

Weekly Compendium of Research

For the week ending 30th August 2019

PHD Research Bureau disseminated information to members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as, India's GDP growth for Q1 FY2019-20, third advanced estimate (2018-19) of area and production of various horticulture crops, release of RBI's Annual Report 2018-19, Sabka Vishwas- Legacy Dispute Resolution Scheme notified and to be operationalized from 1st September 2019, NITI Aayog released a Composite Water Management Index Report, CBDT issued clarification on eligibility of small Start-ups to avail tax holiday, Several MoU/Agreements were exchanged during the State Visit of President of the Republic of Zambia to India, along with decisions taken by the Union Cabinet, among others. The details of disseminated information during the week ending 30th August 2019 are appended.

India and World Economy

- **India's GDP growth stands at 5.0% in Q1 FY2019-20-** India's GDP growth stands at 5.0% in Q1 FY2019-20. The agriculture sector growth stands at 2.0%; Mining & Quarrying at 2.7%; Manufacturing sector at 0.6%; Electricity, Gas, Water & Other Utility Services growth stands at 8.6%; Construction at 5.7%; Growth of Trade, Hotel, Transport, Communication at 7.1%; Financial, Real Estate & Professional Services registered a growth of 5.9% and Public Administration, Defence & Other Services at 8.5% in Q1 FY2019-20.
- **July 2019 Fiscal Deficit stands at 77.8% of actuals to Bes-** The gross fiscal deficit of the Central government stands at 77.8% of the actuals to budget estimates (BEs) at the end of July 2019 as compared to 86.5% of the actuals to budget estimates in the corresponding period of the previous year. The primary deficit was registered at 841.0% of the actuals to budget estimates at the end of July 2019 as compared to 741.3% of the actuals to budget estimates during corresponding period of the previous year.
- **Sabka Vishwas- Legacy Dispute Resolution Scheme notified and to be operationalized from 1st September 2019-** Sabka Vishwas-Legacy Dispute Resolution Scheme, 2019, announced in Union Budget 2019-20, has now been notified and will be operationalized from 1st September 2019. The Scheme would continue till 31st December 2019. Government expects the Scheme to be availed by large number of taxpayers for closing their pending disputes relating to legacy Service Tax and Central Excise cases that are now subsumed under GST. The two main components of the Scheme are dispute resolution and amnesty: The dispute resolution component is aimed at liquidating the legacy cases of Central Excise and Service Tax that are subsumed in GST and are pending in litigation at various forums. The amnesty component of the Scheme offers an opportunity to the taxpayers to pay the outstanding tax and be free of any other consequence under the law.
- **Decisions taken by the Union Cabinet-** Cabinet approves proposal for Review of FDI policy on various sectors; Cabinet approves Sugar export policy for evacuation of surplus stocks during sugar season 2019-20; Cabinet approves 75 new Medical Colleges; To add 15,700 MBBS seats; Cabinet approves Establishment of an International Coalition for Disaster Resilient Infrastructure; Cabinet approves amendments/changes in The National Medical Commission Bill, 2019; Cabinet approves Signing of Agreement between India and Peru on Cooperation in the field of Medicinal Plants; Cabinet approves

MoU between India and Guinea on Cooperation in the Field of Traditional Systems of Medicine and Homeopathy; Cabinet approves MoU between India and Gambia on Cooperation in the Field of Traditional Systems of Medicine.

- **FY2019 (4th Advance Estimates) Foodgrain Production Estimated at 285 million Tonnes-** Department of Agriculture, Cooperation and Farmers Welfare has released the 4th Advance Estimates of Production of Major Crops for 2018-19. Total foodgrain production in the country is estimated at 285 million tonnes, which is higher by 19.2 million tonnes than the previous five years' (2013-14 to 2017-18) average production of foodgrain.
- **Composite Water Management Index, August 2019 Report-** The National Institution for Transforming India (NITI) Aayog has released the second edition of the Composite Water Management Index (CWMI) to enable effective water management in Indian states. The objective of the report is to establish a clear baseline and benchmark for state-level performance on key water indicators, identifying high and low performance state inculcating a culture of constructive federal competition amongst states, identifying areas with deeper engagement and investment on the part of the states.
- **Presentation made by Smt. Nirmala Sitharaman, Hon'ble Union Finance & Corporate Affairs Minister on measures to boost Indian economy-** Smt. Nirmala Sitharaman, Hon'ble Union Finance & Corporate Affairs Minister gave a presentation on measures to boost Indian Economy. The minister stated that certain reform measures and simplification are an ongoing endeavour, which includes: Taxation – Ease of life for tax payers – Income tax, GST, Customs; Labour laws; Environment Clearances, Corporate Affairs. The Minister also announced the following measures to boost economy and facilitate wealth creators: CSR violations, Issue of IT orders, notices, summons, letters etc. through a centralized system, Relief from enhanced surcharge on Longterm/Short-term Capital Gains, Withdrawal of Angel Tax provisions for Startups and their investors, Additional Credit expansion through PSBs, Banks to effect timely rate cuts; launch Repo rate /external benchmark linked loan products, Customer Ease: Online tracking of loan applications, among others.
- **Integrated Online Junction for School Education 'Shagun'-** The Hon'ble Union Minister of Human Resource Development, Shri Ramesh Pokhriyal Nishank recently released one of the largest Integrated online junction for School Education 'Shagun' and a booklet giving features and benefits of Shagun on this occasion.
- **Third Advanced Estimate (2018-19) of Area and Production of various Horticulture Crops-** The Total Horticulture Production of the country is estimated to be 313.85 Million Tonnes which is 0.69% higher than the Horticulture Production in 2017-18. As area under Horticulture Crops has remained broadly at the same level, the higher production owes mainly to Productivity gains.
- **ADB President pledged USD 12 billion in support of new flagship initiatives-** Asian Development Bank (ADB) President Mr Takehiko Nakao met with India's Hon'ble Prime Minister Shri Narendra Modi on 29th August 2019 and pledged to support the government's new flagship initiatives led by the Prime Minister. ADB stands ready to commit more than USD 12 billion lending in the next three years, 2020–2022, averaging annually over USD3 billion for sovereign operations and USD1 billion for non-sovereign operations.

Finance

- **Hon'ble Finance Minister Announces Big Reforms for Public Sector Banks-** Smt Niramala Sitharaman, Hon'ble Union Minister of Finance & Corporate Affairs announced amalgamation of 10 public sector banks into four big banks. After this the total number of Public Sector Banks in the country will come down to 12 from 24 banks. In big banks merger, the Finance Minister announced that government has decided to merge Punjab National Bank (PNB), Oriental Bank of Commerce (OBC) and United Bank; Canara Bank and Syndicate Banks; Union Bank of India, Andhra Bank and Corporation Bank; and Indian Bank and Allahabad Bank. Apart from this the government announced Rs 55,250 crore upfront capital infusion in the PSBs. \

- **RBI releases its Annual Report 2018-19-** RBI has released its Annual report 2018-19 which highlights the economic review, developments related to monetary policy operations, credit delivery and financial inclusion, financial markets and foreign exchange management developments, regulation, supervision and financial stability, among others. It also provided prospects for the year 2019-20. Economic activity moderated during the financial year (FY) 2018-19 dragged down by subdued global demand and also some slack in government consumption expenditure.
- **Government removes Debenture Redemption Reserve requirement for Listed Companies, NBFCs and HFCs-** The Hon'ble Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules by removing Debenture Redemption Reserve (DRR) requirement for Listed Companies, Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs). The decision has been taken in pursuance of the Budget announcements for 2019-20 and the government's objectives of providing greater 'Ease of Doing Business' to companies in the country, as part of its 100 Days Action Plan.
- **CBDT issues clarification on eligibility of small Start-ups to avail tax holiday-** The Central Board of Direct Taxes (CBDT) has clarified that small start-ups with turnover upto Rs. 25 crore will continue to get the promised tax holiday as specified in Section 80-IAC of the Income Tax Act, 1961(the 'Act'), which provides deduction for 100 per cent of income of an eligible start-up for 3 years out of 7 years from the year of its incorporation. CBDT further clarified that all the start-ups recognised by DPIIT which fulfilled the conditions specified in the DPIIT notification did not automatically become eligible for deduction under Section 80-IAC of the Act. A start-up has to fulfil the conditions specified in Section 80-IAC for claiming this deduction. Therefore, the turnover limit for small start-ups claiming deduction is to be determined by the provisions of Section 80-IAC of the Act and not from the DPIIT notification.
- **Government withdraws enhanced surcharge on tax payable on transfer of certain assets-** In order to encourage investment in the capital market, it has been decided to withdraw the enhanced surcharge levied by Finance (No. 2) Act, 2019 on tax payable at special rate on income arising from the transfer of equity share/unit referred to in section 111A and section 112A of the Income-tax Act, 1961(the 'Act') from the current FY 2019-20. The following capital assets are mentioned in section 111A and section 112A of the Act: Equity shares in a company; Unit of an equity oriented fund; and Unit of a Business Trust.
- **Differential regime between domestic investors and FPIs existed even prior to General Budget 2019: CBDT clarifies-** The Central Board of Direct Taxes (CBDT) said that an incorrect perception is being created as if announcements made by Hon'ble Finance Minister Smt. Nirmala Sitharaman, in a press conference on 23 August 2019, which brought in a number of responsive structural measures to boost up the economy, have created a differential regime between FPIs and domestic investors including Alternative Investment Funds (AIF) category III.

Trade

- **List of MoU/Agreements exchanged during the State Visit of President of the Republic of Zambia to India-** His Excellency Mr. Edgar Chagwa Lungu, President of the Republic of Zambia is on a State visit to India at the invitation of Hon'ble President of India, Shri Ram Nath Kovind from 20th-22nd August 2019. Several Memorandum of Understanding (MOUs) and agreements have been exchanged between the two countries in the field of Geology and Mineral Resources, Defence, Arts & Culture, among others. The list of MOUs/Agreements/Treaty exchanged during the State Visit of President of the Republic of Zambia to India are as follows: MoU on Cooperation in the field of Geology and Mineral Resources; MoU on cooperation in the field of Defence; MoU on cooperation in the field of Arts & Culture; MoU between Foreign Service Institute of India and Zambian Institute of Diplomacy and International Studies; MoU on e-VidyaBharati and e-AarogyaBharati (EVBAB) Network Project; MoU between Election Commission of India and Electoral Commission of Zambia.

- **Hon'ble Prime Minister of India pays a State visit to Bhutan-** The Hon'ble Prime Minister of India, Shri Narendra Modi paid a State visit to Thimphu, Bhutan from 17th to 18th August 2019. India and Bhutan enjoy excellent bilateral ties exemplified by our extensive development partnership, mutually beneficial hydro-power co-operation, and strong trade and economic linkages. These are, reinforced by a shared spiritual heritage and robust people-to-people ties. India-Bhutan partnership today is of a special character and substance and forms an important pillar of Government of India's 'Neighbourhood First' policy.
- **WTO reforms must be taken up by all member countries: Hon'ble Union Commerce and Industry Minister-** Speaking at an international dialogue on South-South and Triangular Cooperation in New Delhi, the Hon'ble Union Minister of Commerce & Industry and Railways, Shri Piyush Goyal said that the time has come to take on the policies of protectionism and unilateral measures by some developed countries that are having an adverse effect on global free trade and if this continues there will be recession in the world and no country will escape it. He urged that all member countries must take up reforms of the WTO and not deal with issues in a piecemeal manner. He mentioned that we cannot afford to walk away from the current system but all member countries of the WTO must re-engage to ensure that the rule-based, transparent, and non-discriminatory governance that free-trade requires is taken forward honestly and in a non-discriminatory manner keeping in mind the interests of different member countries with disparate GDP.
- **Government announces amendments in policy conditions under import policy-** A. In exercise of the powers conferred by Section 3 of FT(D&R) Act, 1992, read with Paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government has amended the import policy of polymethyl methacrylate under Exim code 3916 90 32 of ITC (HS) 2017 – Schedule – 1 (Import policy).

Our Voice

The stream of recent economic reforms to rejuvenate GDP growth rate: PHD Chamber- The recent economic reforms undertaken by the government and RBI will create a strong and resilient economic environment in the country and rejuvenate GDP growth rate in the coming quarters. The big ticket economic reforms announced by Hon'ble Finance Minister Mrs Nirmala Sitharaman including recapitalization of Public Sector Banks, merger of 10 Public Sector Banks into 4 Banks, rollback of enhanced surcharge on Foreign Portfolio Investors, payment of all pending GST refunds to MSMEs within 30 days, withdrawal of Angel Tax provisions for Startups and their investors and more credit support for purchase of houses, vehicles, consumption goods are inspiring and would go a long way to foster strong, stable and inclusive growth environment in the country and would mitigate the impact of emerging global headwinds such as bleak global economic outlook, US-China trade war and a looming BREXIT's knock on effect on the economy. The robust banking system becomes crucial to avoid the cascading impact of global headwinds and to strengthen the domestic industry and trade. The government decision to merge Punjab National Bank (PNB), Oriental Bank of Commerce (OBC) and United Bank; Canara Bank and Syndicate Banks; Union Bank of India, Andhra Bank and Corporation Bank; and Indian Bank and Allahabad Bank is encouraging as this will create large sized banks in the country and enhance the global outreach of the banking operations. Going ahead, further reforms in ease of doing business at the ground level especially for the small and medium sized businesses along with desired reforms in labour laws such as fixed term employment for flexibility in hiring by industry across the States would be crucial to strengthen the manufacturing sector, Make in India programme and create millions of employment opportunities for growing young workforce.

Economy so far

- **Government to check if cash reached the farmers-** The government has decided to conduct physical verification of Pradhan Mantri Kisan Samman Nidhi beneficiaries by picking 5% beneficiaries randomly to rule out any discrepancy in cash transfer in the minimum income support scheme, under which farmers get Rs 6,000 annually in three installments. The exercise will ascertain whether cash has been transferred to eligible farmers or not.
- **Government bans import of synthetic resin polymethyl methacrylate-** The government has

banned the import of polymethyl methacrylate, with effect from September 1, 2019. Polymethyl methacrylate is a shatterproof replacement for glass and its import policy is revised from free to prohibited. India imported Rs 8.43 lakh worth of the product in the first quarter of 2019-20 compared with Rs 45.74 lakh in 2018-19.

- **Income Tax department made history with a quantum jump in the e-filing of Income-** The Income Tax department has made history with a quantum jump in the e-filing of Income–Tax Returns (ITRs) with an all time high record of 49 lakh 29 thousand and 121 ITRs filed in a single day on 31st August 2019. This has perhaps created a history as the tax administration nowhere in the world has achieved such huge online e-filing ITRs in a single day and that too so smoothly; with the IT department actively interacting with taxpayers on social media to help them resolve their grievances and e-filing related queries and getting accolades in return.
- **RBI, government arms to build new borrower database-** India's banking regulator and two government arms tasked with supervising companies and indirect taxes have come together to draft a law that will help create a central borrower database, which would help improve underwriting standards and allow financiers to give more loans to small businesses and individuals with limited credit histories. The RBI, the Ministry of Corporate Affairs and Central Board of Indirect Taxes and Customs (CBIC) are working on the bill that aims to enhance financial inclusion without compromising prudential lending norms.
- **Improving ease of doing biz: Government to identify what is slowing cargo movement-** The government is conducting a nationwide study, the first of its kind, to identify bottlenecks in cargo movement, in a bid to improve trade and Ease of Doing Business ranking. The study will be based on surveys. It will look at causes of delays in movement of consignment caused by regulatory constraints, logistical issues in supply chains, or lack of infrastructure. The Central Board of Indirect Taxes and Customs (CBIC), under the Department of Revenue, is carrying out the study.
- **Bimal Jalan panel for review of economic capital framework in every 5 years-** The Bimal Jalan panel of the Reserve Bank has recommended that the revised economic capital framework, under which the RBI decided to transfer Rs 52,637 crore excess provisions to the government, be reviewed every five years. The Central Board of the RBI accepted all the recommendations of the committee headed by Bimal Jalan, a hon'ble former central bank governor. The panel was constituted by the central bank in consultation with the government to review the extant ECF of the RBI. The RBI's central board approved the transfer of record Rs 1.76 lakh crore dividend and surplus reserves to the government. This comprises Rs 1,23,414 crore of surplus for the year 2018-19 and Rs 52,637 crore of excess provisions identified as per the revised ECF.
- **Report on CSR violation being fast-tracked-**The government has fast tracked the implementation of a high-level committee's report on Corporate Social responsibility (CSR) that suggested that violations be treated as civil offences liable to monetary penalties. The government has already decided not to operationalise the just-amended Companies Act section that specifically prescribes jail terms for CSR violations. The panel - headed by Shrilnjeti Srinivas, Secretary, Ministry of Corporate Affairs has suggested that the government classify offences under CSR provisions as civil breaches, attracting monetary fines. It has also favoured offering tax deductions for CSR spending and carry-forward of unspent balances for three-to-five years.
- **Criminal offences in Companies Act to be slashed, government mulls 65 changes-**In a move to relax punishment for fraud under the Companies Act, the Ministry of Corporate Affairs is planning to withdraw the criminalization aspect in 65 sections where the offences are compoundable or not serious in nature. According to the Ministry, conviction can lead to many far-reaching consequences, which is not the intention of the law; criminalization has had no worthwhile outcome. Therefore, the government will look at decriminalizing most of the compoundable offences.

- **Government plans debt waiver for small distressed borrowers under insolvency law**-The government plans to give debt waiver for small distressed borrowers under the insolvency law framework. The proposed waiver would be offered as part of 'Fresh Start' provisions under the Insolvency and Bankruptcy Code (IBC). The waiver, as part of individual insolvency, would be for the most distressed within the economically weaker section(EWS).
- **Will take concrete decision for timely payments to MSMEs: Shri Nitin Gadkari**- According to Shri Nitin Gadkari, Hon'ble Union MSME Minister, delayed payments is a major headache for Micro, Small and Medium Enterprises. The government is working to find a solution to this issue and trying that whether it is private or public sector or government, the payment of MSME should get released in 45 days.The MSME ministry is also focusing on handloom, handicrafts and agro processing industries, on the background of agrarian crises.
- **Traders body calls for boycott of Chinese goods, seeks up to 500% import duty**-Traders body Confederation Of All India Traders (CAIT)gave a call for the boycott of Chinese products and sought high customs duties of up to 500% on these goods as China supported Pakistan's case on abrogation of Article 370 in Jammu and Kashmir at the United Nations Security Council (UNSC).
- **Sectoral policy intervention in works, no fiscal stimulus**-The Ministry of Finance is holding back-to-back discussions with the Prime Minister's office and the Reserve Bank of India to come out with a sectoral policy package at the earliest but sources rule out any fiscal stimulus having direct revenue implications. There will be relief to the sectors in stress through policy interventions like for the auto sector, the industry's demand for a separate refinance window under the RBI is being discussed. The RBI and the government are also in talks with PSBs to have flexibility in lending to the auto and its ancillary sectors so that the slump could be checked and sales of vehicles boosted.
- **Fourth Advance Estimates of production of major crops for 2018-19**-As per Fourth Advance Estimates for 2018-19, released by the Department of Agriculture, Cooperation and Farmers Welfare, total foodgrain production in the country is estimated at 284.9 million tonnes which is higher by 19.2 million tonnes than the previous five years' (2013-14 to 2017-18) average production of foodgrain. Total production of Rice during 2018-19 is estimated at record 116.4 million tonnes. Production of rice has increased by 3.66 million tonnes than the production of 112.8 million tonnes during 2017-18. Production of Wheat, estimated at record 102.19 million tonnes, is higher by 2.3 million tonnes as compared to wheat production of 99.9 million tonnes achieved during 2017-18.
- **Task force on direct taxes: Panel for review of tax brackets, surcharges**-A high-level government task force on direct taxes has proposed a rethink on the brackets, review of the surcharges levied on income tax, a regime that encourages startups and a revamp of the I-T Act to make it taxpayer-friendly. Overall, the emphasis is on designing a tax regime that is simple on compliances, faceless in all interactions with taxpayers and fosters businesses. The committee submitted its report to Smt NirmalaSitharaman, Hon'ble Finance Minister on 19th August 2019.
- **Agricultural, rural labour CPI base year to be revised to 2019-20**-The Labour Bureau has kick-started the exercise of revising the base year for consumer price index for agricultural and rural labourers (CPIAL/RL) to 2019-20, from 1986-87, besides developing an index for all states and Union Territories (UTs). The new index will be ready early next year.
- **3 years on, 6% resolution plans accepted under Insolvency and Bankruptcy Code (IBC)**-With the Insolvency and bankruptcy process closing in on three years of existence, only 6% of the cases admitted under IBC since January 2017 saw their resolution plan passed by the tribunal. Of the 2,162 cases admitted under the IBC, corporate insolvency resolution process of 1,292 cases are going on, of which 445 have seen their Corporate Insolvency Resolution Process (CIRP) process go beyond 270 days — the prescribed time limit for presenting a resolution plan, failing which the company goes into liquidation.

- **Hon'ble Prime Minister of India pays a State visit to Bhutan**-The Hon'ble Prime Minister of India, Shri Narendra Modi paid a State visit to Thimphu, Bhutan from 17th to 18th August 2019. Various announcements were made during the visit related to the Launch of RuPay Card in Bhutan, cooperation in the construction of small satellites and the use of space technology, post-graduate scholarships, among others.
- **Trump Administration urged to resolve trade tensions with India**- A top American lawmaker has urged the Trump Administration to resolve the trade tension with India as soon as possible, stating that the dispute benefits none. The ongoing trade dispute does not benefit either nation and it is hurting Californians. India has long been a friend and strategic partner of the United States, and President Trump administration has been urged to work toward resolving trade tensions with India as quickly as possible.
- **Ministry of Finance reviewing India's free trade agreements**-The Ministry of Finance has initiated a review of India's free trade agreement framework to assess the impact of such pacts on the overall economy. The view has been gaining ground among policymakers and industry that these free trade agreements (FTAs) brought little tangible benefit to India, while helping the partner country. There is also a sense that FTAs have adversely impacted India's manufacturing, which the government is trying to boost through 'Make in India'.
- **All PMAY houses to be sanctioned by March 2020: Hardeep Singh Puri**- According to Shri Hardeep Singh Puri, Hon'ble Union Minister for Housing and Urban Affairs, the government would sanction all the targeted 1.12 crore houses under the Pradhan Mantri Awas Yojana (PMAY) by March 2020. Of the initial target of 1 crore houses in urban India, 84 lakh had been sanctioned. He mentioned that Real Estate (Regulation and Development) Act (RERA) had removed many aberrations, but as the Act was just two-year-old, it could not be expected to solve all problems at one go.
- **Resolve stressed assets on time in your interest: RBI to banks**- Reserve Bank exhorted bankers to ensure timely resolution of stressed assets under the new framework to extract the best value and underlined the need for dealing only in genuine cases. The central bank will be coming out with the final guidelines for private and foreign bankers' compensation soon. According to the RBI's Deputy Governor, RBI's revised framework on resolution of stressed assets is "less intrusive" as it gives banks the leeway to draft their own resolution plans for a particular case.
- **Government's big push to attract tourists: One-month e-visa at flexible charges**-The government will introduce one-month e-visa and make charges flexible, with fee for summer months — non-peak months for tourism — kept less than the rest of the year. According to Shri Prahlad Patel, Hon'ble Union Tourism Minister, leisure tourists will be charged USD 10 for a 30-day e-visa for travel between April and June, and USD 25 for any other month. Currently, India charges USD 80-100 for one-year e-visa for tourists from most countries.
- **India seeks removal of restrictions on trade of sheesham wood products**-India has sought a removal of restrictions on trade of products made of sheesham wood under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) citing its abundant availability in the country. The Ministry of Environment, Forest and Climate Change has submitted a proposal to CITES for delisting of Dalbergiasissoo from Appendix-II of CITES, which restricts trade of items made of sheesham wood.
- **Rupee hits fresh 6-month low of 71.71 as economic uncertainty continues**- The Indian rupee on Tuesday, 20th August 2019 furthered its loss by another 28 paise to close at a new six-month low of 71.71 against the US dollar as economic uncertainties continued to weigh. Investors remained risk averse considering a host of factors including fast-spreading economic slowdown, outlook on foreign

fund outflows and weakness in most emerging market currencies, according to forex traders. However, there are expectations that the government will soon come out with stimulus measures to arrest slowdown in consumer demand in various sectors.

- India to rank trade partners to gauge restrictiveness-** India is developing an index to rank eight of its major trading partners and countries it is pursuing free trade agreements (FTA) with, to gauge their restrictiveness to cross-border movement of professionals, a crucial area of interest for the country. The Ministry of Commerce and Industry has begun an exercise to rank the US, Canada, Australia, the Netherlands and India, among others on various criteria such as entry barriers, discriminatory measures, competition barriers and transparency in regulation on the index which is being developed on the lines of OECD Services Trade Restrictiveness Index.
- CACP proposes scheme for crop pricing to directly benefit farmers-** The Commission for Agricultural Costs and Prices (CACP), the body which recommends minimum support prices (MSP) for crops, has advised the government to launch a scheme for commercial crops in which farmers are directly paid if the market price falls below a particular level. The proposed scheme, similar to the one launched in Madhya Pradesh two years ago, would support farmers without distorting the market. According to CACP chairman, government should let farmers sell their produce to traders and compensate them only when market price is less than MSP. This will also help government save money, especially when crop size is small and the market price rules above floor price.
- States to face fund cuts for missing UDAY targets-** The Centre has proposed reduction in power sector funds of the states that would not maintain performance benchmarks set under the second version of UDAY scheme, which is at the draft stage. The government plans the second wave of reforms in the power distribution sector and has shared the draft with states. According to Shri RK Singh, Hon'ble Power Minister, the government would add features like system strengthening, expansion of access, loss reduction and reforms in one package; the funds would be targeted towards exceeding those reforms (targets); and the funds release would fall if the trajectory of loss reduction (by discoms) and reforms reduce.
- Karnataka to come up with new innovation policy-** The state is working on a new policy on innovation and technology with a view to address the new age challenges in regulation for innovation. The Karnataka government is considering innovative concepts such as regulatory sandboxes to ensure adequate legal framework for innovation is available. The aim is to make the state a leading promoter for all emerging technologies by strengthening existing technology Centers of Excellence in areas such as Cyber Security, Data Analytics, among others.
- No deadline: Centre allays auto sector's electric vehicle concerns-** The government has moved to appease electric vehicle (EV) concerns of the automobile sector, currently in the throes of a slowdown. According to Shri Nitin Gadkari, Hon'ble Road Transport Minister, the government has set no deadline to ban the production of petrol, diesel vehicles or for automobile manufacturers to switch to EVs. The shift towards EVs will happen as a natural progression. Further, Shri Piyush Goyal, Hon'ble Commerce and Industry Minister assured automobile companies that their concerns would be heard on the proposed EV policy.

Markets So Far

Indicators	Yearly			Monthly			Daily		
	2016	2017	2018	Jun 19	Jul 19	Aug 19	(28-08-2019)	(29-08-2019)	(30-08-2019)
BSE SENSEX	26626	34057	36068	39395	37481	37332*	37451	37068	37332
GOLD (10 GRMS)	29420	28966	30600	33105	34805	37371	38795	38743	38405
CRUDE OIL (1 BBL)	2925	3317	4437	3785	3991	3905	3945	4000	4083

EXCHANGE RATE (INR/USD)	67	65	68	69.43	68.8	71.06	71.77	71.74	71.40
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Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg, RBI (*denotes value as on 30th August 2019)

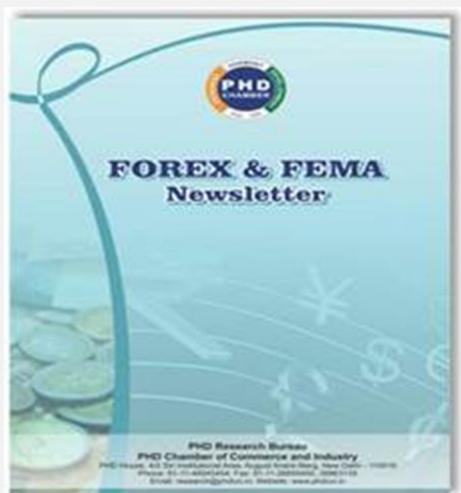
Newsletters

PHD Research Bureau has released a newsletter on State Development Monitor for the month of August 2019 capturing the developments on various fronts such as economic, health, infrastructure, rural economy and tourism in all the states of India.; FOREX & FEMA Newsletter for the month of August 2019 to provide information on recent developments in foreign exchange reserves, exchange rate, foreign exchange turnover, among others and EAC Newsletter for the Month of August 2019 pertaining to a broad view of economic developments in the Indian economy.

[State Development Monitor Newsletter for the month of August 2019](#)



[FOREX & FEMA Newsletter for the month of August 2019](#)



[EAC Newsletter for the Month of August 2019](#)



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Warm Regards,

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