

August 2nd news:

International:

Iran rejects Trump's offer for talks

Iran waved away U.S. President Donald Trump's claims that talks with the country's leaders were imminent, saying "threats, sanctions and PR stunts won't work".

With Washington pulling out of the landmark 2015 nuclear deal and set to reimpose full sanctions on Iran from August 6, Tehran has responded coolly to Mr. Trump's offer to talk "any time" without preconditions. The Revolutionary Guards also made their opposition to talks clear.

National:

Cabinet approved proposal to restore basic provisions of SC/ST Act

In a major decision for SC/ST community, Cabinet approved proposal to restore basic provisions of SC ST Act; Bill to be presented in monsoon session; Government says it is committed to protecting interests of Scheduled Castes and Scheduled Tribes.

Govt will introduce a Bill to restore the status of SC/ST (Prevention of Atrocities) Act to the provisions it had before the Supreme Court order of March this year. Government made its commitment clear to protecting the interests of scheduled castes and scheduled tribes.

The cabinet has approved the following amendments:

- No preliminary inquiry will be required before registering FIR in the case of SC and ST
- No prior permission will be required to arrest the accused
- Section 438 of CRPC will not apply to Scheduled Castes and Scheduled Tribes Prevention of Atrocities Law.

On March 20 this year, the Supreme Court had passed an important decision pertaining to the scheduled caste and scheduled tribes, Prevention of Atrocities Act 1989.

The apex court had banned immediate arrest of a person accused of insulting or injuring a Scheduled Caste/Scheduled Tribe member.

The court also allowed the accused persons to apply for anticipatory bail. The 1989 law, in fact, prohibits anticipatory bail, saying the accused on bail could terrorize the victims.

The apex court order led to widespread agitation, after which government filed a review petition in the Supreme Court. Govt's petition urged the court to restore the provisions of the Scheduled Castes and Scheduled Tribes Preventions of Atrocities Act to make the crimes non-bailable.

The review petition is pending before the court. The Bill that the Govt will introduce does restore those provisions.

Government obtained apex court approval for continuing reservations in promotions in government jobs. These promotions had been stopped by certain High Court Judgements.

The center approached the Supreme Court which ruled that pending the final verdict, the govt can continue with providing reservations in promotions.

Logo, tagline launched for GI

Commerce and Industry Minister Suresh Prabhu on 1st August launched a logo and tagline for Geographical Indications (GI) to increase awareness about intellectual property rights (IPRs) in the country.

A GI product is primarily an agricultural, natural or a manufactured product (handicraft and industrial goods) originating from a definite geographical territory.

Darjeeling Tea, Tirupati Laddu, Kangra Paintings, Nagpur Orange and Kashmir Pashmina are among the registered GIs in India. The Ministry had launched a contest for designing a logo and tagline for GIs.

Economy:

RBI increases key rates by 25 basis points

The Reserve Bank of India or RBI on 1st August **increased the repo rate**, or the rate at which it lends to banks, by 25 basis points to 6.50%, the second consecutive rate hike by the central bank. Despite the rate hike, RBI maintained a neutral stance, which will give the central bank flexibility to move either way, depending on the inflation trajectory.

The next monetary policy of the RBI will be announced on October 5. The six-member monetary policy committee voted 5:1 in favour of the rate hike while Ravindra H. Dholakia, seen as the most dovish member, voted against the decision.

Maintains GDP growth forecast: The RBI retained its GDP growth projection for 2018-19 at 7.4%, ranging 7.5-7.6% in the first half of the fiscal year and 7.3-7.4% in the second half.

Risks to growth are "evenly balanced", the central bank said. For the first quarter of the next fiscal (2019-20), the RBI is projecting a growth rate of 7.5%.

Inflation outlook: RBI pegged retail inflation at 4.8% for the second half of current fiscal, higher than the 4.7% rate it had projected earlier. Retail inflation has been projected to rise further to 5 per cent in the first quarter of the next fiscal year, 2019-20. The inflation outlook is likely to be shaped by several factors, including the recent hike in minimum support prices for kharif crops and global crude prices.

GST rate cut impact: The central said the lowering of the GST rate would exert a downward pressure on inflation, depending on the pass-through to consumers. The government has been reducing the GST rate on several goods since the new tax regime came into effect in July last year.

Most recently, last month, the government reduced GST rates on nearly 100 goods.

MSP hike impact: RBI deputy governor Viral Acharya said the RBI had built in some of the impact of the MSP hikes in its inflation projections, but there remained “considerable uncertainty” over how the MSP hike would play out on inflation. The MSP hike was also likely exert pressure on rural wages, he said.

Cabinet clears changes to GST laws relating to composition scheme, others

The Cabinet on 1st August approved GST laws amendments which included hiking threshold limit for availing composition scheme for dealers to Rs 15 million, among other things. The government will now table amendments to the Central GST law, Integrated GST law, Compensation Cess law in the ongoing monsoon session of Parliament.

In all, there are 46 amendments, which among other things, will allow employers to claim input tax credit on facilities like food, transport and insurance provided to employees under any law.

It also provides for modification of reverse charge mechanism, separate registration for companies having different business verticals, cancellation of registration, new return filing norms and issuance of consolidated debit/credit notes covering multiple invoices.