

NEWSPAPER HIGHLIGHT

India will utilise a big bump in revenue collection to fund welfare programmes instead of trying to beat its fiscal deficit target or lower borrowing, two government officials told Reuters. The country is set to exceed its revenue collection target of ₹15.45 lakh crore, the first beat in four years, but a big chunk of the extra cash will go to a rural job programme and to provide free cereals to the poor. The Centre is also likely to lose ₹550 billion to ₹600 billion in revenue after cutting fuel taxes this week. "Even after the cut in fuel taxes we should be able to exceed the tax collection target for the year but will use the funds for rural job programme and subsidies.

The annual growth rate of the technical textiles sector in the country should be in the 15%-20% range in the next five years, from the current 8%, said Union Minister of Textiles, Commerce and Industry, Consumer Affairs and Food and Public Distribution Piyush Goyal. It is time to target a five times' increase in export of technical textiles in three years, he told representatives of the Indian Technical Textile Association (ITTA) in New Delhi on Friday. The world market for technical textiles is \$250 billion and India's share is \$19 billion. A technical textile is a textile product manufactured for non-aesthetic purposes, Technical textiles include textiles for automotive applications, medical textiles (e.g., implants), geo textiles (reinforcement of embankments), agrotiles (textiles for crop protection), and protective clothing (e.g., heat and radiation protection for fire fighter clothing, molten metal protection for welders, stab protection and bulletproof vests, and spacesuits).

The prices of most major cooking oils dropped about ₹510 a litre in Delhi and as much as ₹20 in some other cities in the runup to Deepavali, Food Secretary Sudhanshu Pandey said, giving credit to the stabilisation of global prices as well as measures such as duty cuts and stock limits. However, the national average retail prices for cooking oils showed little change, and mustard oil, which is only produced domestically, continued to see rising prices. "International edible oil prices remain high, but have stabilised over the past week. Interventions by the Central Government along with the State Governments' proactive involvement

MGNREGA TRACKER REPORT

1. A report tracking the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was recently brought by the People's Action for Employment Guarantee (or PAEG) and LibTech India.

2. **What is the rationale behind MGNREGA?** The MGNREGA was enacted in 2005 by the Congress-led UPA government. Farming was proving to be increasingly unremunerative even as cities failed to create adequate job opportunities. Thus, MGNREGA was a response to the deep economic distress that existed in rural India. It provided 100 days of "guaranteed" employment in a year to any rural household (or family) at minimum wages. It was believed that fast economic growth will eventually reduce poverty and bring prosperity. Alongside the employment, safety net in the form such as subsidised food grains under NFSA were ensured to make the growth process more "inclusive" than before.

3. **Why is tracking NREGA significant?** MGNREGA's performance is possibly the most important proxy for the health of the informal economy (80-90% of all employment in India). If the Indian economy is booming and creating new jobs, one should expect less demand for jobs under the MGNREGA. Conversely, if the economy is struggling, MGNREGA would see exalted levels of activity. Be it the aftermath of demonetisation or the Covid-induced disruption, MGNREGA and NFSA continue to play crucial roles.

4. Counter-arguments MGNREGA payouts are making Indians lazy and taking away the incentive to migrate and work hard. It is also raising the cost of doing business for business firms.

5. **What are the key findings of the latest MGNREGA 'tracker'?** Inadequate Allocation The total budget allocation for MGNREGA for the current financial year (2021-2022) was 34% less than the revised budget of 2020-2021 financial year. Click here to know more. As of September 2021 end, the government had already spent 90% of its MGNREGA budget. Many states such as West Bengal, Andhra Pradesh, and Tamil Nadu have a negative net balance of funds remaining. There is little clarity on how MGNREGA budgets are decided.

6. **What lies ahead?** The NREGA can play a critical role in reviving rural mass consumption that is much needed for the economic recovery, given its multiplier effects. The tracker report underlines the importance for the Indian government to redouble its efforts towards MGNREGA and NFSA.

THE CRYPTO CONUNDRUM

1. The current rally in bitcoin has witnessed the increasing participation of retail investors in India but the future of bitcoin and other cryptocurrencies is still under suspicion. What are crypto assets? A crypto asset is a digital asset; but not all digital assets are crypto assets. The distinguish features of crypto assets: uses cryptography depends on distributed ledger technology no need for a third party such as a bank to issue crypto assets have three primary uses: as an investment, a medium of exchange, and to access goods and services. Crypto assets are commonly known as cryptocurrencies such as Litecoin, Ripple, Bitcoin, and Ethereum.

2. What is the case of speculation in cryptocurrencies? Scarcity - **Money creation by central banks causes the price of all goods to rise. It also tends to accelerate the adoption of alternative assets as currencies, gold and silver.** In case of cryptocurrencies, their limited supply has been the major feature for increased participation of investors. Value - Any asset must have either use value or exchange value in order for it to possess any fundamental value. Stocks, bonds, Gold, silver, Commodities such as oil and steel, etc. possess fundamental value. But cryptocurrencies possess no significant fundamental value to sustain their current high prices. The investors are bidding up the price of bitcoin because they foresee a future in which private currency is widely accepted as money.

3. How do crypto assets challenge the authority of government and central banks? **The monopoly of governments and**

and the cut in wholesale prices by major private players have led to retail prices cooling down much more than in the international market,” the Food Secretary told.

Pollution from stubble burning significantly reduced lung function and was particularly harmful to women in rural Punjab, says one of the largest studies of its kind in India, correlating the effect of air pollution on health. The study was conducted in six villages of Patiala, Punjab, and spanned two phases. During the crop residue burning period, a two to threefold increase was noted in most of the respiratory symptoms, including wheezing, breathlessness on exertion, cough in morning, cough at night, skin rashes, runny nose or itchiness of eyes, across all age groups. The highest number of complaints were reported by the elderly population (>4060) and the lowest in the younger age group (>10-18) during crop burning period in Punjab.

At the third edition of the Goa Maritime Conclave (GMC) next week, Navy chiefs and the heads of maritime agencies of the Indian Navy and 12 other littoral states of the Indian Ocean Region (IOR) will deliberate on the significance of interoperability to effectively deal with emerging and future maritime security challenges in the region, the Navy said on Friday. The biennial GMC under the aegis of the Naval War College, Goa is scheduled to be held on November 7 and 9 on the theme “Maritime security and emerging non traditional threats: a case for proactive role for IOR Navies”. “There would also be extensive deliberations in the domains of hydrography and maritime information sharing,” the Navy said in a statement. “As part of the conclave, visitors would also be afforded an opportunity to witness India’s indigenous shipbuilding industry at the ‘Make in India exhibition’ and the capabilities of Deep Submergence Rescue Vessel (DSRV) for submarines at the Marmugao Port Trust, Goa.

China vowed to punish “diehard” Taiwan politicians, saying it would ban several from visiting the mainland, as tensions between Beijing and Taipei spiked to their highest level in years. China claims Taiwan as its territory — to be seized one day, by force if necessary — and has intensified efforts in recent years to isolate the self ruled island on the international stage. On Friday, the Taiwan Affairs Office in Beijing warned that “the mainland will pursue criminal responsibility for Taiwan independence diehards in accordance with the law, to be effective for life”.

central banks over the issuance of money allows governments to fund their budget deficits. It also allows central banks to alter the money supply under the mandate of managing aggregate demand in the economy. Monopoly control over money allows governments to indirectly tax citizens by increasing the supply of currencies, thus devaluing them. If cryptocurrencies are going to challenge fiat currencies like U.S. dollar as a medium of exchange, they would essentially challenge the authority of the government to print and spend.

4. This assault on the authority of the government will lead to the existence of cryptocurrencies only as a speculative asset and not a medium of exchange. The competition between currencies to fulfill the demands of customers would ensure that fiat currencies that are printed indiscriminately simply go out of use. So countries such as China are imposing a ban on cryptocurrencies and are planning to issue their own central bank-issued digital currency.

5. In a 2018 circular, the RBI had banned banks from dealing with virtual currency exchanges and individual holders. But the Supreme Court lifted the ban in 2020 stating that the circular didn’t pass the ‘test of proportionality’.

THE MAURITIUS ROUTE OF TAX EVASION

1. The Financial Action Task Force (FATF) has removed Mauritius from its ‘grey list’ of countries which may indirectly lead to higher investment to India from the Island nation. What is FATF ? FATF a global terror financing watchdog headquartered in Paris, was set up in 1989 by the G7 countries. Objective - FATF acts as an international watchdog on issues of money laundering and financing of terrorism. It is empowered to curtail financing of UN-designated terrorist groups. It can limit the concerned countries from sourcing financial flows internationally and thereby constraining them economically. Members - FATF has 39 members, which comprise 37 member jurisdictions and 2 regional organisations. India became a full member in 2010.

2. FATF has 2 types of lists Black List - Countries known as Non-Cooperative Countries or Territories (NCCTs) are put in the blacklist. These countries support terror funding and money laundering activities. Grey List - Countries that are considered safe haven for supporting terror funding and money laundering are put in the FATF grey list. This inclusion serves as a warning to the country that it may enter the blacklist.

3. What is the status of Mauritius in FATF’s list? **Mauritius was put on the list in February 2020 for its weak system to counter money laundering and terror financing. Mauritius has been one of the largest contributors of FDI to India but due to this restriction RBI had last year directed that financial firms should not be set up with funds from Mauritius.** Mauritius has strengthened its anti-money laundering and terror financing process and has addressed related technical deficiencies to meet the commitments in its FATF action plan. FATF, therefore, informed that Mauritius is no longer subject to its increased monitoring process.

4. Why was Mauritius preferred for routing foreign investments into India? **India-Mauritius double tax avoidance agreement (DTAA)- DTAA is a tax treaty signed between India and another country so that taxpayers can avoid paying double taxes on their income earned from the source country as well as the residence country.** This allowed foreign investors to avoid capital gains tax on investments. Weak regulatory system in Mauritius - Loose regulations have made it easy for companies to round-trip money into India through name-plate entities. But with the adoption of the General Anti Avoidance Rules in 2017 and changing of the DTAA which removed the tax benefits, the Mauritius route has become less attractive.

5. What will be the implications of removing Mauritius from the grey list? **Removal of Mauritius from grey listing will help regain its status as a financial centre. This would enable Indian non-banking and other financial services companies to receive FDI from funds and vehicles incorporated by international investors in Mauritius.** It is also expected that now there would be less scrutiny by custodian banks on the ‘beneficial ownership’ (BO) of Mauritius vehicles coming in as FPI and FDI.

CHALLENGES POSED BY AUTOMATION

1. Over the past decade, automation has increased across sector and it is imperative to consider multiple approaches in order to overcome the challenges posed by them. What is the significance

Nine rebel groups battling Ethiopia's government joined forces on Friday, as fears grow of Tigrayan fighters advancing on the capital. The alliance includes the Oromo Liberation Army (OLA) and the Tigray People's Liberation Front (TPLF), which has been locked in a yearlong war against Prime Minister Abiy Ahmed's government.

Iran's atomic agency that its stockpile of 20% enriched uranium has reached over 210 kilograms, the latest defiant move ahead of upcoming nuclear talks with the West. The figure, attributed to agency spokesman Behrouz Kamalvan, was carried in a report by the semi official Tasnim and Fars news agencies. Under the historic 2015 nuclear deal between Iran and the World Powers, Iran was not meant to enrich uranium above 3.67%. Enriched uranium above 90% can be used for nuclear weapons.

of automation at present times? Automation is the fourth irreversible trend after globalization, digitization and mobility. According to a report by McKinsey, around 88% of finance and insurance executives, and 76% of IT executives reported an increased implementation of automation since the pandemic. Robotic Process Automation - RPA is a software technology that is used to build, deploy, and manage software robots that emulate humans actions interacting with digital systems and software.

2.What are the challenges in the automation? Selecting the right adoption approach - In a bottoms-up approach, automation is usually seen as a back-office necessity, restricting its value and benefits to a few departments. In a top-down approach, creating a fully automated enterprise is seen as a strategic business enabler that promotes competitive advantage. Employee involvement - Only if large number of employees use automation, it will result in greater return on investment. Using low-code and citizen developer concepts - Low-code platforms employ visual, drag-and-drop techniques instead of traditional lines of programming. However, it might lead to difficulties in enforcing standards and could also cause security issues.

3.How to overcome these challenges? **Task mining and process mining capabilities of an automation platform can be determined to determine the best way for enterprise automation. Business leaders must also deploy multiple integrated automation solutions to benefit the overall business.** A hybrid approach can be used to determine what to automate in which a feedback loop is created that amplifies use cases and drives adoption. It is imperative to have a mechanism to regulate citizen developer concepts and to ensure alignment with the organizational strategy.