindu)*

ESIC asked to extend social security schemes to all districts

The government has directed the Employees' State Insurance Corporation (ESIC) to extend its social security schemes in all 744 districts of the country by December this year. The expansion programme will have to take into consideration the increased beneficiary base, post implementation of the new legislation on social security. *(Financial Express)*

The Indian economy needs a radical reset

Globally, India is the second most unequal country. Sad news just this week tells us that social inequality and untouchability are still entrenched. Finally, our biggest failure is high unemployment. Ajit Ghosh, an authority on employment issues, has estimated an unemployment backlog of 79 million workers including 50 million in disguised unemployment. *(Mint)*



Banking and Monetary Policy

RBI mulls introducing charges on UPI-based funds transfer

The Reserve Bank of India is examining the possibility of recovering the cost of its large investment and operational expenditure in payments systems, regulating interchange and mandating per transaction fee for debit card transactions, and introducing charges on Unified Payments Interface (UPI)-based fund transfer transactions. *(BusinessLine)*

State Bank of India launches first branch dedicated to start-ups

State Bank of India (SBI) has launched its first branch dedicated to start-ups in Koramangala, Bengaluru, the country's largest lender said on Tuesday. Apart from providing funding and regular banking service to start-ups, SBI will also support such players through associated services such as investment banking, treasury operations, advisory and other ancillary financial services through its subsidiaries. *(Business Standard)*

Microfinance loans grow 24% YoY in Q1 of FY23; credit quality stable

The loan portfolio of micro-finance institutions (MFI) increased 24 per cent year-on-year (YoY) to Rs 2.75 trillion by end of this June from Rs 2.22 trillion a year ago. Sequentially, the loan book expanded from Rs 2.62 trillion at end of March 2022 (Q4FY22), according to Sa-Dhan, the self-regulatory organisation (SRO) for microfinance. *(Business Standard)*

1.5% interest subvention on short-term agri loans of up to Rs 3 lakh: Govt

The Union Cabinet chaired by Prime Minister Narendra Modi on Wednesday approved an interest subvention of 1.5 per cent per annum on short-term agriculture loan up to Rs 3 lakh to ensure "adequate credit flow in the agriculture sector". *(Business Standard)*

Indian banks now in better position to manage interest rate risks

For Indian banks, one of the most challenging aspects of a monetary tightening cycle is navigating the high degree of interest rate exposure that stems from a regulatory requirement to hold government securities. *(Business Standard)*

Reserve Bank directs loan recovery agents not to intimidate borrowers

The RBI on Friday issued fresh instructions barring recovery agents from resorting to intimidation of borrowers as well as calling them before 8 am and after 7 pm. While issuing additional instructions to regulated entities including banks, NBFCs and ARCs, Reserve Bank (RBI) said it has observed that recovery agents are deviating from its instructions with regard to the recovery of loans. *(Business Standard)*

MCLR more effective in policy transmission than base rate regime: RBI paper

The newer marginal cost of funding based lending rate (MCLR) system is more effective than the erstwhile base rate method, a paper by the Reserve Bank of India said on Friday. The paper said that for every 1 percentage point increase by the RBI in its repo rate, the weighted average lending rate by banks for fresh rupee loans moves up by 0.26-0.47 per cent per cent under the MCLR regime as against 0.11-0.19 per cent under the base rate regime. *(Business Standard)*

IMPS, NEFT, RTGS, UPI: RBI seeks public feedback on changes in payment systems

The Reserve Bank of India (RBI) has invited feedback from the public on the various changes proposed in the payments system. Feedback may be provided in respect of questions raised therein, including other relevant suggestions, through email on or before October 3, 2022, the RBI said. *(Mint)*

RBI paper bats for gradual ceding of state control from banks

The government has already announced its intention to privatize two banks. Such a gradual approach would ensure that large scale privatization does not create a void in fulfilling important social objectives of financial inclusion and monetary transmission," the RBI paper said. *(Mint)*



External Sector

A road map for India-EU ties

While India celebrates its 75th year of Independence, it also celebrates 60 years of diplomatic relations with the European Union (EU). A cooperation agreement signed in 1994 took the bilateral relationship beyond trade and economic cooperation. The first India-EU Summit, in June 2000, marked a watershed in the evolution of the relationship. *(The Hindu)*

Export growth decelerates in July as global uncertainty rises

The country's goods exports in July 2022 grew 2.14 per cent (year-on-year) to \$36.27 billion, exhibiting signs of flattening, as key sectors including engineering goods, readymade garments, gems & jewellery and pharmaceuticals registered a drop. Trade deficit almost tripled to \$30 billion in July as imports increased 43.61 per cent to \$66.27 billion, fuelled by items such as petroleum products, coal, vegetable oil, fertilisers, chemicals and electronic goods. *(BusinessLine)*

After global prices drop by over \$350/t, import of edible oils up 28% in July

Import of edible oils increased by 28.02 per cent in July compared with June following a sharp rise in the shipments of RBD palm olein and soybean oil. Solvent Extractors' Association of India (SEA) data show that India imported 12.05 lakh tonnes (lt) of edible oil in July 2022 against 9.41 lt in June 2022. The country's import of edible oil was at 9.17 lt in July 2021. *(BusinessLine)*

Rupee strengthens 29 paise to 79.45 to a dollar

The rupee gained 29 paise to settle at 79.45 against the U.S. dollar on Wednesday as heavy buying in domestic equities and persistent foreign capital inflows aided investor

sentiment. Besides, softening crude oil prices and easing inflationary pressures supported the rupee, foreign exchange traders said. *(The Hindu)*

India's oil demand to rise 7.73% in 2022: OPEC

India's demand for petroleum products such as petrol and diesel will grow by 7.73% in 2022, the fastest pace in the world, according to a report by the Organization of Petroleum Exporting Countries (OPEC). Demand for oil products is projected to rise from 4.77 million barrels per day (bpd) in 2021 to 5.14 million bpd in 2022, OPEC said. *(The Hindu)*

Steel exports decline in July again on export duty levy, global slowdown in demand

A combined impact of duty levy, seasonal weakness in demand and global slowdown in the commodity cycle saw finished steel exports from the country dip by 75 per cent year-on-year (y-o-y) in July. This is the fourth straight month of fall for Indian mills. Just 1,56,000 tonnes were exported last month. *(BusinessLine)*

Health stamp must for imports of fish, dairy products

Imported consignments of milk, milk products, pork, fish and fish products will require health certificates issued by the competent authority of the exporting country. The certificates will be valid till 90 days from the date of issue. The development comes in the wake of a directive issued by the Food Safety and Standards Authority of India (FSSAI) on August 3 which made health certification mandatory for such imports. *(The Economic Times)*

Gross inflow into gold ETFs dips to new low

The gross inflow into gold exchange traded funds (ETFs) fell to a new low of ₹96 lakh in July, with this category of passive fund registering a net outflow for the first time in the last five months. Gross inflows in June were at ₹252 crore. *(BusinessLine)*

Russia-Ukraine war, China Covid restrictions to hit India's FY23 exports: Ind-Ra

India Ratings and Research on Thursday said that India's exports trend of FY22 might not sustain in FY23 due to the adverse impact of the Russia-Ukraine war leading to recessionary concerns in advanced economies, stringent strategy to control Covid-19 in China having implications for production in various sub-sectors in India and continued disruptions in global supply chains and trading sanctions imposed on Russia. *(The Economic Times)*

Exports grew 2% in July, imports jumped 44%

India's goods exports grew 2.1% in July to \$36.27 billion while imports jumped 43.6% to \$66.27 billion, as per quick estimates from the Commerce and Industry Ministry that raised the export figure by about \$1 billion compared with the preliminary data released on August 2. India's merchandise trade deficit moderated from an earlier estimate of \$31.02 billion to \$30 billion, still an all-time high deficit in a month. *(The Hindu)*

Rupee fluctuates within a range

Gaining by 14 paise, the rupee (INR) was trading at 79.39 against the dollar (USD) in the offshore market on Tuesday. Thus, it remains within the range of ₹79–79.80 within which we expect the INR to stay in the coming week too. There are positive factors for the domestic currency. Both CPI (Consumer Price Index) and WPI (Wholesale Price Index) inflation eased in July to 6.71 and 13.93 per cent, respectively compared to preceding month's 7.01 and 15.18 per cent, respectively. *(BusinessLine)*

Rice exports: Buyers resist price hike

Rice importing nations are stiffly resisting any rise in prices despite fears of a possible impact on paddy cultivation this year in Asia due to weather-related problems. According to exporters, though rice prices in the domestic market have increased, the global market is heading south. *(BusinessLine)*

Forex market intervention aims met with lower fall in reserves: RBI article

The Reserve Bank of India (RBI) has been successful in achieving its foreign exchange market intervention goals with a progressively lower drawdown in its reserves, an article by staff of the central bank said. This is largely owing to the accumulation and timely use of foreign exchange reserves by the RBI, which has enabled the central bank to successfully intervene in the currency market during successive global high-volatility episodes, the article released in the RBI's August 2022 Bulletin said. *(Business Standard)*

At WTO, India seeks resolution of row over foodgrain buffer stocks

India will stick to its demand of prioritising a permanent solution for issue of public stockholding (PSH) or buffer stocks of foodgrains at the World Trade Organisation (WTO) without getting into the debate over whether it is the only way to ensure food security as the model has worked well for the country, a person tracking the matter has said. *(BusinessLine)*

New foreign trade policy likely next month; focus on e-commerce exports, hubs

The government is likely to release next month the new foreign trade policy with a focus on boosting e-commerce exports and developing districts as export hubs. The commerce department is working on a policy that may detail ways to reduce the compliance burden on small exporters and fund MSMEs to increase exports. *(The Economic Times)*

FTA provisions to prevail in case of conflict over Rules of Origin on imported goods, says CBIC

The finance ministry on Friday said exemptions specified in the Free Trade Agreement (FTA) with regard to country of origin will prevail in case of conflict between the revenue department and importer. The Central Board of Indirect Taxes and Customs (CBIC) informed that the customs field officers should be sensitive to applying CAROTAR and maintain consistency with the provisions of relevant trade agreements or its Rules of Origin, while giving an instruction to chief commissioners. *(The Economic Times)*

A global storm of stagflation

The global economy is suffering from twin shocks of a massive slowdown in growth accompanied by a sharp and unprecedented elevation of inflation. This is the phenomenon of "stagflation", a vice-like grip from which it is not always easy to emerge unscathed. *(BusinessLine)*

Rupee trade: Indian banks weigh the risks of tying up with Russian lenders

Indian banks are weighing the risk of opening correspondent bank relations with Russian banks, including ones that have a presence in India, such as Sberbank and VTB Bank, to carry out bilateral trade in Indian rupee, as there are concerns about irking the Western nations that have imposed banking sanctions against Russia. *(BusinessLine)*



Agriculture and Rural Economy

Kharif paddy sowing almost 15% lesser than last year, shows data

Acreage under paddy, the main food grain grown during the kharif season, continued to be almost 15 per cent less than the same period last year, raising concerns of an at least 10-12 million tonnes (mt) drop in production. *(Business Standard)*

In the field: New agricultural census will inform policymaking

The 11th agricultural census, which is underway now, is set to be vastly different and much more consequential than its past versions. For the first time, this huge exercise is being carried out fully digitally, on smartphones and tablets. It is using specially designed mobile apps and other modern tools, including satellite mapping, drones, and digitised land records — which are now available in most states — to ensure accuracy and early availability of data. *(Business Standard)*

Rice output may drop by about 10 million tonnes in 2022-23

Rice output may drop by about 10 million tonnes in 2022-23 to 120 million tonnes because of a fall in the area the cereal is sown during the ongoing kharif season, estimate traders. *(The Economic Times)*

Mustard, maize and moong cultivation must be promoted to boost farmers' income

The cultivation of maize, mustard and moong should be promoted to boost farmers' income and attain self-sufficiency in edible oils, a senior official from the union agriculture ministry said on Saturday. Indian Council of Agricultural Research (ICAR) Deputy Director General (Agriculture Extension) and Agriculture Commissioner, Government of India A K Singh also pitched for the adoption of technologies like drones in the agriculture sector. *(The Economic Times)*

Centre asks states to monitor stocks of tur dal as prices rise

The central government has directed states to monitor stocks held by different stockholders, claiming that a section of the market is trying to create artificial scarcity. *(The Economic Times)*

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Rural Jobs Scheme Work Generation Down 50% in July

Work generated under the National Rural Employment Guarantee scheme fell to nearly half in July from the prior month, on the back of a pick-up in agricultural and non-agricultural activities that kept labourers engaged and due to weakening of reverse migration. *(The Economic Times)*

Why India is not able to irrigate all available agricultural land

As per the latest data available with the Union government, against the total agricultural land of 1,80,888 thousand hectares, the cultivated land in the country is 1,53,888 thousand hectares. *(BusinessLine)*

Foodgrain output pegged at 315.72 mt

India's wheat output for the 2021-22 crop year (July-June) has been raised to 106.84 million tonnes (mt) in the fourth advance estimates, 0.43 mt higher than what was estimated in May. *(BusinessLine)*

Farm support prices are not a panacea

At the recent NITI Aayog Governing Council meeting under the Prime Minister's watch, much emphasis was laid on making the minimum support price (MSP) for crops more effective. *(BusinessLine)*

Will Centre extend free foodgrains scheme beyond Sept or let it fade away?

A sharp drawdown in India's wheat inventory, exacerbated by a fear of a fall in rice production due to drought-like conditions in the main growing states, has raised questions on the government's ability to sustain the free foodgrain distribution scheme beyond its current deadline of September 30. *(Business Standard)*

Centre projects record production of rice

The Union Agriculture Ministry released on August 17 the fourth advance estimates of production of major agricultural crops for 2021-22. The Ministry said the production of foodgrains in the country is estimated at 315.72 million tonnes which is higher by 4.98 million tonnes than 2020-21. *(The Hindu)*

Centre restores farm loan interest subsidy as rates rise

The Union Cabinet, at a meeting chaired by Prime Minister Narendra Modi here on Wednesday, decided to restore the interest subvention on short-term agriculture loans to 1.5% for all financial institutions, including cooperative banks. *(The Hindu)*

Kharif Output may Take Big Hit: Experts

With the sowing season nearing its end, experts have warned that kharif crop output could be significantly lower this year as the area under cultivation of rice, urad and tur is down by an average of 52.98% from last year. *(The Economic Times)*.

Foodgrain production may be 1.6% higher in 2021-22

"The production during 2021-22 is higher by 25 million tonnes than the previous five years' (2016-17 to 2020-21) average production of foodgrains," the ministry said in a statement. India is likely to produce 315,72 million tonnes of foodgrains in 2021-22, 1.6% higher than in the previous year, with an expected record production of rice, maize, gram, pulses, rapeseed and mustard, oilseeds and sugarcane, the agriculture ministry said in its fourth advance estimates on Wednesday. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

War, US inflation impact: Export demand from big partners may taper off

Demand for items, such as steel, apparels, leather, iron ore has been lukewarm from some of India's largest export partners, such as the United States (US), European Union (EU). After a rebound in external demand during the last one year, exporters are now apprehensive about moderation in the growth of outbound shipments for the next two-three months. *(Business Standard)*

Industrial output growth slows

India's industrial output grew 12.3% year-on-year in June, moderating from 19.6% this May, led by a 16.4% uptick in electricity and 12.5% growth in manufacturing. Mining activity grew 7.5% in the month. *(The Hindu)*

Self-reliance in India and the 4IR

India, and the world, stand at the cusp of what is termed the Fourth Industrial Revolution (4IR), in which new generation technologies such as 5G, AI, Internet of Things (IoT), quantum computing, bio-pharma, robotics, autonomous vehicles on land, sea or air, "green" energy sources including fuel cells and "green hydrogen," related batteries or other storage systems, are expected to dominate the global economy over the next few decades. *(The Hindu)*

LIC may offer a smoother ride for investors going ahead

After falling 28 per cent from the IPO price (upper end), the tide may be turning in favour of LIC. In June FY23 quarter (Q1), the insurance behemoth posted ₹603 crore of net profit, up by nearly 24x higher than ₹24.3 crore net profit posted a year-ago. *(BusinessLine)*

Indian IT revolution: The next decade will be a techade

When the first satellite dish came trundling on a bullock-cart in 1985, to be installed at the offices of the newly established Indian operations of Texas Instruments in Bengaluru, only few would have bet that it would be the heralding of a revolution in India's economic growth story. *(BusinessLine)*

India to seek more inputs from industry as FTA talks with UK enter final stage

The Indian industry is set to provide more inputs to the government on the on-going India-UK Free Trade Agreement, which is expected to double bilateral trade to \$100 billion by 2030, as negotiations have now entered an advanced stage with October-end fixed as the deadline to conclude talks. *(BusinessLine)*

Global oil prices at 6-month low, but why petrol & diesel prices are not declining in India?

At one point, they were losing Rs 20-25 per litre on diesel and Rs 14-18 a litre on petrol as international oil prices soared. These losses have been trimmed with the fall in oil prices. "There are no under-recovery (losses) on petrol now. For diesel, it will take some time to reach that level," an official said. *(The Economic Times)*

Shipping ministry proposes amendment to 110 year-old Indian Ports Act

The proposed bill seeks to amend The Indian Ports Act, 1908 with the intent of empowering and establishing State Maritime Boards. The changes are targeted towards effective administration, control and management of non-major ports in India. These boards will also provide for adjudicatory mechanisms for redressal of port related disputes. *(The Economic Times)*



News on Kerala

Kerala GST department comes up with Lucky Bill app to boost sales

The Lucky Bill mobile app launched by the state GST department is expected to increase tax compliance and boost sales in establishments coming under the purview of GST. Attractive prizes are offered for customers who upload bills of their purchase of goods and services. *(New Indian Express)*

KIIFB moves High Court against ED

The Kerala Infrastructure Investment Fund Board (KIIFB) has challenged the summons issued by the Enforcement Directorate (ED) and sought to restrain the investigation agency from taking any steps against it. *(The Hindu)*

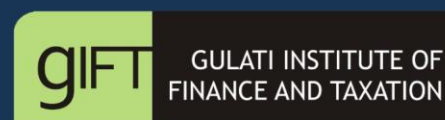
Ration shops in State to diversify services soon

Ration shops may shortly sport an altogether different look as the State Civil Supplies department gears up to roll out the concept of K-Store, diversifying the services available. Under the initiative, ration shops will double up as Akshaya centres besides dealing in small 5-kg gas cylinders, Milma products and subsidised articles of Supplyco. To begin with, five ration shops have been identified in every district across the State for the roll-out of the project. *(The Hindu)*

Pinarayi flays ED's move against KIIFB

Coming down heavily on the Enforcement Directorate, Chief Minister Pinarayi Vijayan has said the agency's move against Kerala Infrastructure Investment Fund Board (KIIFB) is an attempt to sabotage the State's development. *(The Hindu)*

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