



I-CAN
COMMUNIQUÉ

AUGUST
2021





MONTHLY NEWSLETTER – AUGUST 2021

Sensex : Up 0.2%	
Nifty : Up 0.3%	
Best performing sector: Realty (16.1%)	Worst performing sector: Auto (-5.4%)
Best performing Global index: MerVal (5.8%)	Worst performing Global index: Hang Seng (-9.9%)
Indian Rupee: -0.1%	Gold (International): 2.4%

The daily count of new Covid-19 cases in the nation has been on a declining trend after peaking in the early part of May. India reported a single-day rise of over 41,000 on July 31, lower than over 48,000 single-day increase on June 30. The total number of vaccination doses administered in the country crossed the 47-crore mark in July. More than 10.2 crore people are fully vaccinated. The July target was met with 13.45 crore administered last month.

The BSE Mid and Small cap indices ended the month with returns of 2.4% and 6.2% respectively, while Nifty and Sensex were

As per data from Centre for Monitoring Indian Economy (CMIE) the unemployment rate in India fell to 6.95% in July from 9.17% in June. CMIE data reveals that the cumulative consumer sentiments improved by 17% during the last three weeks since June 27. The Nomura India Normalisation Index (NINI) indicated that

almost flat for the month. The 10-year government bond yield inched up from 6.04% to 6.2% in the month of July.

Foreign institutional investors were net sellers last month in both equity and bond markets – a net amount of Rs. 11,308 crore and Rs. 781.5 crore was pulled out respectively.

FY22 growth projections released by various agencies are as follows:

Agency	FY22 Growth Estimate (%)
International Monetary Fund	9.5
RBI	9.5
Asian Development Bank	10
Nomura	10
Fitch Ratings	10

S&P retained India’s sovereign rating at BBB- with stable outlook.

consumption made a strong comeback in June. The investment activity also suffered a relatively lesser impact during the second wave of Covid-19.

RBI data released on 16 July stated that sales of listed private manufacturing companies shot up



by 31% from the year-ago period. The reason for the massive jump is a low base effect combined with price effect.

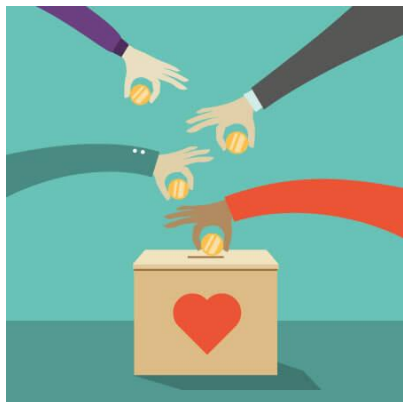
Retail inflation in India was 6.26% in June, close to the 6.3% print recorded in the previous month. The wholesale inflation figure was 12.07%, falling marginally from 12.94% in May.

India's factory output as measured by the Index of Industrial Production (IIP) grew by 29.3% in May, 8% lower compared to the number in April.

There was a revival in manufacturing activity in India in July as indicated by the latest Manufacturing Purchasing Managers' Index (PMI) data. The number increased to 55.3 in July from 48.1 in June. The Services PMI continued to be in the contraction zone but improved from 41.2 in June to 45.4 in July.

Reforms

- The Factoring Regulation (Amendment) Bill, 2021 was passed in Parliament to bring into force regulations aimed at helping the MSME sector in the availability of working capital.
- Russian Direct Investment Fund (RDIF) said that the production of Russia's coronavirus vaccine Sputnik V in India is likely to come fully on stream in September.
- The Airports Economic Regulatory Authority of India (Amendment) Bill, 2021 and National Institute of Food Technology Bill was passed in the Lok Sabha.
- The Rajya Sabha passed the Insolvency and Bankruptcy Code (Amendment) Bill, 2021. The proposed amendments will enable the government to notify the threshold of a default not exceeding Rs. 1 crore for initiation of the pre-packaged resolution process. The Juvenile Justice (Care and Protection of Children) Amendment Bill, 2021 which empowers district magistrates to sign adoption orders, and aims to make the adoption process faster and more compliant with rules.
- Prime Minister Narendra Modi launched SAFAL (Structured Assessment For Analysing Learning), which is a competency-based assessment for classes 3, 5 and 8 introduced by CBSE board.
- The Union government listed a 13-point agenda to ensure the safety and security of women, children and SC/STs.
- The government said that plastic sticks used in balloons, candies and ice-creams may get phased out by January 1, 2022.



Tax Benefits on Donations

Philanthropic activities play a significant role in the betterment of a society. In an unprecedented crisis like the ongoing pandemic where many people either lost loved ones or jobs or both, it is even more valuable. The government supports noble gestures like monetary contributions to charitable organisations. Under Section 80G of the Income Tax Act you can claim tax benefit on donations.

Eligibility: Any individual or non-individual taxpayer is eligible to obtain a tax deduction subject to the conditions mentioned in the Income Tax Act. Only donations to prescribed funds qualify.

Mode: To obtain tax benefit, the mode of payment required is cheque/draft/cash/bank transfer. The upper limit for claiming tax benefit in the case of a cash donation is Rs. 2,000.

Donation Amount: Either 50% or 100% of the donated amount can be permitted with or without restriction based on the guidelines mentioned under Section 80G.

Examples of Donations Eligible for 100% Deduction Without Qualifying Limit

- PM CARES Fund (Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund)
- National Defence Fund set up by the Central Government
- Prime Minister's National Relief Fund
- An approved university/educational institution of National eminence
- Zila Saksharta Samiti constituted in any district under the chairmanship of the Collector of that district
- Fund set up by a State Government for the medical relief to the poor
- National Illness Assistance Fund
- National Blood Transfusion Council or to any State Blood Transfusion Council
- National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation, and Multiple Disabilities
- National Sports Fund
- National Cultural Fund
- Fund for Technology Development and Application
- National Children's Fund
- Swachh Bharat Kosh (applicable from FY 2014-15)
- Clean Ganga Fund (applicable from FY 2014-15)
- National Fund for Control of Drug Abuse (applicable from FY 2015-16)

How this works: If you have an annual income of Rs. 20 lakh and you donate Rs 2.5 lakh to PM Cares Fund, you get a deduction and the taxable income reduces to Rs 17.5 lakh.

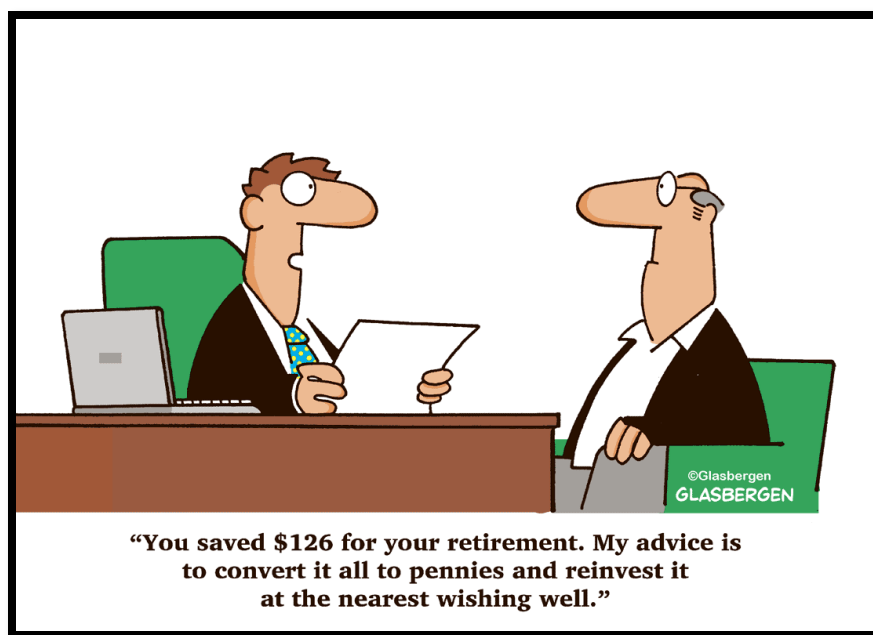
There are detailed rules mentioned for different kinds of charitable causes. For instance, donations made for repairs or renovation of any notified temple/mosque/gurudwara/church or other places is allowed for a 50% deduction subject to 10% of adjusted gross total income.

Section 80GGA allows benefit for donations made towards scientific research or rural development. In this case the taxpayer should not have an income (or loss) from a business and/or a profession.

Did you know?

Bhutan is the world's only carbon negative country.

Cartoon of the Month





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