

Daily News Monitor: 6 August 2020

1. With economic situation still wobbly, all eyes on RBI

Source: The Hindu, Business Line ([Link](#))

With July economic indicators none too rosy, expectations are high for a policy rate cut and a loan restructuring plan when the Monetary Policy Committee (MPC) makes its announcement on 6 August. RBI Governor Shaktikanta Das, who will present the resolution after a three-day meeting of the MPC, is expected to make some policy announcements though retail inflation has breached the RBI's 6 per cent comfort level. The Purchasing Manager Index (PMI) for manufacturing, e-way bill value data and the GST collection numbers released over the last five days show that the economy is still some distance away from normality. Only the PMI for services offers some optimism.

2. Gujarat emerges as most tax-compliant state in AY19, Bihar least compliant

Source: Business Standard ([Link](#))

Gujarat was the most tax-compliant state in assessment year 2018-19, based on the proportion of 'returns filed to PAN holders'. The state saw 22.3 per cent income tax (I-T) returns filers (of the total PAN holders), followed by Delhi with a filing rate of 20.5 per cent, Punjab with 16.74 per cent, and Telangana with 16.68 per cent. Among large states, the lowest rate of filing was seen in Bihar at 5 per cent, followed by UP at 8.11 per cent — much below the national average of 12 per cent. The returns filing data may not be the most accurate indicator of compliance, given it is not mandatory for all PAN holders to file returns. Though companies and businesses are supposed to file returns even in case of 'nil' income, that is not the case with individuals. In the case of individuals, filing of returns is mandatory for those with total income above Rs 2.5 lakh. For senior citizens, the threshold is Rs 3 lakh.

3. India, Japan to hold investment forum

Source: The Hindu, Business Line ([Link](#))

To ensure that bilateral investment flows are maintained despite the Covid-19 pandemic, India and Japan will hold an exclusive online investment forum on 6 August to attract more Japanese investments into the country in manufacturing and digital transformation. The two sides, led by Commerce & Industry Minister Piyush Goyal and his Japanese counterpart Hiroshi Kajiyama, will focus on automobiles and capital goods, pharmaceutical and medical equipment, electronics and textiles as well as digital technology, an official told BusinessLine. "With the Covid-19 pandemic exposing vulnerabilities in existing global

supply chains, Japanese companies are interested in diversifying and investing more in India provided the Indian government provides adequate policy support and removes existing bottlenecks,” the official said.

4. DGFT undergoing an overhaul to boost trade post-Covid pandemic

Source: Business Standard ([Link](#))

The Directorate General of Foreign Trade (DGFT) is undergoing an overhaul, with many changes being introduced to respond to the challenges the Covid-19 pandemic has brought to the trade scene, a senior official said on 5 August. “By the end of this year, we hope to complete the overhaul and many changes will be brought about to address the trade barriers and to ensure ease of doing business,” said Director General of Foreign Trade Amit Yadav. He also suggested the DGFT portal be supplemented by the portal of the Directorate General of Commercial Intelligence and Statistics to get a clear picture of the government policies and other import–export data and procedures. Exporters have for long been demanding that the DGFT portal be made more comprehensive and its online services more interactive and customer-focused.

5. AgriBazaar sees major jump in transactions as more farmers, buyers go online

Source: The Hindu, Business Line ([Link](#))

AgriBazaar, the digital market place for farm products is expecting a major jump in transactions on its platform after the Centre recently allowed farmers to sell their produce outside the regulated markets. “We are targeting transactions worth ₹20,000 crore to be carried out on our platform this financial year as more farmers and buyers are registering with us to trade,” said Amith Agarwal, CEO and co-founder, AgriBazaar. In 2019-20, transactions worth ₹6,000 crore were carried out on the AgriBazaar platform, and the gross merchandise value (GMV) traded during April-June quarter stood at ₹5,500 crore. At present, over 200 Farmer Producer Organisations, about three lakh farmers and 16,000 processors are registered with AgriBazaar, carrying out transactions on the three year-old digital market place.

6. Foreign trade regulator rejig to cut imports, promote ‘Make in India’ and ‘Ease of Doing Business’

Source: Financial Express ([Link](#))

The Directorate General of Foreign Trade will realign itself along the lines of Prime Minister’s Make in India and will push for production of items domestically to cut down imports. The organisation is “focusing on creating more capacities within the country to produce items that can cut down imports and accelerate exports from the electronics and

hardware sector, including ventilators,” Director General Amit Yadav said at an event organized by Electronics and Computer Software Export Promotion Council (ESC) on 5 August. He also said that the government-run agency is also taking suggestions from the industry and others as to the areas which promise new capacities to reduce import and accelerate exports.

7. Indian Railways creates new ‘Make in India’ record! RCF achieves its highest monthly production of LHB coaches

Source: Financial Express ([Link](#))

Indian Railways on LHB coach production spree: Indian Railway has created another record in the production of Linke Hofmann Busch (LHB) coaches! Under the ‘Make in India’ initiative of the Modi government, the Rail Coach Factory in Kapurthala has created a new record. The Rail Coach Factory of the national transporter has produced as many as 151 LHB coaches in the month of July 2020. Interestingly, this is thrice the production of LHB coaches by the coach factory as against the month of July 2019. According to Railway Minister Piyush Goyal, giving a boost to job creation, the production of 151 LHB coaches in July 2020 by the Rail Coach Factory, is its highest ever monthly production.