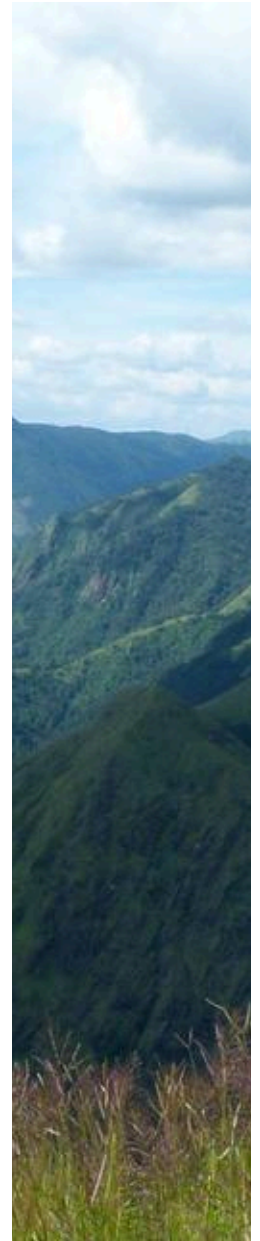


# C.A. SHORTS







## ARE ENOUGH FORMAL JOBS BEING CREATED?

**Employment Priorities and Concerns:** The Union Budget for 2024-25 emphasized employment as a major priority, highlighted by the government's response to voter concerns about rising unemployment.

**Current Employment Statistics:** India's workforce in 2022-23 was estimated at nearly 56.5 crore, with over 45% in agriculture, 11.4% in manufacturing, 28.9% in services, and 13% in construction. Despite a low official unemployment rate of 3.2%, many are underemployed or work in informal sectors.

**Schemes and Challenges:** Various schemes aim to incentivize hiring, support skilling, and promote formal employment. However, complex conditions and structural economic issues like low consumption and private investment hinder their effectiveness.



## KERALA BREAKS FREE FROM CENTRALISED TESTING, SEQUENCING

- **Decentralized Testing and Quick Response:** Kerala's Institute of Advanced Virology (IAV) tested Nipah virus samples within four hours, allowing the state to take swift action to contain the outbreak before confirmation from the National Institute of Virology (NIV) in Pune.
- **Laboratory Capabilities and Practices:** The IAV, a BSL-2 facility following BSL-3 practices, is equipped to test 83 viruses, including Nipah, Zika, and influenza, using a class-3 biosafety cabinet for virus inactivation and multiple tests per sample to quickly identify pathogens.
- **Genome Sequencing and Data Sharing:** IAV conducted partial sequencing of the Nipah virus genome and plans to undertake whole genome sequencing, emphasizing the importance of making genome data publicly accessible to aid in diagnostics and understanding pathogen evolution, which contrasts with delays in genome data release from other institutions.

# NO FURTHER CHANGES TO CAPITAL GAINS TAX IN MEDIUM TERM'

**Tax Regime Stability and Simplification:** The government is committed to maintaining tax certainty and simplifying the Income Tax Act of 1961 to reduce compliance burdens without reducing tax outgoes. This includes making the law easier for practitioners, authorities, and courts to implement by consolidating and simplifying sections.

**Shift to New Tax Regime:** About 70% of personal income taxpayers have switched to the new tax regime, which offers reduced rates for incomes up to ₹15 lakh and a higher threshold for the 30% tax rate compared to the old regime.

**Customs and Tax Collection Adjustments:** The Budget aims to review customs duties to balance import duties on raw materials and final products and address loopholes in property rental income classification. The fresh dispute resolution scheme, Vivaad Se Vishwas 2024, excludes search cases and offers settlement terms similar to previous iterations, with additional incentives for timely payment.







## **SURPRISING 'DARK OXYGEN' DISCOVERY COULD ENSNARE DEEP-SEA MINING**

### **THE GIST**

Polymetallic nodules are lumps of iron, manganese hydroxides, and rock partially submerged in many parts of the ocean floor. If their concentration exceeds 10 kg per sq.m, mining them is considered feasible. Many countries plan to do so

When many nodules are close together they could generate enough voltage to split one water molecule. According to one researcher, 'We have another source of oxygen on the planet.' His team is calling it 'dark oxygen.'

THE DESERVING INDIA

The finding raises the possibility of mining damaging ecosystems that require 'dark oxygen' to survive. Experts have found deep-sea mining itself could be harmful to the ocean, 'dark oxygen' or not

# RESERVED

## ON RESERVATIONS AND THE OBC CREAMY LAYER

### THE GIST

Articles 15 and 16 guarantee equality to all citizens in any policy of the government and public employment respectively. In order to achieve social justice, they also enable special provisions for advancement of socially and educationally backward classes or OBC, Scheduled Castes (SC) and Scheduled Tribes (ST).

The 27% reservation for OBC was upheld by the Supreme Court in the Indra Sawhney case (1992). It opined that caste is a determinant of class in the Indian context.

Sub-categorisation of reservation may be essential to address the under representation or non-representation of various communities.



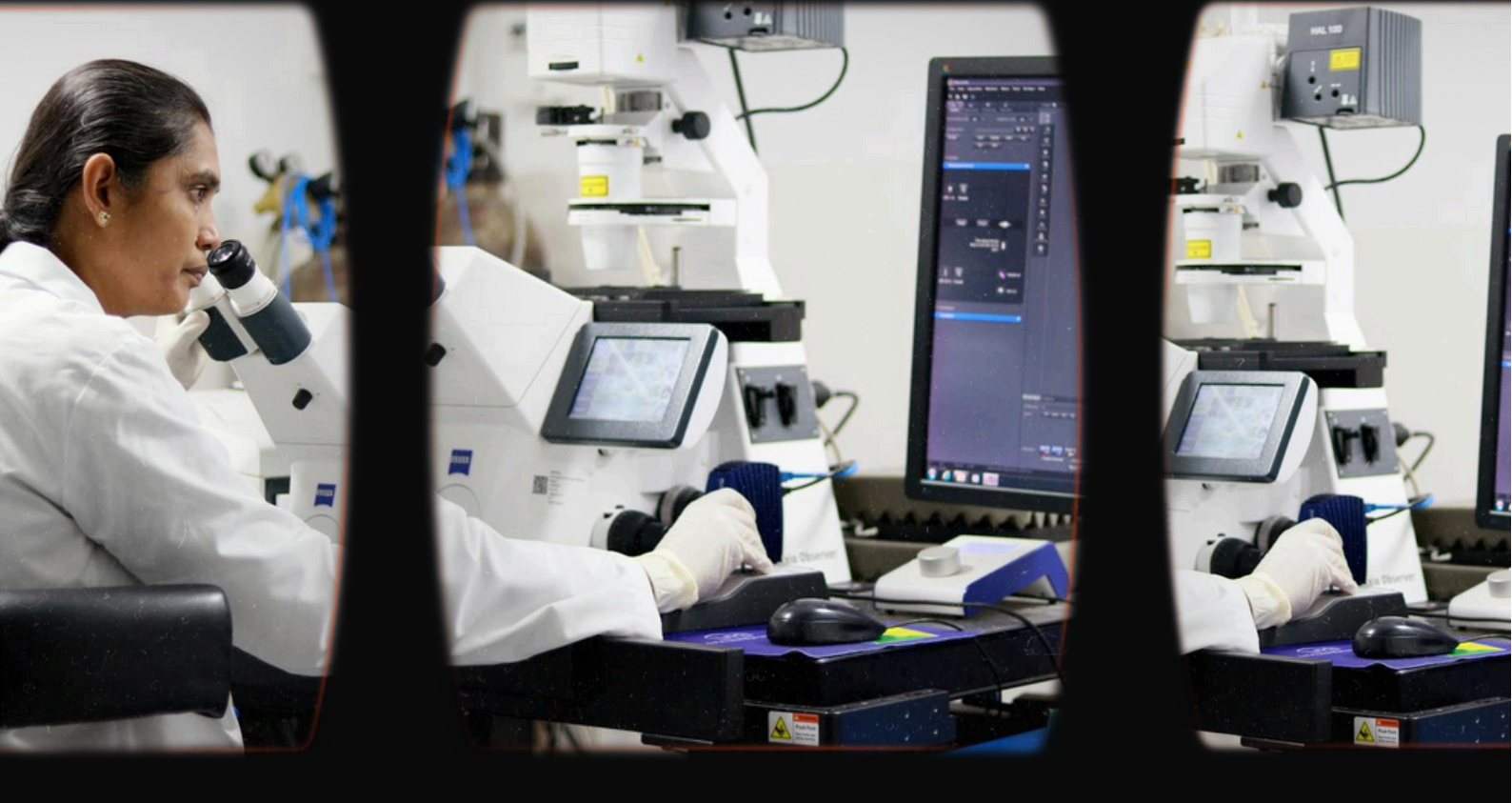


## **ITALY AND CHINA SIGN A 3-YEAR ACTION PLAN DURING MELONI'S VISIT**

**Italy and China signed a three-year action plan to implement past agreements and explore new cooperation forms during Italy's Prime Minister Giorgia Meloni's visit to Beijing.**

**Prime Minister Meloni aims to reset relations with China, balancing fears of a trade war with the EU and attracting Chinese investment in sectors like auto manufacturing.**

**The visit follows Italy's withdrawal from China's Belt and Road Initiative, a global infrastructure project aimed at enhancing trade and diplomatic ties.**



## INDIAN SCIENTISTS BUILD BREAKTHROUGH GENE-EDITOR, ARE AIMING FOR PATENT

**Enhanced Genome-Editing System:** Scientists at CSIR-Institute of Genomics and Integrative Biology in New Delhi have developed an advanced genome-editing system using FnCas9, an enzyme from *Francisella novicida* bacteria, which is more precise and efficient compared to the traditional CRISPR-Cas9 system.

**Improved Precision and Efficiency:** The team modified amino acids in FnCas9 to increase its binding affinity with the PAM sequence, resulting in higher precision and reduced off-target effects. This enhanced FnCas9 also shows increased efficiency in gene editing and the ability to access harder-to-reach regions of the genome.

**Therapeutic Applications and Potential:** The enhanced FnCas9 demonstrated high effectiveness in editing genes related to inherited blindness (Leber congenital amaurosis type 2) in human cells, with minimal off-target effects. This advancement holds promise for developing affordable, precise gene therapies in India and other low- and middle-income countries.



# CAN STATES TAX MINING ACTIVITIES?



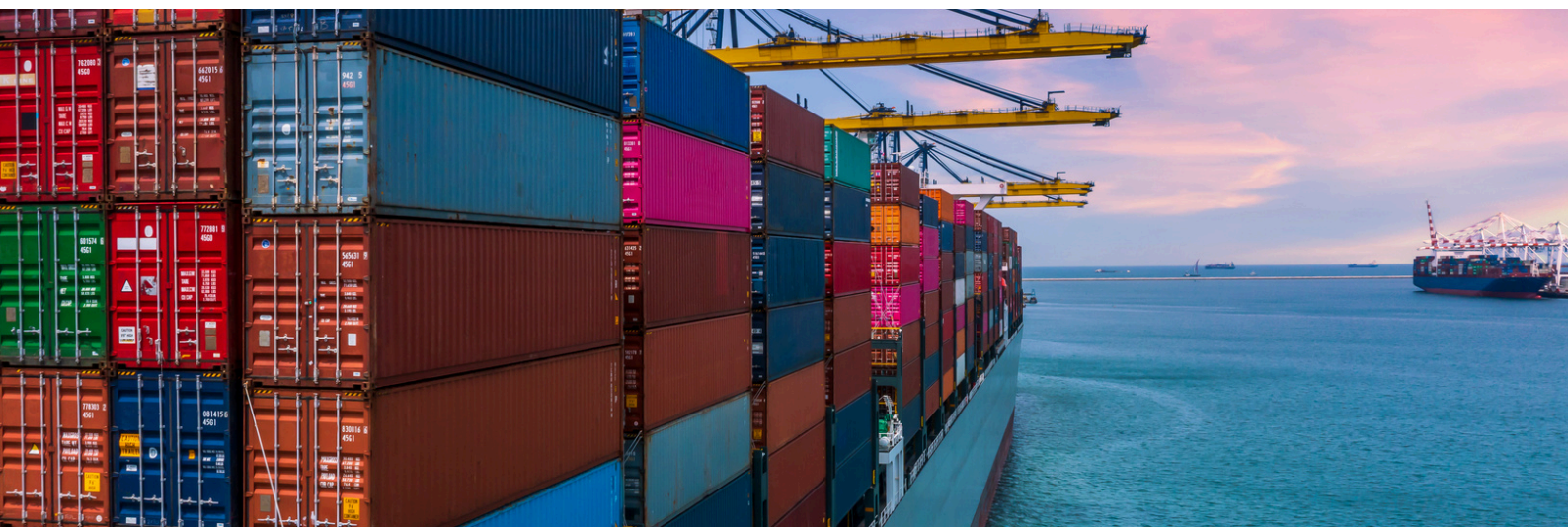
## THE GIST

**The Supreme Court affirmed that States have the legislative authority to impose taxes on minerals in addition to the royalty levied by the Centre.**

**The majority ruling clarified the distinction between royalty and tax. It defined royalty as the “contractual consideration” paid by the mining lessee to the lessor for the right to extract minerals. In contrast, a tax was characterised as an “imposition by a sovereign authority.”**

THE DESERVING INDIA

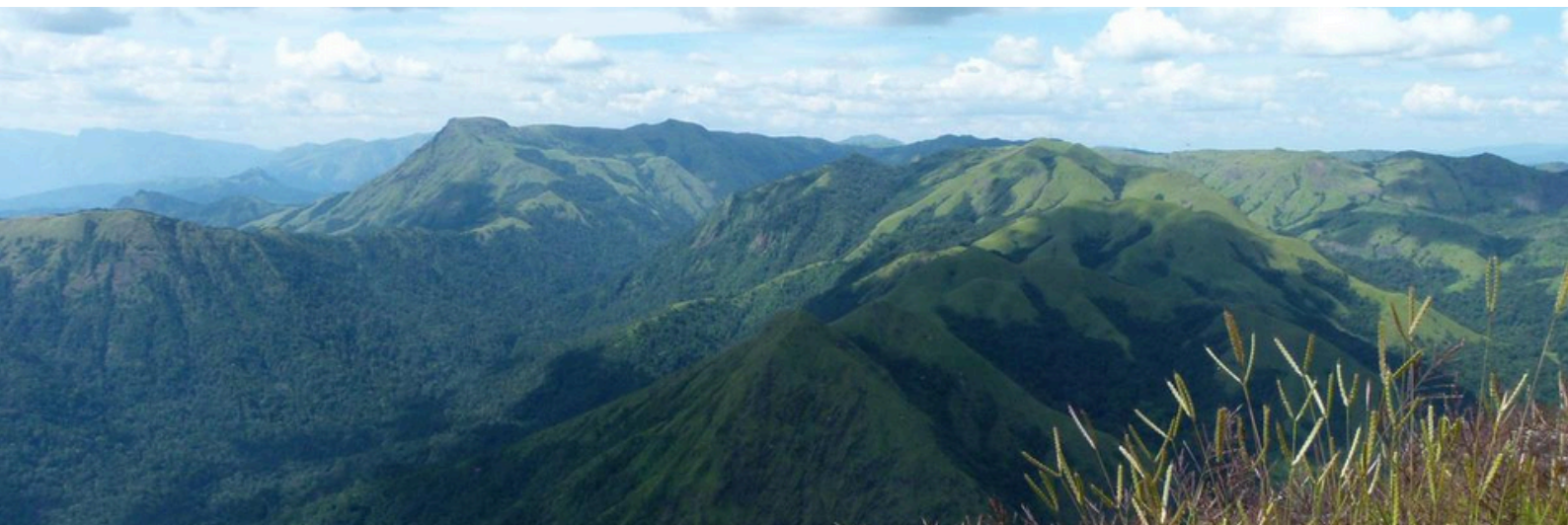
**On July 31, the court will consider whether the verdict should be applied retroactively or prospectively.**



## **SPIKE IN FREIGHT COSTS TO HIT EXPORTERS**

- **Rising Freight Costs:** Indian exporters are facing a four-fold increase in container freight costs, which could significantly impact their profit margins and working capital requirements through 2024-25. Smaller exporters are expected to be hit harder.
- **Global Trade and Freight Rates:** Despite a correction in freight rates post-pandemic, Indian corporates have not seen as significant a reduction as international counterparts. Factors like increased fuel usage, higher insurance premiums due to disruptions in the Red Sea, and reduced Panama Canal trade contribute to rising costs.
- **Potential Impact on Exporters:** The surge in freight rates, coupled with potential lengthening of the working capital cycle, may affect exporters' business operations, EBITDA margins, and overall financial health during FY25. This situation could be exacerbated by increased congestion at main ports and longer travel times





## INDIA'S OPEN ECOSYSTEMS FACING AN UNUSUAL THREAT: ENCROACHING TREES

**Impact on Grassland Birds:** A study published in *Global Change Biology* reported that an increase in tree cover in open ecosystems like savannahs and grasslands has led to a significant decline in native grassland bird populations. Specifically, grassland bird populations in the African Savannah have decreased by over 20%.

**Threats to Grasslands:** Grasslands and savannahs, which cover nearly 40% of the earth's landmass, are threatened by various factors including intensive agriculture, large-scale development, overgrazing, and woody encroachment. Woody encroachment, the increase in tree and shrub cover, leads to the homogenization of ecosystems and is driven by factors such as increased atmospheric CO<sub>2</sub> and the suppression of natural disturbance regimes like grazing and fire.

**Human Influence and Conservation Challenges:** Woody encroachment is exacerbated by human activities and colonial conservation policies that undervalue open ecosystems. Large-scale tree plantation programs and the misclassification of grasslands as "wastelands" contribute to their degradation. Effective conservation requires more scientific evidence, long-term ecological monitoring, and policy changes to protect these vital habitats.



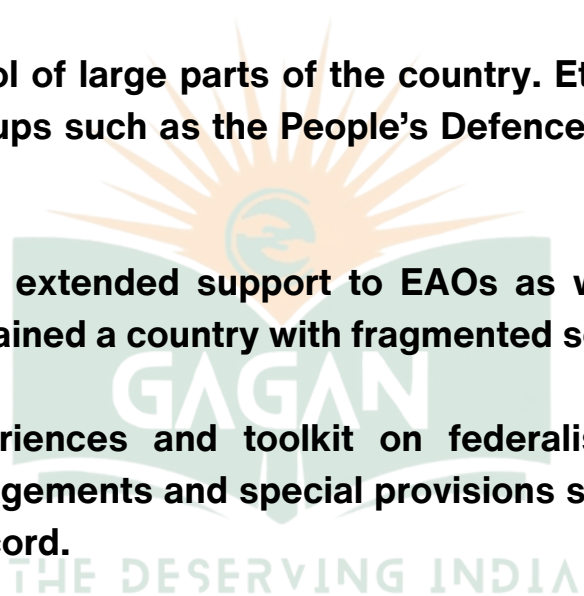
# THE DIFFERENT ARMED GROUPS OF MYANMAR

## THE GIST

The military has lost control of large parts of the country. Ethnic Armed Organisations (EAOs) and resistance groups such as the People's Defence Forces (PDFs) have made considerable gains.

Over the years, China has extended support to EAOs as well as the military, which ensured that Myanmar remained a country with fragmented sovereignty.

India can share its experiences and toolkit on federalism, such as institutional frameworks, financial arrangements and special provisions stemming from agreements like the Mizoram Peace Accord.







## **PROTESTS SPREAD IN VENEZUELA, OPPOSITION ALLEGES VOTE FRAUD**

- **Renewed Protests and Clashes:** After the contentious election results in Venezuela, supporters and opponents of President Nicolas Maduro planned rallies. Protests erupted across the nation, with many Venezuelans engaging in "cacerolazos," blocking roads, and clashing with police. The opposition claims the election results were manipulated, sparking widespread unrest.
- **International Reactions:** The international community remains divided over Maduro's re-election. The U.S. denounced the election's credibility and considered imposing more sanctions, while China and Russia extended their congratulations to Maduro. This polarization reflects the ongoing geopolitical tensions surrounding Venezuela's political situation.
- **Violence and Casualties:** Protests turned violent in various cities, including Caracas and Maracay, where police used tear gas against demonstrators. At least two people were reported killed in connection with the vote count or protests. The Venezuelan Conflict Observatory documented 187 protests with numerous acts of repression by security forces and paramilitary groups.





## **'ZOMBIES' IN OUR GENES HELPED US EVOLVE, AND COULD HELP FIGHT CANCERS**

- **Impact of Retroviruses on the Human Genome:** Retroviruses, unlike most viruses, can integrate into the host's genome using a unique enzyme called reverse transcriptase. This process has led to the presence of endogenous retroviruses (ERVs) in human DNA, which make up about 8% of the human genome and have played a significant role in evolution.
- **Significance of Syncytins and ERVs in Placental Development:** Syncytins, genes derived from ERVs, are crucial for placental development in mammals. A recent study suggested that an RNA from an ERV could serve as a biomarker for early-onset preeclampsia, highlighting the medical significance of these viral remnants.
- **ERVs in Embryo Development and Cancer Research:** ERVs influence cell differentiation in embryos and are linked to cancer. For example, the MERV1-gag protein, derived from an ERV, plays a key role in the transition from totipotency to pluripotency in early embryo development. Another study linked an ERV element, LTR10, to tumour formation in colorectal cancer, demonstrating ERVs' ongoing impact on human health.



## ON DISCARDING INDEXATION FOR LTCG

### THE GIST

Finance Minister Nirmala Sitharaman's announcement in the Union Budget about doing away with indexation for computing long-term capital gains (LTCG) tax has not drawn much enthusiasm.

Indexation ensures that taxpayers are taxed on real gains than gains at prevailing prices, which are a result of general increase in prices, and not economic growth, during the course.

Furthermore, a BankBazaar study, basing an assessment from the RBI's House Price Index, observed that without indexation, LTCG tax went up about three times on properties purchased after 2010. Keeping its base year as FY 2010-11, the study noted a "severe loss of tax savings" especially in the years from 2016-17.





## JUNE CORE SECTOR GROWTH SLOWS TO 4%

- **Overall Core Sector Performance:** Growth in India's eight core sectors fell to a 20-month low of 4% in June, down from 6.4% in May. This decline was mainly due to a significant drop in output growth across most sectors, with steel production hitting a 7-month low and refinery products experiencing their first contraction in five months.
- **Sector-Specific Trends:** Coal output grew at its fastest pace in eight months, increasing by 14.8%, while electricity generation declined to a four-month low of 7.7%. Cement production saw a slight recovery with a 1.9% rise after two months of contraction, and steel production growth slowed to 2.7%, the lowest in 27 months.
- **Impact on Industrial Production:** The Index of Core Industries, accounting for over 40% of the Index of Industrial Production (IIP), was 3.2% below May's level. This decline suggests a potential deceleration in industrial output for June, with experts predicting an IIP rise of 3.5% to 5% compared to May's 5.9%. The slowdown is attributed to reduced government capital expenditure and decreased construction activity ahead of the general election.



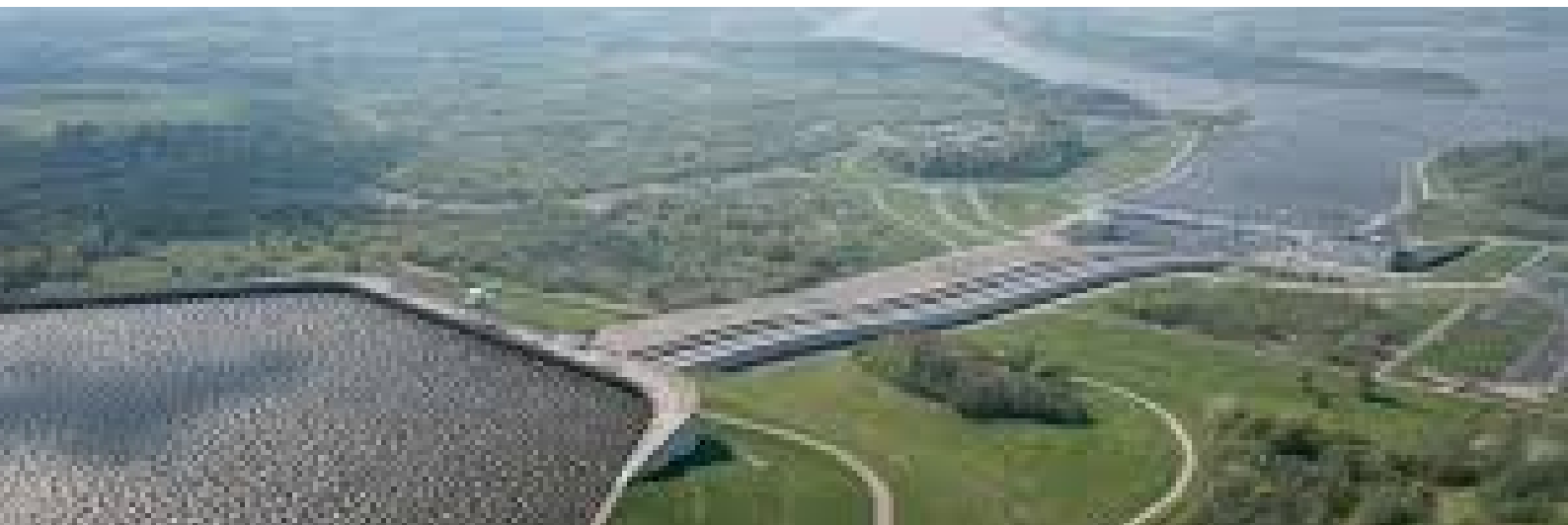


## CONTROLLING GESTATIONAL DIABETES IS CRITICAL TO THE MOTHER, BABY'S FUTURE

**Primordial Prevention Strategy:** The Delhi Declaration emphasizes the primordial prevention of diabetes, particularly gestational diabetes mellitus (GDM), using a single-test procedure for early detection of glucose intolerance in pregnancy. This low-cost strategy aims to prevent the progression of non-communicable diseases (NCDs).

**Foetal Programming:** Early detection and management of glucose intolerance, referred to as Early Gestational Glucose Intolerance (EGGI), is crucial. Screening at eight weeks and maintaining maternal glucose levels below 110 mg/dL by the 10th week can prevent foetal hyperinsulinemia and the development of GDM.

**Interventions and Outcomes:** The declaration advocates for medical nutrition therapy and metformin administration to maintain glycemic levels during pregnancy. Pilot studies show promising results, with significantly lower incidences of GDM in women receiving early intervention. The goal is to ensure better maternal and foetal health through early action and continued post-partum care.



# THE RELEVANCE OF PUMPED STORAGE PROJECTS

## THE GIST

India has planned to create an ambitious 500GW of non-fossil fuel energy by 2030. In around two years, from 2021 to 2023, it created some 23GW of non-fossil generation capacity.

India has 3.3GW of pumped storage. Main ones are in Nagarjunasagar, Kadana, Kadamparai, Panchet and Bhira.

Pumped storage is of two types: on river and off river. On-river is like any hydroelectric project supplied by a river. Off-river projects are those that have two reservoirs at two different levels to which the water can be pumped up or let down under gravity in a closed loop.

# **GST RECEIPTS GROWTH RALLIES TO 10.3%, JULY KITTY 3RD- HIGHEST EVER**



- **Record High Collections:** India's gross Goods and Services Tax (GST) collections in July reached ₹1.82 lakh crore, marking the third-highest monthly level. This is a 10.3% increase from June's growth rate of 7.6%, which was the lowest in three years.
- **Growth in Revenue:** While gross revenue from domestic transactions grew by 8.9%, a slight dip from 9.4% in June, taxes collected on imports saw a significant rebound to 14.2%, up from 2.4% in the previous month. Sequentially, gross GST collections in July were 4.75% higher than in June.
- **Net Revenue Analysis:** Net GST collections in July rose by 14.4% to ₹1,65,793 crore, driven by a 17.3% increase in net import revenue and a 13.5% rise from domestic transactions. This marks a 7.75% increase from June's net GST revenue of just under ₹1.54 lakh crore. Notably, a slowdown in refunds contributed to this sharp rise, with total refunds in July dropping 19.4% year-on-year.





## **SLAIN HAMAS CHIEF BURIED IN QATAR AMID VOWS OF REVENGE**

**Farewell Ceremony for Ismail Haniyeh:** Thousands gathered in Qatar to bid farewell to Hamas leader Ismail Haniyeh, who was killed in Tehran. The ceremony was held at the Gulf emirate's largest mosque before his burial in Lusail, north of Doha.

**Statements from Hamas Leaders:** Khaled Meshaal, Haniyeh's predecessor, emphasized the group's continued commitment to its cause, rejecting any concessions or recognition of Israel. Meshaal declared that Palestine will remain undivided and vowed that the killing of leaders would not deter their struggle.

**Regional Tensions and Calls for Action:** Senior Hamas official Sami Abu Zuhri warned Israel of impending consequences and called for a "day of furious rage." Haniyeh's death has heightened regional tensions amid the ongoing Gaza conflict.

# SENSEX, NIFTY SLIP OVER 1% LED BY SELL-OFF IN AUTO, STEEL STOCKS



- **Stock Market Decline:** Benchmark stock indices in India fell by more than 1% on Friday, with the S&P BSE Sensex dropping 885.60 points (1.08%) to 80,981.95 and the NSE Nifty-50 index declining 293.20 points (1.17%) to 24,717.70. The decline followed weaker-than-expected U.S. jobs data and a global equities slump.
- **Sector-Specific Losses:** Major losers among Sensex stocks included Maruti (down 4.63%), Tata Motors (4.17%), JSW Steel (3.66%), Tata Steel (2.97%), L&T (2.91%), and M&M (2.84%). Most sectors mirrored the benchmark's decline, with broader indices also falling by half a percent.
- **Analyst Insight:** Amol Athawale from Kotak Securities noted that Indian markets followed the trend of global equity markets, which saw a significant drop due to weak economic data and disappointing quarterly numbers. However, he pointed out that Indian markets held up relatively better compared to global markets, which fell by over 1.50%.