



Public Finance

Business activity, capex to improve over 12 months: S&P

"Predictions that demand will remain buoyant had a positive impact on measures covered by the survey such as output, employment, profitability and investment forecasts," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence. (*The Economic Times*)

G20: India looks to forge alliance on fuels of future & climate finance

In the upcoming G20 ministerial meeting on energy transition, India is looking to push its agenda for forging an alliance on 'fuels of the future' and self-sustainable climate financing among the group, senior officials said. Under its presidency, energy transition is one of the core discussion points for India and is expected to garner financing agreements. (*Business Standard*)

Reform momentum to pick up after Lok Sabha elections, higher expenses not to impact deficit:S&P

Reform momentum is likely to pick up only after the Lok Sabha elections next year and a little bit of boost to the expenditure in an election year would not adversely impact India's fiscal deficit target, S&P Global Ratings Director Andrew Wood said on Wednesday. (*The Economic Times*)



Taxation

May go back to GST council on online gaming regulatory framework: MoS IT Chandrasekhar

Online gaming players have expressed disappointment with the decision of the Goods and Services Tax Council to levy a 28 per cent tax on online games involving real money. The Minister of State for Electronics and IT said that the GST Council is not the government of India but it is truly a federal organisation representing state governments and the centre. (*BusinessLine*)

Indian space start-ups welcome GST exemption on satellite launches

The Indian space tech start-up ecosystem welcomed the move by the GST Council that has exempted start-ups offering satellite launch services by private players. According to a report by Ernst and Young (EY), the space launch segment is expected to grow rapidly by 2025 at the rate of 13 percent per annum. (*BusinessLine*)

India to push G20 to raise share of taxes on cos which earn excess profit

India will push its Group of 20 partners at a meeting it is hosting to support its proposal to raise the share of taxes multinational companies pay to countries where they earn

"excess profits", government officials said. India's proposal, which has not been previously reported, could temper optimism among G20 members such as Australia and Japan that the meeting of finance ministers and central bankers in Gujarat would make progress on a long-awaited overhaul of global corporate taxation. *(Business Standard)*

DGGI unearths Rs 3,500-cr ITC discrepancies from 15 of 30 insurers, tax evasion probe into insurers to end by Nov

The goods and services tax (GST) evasion investigation agency will complete its probe into 30 insurance companies by November. The Directorate General of GST Intelligence (DGGI) has already completed the investigation into 15 of them, detecting input tax credit discrepancies to the tune of `3,500 crore so far. *(The Economic Times)*

Andhra Pradesh records Rs 7,653 crore GST revenue in Q1 of 2023-24: Officials

According to officials, the Andhra Pradesh Mineral Development Corporation (APMDC) is earning more revenue from Mangampeta baryte reserves and Suliyari coal block, which is expected to produce 5 million tonnes of coal in the current financial year. APMDC's revenue increased to Rs 1,806 crore in 2022-23 from Rs 502 crore in 2020-21, even as officials projected that it will rise to Rs 4,000 crore in 2023-24. *(The Economic Times)*



National Accounts and State of the Economy

Haryana, Uttarakhand account for more than half of e-waste recycling in India

Haryana and Uttarakhand are ahead of all other Indian states in collecting and processing e-waste. Both States together accounted for 56 per cent of e-waste collected and processed in the country during FY22. *(BusinessLine)*

Fresh Formal job creation slows down in May, shows EPFO data

Formal job creation slowed in May after recovering slightly at the turn of the fiscal year in the previous month, according to the latest payroll data, released by the Employees' Provident Fund Organisation (EPFO) on Thursday. The number of new monthly subscribers under the EPF declined by close to 1 per cent to 883,176 in May from 891,974 in April. *(Business Standard)*

Over 50% households in 12 Indian States have inadequate housing, finds NITI Aayog report

In 12 States, a majority of households are still deprived of housing. This includes big States such as Uttar Pradesh, Madhya Pradesh, and Jharkhand. This is according to the recent NITI Aayog report titled "National Multidimensional Poverty Index: A progress review 2023." *(BusinessLine)*

India will be shielded from risks of global slowdown: World Bank President

Amidst risk of a global slowdown in the early part of next year, India is expected to remain shielded from its effects due to robust domestic consumption, World Bank President Ajay Banga said in New Delhi on Wednesday. *(Business Standard)*

ADB retains India's economic growth forecast at 6.4% for current fiscal

The Asian Development Bank (ADB) on Wednesday retained India's economic growth forecast at 6.4 per cent for FY24 on recovery in consumption demand in both rural and

urban areas, but said suppressed exports due to global slowdown will be a drag. (*Business Standard*)

Reconstituted committee on official statistics to settle data controversies

Amid a raging debate on the quality of official data and the sampling methodologies followed, the government has renamed and expanded the scope of an existing standing committee headed by former chief statistician of India Pronab Sen. (*Business Standard*)

135 million escaped poverty in five years, says NITI Aayog report

Based on the National Family Health Survey-5 (NFHS-5) data, the central government's think tank found that the share of multidimensional poor in the Indian population declined sharply to 14.96 per cent in 2019-21, from 24.85 per cent in 2015-16. (*Business Standard*)

Need to grow at 7.6% to be a developed nation by 2047-48, says RBI

The study by Reserve Bank of India staffers said for India to become a developed country by 2047-48, would require real GDP to grow at 7.6 per cent per annum over the next 25 years, raising its current per capita GDP of \$ 2,500 to \$ 22,000. (*Business Standard*)

Demand for work under MGNREGS hits a 23-month high in June, shows data

Nearly 33.72 million households sought work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The demand hit a 23-month high in June, as low rain in the initial part of southwest monsoon season, coupled with general weakness in rural recovery pushed up demand. (*Business Standard*)

India needs average annual growth of 7.6 pc to become developed nation by 2047, highlights RBI bulletin

The Reserve Bank of India (RBI) in its July bulletin stated that India could become a developed country by 2047 with an average annual real GDP growth of 7.6 per cent over the next 25 years. An article titled 'India @ 100' stated the task of becoming a developed nation, however, may not be easy, given the current level of capital stocks, infrastructure and skill sets of the people. (*The Economic Times*)

RBI slices tomato inflation to find 5 interesting facts

In its last-mile battle with inflation, the RBI will have to contend with pricey tomatoes. The price of tomatoes has risen dramatically in recent weeks, spurting above Rs 160 and even crossing Rs 200 in some parts of the country. (*The Economic Times*)

India needs insurance pool to cover natural disasters: SBI Research

India should create a disaster pool with public-private partnerships to ensure losses against natural disasters, said a note released by SBI Research on Monday. It said that as the number of natural disasters is increasing, the country needs an insurance model to protect against disasters which could offer benefits over government loans and grants during a crisis. (*The Economic Times*)



Banking and Monetary Policy

Rupee falls 12 paise to 82.05 against US dollar

The rupee depreciated 12 paise to 82.05 against the US dollar in early trade on Friday as a negative trend in domestic equities and firm crude oil prices weighed on investor sentiments. At the interbank foreign exchange, the domestic unit opened at 82.03, then touched 82.05, registering a decline of 12 paise over its last close. *(BusinessLine)*

PE/VC investments grew 33% sequentially in H1, reveals IVCA-EY report

Private equity (PE) and venture capital (VC) investments grew 33 per cent sequentially in 1H23 to touch \$27.5 billion (\$20.6 billion in 2H22), reveals the latest IVCA-EY PE/VC monthly round-up. The investment flows for the first half of this calendar year spanned 427 deals, including 60 large deals. In value terms, it was, however, down 23 per cent compared to the same period last year, the report showed. *(BusinessLine)*

Achieve targets under financial inclusion schemes for FY24 at earliest: DFS

Vivek Joshi, secretary, department of financial services urged the Public Sector Banks (PSBs) to achieve the targets allocated to them under the various schemes for financial inclusion for the current financial year at the earliest. *(Business Standard)*

Aware of concerns of visually impaired but issuing new banknotes huge task: RBI to HC

The Reserve Bank of India on Wednesday told the Bombay High Court while it acknowledges the concerns of visually impaired persons regarding identification of currencies, introducing new banknotes was a monumental task that is time-consuming and also entails heavy expenditure. *(The Economic Times)*

PSBs to step up one-time settlement in written-off loans

Public sector banks (PSBs) are expected to step up one-time settlement (OTS) in written-off loans as the Finance Ministry and the Reserve Bank of India have emphasised on the importance of improving recovery from these accounts. Since legal action can be drawn out, the state-owned lenders are seen actively pursuing OTS to meet the Finance Ministry-set target of making about 40 per cent recovery from written-off loan accounts. *(BusinessLine)*

SBI sees no rate cut in August MPC meeting

State Bank of India (SBI), the country's largest commercial bank, does not expect the Reserve Bank of India (RBI) to go in for any rate cut at its upcoming Monetary Policy Committee (MPC) review meeting in August, its chairman Dinesh Khara said. The higher CPI level of 4.81 per cent was still below RBI's upper tolerance limit of 6 per cent. *(BusinessLine)*

RBI to detail SOP for banks to help expedite rupee trade

To tide over the hiccups faced by exporters with the rupee-based trading mechanism for foreign trade, the Reserve Bank of India (RBI) is expected to issue a standard operating procedure for banks to issue proofs of inward remittances for exporters expeditiously, a top government official said. *(The Hindu)*



External Sector

US working with India to make investment easier for energy transition: Yellen

The US and India are collaborating to increase private investment and reduce the cost of capital to speed up India's transition to clean energy, said US Treasury Secretary Janet Yellen. Speaking after a bilateral meeting with India's finance minister Nirmala Sitharaman, Yellen said such collaboration was taking place across various economic fields. *(The Economic Times)*

Textile exports continue to decline in June, mills suspend work on tepid demand

Textile and apparel exports shrank 11.3% in June compared with the year-earlier period even as several textile mills in the South suspended production on account of tepid demand. Export of cotton yarn, fabrics, made-ups and handloom products slid 1.21% year-on-year (y-o-y). Shipment of man made products saw a 17.22 % decline while export of jute products and carpets plunged 26.72 % and 15.43% respectively, according to data shared by the Confederation of Indian Textile Industry. *(The Hindu)*

Exports See Steepest Fall in June in 3 Years at 22%

India's merchandise exports shrank the most in three years in June, amid demand slowdown in global markets. Exports fell 22% year-on-year to \$32.97 billion, while imports declined 17.48%, showed data released on Friday. *(The Economic Times)*

India's Forex Reserves Up \$1.23 b to \$596 b

India's foreign exchange reserves rose \$1.23 billion during the week ended July 12, to \$596.2 billion, the weekly statistics by the Reserve Bank of India shows. *(The Economic Times)*

India, UAE Agree on Local Currency Trade Payments

India and the United Arab Emirates (UAE) on Saturday inked two separate agreements to settle cross-border transactions in their local currencies, and interlink payments and messaging systems, further expanding their strategic partnership. *(The Economic Times)*

Fed Open to Another Rate Hike After Expected Rise This Month

While officials were encouraged by a step-down in price pressures last month, they're not inclined to pronounce an end to their battle to rein in inflation that has repeatedly surprised them with its persistence. *(The Economic Times)*

Comm Min & MeitY at Odds over Tariff Sops to ICT Goods from EU

The ministries of commerce and industry, and electronics and information technology (MeitY) have a face off on the issue of giving tariff concessions to the information and communication technology (ICT) goods coming from the European Union. *(The Economic Times)*

Commerce Min mulls Increasing Expertise to Talk Free Trade Pacts

With a number of countries approaching India for negotiating bilateral free trade agreements (FTAs) to boost economic ties, the commerce ministry is looking at ways to increase its bandwidth for undertaking these time and human resource consuming talks, a senior official said. *(The Economic Times)*

Africa Impact: Auto Exports from India Decline 28% in Q1

Automobile exports from India declined 28% in the April-June period this year due to the monetary crisis in Africa and various other developing countries, according to the latest data shared by industry body SIAM. *(The Economic Times)*

China and Vietnam's Share in India's Steel Imports Rise in June

The share of countries like China and Vietnam in India's 4.84 LMT steel import basket during June 2023 has increased on a year-on-year (y-o-y) basis, according to official data. *(The Economic Times)*

India & Indonesia Working on Payment Mechanism, Trading in Local Currencies

India and Indonesia are working on a real-time payment mechanism and trading in local currencies, the two countries announced on Sunday. *(The Economic Times)*

Tamil Nadu Tops NITI's Export Preparedness Index 2022

Tamil Nadu topped Gujarat as the top exporting state of India on the Export Preparedness Index (EPI) 2022, followed by Maharashtra and Karnataka, with Gujarat slipping to number four. *(The Economic Times)*

Two More Rounds of Talks likely for IPEF to Conclude: Sources

India expects two more rounds of negotiations for the conclusion of the Indo-Pacific Economic Framework (IPEF) by the end of the year. While the legal scrubbing of the Supply Chain Agreement – which was finalised in May – is on, discussions are moving fast on the clean economy and fair economy pillars, said people aware of the matter. *(The Economic Times)*

RBI Replenishes Forex Reserves, Buys \$7.4b in Spot Market in May

The Reserve Bank of India continued to build up its foreign exchange reserves in May, with the central bank acquiring \$7.37 billion in the currency market on a net basis, the fourth consecutive month of purchases. *(The Economic Times)*

India, US Notify WTO of Mutual Resolution of Tariff Dispute

India and the US have informed the World Trade Organization (WTO) that they have reached a mutually agreed solution to the dispute on retaliatory duties on certain products imported from Washington. *(The Economic Times)*

India to Lift 20% Retaliatory Duty on Washington Apples

Indians can again gorge on Washington apples, as the retaliatory tariff of 20% imposed by the Indian government on this red, juicy variety of the fruit four year ago during the Trump era is set to go by the end of September. *(The Economic Times)*

US at WTO: India Allows GM Cotton, Mustard at Home But Blocks Imports

The US has raised concerns at India's approval for environmental release of genetically modified (GM) mustard and the "routine cultivation" of GM cotton by Indian farmers even as New Delhi mandates a non-GMO and GM-free status certificate from exporting countries for 24 food products, including apples, wheat, rice, tomato and potato. *(The Economic Times)*

India's Oil & Gas Bill Contracts to \$35 b in First Qtr

India's oil and gas import bill contracted by a third from a year earlier to \$35 billion in

the April-June quarter as prices sharply dropped, as per the oil ministry data. *(The Economic Times)*

India Keeping Tabs on WTO Pact for Plastics Pollution

India is closely watching the efforts by 76 members of the World Trade Organization (WTO), including China, the UK, the US and the EU, to arrive at an outcome on plastics pollution by early next year. *(The Economic Times)*

India 2023 foreign exchange earnings from tourism could reach pre-covid 2019 levels

Foreign tourist arrivals in India stood at 31.33 lakh in the first four months of calendar year 2023, up from 11.77 lakh arrivals in the year-ago period, according to the data from ministry of tourism. Despite the rise, foreign tourist arrivals remained lower than pre-covid levels of 2019, when the number stood at 39.54 lakh in the comparable period. *(Mint)*

Indo, Japan hold talks for cooperation in steel sector

India and Japan held a bi-lateral meeting on Thursday to discuss cooperation in the steel sector and decarbonisation issues. Talks were led by Jyotiraditya Scindia, India's minister of steel, and Yasutoshi Nishimura, Japan's minister of economy, trade and industry. *(Mint)*

Steel Ministry asks FinMin to consider customs duty on stainless steel imports from China

The Ministry of Steel has written to the Finance Ministry asking it to look at the possibility of levying customs duty on Chinese stainless steel shipments coming into India. Such a duty will benefit the domestic stainless steel industry which has been badly hit by such imports and is "facing low capacity utilisation". The import of stainless steel from China increased from about 20 per cent to about 60 percent of overall imports into the country. *(BusinessLine)*



Agriculture and Rural Economy

Withdraw import duty on cotton to help struggling spinning mills: Stalin

Tamil Nadu Chief Minister M.K. Stalin on Wednesday appealed to Prime Minister Narendra Modi to withdraw the 11% import duty on cotton, restructure the Emergency Credit Line Guarantee Scheme (ECLGS), and temporarily ban the export of waste cotton to help the spinning industry, which is struggling due to a steep increase in cotton prices. *(The Hindu)*

Soon, Araku coffee will be a 'Made in A.P.' product as GCC sets up its own plant

The processing of Araku Valley coffee will soon be done in Andhra Pradesh, and the Girijan Cooperative Corporation (GCC) can claim it to be a 'Make in A.P.' product once its plans materialise. *(The Hindu)*

India bans export of non-basmati white rice

The ban on exports assumes significance as it appears that the overall sown area under paddy this Kharif season could be lower than that of last year. This can have an impact on both crop prospects as well as prices going forward. *(The Economic Times)*

Cap on OMSS rice sale hiked to 1,000 t. Sale of rice was meagre compared with 3.73 lt of rice on offer contrasting tales.

Food Corporation of India (FCI) has sold only 170 tonnes or 0.04 per cent of 3.86 lakh tonnes (lt) of rice offered in the first auction under the open market sale scheme (OMSS). On the other hand, 32 per cent offtake has been reported in the case of wheat in the second round, up from 21 per cent in the first round. *(BusinessLine)*

US at WTO: India allows GM cotton, mustard at home but blocks imports

The US has asked India to revoke approval for routine cultivation of genetically modified cotton and the environmental release of GM mustard. This request comes as India mandates a non-GMO and GM-free status certificate from exporting countries for several food products. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Manufacturing sentiment positive in first quarter, shows Ficci survey

Federation of Indian Chambers of Commerce & Industry's (Ficci's) latest quarterly survey on manufacturing reveals that sentiment is positive during the first quarter (Q1). Over 57 per cent of respondents expect a higher level of production during the April-June quarter. This is on the back of higher orders and continuing optimism in domestic demand conditions in Q2 as well, the survey added. *(BusinessLine)*

Textiles ministry reopens PLI portal for MMF sector

The Ministry of Textiles has decided to re-open the performance-linked incentive (PLI) scheme portal till August 31 and has invited applications from companies interested in investing in man-made fibres (MMF) apparel, MMF fabrics, and technical textile sectors. The ministry said in a press release that the decision was taken based on repeated requests from the industry. All the terms and conditions notified earlier through notifications and guidelines would be applicable, the ministry added. *(The Hindu)*

Infertile lands, barren fields for livestock: India's plan for clean energy plants comes at a great cost

The industry is fruitful in some ways - hundreds of trucks stacked with mineral-rich soil journey back and forth regularly between the mine and processing plants - but it is damaging in others. Farmers say their fields are stripped of fertile earth and livestock desperately comb through now-barren lands for feed. *(The Economic Times)*

India's coal mining bet stumbles as wary banks weigh rising risks

India's drive to ramp up coal output to meet growing energy demand is faltering due to banks' reluctance to finance newly auctioned mines, though most lenders remain far from ditching fossil fuels for good, analysts and officials said. Of the 87 mines auctioned to private companies in the past three years in a push called "Unleashing Coal" - part of India's energy self-sufficiency plans - only four are operating, with the rest awaiting financing, a federal coal ministry official said. *(The Economic Times)*

Govt moots single regulatory portal for drugs

The Health Ministry is planning a unified portal for digital drug regulatory mechanisms. The portal will include the details of stakeholders, such as manufacturers, distributors, and procurement agencies among others. *(BusinessLine)*

India, Japan sign MoU on semiconductor development

India and Japan signed a memorandum of understanding (MoU) on semiconductor development, which will include design, manufacturing, equipment research and talent development. *(Mint)*



News on Kerala

Provide further financial aid to KSRTC to pay staff salary: Kerala HC tells govt.

Observing that the government could not shy away from the responsibility of providing further financial support to the Kerala State Road Transport Corporation (KSRTC), the Kerala High Court on Thursday asked the State government and the KSRTC to make every effort to ensure that the employees of the corporation are paid the salary for June by July 26. *(The Hindu)*

Disburse paddy procurement price in 2 weeks: Pinarayi

Chief Minister Pinarayi Vijayan has directed that the paddy procurement price due to farmers be disbursed within two weeks. He said that paddy procurement be done in a meticulous manner and that the farmers be given the money without fail. *(The Hindu)*

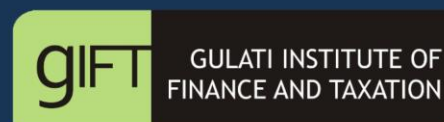
National Healthcare Excellence award for Kerala

The State's Karunya Arogya Suraksha Padhati (KASP) has won the National Healthcare Award for public health excellence, a statement issued by Health Minister Veena George said. The award will be presented at the National Healthtech Innovation conclave in New Delhi on July 27. *(The Hindu)*

KERA to make farming more professional

The proposed Kerala Economic Revival Programme (KERA) backed by the World Bank aims at making farming more professional and remunerative. The KERA is part of a large-scale programme to revive the agriculture sector under the Value-Added Agriculture Mission (VAAM) chaired by the chief minister. *(The Indian Express)*

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