



## Public Finance

### Centre devolves ₹3.09 lakh crore to States till July

The Centre has devolved over ₹3.09 lakh crore to States till July of the ₹10.21 lakh crore budgeted to be transferred in the current fiscal, Minister of State for Finance Pankaj Chaudhary said on July 25. Out of ₹10.21 lakh crore estimated to be transferred to States for the FY 2023-24, ₹3,09,521.22 crore has been devolved till July 2023, in 4 instalments having double the normal amount in June'23 for FY 2023-24. (*The Hindu*)

### Centre ratifies 8.15% EPF interest for 2022-23

The Central government has ratified the Employees' Provident Fund Organisation's (EPFO) decision of March 28 to set the interest rate at 8.15 per cent for 2022-23 in respect of the provident fund accumulations in members accounts. This would now lead to distribution of more than ₹90,000 crore in the five crore members' accounts on the total principal amount of about ₹11 lakh crore, which was ₹77,424.84 crore and ₹9.56 lakh crore respectively in the FY 2021-22. (*BusinessLine*)

### Tripura's revenue collection jumps to Rs 982 crore from Rs 4.21 crore in six years: FM Sitharaman

Union Finance Minister Nirmala Sitharaman has claimed that the implementation of GST has led to increased revenue collection in the state of Tripura and has benefited the Northeast region at large. She said that Tripura's tax share for the 2022-23 financial year jumped to Rs. 982.5 crore from Rs. 4.21 crore before the introduction of GST. (*The Economic Times*)

### General govt debt moderates to 80.9% in FY23

India's general government debt moderated to 80.9% of the Gross Domestic Product (GDP) in 2022-23 from 83.3% in 2021-22, minister of state for finance Pankaj Chaudhary told Rajya Sabha. The general government debt, which comprises the debts of the centre and states, had soared to 87.8% in FY21, the highest in at least four decades, as government expenditure rose during the Covid-19 pandemic, amid revenue slump. (*Financial Express*)



## Taxation

### GST Council to finalise taxing rules on online gaming on August 2

The Goods and Services Tax (GST) Council, which is expected to meet on August 2, will finalise draft rules on taxing online gaming, casinos, and horse racing, government officials told Business Standard. Maintaining the earlier stance, officials said there is no review or roll-back of the proposed taxation concerning these entities on the agenda of the upcoming Council meeting. (*Business Standard*)

### **NRI's who invest in India through AIFs set up in Gift City get tax exemption**

A non-resident investor's income from offshore investments that go through an Alternate Investment Fund set up in an International Financial Services Centre will not be taxed. Legally, the IFSC is considered a jurisdiction separate from the rest of India, that provides financial services in foreign currency. *(Business Standard)*

### **Finance Minister assures taxpayers of a friendly income tax regime**

Finance and Corporate Affairs Minister Nirmala Sitharaman assured taxpayers of a transparent, objective and friendly income tax regime and said assessments for around one lakh notices issued to taxpayers this year will be completed by March 2024. Stressing that such notices were only sent to those who should have been filing taxes but hadn't, or those whom the Income Tax department believed had understated income, the Minister said the Central Board of Direct Taxes has assured that these will be cleared by next March. *(The Hindu)*

### **Reduce GST on tractor parts: Parliamentary panel**

The Fifty-Eighth Report of the Standing Committee on Agriculture, Animal Husbandry and Food Processing on "Research and Development in Farm Mechanisation for Small and Marginal Farmers", tabled in the Lok Sabha Friday recommended among others single standards for farm equipment, GST on spare parts and components of tractors up to 40 HP be reduced from current 12 per cent. *(BusinessLine)*



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

### **India likely to get the 3rd largest economy tag in 2027: SBI report**

India is likely to get the third largest economy tag in 2027 (or FY28), based on actual GDP data as on March 2023, a movement of seven places upwards since 2014 when India was ranked 10th, per State Bank of India's economic research report 'Ecowrap'. State-wise estimates indicate that at least two States, Maharashtra and Uttar Pradesh (UP, which will be the Indian 'Land of Midnight Sun'), will break the \$500-billion mark in 2027 (or FY28). *(The Hindu)*

### **Telangana playing key role in country's economic development: PM Modi**

The people of Telangana are playing a key role in the economic development of the country, according to Prime Minister Narendra Modi. Addressing a public meeting after virtually inaugurating development projects worth Rs 6,100 crore in Warangal on Saturday, Modi lauded the role of the State in making India the fifth largest economy in the world today. *(BusinessLine)*

### **SEBI reveals framework for the creation of a fund for stressed debt schemes**

In a bid to develop the corporate debt market and instill confidence among investors, market regulator SEBI has put in place a framework for rolling out the Corporate Debt Market Development Fund (CDMDF) under which mutual funds will have to contribute 25 basis points (bps) of the specified debt asset under management to the fund. *(BusinessLine)*

### **Macroeconomic, geopolitical conditions pose severe risks to organisations: Survey**

With the world facing growing economic instability and political tensions, volatility in geoeconomic and geopolitical relations between major economies is likely to result in global upheavals over the next six months, a new survey showed on Thursday. According to the survey of the World Economic Forum's Chief Risks Officers community, more than 85% of CROs expect some level of continued volatility and economic and financial conditions within and across major economies. *(The Hindu)*

### **Modi to Release ₹17,000 crore Under PM-Kisan Scheme**

Prime Minister Narendra Modi on Thursday will release around ₹17,000 crore as the 14th instalment to about 8.5 crore farmer beneficiaries under the PM-Kisan scheme. The amount will be transferred to the beneficiaries' bank accounts at an event in Sikar, Rajasthan on Thursday, an official statement said. *(The Economic Times)*

### **NREGS Outlay for FY24 may See Steep Hike with 58% Used in Q1**

The Centre may have to sharply increase the outlay for its flagship rural job guarantee scheme, with 58% of the budgeted ₹60,000 crore for 2023-24 used up in the first quarter itself, an official indicated. *(The Economic Times)*

### **IMF Raises India Growth Forecast for FY24 to 6.1%**

The International Monetary Fund (IMF) bumped up India's growth forecast for FY24 citing strong domestic investment while cautioning that the global economy is not "out of the woods" yet and that the world's battle against inflation is far from over. *(The Economic Times)*

### **Low-Paying Jobs Fare Better Amid Muted Employment Creation in May**

Formal job creation remained muted in May after a stellar rise in April even as less-paying jobs increased, official data released on Tuesday showed. New subscriptions to the Employees' Provident Fund Scheme declined 1% sequentially in May, while the Employees' State Insurance Corporation, which applies to smaller establishments and less remunerative jobs, showed 11% rise in new subscribers month on month. *(The Economic Times)*

### **Impact of climate shocks can make management of inflation difficult: RBI**

The impact of climate shocks and uncertainties surrounding it can make measurement and management of inflation and anchoring of inflation expectations difficult, the Reserve Bank of India said, calling out all stakeholders for a coordinated effort to protect the economy from shocks. *(The Economic Times)*

### **Inflation set to overshoot RBI's target in July, August on high vegetable prices: Nomura**

Consumer price inflation is expected to overshoot the Reserve Bank's tolerance mark of 6 per cent again in July and August due to the sky high vegetable prices, a Japanese brokerage said on Friday. The government, which banned non-basmati rice exports earlier this week, is likely to usher in more supply-side measures to tame the price rise going forward, Nomura said in a note. *(The Economic Times)*



## Banking and Monetary Policy

### **Government notifies Rs 30,000-cr safety buffer for debt market**

The government on Thursday notified a scheme to set up a Rs 30,000 crore Corporate Debt Market Development Fund (CDMDF) to act as a safety net by investing in corporate debt securities at times of market dislocation with a view to stabilizing the markets. The move follows a FY22 Budget announcement in this regard. The scheme would provide a stability buffer for investors in the corporate debt market and help mutual funds and others offering debt schemes to hard-sell such products. *(Financial Express)*

### **US Fed hike on expected lines; RBI to take a balanced view: Analysts**

The 0.25 per cent hike in interest rates by the US Fed was on expected lines, analysts said on Thursday, expecting its Indian counterpart to take a balanced view in its policy formation going forward. Naveen Kulkarni, chief investment officer of Axis Securities PMS, said the action in the US was on expected lines and added that the commentary was neutral. *(The Economic Times)*

### **Currency note with \* symbol in number panel valid note, says RBI**

A currency note with a star (\*) symbol is identical to any other legal banknote, the Reserve Bank said on Thursday allaying concerns on the validity of such notes. The symbol is inserted in the number panel of a banknote that is used as replacement for defectively printed notes in a packet of 100 pieces of serially numbered banknotes, the RBI said. *(The Economic Times)*

### **RBI's rate cut timeline may be pushed to FY25: DBS**

The Reserve Bank of India's interest rate cuts are likely to be pushed to the end of the current fiscal or the next fiscal year as the inflation picture gets muddled, said economists. *(The Economic Times)*

### **Big banks locked in 'war' for large corporate loans**

The country's top four banks — State Bank of India, HDFC Bank, Bank of Baroda, and Axis Bank — could account for nearly 60 per cent of fresh lending to India Inc. They could be handing out loans to large corporates at such competitive rates that the rest of the banking industry finds it untenable to match. *(BusinessLine)*

### **Credit card spends fall 2.4% in June after hitting a record in May**

Credit card spends fell 2.4 per cent month-on-month in June after touching a record high of ₹1.41-lakh crore in May, surpassing the previous high of ₹1.37-lakh crore in March. 64 per cent of the card spends were for e-comm payments and 36 per cent for PoS transactions. *(BusinessLine)*

### **Banks may end FY24 with same level of NIM as FY23**

Term deposits are expected to get re-priced over the next couple of quarters. Net Interest Margins (NIM) of Scheduled Commercial Banks' had improved 30 basis points through FY23 to 3.7 per cent as at March-end 2023 as transmission of monetary policy tightening to deposit rates lagged the pass-through to lending rates, per the latest Financial Stability Report. *(BusinessLine)*

### **Digital payments rise 13% YoY at March-end 2023: RBI data**

Digital payments across the country registered a growth of 13.24% in a year through March 2023, as per RBI's index that measures the adoption of online transactions. RBI's Digital Payments Index (RBI-DPI) stood at 395.57 at end-March 2023 compared to 377.46 in September 2022 and 349.30 in March 2022. *(The Economic Times)*



## **External Sector**

### **India's forex reserves top \$600 billion, rise to near 15-month high**

India's foreign exchange reserves rose for a third straight week to total \$609.02 billion as of July 14, the highest in nearly 15 months. They rose by \$12.74 billion from the week earlier - the biggest gain in four months - having risen by a total of \$3.08 billion in the prior two weeks. A major portion of the week-on-week jump in forex reserves is driven by revaluation gains due to dollar weakness and reduction in US Treasury yields *(Business Standard)*

### **Is the external sector resilient?**

Current account deficit, volatile capital flows and data dissemination issues have to be closely watched *(BusinessLine)*

### **India's supplies to Russia remain low due to quality issues, exporters' fear of sanctions**

India's expectations of a jump in goods exports to Russia, to partly balance a steep rise in its oil imports from the country following Western sanctions last year, are unlikely to be realised any time soon going by the trend so far. *(BusinessLine)*

### **Rice export ban: NRIs need not press panic button, say exporters**

The Indian diaspora in the United States need not press the panic button. The current stocks of Sona Masuri rice there will likely last for at least 3-6 months. Sources in the rice export business said US rice traders would have at least 12,000 tonnes of Sona Masuri stocked up and another 18,000 tonnes of rice is on its way. The stocks can last for at least six months. *(BusinessLine)*

### **Crude oil gains as outlook paints tight supply days ahead**

The recent announcements by the major oil producers to cut the production output and the plans of the Chinese government to boost the economy of that nation by stimulus measures boosted the crude oil market. Saudi Arabia and Russia have already announced their decision to reduce the production output for August. Market feels that these cuts may go beyond August and stretch to September also. This decision of the major producers may lead to the tightness in the supply of the commodity to the market boosting the price of crude oil *(BusinessLine)*



## Agriculture and Rural Economy

### **Domestic white rice prices drop by ₹4,000/tonne**

Domestic white rice prices (common variety) in India have dropped by ₹4,000 a tonne after the Government banned the export of the variety which made up nearly 40 per cent of the country's shipments abroad. *(BusinessLine)*

### **Tea Board plans to hike e-auction user fee**

The Tea Board of India intends to increase the charges of tea routed through e-auctions in respect of sellers, brokers, and buyers. The proposal is to hike the rates to 33.33 paise per kg, totalling ₹1 per kg of tea. *(BusinessLine)*

### **5 cr. names out of MGNREGS list in 2022-23, says Minister**

Rural Development Minister Giriraj Singh, in a written reply to the Lok Sabha, on July 25 informed that names of over five crore workers have been deleted under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the financial year 2022-23. There has been a hike of 247% in the deletions during 2022-23 as compared to 2021-22 *(The Hindu)*

### **7,000 Telangana farmers benefit from WEF's 'Saagu Baagu' pilot**

Telangana's "Saagu Baagu" (agricultural advancement) pilot project with the guidance of the World Economic Forum (WEF) has impacted the lives of over 7,000 chilli farmers in the State and the second phase of the project is set to take off. *(BusinessLine)*

### **Tribal kids engaged in plantation labour**

The exploitation of tribal children in farms and plantations near Nilambur continues unabated in spite of the efforts by the government to ensure that all tribal children reach schools. School dropouts are being reported in several tribal hamlets in and around Nilambur. *(The Hindu)*

### **Govt halts supply of subsidised rice to distilleries for ethanol**

The Indian government has stopped releasing subsidised rice for the production of ethanol after it banned the export of non-basmati white rice. However, it will likely be resumed once several issues including allegations of profiteering by grain-based distilleries by diverting the grain to the open market are addressed. *(BusinessLine)*

### **India to face apple crunch as heavy rain hits production**

Heavy rains have not only damaged farms, but also destroyed roads, power lines and infrastructure worth \$550 million in Himachal Pradesh, while bad weather at the same time has hit India's crucial rice crop, which led to an export ban last week. *(The Economic Times)*

### **Tomatoes price expected to drop; govt to sell tomatoes at subsidised rate online soon**

After an increase in the supply of new crops from Maharashtra and Madhya Pradesh, the Indian government has announced that the retail prices of tomatoes are expected to fall. There has been a rise in retail prices, with the cost of tomatoes ranging from Rs 200-250 per kilogramme in various parts of India due to a supply chain disruption triggered by

various factors such as crop seasonality, white fly disease in Kolar and logistics disruptions resulting from heavy rain. *(The Economic Times)*

### **PM KISAN: 14.28 lakh ineligible beneficiaries in Maharashtra get ₹1,754 cr**

PM-KISAN payments worth ₹1,364 crore have been wrongly made to more than 20 lakh ineligible beneficiaries and income tax payer farmers, according to information provided by the Agriculture Ministry in response to an RTI request from activist Venkatesh Nayak. *(The Hindu)*



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

### **Market trades: SEBI plans instantaneous settlements by next year**

The Securities and Exchange Board of India (SEBI) is working to implement instantaneous settlements in secondary market trades, and is likely to complete the process next fiscal year. The technology stack which we have and UPI facility provided by banks gives an opportunity that if someone wants to settle trades instantaneously, it can be done. *(The Hindu)*

### **Bill in Lok Sabha for Centre's control over critical mineral auctions**

The Centre on Wednesday introduced a bill in the Lok Sabha that seeks to empower it to exclusively auction mining lease and composite licence for 26 critical minerals in the country. The proposed amendments to the Mines and Minerals (Development and Regulation) Act, 1957, "would facilitate, encourage and incentivise private sector participation in all spheres of mineral exploration for critical and deep-seated minerals" *(The Economic Times)*

### **GAIL scouts for LNG sources, plans to grow long-term volumes by 50%**

GAIL is planning to tie up 7-8 million tonnes per annum of long-term liquefied natural gas (LNG) from diverse sources as it bets big on domestic gas demand and aims to play a leading role in India's transformation into a gas-based economy, its chairman has said. *(The Economic Times)*

### **India's 'mass' consumers to lead \$300 bn e-com opportunity by 2030**

India's 'mass' segment consumers, with an average annual income ranging from Rs 2.5-10 lakhs, are projected to drive around \$135 billion in e-commerce gross merchandise value (GMV) of the total \$300 billion e-commerce opportunity by 2030, a recent report said. As of 2022, India has 65-70 million households transacting on e-commerce platforms monthly, which is projected to go up to 120-130 million by 2030. Of this, mass consumers are expected to contribute to over 80 per cent of the incremental transacting households *(Business Standard)*

### **IT firms' utilisation rates rise as demand slows down**

Indian IT firms are increasing the utilisation levels quarter by quarter and are seeing the metric as a margin lever. Human resource experts note that reduction in headcount, lack of demand visibility and the changing nature of deals are the reasons behind the surge in rates. *(BusinessLine)*

### **674 road projects worth ₹2.81 lakh crore delayed as of June 2023**

A total of 674 road projects worth ₹2,81,730 crore have been delayed as of June 2023 with the highest number of projects being delayed in Maharashtra followed by Andhra Pradesh and Uttarakhand, Parliament was informed on Wednesday. "As on June 30, 2023, there are 674 projects wherein construction works are behind original completion schedule to some extent," Road and Highways Minister Nitin Gadkari told Rajya Sabha in a written response. *(BusinessLine)*

### **SAMRIDH Scheme has Backed 175 Startups: MoS**

India has harnessed a state-sponsored platform to democratize its startup ecosystem beyond traditional bailiwicks, undergirding the expansion of 175 businesses that would benefit from the federally funded accelerator program. *(The Economic Times)*

### **Govt to Sell 5.36% Stake in RVNL**

The government will offload a 5.36% stake in state-run Rail Vikas Nigam Ltd (RVNL) through the offer-for-sale (OFS) route, which includes a green shoe option of 1.96%, a top official said on Wednesday. *(The Economic Times)*



## **News on Kerala**

### **₹37 crore sanctioned under Kuttanad package**

Administrative sanction has been accorded for 41 projects worth ₹37 crore under the second Kuttanad package. The projects will be implemented in 12 Assembly constituencies — Alappuzha, Ambalappuzha, Kuttanad, Chengannur, Mavelikara, Cherthala and Haripad in Alappuzha district and Changanassery, Ettumanur, Kottayam, Kaduthuruthy, and Vaikom in Kottayam district. *(The Hindu)*

### **NIIST inks MoU with Kerala Khadi and Village Industries Board**

The CSIR-National Institute for Interdisciplinary Science and Technology (NIIST) has signed a memorandum of understanding with the Kerala Khadi and Village Industries Board to promote employment generation through value addition in regional resources. The programme involves value addition in regional produces/crops such as honey, jackfruit, paddy, mango and banana, and waste treatment solutions for khadi and village industries in the state. *(The Hindu)*

### **Five hundred energy conservation classes to begin in seven panchayat in August**

With the goal of net zero carbon emission, Kerala Haritha Kerala Mission in coordination with other departments will be organising 500 energy conservation classes in Kannur district during the month of August. According to Haritha Kerala Mission District Mission Co-ordinator E.K. Somasekaran, 500 classes will be organised during the first phase in the district. *(The Hindu)*

### **Kerala Startup Mission signs pact with IFSCA to bolster fintech startups**

Kerala Startup Mission has tied up with the International Financial Services Centres Authority (IFSCA) for stronger support to nascent fintech and techfin firms through increased capital and a wider global network in the next three years. KSUM and IFSCA signed a memorandum of understanding, subsequently interacting with select fintech



startups and holding a session on the international authority's services as well as schemes. (*BusinessLine*)

### **Kufos wins ₹10 crore grant to set up Fisheries Incubation Centre**

In a significant boost to innovation and entrepreneurship in the field of fisheries, the Kerala University of Fisheries and Ocean Studies (Kufos) has secured a grant of ₹10 crore from NITI Aayog. The grant aims to establish India's first Atal Incubation Centre (AIC) in the field of fisheries at the University, fostering a culture of innovation and technological advancement. AIC initiative is part of the Atal Innovation Mission (AIM), which seeks to encourage a culture of innovation and entrepreneurship across various sectors in India. (*BusinessLine*)

### **Kerala gets India's first Construction Innovation Hub**

Kerala got the country's first Construction Innovation Hub (CIH) that seeks to promote affordable and sustainable building facilities so as to foster collaboration, innovation and knowledge-sharing among the stakeholders. Kerala Startup Mission (KSUM) will be responsible for the CIH's overall programme management, including the identification and recruitment of the nascent companies as well as providing them housing-related technical mentorship and connections, besides program design and facilitation. (*BusinessLine*)

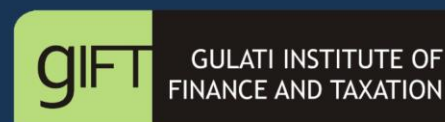
### **Kerala govt launches social media bidding game to promote tourism**

After planning to popularise various scenic locations in the state that were featured in hit movies to boost its tourism sector, the Kerala government has come out with another innovative step to woo tourists from across the country and abroad through a bidding game that gives them a chance to win vacation packages at low prices. (*Business Standard*)

### **Free Onam kits likely to be restricted to a few categories this year**

The distribution of free Onam food kits is likely to be a restricted affair this year, Finance Minister K. N. Balagopal has indicated. Talking to reporters here on Monday, Mr. Balagopal said coverage across all categories of ration card holders, as was the practice during the COVID-19 outbreak and the Onam season in the year that followed, should not be expected. A final decision on categories that will be eligible is yet to be announced, he said. (Last year, roughly 87 lakh free Onam food kits were distributed, with an estimated spending of ₹425 crore.)

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