



Public Finance

Cabinet Okays unified pension plan, to benefit 23 lakh Central staff

In a mega pension deal, the Modi government on Saturday announced the roll out of a new comprehensive Unified Pension Scheme (UPS) for Central government staff, which could potentially benefit 23 lakh employees. The new scheme — which will come into effect from April 1, 2025 — will also be available on an optional basis to State government employees, Ashwini Vaishnaw, Information & Broadcasting Minister, told a press conference after the Cabinet meeting here. ([BusinessLine](#))

Fiscal deficit to increase by 15 bps to 5.1% in FY25 due to UPS: Macquarie

The newly-announced Unified Pension Scheme (UPS) is expected to shoot up the fiscal deficit by 15 basis points (bps) to 5.1 per cent from the budgeted 4.9 per cent in the financial year 2025 (FY25), according to a report released by the Macquarie Group on Monday. The report by the global investment banker estimates that the impact on the fiscal deficit for FY25 could be seen if around Rs 45,000 crore is the burden of the new scheme on the government's finances. ([Business Standard](#))

Q1 Growth Seen in Slow Mo on Mfg Slump, Lower Govt Spend amid Polls

Slowing urban consumption, softer manufacturing sector growth and moderate government expenditure amid elections may have dragged down growth in the first quarter of FY25. India's economy likely grew by a median 6.85% in the April-June period from a year earlier, according to an ET poll of 14 economists, slipping from 7.8% in the last quarter of FY24 and 8.2% in the year before. ([The Economic Times](#))



Taxation

Tax demands over non-linked PANs leave firms in tight spot

Many employers are in a fix over demand notices from the Income Tax (I-T) Department for short deduction of tax on the income of employees who had not complied with a May 31 deadline to link their PAN and Aadhaar numbers, with some firms reporting tax demands even for workers earning less than the taxable income threshold. ([The Hindu](#))

GST Council may consider relief on life insurance premium

The GST Council is likely to consider giving relief on life insurance premium. As on date, insurance premium attracts GST up to 18 per cent. It is believed that Fitment Committee (the committee of officers from Centre and State) has favoured relief on life insurance premium, while discussion is on for relief on health insurance. The Committee examines representations regarding revision of rates on goods and services, does the ground work and finally gives suggestions to the GST Council. ([BusinessLine](#))

GST Council to discuss rate rejig exercise in Sept 9 meet

The GST Council, in its meeting to be held on September 9, is expected to discuss the roadmap for rate rationalisation exercise. However, the final decision will be taken later on. "The committee of officers will make a detailed presentation during the meeting on deliberations taken place till now on the rate rationalisation exercise. *(BusinessLine)*

No GST on fines, penalties, late fees collected by RBI, says Maha AAR

Reserve Bank of India will not have to pay Goods & Services Tax (GST) on fines, penalty collected from its regulated institutions, Maharashtra's Authority for Advance Rulings (MAAR) has said. RBI, moved to MAAR to get advance rulings on two questions – first, whether the penalties, late fee/penal interest, fine of the nature, levied and collected for contravention or violation of law are taxable under GST and second, whether the penalty of the nature for non-performance or under performance as per contractual agreement by the RBI with the third-party vendors are taxable under GST. *(BusinessLine)*

The government is estimated to have earned up to Rs 627 crore from late ITR filing fee till August 22, 2024

Belated ITR fees: The government may have earned up to Rs 627 crore from collection of late ITR filing fees till August 22, 2024. As per rules a late filing fee of Rs 5,000 or Rs 1000 or nil is levied for filing a belated ITR after the due date. There were about 14 lakh ITRs filed between August 1, 2024 and August 22, 2024. *(The Economic Times)*



National Accounts and State of the Economy

'Space sector contributed ₹20,000 crore to India's GDP over the last decade'

India's space sector has directly contributed about \$24 billion (₹20,000 crore) to India's Gross Domestic Product over the last decade. It has directly supported 96,000 jobs in the public and private sector. For every dollar produced by the space sector, there was a multiplier effect of \$2.54 to the Indian economy and India's space force was 2.5 times "more productive" than the country's broader industrial workforce. *(The Hindu)*

At the onset of GDP data, Equirus says India's economic landscape remains promising

As the government prepares to release its GDP data for Q1 of FY 2024-25, analysts hold a mix of expectations due to recent heatwaves and the election cycle. However, the overall economic outlook remains positive, supported by stable macroeconomic indicators, improving consumer sentiment, and a recovering rural economy. *(The Economic Times)*

India's growth story brightens: Moody's boosts GDP forecast to 7.2% for 2024

Moody's has raised India's real GDP growth projections to 7.2% for 2024 (up from 6.8%) and 6.6% for 2025 (up from 6.4%), citing strong, broad-based growth driven by resilient private consumption and improved business conditions. The Indian economy grew 7.8% year-over-year in the first quarter of 2024, with both the industrial and services sectors thriving despite tight monetary policy and fiscal consolidation efforts. *(The Economic Times)*

Indian economy remains resilient amid global uncertainties: NCAER

Amid global geo-political uncertainties, the Indian economy has remained resilient but the outlook seems softer due to moderation in a couple of high-frequency indicators, according to the Monthly Economic Review for August. The review was released by the National Council of Applied Economic Research (NCAER). (*The Economic Times*)



Banking and Monetary Policy

SBI sees no challenge with regard to growing its loan book, says Chairman

Even as the Reserve Bank of India and the Finance Ministry have expressed concerns over declining deposit growth, the country's largest lender State Bank of India said it faced no challenges in this regard. On the sidelines of an event held here today, Chairman Dinesh Khara said, "We are in a position to support our loan book growth well. So long as we can support the loan book growth well, I don't think that we have a challenge." (*BusinessLine*)

RBI to redeem 30 gold bonds from October 11

RBI has announced the calendar for premature redemption of sovereign gold bond issued between May, 2017 and May, 2020. In all, the Reserve Bank of India will redeem 30 SGBs from October 11 and February 7, 2025. The redemption price will be announced by RBI based on the average gold price on the last three days before maturity. The window for redemption request will be open for 20 days and the amount will be credited to the investor's account along with interest 10 days after putting in a redemption request. (*BusinessLine*)

IBBI proposes amendments to insolvency rules to accelerate MSME resolutions

In a move aimed at supporting MSMEs, the Insolvency and Bankruptcy Board of India (IBBI) has proposed a fresh amendment to the corporate insolvency regulations. This would require a corporate debtor (CD) to disclose at the start of the resolution process as to whether or not they are registered as a Micro, Small, or Medium Enterprise (MSME) under the Micro, Small, and Medium Enterprises Development Act, 2006, thereby reducing information asymmetry. (*BusinessLine*)

Foreign lenders lured by stake sales in Indian banks, but tighter rules weigh

Talks to sell majority stakes in two Indian banks have attracted interest from foreign peers in Japan and the Middle East betting on a fast-growing economy, but tighter regulations and valuation concerns could curb their appetite, analysts and sources say. (*The Hindu*)

After UPI success, RBI eyes a 'Unified Lending Interface'

After the success of UPI in the digital payments space, the RBI is now looking at the nationwide launch of a technology platform to enable frictionless credit across sectors, particularly for agriculture and MSME borrowers. The platform will facilitate consent-based flow of digital information, including land records, from multiple data service providers to lenders. (*BusinessLine*)

FACE gets RBI approval to be self-regulatory body for fintech

The Reserve Bank of India has granted recognition to one out of the three industry bodies/entities in the fintech sector, which had applied for recognition as a self-regulatory organisation (SRO), said Governor Shaktikanta Das. “Of the remaining two applications, one application has been returned with a provision for resubmission after meeting certain requirements,” Das said in his address at the 5th edition of the Global Fintech Fest. *(BusinessLine)*

Proposed changes in LCR rules to slow credit growth: Icr

Liquidity coverage ratio (LCR) of banks is set to decline as the share of wholesale deposits is set to rise with the relative share of retail deposits declining. This will require banks to deploy deposits in high quality liquid assets (HQLA) than credit which could result in a slowdown in credit growth according to ratings firm Icr. *(The Economic Times)*

RBI likely to issue final project finance guidelines in 2-3 months

The Reserve Bank of India (RBI) is likely to issue final guidelines in two to three months on provisioning and accounting norms for project finance, said a senior official from the central bank. The banking regulator is also in the advanced stage of discussion for issuing guidelines on Expected Credit Loss (ECL), said the same RBI official, who did not want to be named. *(The Economic Times)*

Want to make UPI and RuPay truly global: RBI governor Shaktikanta Das

Reserve Bank of India (RBI) governor Shaktikanta Das on Wednesday said that Indian’s central bank wants to make Unified Payment Interface (UPI) and RuPay ‘truly global’ and strengthen cross-border payment systems. Speaking at Global Fintech Fest in Mumbai, Das said the RBI is focusing on making the UPI and RuPay truly global based on encouraging response received from several jurisdictions. *(The Economic Times)*



External Sector

Investments by overseas Indians increased to \$2,112 million in July

Amid a rise in foreign direct investment inflow, investment by Indians abroad has doubled in July compared to last year, data by Finance Ministry showed. Experts attributed ease of norms by the RBI and efforts to ensure stability in raw material supply as key reasons for this rise. Overseas Direct Investment (ODI) data, tabulated by Economic Affairs Department of Finance Ministry, showed that July alone saw an outflow of \$2,112 million compared to \$1,054 million in July last year. This is a combination of equity as well as loans. *(BusinessLine)*

Turmoil in Bangladesh and its impact on India-Bangladesh trade ties

In 2023-24, India’s exports to Bangladesh were higher than many of the world’s leading economies like Japan, Germany and France. However, the ongoing socio-political turmoil has impacted economic activities in Bangladesh and is very likely to adversely affect its bilateral trade relations with India. *(The Economic Times)*

India's LNG imports during May-July 2024 at 4-year high

India's imports of liquefied natural gas (LNG) rose to a multi-year high during May-July 2024 driven by an unprecedented heat wave coupled with record high temperatures pushing electricity consumption to a new high. "This was largely driven by record high temperatures that plagued the country since May, resulting in a spike in gas-fired power generation to meet increased cooling demand. (*Business Standard*)

SEA urges govt to reconsider decision to extend de-oiled rice bran exports ban

The Solvent Extractors Association of India (SEA) has made a fresh appeal to the government to reconsider its decision to extend the ban on de-oiled rice bran exports until January 31, 2025. The industry body argues that the continued restriction is causing severe underutilisation of processing plants, particularly in eastern India. In a letter to its members, SEA highlighted the plight of rice bran processors in West Bengal, where plants are operating at low capacity or shutting down entirely. (*The Economic Times*)

Government notifies 160 tons of gold import from UAE at concessional rate this fiscal under trade pact

The Indian government has allowed the import of up to 160 tonnes of gold from the UAE at a concessional rate for 2024-25 under the India-UAE free trade agreement, known as CEPA. This follows a surge in gold imports from the UAE, prompting calls for a review of the agreement. India's gold imports dropped by 4.23 per cent to USD 12.64 billion in April-July 2024-25 due to global economic uncertainties. (*The Economic Times*)

Argentina emerges as key source for India's quest for lithium, gold and copper

Indian firms are expanding their footprint in Argentina, focusing on lithium, copper, and gold exploration. Bilateral trade has surged to \$4.6 billion, with Argentina being a key supplier of soybean and sunflower oil to India. Both nations celebrate deep-rooted cultural, economic, and defense ties, enriching their longstanding partnership. (*The Economic Times*)

India and Japan sign agreement for green ammonia export

The agreement involves a partnership between key companies from both nations and is expected to pave the way for future collaborations in the green energy sector. The project offtake agreement marks a significant step forward in India's journey to becoming a global leader in green hydrogen and ammonia production, the Ministry of New & Renewable Energy (MNRE) said. The Heads of Terms (HoT) agreement was signed between Sembcorp Industries, Sojitz Corporation, Kyushu Electric Power and NYK Line, solidifying a cross-border green ammonia supply partnership from India to Japan, it added. (*BusinessLine*)

China's July industrial profits grow despite sluggish domestic demand

China's industrial profits grew faster in July buoyed by high-tech manufacturing, even as sluggish domestic demand weighed on the recovery in the world's second-largest economy. Profits in July jumped 4.1 per cent from a year earlier following a 3.6 per cent rise in June, National Bureau of Statistics (NBS) data showed on Tuesday. (*Business Standard*)

Bangladesh garment industry faces crisis amid political unrest, floods

Bangladesh's garment industry, a vital economic pillar, is facing a severe crisis due to a volatile mix of political unrest, including violent protests, and catastrophic flooding, threatening to unravel years of rapid growth and global prominence. The textile and

garment industry, which accounts for over 80 per cent of Bangladesh's total export earnings and contributes approximately 11 per cent to the nation's GDP, has been hit hard. *(Business Standard)*



Agriculture and Rural Economy

Incentivise fishermen to adopt sustainable practices, say experts

Marine fishery experts have suggested offering incentives to encourage fishermen to adopt sustainable fishing practices and ensure traceability in the sector. They were participating in a consultative meeting here on Wednesday to review the progress of the ongoing fishery improvement project to achieve the Marine Stewardship Council certification for deep sea shrimps, coastal shrimps, and cephalopods from India. *(The Hindu)*

Centre redesigns Agricultural Infrastructure Fund to cover FPO's

The Union Cabinet, on Wednesday (August 28, 2024), expanded the scope of the Agricultural Infrastructure Fund (AIF). The scheme, worth ₹1 lakh crore, would be redesigned to include financial support for Farmers' Producers Organisations (FPOs) to enhance their financial security and creditworthiness. The Centre said the AIF would be more attractive now and strengthen the farm-related infrastructure facilities in the country. *(The Hindu)*

Cabinet allows expansion of Agricultural Infrastructure Fund (AIF) bl-premium-article-image

The Cabinet has approved the expansion of the credit scheme at subsidised interest rate under the ₹1 lakh crore Agriculture Infrastructure Fund (AIF) to create more farm-related infrastructure facilities such as warehouses, cold storage and others in the country. *(BusinessLine)*

Former Deputy Director of agriculture of PoJK highlights farmers' problems

Muzaffarabad [PoJK], August 28 (ANI): Agricultural conditions are worsening in Pakistan-occupied Jammu and Kashmir (PoJK) due to the high cost of fertilizers, the revocation of subsidies, issues with the irrigation system, water shortages, and expensive seeds. *(ThePrint)*

Monsoon rains likely to be prolonged, threatening crop harvesting

India's monsoon rains are likely to be prolonged into late September this year due to the development of a low-pressure system in the middle of the month, two weather department officials told Reuters. Above-normal rainfall due to the delayed withdrawal of the monsoon could damage India's summer-sown crops like rice, cotton, soybean, corn, and pulses, which are typically harvested from mid-September. *(Business Standard)*

Rains, cyclone threaten Gujarat's cotton and peanut crops ahead of harvest

India's biggest cotton and peanut growing areas are forecast to continue witnessing heavy rains and strong winds this week, raising the risk of floods and threatening the crops that are just weeks away from harvesting. Any severe damage to cotton plants could put pressure on the South Asian nation to increase overseas purchases, potentially

underpinning global prices of cotton that have slumped almost 15% this year. *(The Economic Times)*

Govt proposes sale of raw sugar in domestic market

The Centre has proposed to allow the sale of raw sugar in the domestic market, replacing the six-decade old regulation which allowed only export of the commodity, said a senior government official. Indian mills produce raw sugar only for overseas refineries, which turn it into refined sugar. Khandsari units with a capacity of more than 500 tonnes of cane crushed per day will fall under the proposed relaxation, leaving the small-scale units undisturbed, the official said. *(The Economic Times)*

5 sugar mills linked to leaders of ruling parties to get Rs 487 cr funds from Maharashtra govt

The Maharashtra cooperation department has dropped from its list of margin fund beneficiaries five cooperative sugar mills associated with the opposition leaders and added in their place those linked to the politicians of the ruling BJP and NCP for an award of Rs 487 crore funds. *(The Economic Times)*

Telangana leads India's food grain production surge amidst regional disparities

Telangana has achieved the highest annual growth rate of 16.42 per cent in food grain production from 2018-19 to 2023-24, leading the top ten states. In contrast, West Bengal ranks at the bottom with a growth rate of just 0.14 per cent. The median growth rate across these states is 2.45 per cent, highlighting a significant disparity. Data from the Ministry of Agriculture, spanning 2018-19 to 2023-24, offers valuable insights into how states are navigating the complex landscape of food production. *(BusinessLine)*

Uttar Pradesh government plans clusters to meet farm exports target

The Uttar Pradesh government is targeting farm exports of Rs 50,000 crore in the next three-four years with export-oriented agricultural and horticultural clusters. Currently, the state's annual farm export is around Rs 20,000 crore. *(Business Standard)*



Industry, Manufacturing, Services and Technology

Union Cabinet approves proposal to bolster biotech manufacturing

The Union Cabinet on Saturday cleared a proposal to bolster biotechnology-based manufacturing, called BioE3 (Biotechnology for Economy, Environment and Employment) Policy for Fostering High Performance Biomanufacturing. To be steered by the Department of Biotechnology, the aim is to have it catalyse a technology revolution “just as the IT industry revolutionised life in the 1990s”, an internal note viewed by The Hindu said. *(The Hindu)*

Jio AI cloud: Ambani unveils 'Diwali Welcome' offer with 100GB free storage to support AI ambitions

Speaking at the 47th Reliance Industries Annual General Meeting (AGM) chairman Mukesh Ambani announced a Diwali offer for its Jio AI-Cloud service, offering 100GB of free storage for Jio users. *(The Economic Times)*

Industry came forward for rules on small, medium Reits, says Sebi chief

Sebi chief Madhabi Puri Buch on Thursday said there has been a positive response to small and medium Reits (real estate investment trusts) and industry players came forward for regulations on such entities. Recently, the Securities and Exchange Board of India (Sebi) implemented regulations for small and medium real estate investment trusts (SM Reits) aimed at significantly increasing investor interest in fractional ownership of real estate assets. *(Business Standard)*

Cabinet Committee on Economic Affairs approves 12 new project proposals under National Industrial Corridor Development Programme

The Cabinet Committee on Economic Affairs has approved 12 new project proposals under the National Industrial Corridor Development Programme (NICDP) with an estimated investment of Rs. 28,602 crore. This move is set to transform the industrial landscape of the country creating a robust network of industrial nodes and cities that will significantly boost economic growth and global competitiveness. *(Business Standard)*

Need to balance fintech innovation with prudence: RBI

The search for all the curious heads tracking the latest updates on the industry ends here, as we provide live news updates on a wide range of sectors, including banking, infrastructure, and manufacturing. From investors to businessmen, industry trends and changes impact a large section of society. *(Mint)*



News on Kerala

Kerala's industrial landscape to undergo transformation with new city: CM

Kerala Chief Minister Pinarayi Vijayan on Thursday said the state's industrial landscape is set to be transformed with the Union Cabinet's clearance for a new industrial city in Palakkad. His statement came a day after the Union Government approved 12 new industrial cities in 10 states including Palakkad in Kerala on the lines of Greater Noida in Uttar Pradesh and Dholera in Gujarat to boost domestic manufacturing. *(Business Standard)*

Kerala govt convenes all-party meeting on Aug 29 to discuss rehabilitation of landslide survivors

The Kerala government held an all-party meeting on August 29 to discuss rehabilitation for landslide survivors in Wayanad. Chief Minister Pinarayi Vijayan chaired the meeting. Temporary relocation of 728 families to rented accommodations has been completed. The landslides on July 30 resulted in over 200 deaths and 119 people remain unaccounted for, authorities said. *(The Economic Times)*

Nuclear power plant proposal: Kerala State Electricity Board seeks study on potential sites

The Kerala State Electricity Board (KSEB) has reportedly requested the National Institute of Advanced Studies (NIAS) to carry out a feasibility study on potential locations for a nuclear power plant in Kerala. It is understood that the KSEB, in a letter to NIAS, has sought opinions on the potential of locations in Athirapally in Thrissur district and Cheemeni in Kasaragod. *(The Hindu)*

Kerala government forms special team to probe atrocities faced by women in Malayalam cinema industry

The Kerala government on Sunday formed a Special team to investigate atrocities faced by women in Malayalam cinema industry amid political slugfest after findings of harassment and abuse of women professionals by the Justice K Hema Committee. The Hema Committee report has revealed instances of harassment in the Malayalam cinema industry, prompting calls for action. According to India Today, the SIT will be headed by Inspector General Sparjan Kumar. *(Mint)*

Experts suggest offering incentives to fishermen to adopt sustainable fishing practice

Marine fishery experts have suggested offering incentives to encourage fishermen to adopt sustainable fishing practices and ensuring traceability in the sector. According to them, this is essential for maintaining sustainability and India's attempt to secure international certification for its fishery. *(BusinessLine)*

Cabinet nod for sharp cut in spending on schemes, projects after Kerala govt. reworks 2024-25 plan allocation

The Cabinet on Thursday recommended a sharp cut in the spending on projects and schemes as part of reworking the plan allocation for the 2024-25 fiscal. Giving its nod for the guidelines for the restructuring exercise, the Cabinet has recommended that projects and schemes, including recurring ones, for which administrative sanction has been accorded should either be put off or their allocation cut by half depending on priority and importance. *(The Hindu)*

Kerala orders space audit in medical colleges to ensure employee safety

In the wake of protests by healthcare professionals against the rape and murder of a resident doctor at a hospital in Kolkata, the Kerala government has ordered a space audit to ensure safety of the employees in medical colleges in the state. State Health Minister Veena George has directed the Director of Medical Education to carry out the audit, the government said in a statement on Tuesday. The direction was issued by the minister in a high-level meeting of medical colleges called by her, the statement said. *(Business Standard)*

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