



Public Finance

Park grants in nodal A/C or they'll be put back in Consolidated Fund, states told

Union ministries have shot off a flurry of communication to the chief secretaries of several states last week, warning that failure to transfer the full central share of funds for 2021-22 for each such scheme to the designated Single Nodal Agency (SNA) by July 20 (the last date set by the Department of Expenditure) will result in the amount returning to the CFI. (Source: *The Economic Times*)

CAG to assess impact of old pension scheme on finances

India's statutory auditor, the Comptroller & Auditor General of India, is taking a deep dive to ascertain the impact of the old pension scheme on finances after some state governments decided to revert to that. The CAG has also started work on a comprehensive account of natural resources in the country that will aid policymakers in planning their sustainable utilisation. (Source: *The Economic Times*)

States borrowing cost slips to 7.90%

After touching nearly 8 per cent last week, the states breathed a little easy on 26 July 2022 as the cost of their borrowings eased marginally to 7.90 per cent. The weighted average cost of states' borrowings inched down by 6 basis points to 7.90 per cent from 7.96 per cent at the latest auctions of state development loans (SDLs) as state debt is known, when nine states collectively raised Rs 18,700 crore from the markets today. Also the spread between 10-year SDL and G-secs yields increased to 43 bps from 39 bps last week. (Source: *The Economic Times*)

Doling out freebies by states is competitive federalism of the worst kind: Mythili Bhusnurmath

The issue of doling out freebies has resulted in competitive federalism of the worst kind as political parties and state governments are leaving no stone unturned to lure voters during elections that are held frequently, said Mythili Bhusnurmath. The growing contribution of non-merit subsidiaries, not beneficial for a large section of society, in the GDP is increasing. This means the states are taking these measures at the cost of increasing the fiscal stress. (Source: *The Economic Times*)

Bihar holds highest unspent amount in PM Awas Yojana

Bihar holds the highest unspent amount in the Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) scheme, at Rs 3,207 crore, while the total unspent amount under the scheme stands at Rs 14,929 crore, Union Minister of State for Rural Development Sadhvi Niranjana Jyoti informed the parliament. (Source: *ThePrint*)

The poor state of India's fiscal federalism: the concerns of the founding fathers-addressing socio-economic inequities- are being forgotten in today's fiscal policy

The asymmetric federalism, inherent to the Constitution, was only accelerated and mutually reinforced with political centralisation since 2014, making the Union Government extractive rather than enabling. While States lost their capacity to generate revenue by surrendering their rights in the wake of the Goods and Services Tax (GST) regime, their expenditure pattern too was distorted by the Union's intrusion, particularly through its centrally sponsored schemes. (Source: *The Hindu*)



Taxation

Rs 14,820 cr tax demand raised under black money law on foreign income: Government

Finance Minister Nirmala Sitharaman further informed the House that 648 disclosures involving undisclosed foreign assets worth Rs 4,164 crore were made in the one-time three months compliance window, which closed on September 30, 2015, under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. (Source: *The Economic Times*)

Supreme Court permits companies to claim transitional tax credit

In a judgement that could benefit many companies, the Supreme Court ruled on 22 July 2022 that businesses that were unable to claim tax credits when the indirect tax system switched to the Goods and Services Tax (GST) would be able to do so. When India moved to the GST regime in 2017, companies had to transition the credit sitting on their books. So, the closing balance in the old tax regime would become the opening credit balance under GST. (Source: *The Economic Times*)

Prompt grievance redressal of taxpayers top priority: CBDT chairman Nitin Gupta

In his message on the occasion of Income Tax Day, he said the tax department has reported the highest ever tax collection of Rs 14.09 lakh crore in the fiscal year ended March 31, 2022 due to streamlining of policies and processes that eased compliance for taxpayers. Prompt redressal of taxpayers' grievances remains the top priority for the tax department, the newly appointed chairman of Central Board of Direct Taxes (CBDT) Nitin Gupta said on 24 July 2022. (Source: *The Economic Times*)

GST impact 'marginal' on dairy, agro items: FinMin

Finance Ministry has said that the net impact of GST on various dairy and agro products would be 'marginal' because of Input Tax Credit. It also acknowledged receiving petitions for re-consideration of GST on such items (Source: *BusinessLine*)

GST was imposed on essential items after States complained of losing out on VAT

GST on pre-packaged goods/ food packets was levied after some States gave feedback of losing revenues they previously earned from levy of VAT on food items, said a top government official. The decision to levy the tax, which came into effect from July 18, is not that of the Centre but of the GST Council. It was considered by the Fitment Committee that has officers of some States and the Centre. (Source: *BusinessLine*)

Traditional sweetmeats not confectionery, to attract 5% GST

Traditional Indian sweets cannot be categorised as 'confectionery' and malai sweets too may be treated as sweetmeat for applicability of GST, according to the Madhya Pradesh Authority for Advance Ruling. (Source: [BusinessLine](#))

Centre, States bound by GST Council recommendations, asserts Union Govt

The Centre and the State Governments in India are bound to comply with the recommendations made by the Goods and Services Tax (GST) Council, the Union Government stated in the Rajya Sabha. ([Manorama News](#))



National Accounts and State of the Economy

ESIC scheme adds 14.93 lakh new members in May

Around 14.93 lakh new members joined the ESIC-run social security scheme in May 2022, according to official data released on Monday. The latest data is part of a report -- Payroll Reporting in India: An Employment Perspective - May 2022 -- released by the National Statistical Office (NSO). (Source: [The Economic Times](#))

India's GDP to grow 7% this fiscal: FICCI survey

Industry body FICCI on Thursday said India's economy is estimated to grow 7% in the current fiscal, lower than the earlier projection of 7.4%, mainly due to the ongoing geopolitical uncertainties. FICCI's Economic Outlook Survey (July 2022) also said the policy rate of the Reserve Bank of India is expected to touch 5.65% by the end of this fiscal. ([The Hindu](#))

IMF cuts India's FY23 growth forecast to 7.4%

The International Monetary Fund (IMF) has lowered India's growth forecast by 80 basis points to 7.4 per cent for FY23. In April, it projected growth rate at 8.2 per cent. Even for FY 2023-24, it has cut the growth forecast to 6.1 per cent from 6.9 per cent as said in April. ([BusinessLine](#))

India targets \$300 billion worth bioeconomy by 2030

Union Minister of State (Independent Charge) Science and Technology and Minister of State (Independent Charge) Earth Sciences Jitendra Singh said India has a target of \$300 billion in bioeconomy by 2030. Bioeconomy is the production, utilization, and conservation of biological resources, including related knowledge, science, technology, and innovation, to provide information, products, processes, and services across all economic sectors. (Source: [The Economic Times](#))

Asian Development Bank pares India growth hopes to 7.2% for 2022-23

The Asian Development Bank has reduced India's Gross Domestic Product estimate for the current financial year 2022-23 to 7.2 per cent from its earlier projection of 7.5 per cent, citing higher-than-expected inflation will erode consumers' purchasing power. For the financial year that ended in May, the growth has been revised to 8.7 percent from 8.9 percent. ([The Economic Times](#))

Inflation appears to have peaked: RBI Governor Das

In signs of major relief for the economy, Reserve Bank of India governor Shaktikanta Das said on Friday that inflation appears to have peaked. Das said despite the softening in consumer prices the situation still remains uncertain. *(The Economic Times)*

Towards creating more 'smart' villages

One significant initiative in India's effort to tackle climate change has been unfolding in Indian villages. The idea of developing 'climate smart' villages — first mooted in 2011 — has now gathered steam and will strike further roots with the new models evolved over the years becoming more and more visible in our rural landscape as we race towards meeting our climate goals. *(BusinessLine)*

MGNREGA helped rural people cope with the pandemic: Official

MGNREGA played a "very significant" role in helping people in rural areas cope with the pandemic, a top ministry official has said, adding that the government created more work days under the scheme during that time. A total of 260 crore person days were created in 2019 whereas this number rose to 390 crore person days in 2021, Nagendra Nath Sinha, Secretary at the Ministry of Rural Development, said on Friday while addressing a session on 'Women, Ordeal and Opportunity through the Pandemic'.

(The Economic Times)

On this day in 1991: A landmark budget that changed India's fortunes

After decades of growing at a meagre 3.5% per year, India took a few decisions that forever changed the lives of Indians as the country embarked upon a new journey. On this day 31 years ago, i.e., July 24 1991, Manmohan Singh, the then finance minister of India, presented a landmark budget, ushering in a new dawn for the Indian economy.

(The Economic Times)

SEZ rules recast to give a boost to realty too: Experts

The government's move to revamp special economic zones (SEZs) will rekindle interest in the commercial hotspots, make them more inclusive in terms of economic activity and fetch good value for real estate in these pockets, experts said. A draft Bill to revamp SEZs into development of enterprise and service hubs (DESH) is expected to allow partial denotification of these hubs to free up areas not in demand. *(The Economic Times)*

No savings, income shortfall and much more: What data says about the lives of gig workers

While the government is mulling over extending social security benefits to over 77 lakh gig workers, a new study titled GigPlus by LEAD at Krea University and fintech start-up KarmaLife says that an average gig-worker makes around ₹18,000 a month with ₹5,000 as an average monthly deficit. *(BusinessLine)*

India set to be fastest-growing economy in the world: Birla

India is poised to be the fastest-growing major economy in the world and an engine of global growth despite global headwinds, said leading industrialist and Aditya Birla Group Chairman, Kumar Mangalam Birla. Economic activity in India has witnessed a sharp recovery to pre-pandemic levels on the back of a rapid and widespread rollout of the vaccination programme, said Birla in the latest annual report of UltraTech Cement.

(The Hindu)

Unorganised sector workers on e-Shram encouraged to take social security benefits

The Ministry of Labour has been encouraging unorganised workers registered on the e-Shram portal to take advantage of social security schemes. With efforts to facilitate their registration and create awareness about the portal, over 27.99 crore unorganised workers have been registered on e-Shram as on July 20, 2022. *(BusinessLine)*

Cylinder, subsidy give-outs on a downhill since FY20

The amount of money disbursed as LPG subsidy by the Centre has been steadily coming down since 2019-20. According to the Ministry of Petroleum and Natural Gas, only ₹242 crore was transferred as LPG subsidies in FY22 compared to ₹37,209 crore in 2018-19. This was when the maximum number of free cylinders were given under the PM Ujjwala scheme. *(BusinessLine)*

Water Resources Ministry await Cabinet nod for inter-state river water dispute (amendment) bill

The Water Resource Ministry is seeking Cabinet approval to introduce a change in Inter-State River Water Disputes (Amendment) Bill 2019 regarding the Ravi-Beas water contention adjudication before getting it passed through parliament, most probably in the ongoing monsoon session. *(BusinessLine)*

India's Job Crisis, Security & Agnipath: Why Northeast May Become a Litmus Test

The Northeast faces both internal and external security challenges, along with a struggling economy. The financial stability provided by the military service is what motivates people in economically deprived states to join the army. With Agnipath, that 'stability' has come under doubt now. The new scheme brought radical changes to the process of recruiting soldiers into the military. All soldiers, called 'Agniveers' will be recruited for four years, after which the military will retain only 25% of them for permanent incorporation. This incorporation will result in a 50-50 merging of Agniveers and regular soldiers. *(The Quint)*

Natural gas demand dips as power companies, refiners switch to alternative fuels

India's natural gas consumption is shrinking as refiners, power producers and petrochemical plants are using less of the pricey fuel. Domestic consumption fell 2.5% year-on-year in the first quarter of FY23 while gas imports declined 10%, oil ministry data showed. In June, consumption fell 4% over the year. *(The Economic Times)*

About 2.11 crore domestic LPG users did not take refill in FY22

During FY22, about 2.11 crore domestic consumers of liquefied petroleum gas (LPG) did not take any refill. This accounts for around 7 per cent of the total 30.53 crore consumers (as on April 1, 2022), Parliament was informed on Thursday. Consumption of domestic LPG by households depends on factors such as food habits, household size, cooking habits, price, easy availability of free firewood and cow dung, etc. *(BusinessLine)*

Volume growth for FMCG industry under stress, consumers rationalising spends, shifting to unbranded segments: Kantar

FMCG sector's value growth is outpacing volume growth on the back of inflationary-led price hikes. According to marketing data and analytics firm Kantar, which tracks household consumption, FMCG sector's volume growth was pegged at 4 per cent and value growth at 8 per cent in the 12 month period ended May 2022 over the corresponding period in the previous year. *(BusinessLine)*

Labour Codes: Industry, employers hope for early roll out

Industry and employer representatives have urged the government to roll out the four labour codes at the earliest, and even to go for a staggered or phased implementation, if needed. This comes amid concerns that the four codes, aimed at simplifying and modernising the labour laws, have already been delayed and could face further delays as many States are yet to finalise their draft laws and more consultations are underway. *(BusinessLine)*

Hospitals have refused cashless treatment under CGHS in the recent past: Govt

In the recent past, some hospitals have discontinued extending cashless treatment under the Central Government Health Scheme (CGHS), the Union Minister of State for Health and Family Welfare, Bharati Pravin Pawar, said in the Rajya Sabha on Tuesday. Some hospitals have also requested for exiting from the panel for various reasons, and their request is considered as per the Memorandum of Agreement (MoA). *(BusinessLine)*

IEA revises India's 2022 electricity demand upwards

The International Energy Agency (IEA) has revised upwards India's annual electricity demand from 6 per cent to 7 per cent in 2022 due to exceptionally high summer temperatures, leading to a significant surge in consumption. The heatwave pushed up use of air conditioning and created a significant surge in electricity demand, including new all-time highs accompanied by supply shortages," the global agency said in its latest report. *(BusinessLine)*

Stable data collection, surveillance necessary to deal with infectious diseases: Gagandeep Kang

Authorities must reach out to companies for antivirals and vaccines, need to include private labs to build testing capacities, says virologist. As monkeypox gets reported in a world still grappling with Covid-19, virologist Gagandeep Kang says, India should build its capacities, be it in diagnostics or developing vaccines, and continue to generate stable data to help frame policy. *(BusinessLine)*

Women line up for firms offering WFH

In the post-Covid world, women are gravitating toward organisations that provide the work-from-home perk. Companies that offer work from home (WFH), work from anywhere (WFA) or even hybrid models, said they are seeing a spike in the number of women applying. Some of them have already started feeling the impact in terms of better gender diversity numbers. *(The Economic Times)*

India has zero probability of slipping into recession, says survey

The risk of recession in a handful of Asian economies is rising as higher prices spur central banks to accelerate the pace of their interest rate hikes, according to the latest Bloomberg survey of economists. The probability of recession for several other Asian economies remained unchanged in the survey. Economists see a 20% chance that China will enter recession, and a 25% likelihood that South Korea or Japan will enter one. *(The Economic Times)*

Inflation, price rise could dent India's gold demand in July-Dec: WGC

India's gold demand in the first half of 2022 jumped 42% from a year ago but consumption in the second half could be lower than last year as higher inflation erodes disposable income, the World Gold Council (WGC) said on Thursday. Lower purchases by the world's

second-biggest gold consumer could weigh on prices, which are trading near their lowest level in more than a year. *(The Economic Times)*

Country's economic prowess gets reflected in its ammunition: Defence Minister Rajnath Singh

"If advanced ammunition is the reality of new-age warfare, then the country should focus its attention on where it is standing today in terms of research and development, indigenous capacity and manufacturing capability in this area," Mr. Singh said. "A country's economic development and progress in the field of science and technology gets automatically reflected in the capacity of its weapons and ammunition," Mr. Singh noted. He said one should learn the right lessons from history to forge a new path towards the future. *(The Hindu)*

Thousands of villages set to get 4G coverage

The Union Cabinet, chaired by Prime Minister Narendra Modi, on Wednesday, approved a project for saturation of 4G mobile services, in uncovered villages across the country, at a total cost of ₹26,316 crore. Under the project, 4G mobile services will be provided in 24,680 uncovered villages in remote and difficult areas. Additionally, 6,279 villages which currently have only 2G/3G connectivity, will also be upgraded to 4G. *(The Hindu)*

Centre to amend Warehousing Act

The Union Food and Public Distribution Ministry has suggested major amendments to the Warehousing (Development and Regulation) Act of 2007. While the Ministry says that the aim is to help farmers get access to the service of quality warehouses, the Samyukt Kisan Morcha (SKM) fears that the amendments are for bringing back certain provisions of the repealed the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act through the backdoor. *(The Hindu)*

Government initiates work on consumer spending survey

The Centre has kicked off the process for conducting the quinquennial Household Consumption Expenditure Survey (HCES) this month, and the questionnaire for the survey has been tweaked to capture data about items received free from the government's welfare programmes. Field work for the survey that will, for the first time, involve three visits over a year to assess spending patterns in selected households, will begin soon, Rao Inderjit Singh, the Minister of State with independent charge of Statistics and Programme Implementation informed the Lok Sabha in a written reply. *(The Hindu)*

Haryana textile policy to create 20,000 jobs: Dushyant Chautala

Haryana Atmanibhar Textile Policy 2022' will be soon implemented in the state involving an investment of around ₹4,000 crore and providing employment to 20,000 youth, said Haryana Deputy Chief Minister Dushyant Chautala on Tuesday. He gave this information after a Cabinet Sub-Committee meeting held at Haryana Bhawan in New Delhi to discuss the policy draft. Haryana Agriculture and Farmers' Welfare Minister Jai Prakash Dalal and Labour and Employment Minister Anoop Dhanak were also present. *(The Hindu)*

LPG price crosses ₹1,050, cylinder refills decline among PMUY consumers

The price of a 14.2 kg cylinder has skyrocketed to ₹1,053 in July 2022. Though a subsidy of ₹200 per cylinder was recently announced for the Pradhan Mantri Ujjwala Yojana beneficiaries, the subsidised rate of ₹853 is still double the amount paid in 2015. In fact,

the government's expenditure on LPG subsidies in FY22 has crashed to just ₹242 crores. *(The Hindu)*

How did Central Public Sector Enterprises perform in FY2021?

Financial Year 2021, the one-year period just after the national lockdown was announced, was a relatively better year for Central Public Sector Enterprises (CPSEs) in terms of profits. The aggregate profits of profit making CPSEs increased by 37% compared to FY20, while the aggregate losses of loss-making CPSEs declined by 29%. Of the 254 CPSEs for which data are available, 177 made net profits while 77 made net losses in FY21. Worryingly, 28 of those 77 loss-making CPSEs have made net losses for the third consecutive year. *(The Hindu)*

Power tariff revisions and the state of DISCOMs

A number of factors, which include mounting losses, outstanding loans and the consequent increase in interest burden, has compelled the Tangedco to file the petition. Even after joining the Ujwal DISCOM Assurance Yojana (UDAY), a scheme meant for improving the health of state-owned electricity distribution companies (DISCOM) in January 2017, Tamil Nadu could not bring down the gap between the Average Cost of Supply (ACS) and the Average Revenue Realised (ARR) to nil by 2018-19, as stipulated in the scheme. *(The Hindu)*

Scholars in dire straits as Maulana Azad fellowship is delayed

M. Phil and Ph.D. research scholars working in various universities in India have approached the Minority Affairs Ministry and the Union Grants Commission (UGC) complaining about the delay of about nine months in disbursement of the Maulana Azad National Fellowship (MANF). The research scholars say this is the first time there has been such a delay. Both the UGC and the Ministry have not given a proper reply to their calls and letters. *(The Hindu)*

Bihar, Odisha and Maharashtra have demanded caste census, MHA in Lok Sabha

The forthcoming Census is to be the first digital Census. The Ministry of Home Affairs (MHA) informed the Lok Sabha on Tuesday that the State Governments of Bihar, Maharashtra and Odisha have requested to collect caste details in the forthcoming Census but caste details other than that of Scheduled Caste (SC) and Scheduled Tribe (ST) have not been enumerated in Census since Independence. *(The Hindu)*

RBI's discussion paper on climate change calls for board approved climate risk management

Lenders may need to incorporate an assessment of both physical and transition risks across a range of climate-related scenarios. They may identify and simulate plausible and relevant scenarios, factor in the inter-linkages between climate-related risk and other risks and explore resilience to financial losses under a variety of scenarios. *(The Economic Times)*.

Parliamentary panel examining age of marriage to seek extension

The Parliamentary Standing Committee on Women, Children, Youth and Sports Affairs, which is examining the provisions of the Prohibition of Child Marriage (Amendment) Bill, 2021, appointed in January, was given three months till March to submit its report, and was later granted an extension till June 24. A second extension followed and the panel was given time till July 24. *(The Hindu)*



Banking and Monetary Policy

Indian stocks record best week since Feb 2021 on buying in banking, return of foreign funds

Foreign Portfolio Investors (FPIs) had been selling equities in the Indian markets for the past nine-to-ten months barring the latest buying due to various reasons, including tightening of monetary policy in advanced economies, and rising dollar and bond yields in the US. They have pulled out Rs 226,420 crore so far in 2022, NSDL data showed. (Source: *The Economic Times*)

Sebi comes out with new guidelines on settlement of running account

Capital markets regulator SEBI on 27 July 2022 came out with new guidelines on settlement of running accounts of clients' funds lying with stock brokers, to be applicable from October 1. Under the guidelines, the settlement of the running account of funds of the client will be done by the trading member after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter for all the clients. (Source: *Business Standard*)

Rupee, bonds gain on 'less hawkish' policy despite US Fed rate hike

Indian government bonds and the rupee strengthened on 29 July 2020 despite a 75-basis-point (bp) rate hike by the US Federal Reserve as key aspects of the central bank's commentary were perceived as indicating that future policy tightening may occur at a slower pace in the world's largest economy. (Source: *Business Standard*)

Bank deposit rates set to rise sharply soon: Report

Given the rising interest rate regime along with increasing credit demand, banks will be forced to sharply hike their deposit rates in coming months, a report said on July 28. (*The Hindu*)

Bank credit rises 12.89%; deposit 8.35%: RBI data

Bank credit rose by 12.89 percent to 112.81 lakh crore and deposit by 8.35 percent to 168.09 lakh crore in the fortnight ended July 15, showed RBI data released. (*Times of India*)

First all women-run cooperative bank coming up in Rajasthan

The first all women-run financial institution in the cooperative sector is coming up in Rajasthan following a memorandum of understanding (MoU) signed with the Telangana government's Stree Nidhi Credit Cooperative Federation. The new body will promote women's empowerment by supporting their enterprises. (*The Hindu*)

Banks, financial institutions can look at having paperless branches: RBI discussion paper

In a discussion paper on 'Climate Risk and Sustainable Finance', the Reserve Bank of India (RBI) said it intends to prepare a strategy based on the global best practices on mitigating the adverse impacts of climate change, learnings from participation in standard-setting bodies and other international fora. (*The Economic Times*).

Engagement of banks' board-level management on environment issues inadequate: RBI survey

The Intergovernmental Panel on Climate Change (IPCC) Report of August 2021 highlighted the changes being observed in the Earth's climate in every region across the whole climate system. (*The Economic Times*).

RBI gives fresh ray of hope to payment aggregator license aspirants

“Keeping in view the disruption caused by the COVID-19 pandemic, and to ensure smooth functioning of the payments ecosystem, it has since been decided to allow another window to all such PAs (existing as on March 17, 2020) to apply to RBI,” the regulator said in a notification on Thursday. (*The Economic Times*).

As credit demand grows in India, banks may soon be scrambling for deposits

Deposit growth has floundered as high inflation has resulted in less savings, as would be depositors are choosing to put money into shares and mutual funds in search of better returns, said Madan Sabnavis, chief economist at state-owned lender Bank of Baroda. (*The Economic Times*).

RBI sticks to October 1 deadline for card tokenisation

On a review of the issues involved and after detailed discussions with all stakeholders, as also keeping in view that sufficient time has elapsed since the requirements were specified, there shall be no change in the effective date of implementation of the requirements – all entities, except card issuers and card networks, shall purge the CoF data before October 1, 2022,” the regulator said in a notification on its website. (*The Economic Times*).

RBI to go for 35 basis points hike in rates at next week's monetary policy meeting: Report

RBI has hiked the rate by a cumulative 0.90 per cent in two tightening moves in May and June, responding to the runaway headline inflation which has consistently overshoot the upper end of the target set for the central bank for many months. Referring to policy actions since April, when RBI introduced the standing deposit facility. (*The Economic Times*)



External Sector

Foreign exchange reserves fall \$7.541 billion to \$572.712 billion

The country's foreign exchange reserves declined by USD 7.541 billion to USD 572.712 billion in the reporting week ended July 15 as the Reserve Bank continued to intervene in the market to curb the fall of the rupee. The fall in the reserves was on account of a decline in the Foreign Currency Assets (FCAs), a major component of the overall reserves, and also in the gold reserves, the central bank said. (Source: *The Economic Times*)

Singapore leads with highest FDI in India

Singapore, the US, Mauritius, the Netherlands and Switzerland have emerged as the top 5 countries, which brought the highest foreign direct investment (FDI) into the country, as per the commerce ministry data. Singapore's contribution to FDI is the maximum at 27%, followed by the US at 17.94% and Mauritius at 15.98%. (Source: *The Indian Express*)

India-UK trade talks on track: Commerce ministry official

Political uncertainties in the United Kingdom have not impacted the ongoing talks regarding the Free Trade Agreement that is expected to be signed by Diwali this year. Commerce Secretary B.V.R. Subrahmanyam expressed confidence about the tempo of the trade talks after officials of both sides signed agreements in education and nursing fields that will help short-term mobility and create employment opportunities. *(The Hindu)*

India, Egypt, others seek fairer WTO trading system amid food woes

India and Egypt, along with around 90 other countries have pushed to establish a fairer trading system at the World Trade Organization (WTO) and enhance domestic production amid the severe food and nutrition challenges being experienced by many net food-importing developing countries and least developed countries. *(The Economic Times)*

Rupee ends 12 paise stronger on \$ inflows

The rupee closed about 12 paise stronger on the back of exporters bringing in dollars as signs emerged that the Reserve Bank of India (RBI) may not flinch from further dipping into the forex reserves to curb depreciation. *(BusinessLine)*

Engineering exports rise 11.8% in Q1 to \$28.96 b; newer markets open up

Engineering goods exports from India increased 11.8 per cent in April-June 2022-23 (year-on-year) to \$28.96 billion, despite a sharp decline in shipments to China, as countries like the US, Germany and Mexico sourced more, according to industry data. *(BusinessLine)*

Data shows India-China trade deficit widening, Indian exports falling for 1st time in yrs

India's exports to China could also fall for the first time in years and also the trade deficit is expected to enlarge yet again. India's exports to China declined by 31 per cent, while imports grew by 12.75 per cent. The major reasons for the decline in exports is the fall in global commodity prices due to concerns of a recession in the global economy *(ThePrint)*.

Rupee rebounds, waits for Fed announcement

The rupee (INR), which has been one of the weakest Asian currencies in the last one month, remained stable against the dollar (USD) over the past week and has been gradually appreciating over the past few sessions. *(BusinessLine)*

Probe into bid to evade duty on China polyester yarn imports

India has initiated a probe into the alleged circumvention of anti-dumping duty imposed on high tenacity polyester yarn (HTPY) originating from China, based on an application filed by Reliance Industries Ltd *(The Economic Times)*

India's imports from China increased 29% in 5 years: Centre in Parliament

India's total imports from China increased by nearly 29 per cent in the past five years. Compared to 2017-18 and 2021-22, the annual imports from China rose from USD 89714.23 million to USD 115,419.96 million *(The Economic Times)*.

Worst of rupee fall may be over

The worst of the rupee's decline may be over. A research report by State Bank of India found there were only three instances where the pace of currency depreciation lasted more than four quarters since the global financial crisis. *(BusinessLine)*

India has no plans to review wheat export ban as domestic prices continue to rule high

The Indian government has no intention to lift the export ban on wheat, though it is in the process of wrapping up its scrutiny exercise for allowing shipments for which letters of credit were issued before May 13, when the ban came into force. Total approvals are set to add up to around 2.1 million tonnes (mt), a source tracking the issue said. *(BusinessLine)*

Fuel exports fall in June

Net exports of diesel and petrol declined 23% and 8% respectively in June over May as exports fell and imports rose to meet the soaring domestic demand at a time when local refineries are operating above their nameplate capacity. The combined export of petrol and diesel fell to 3,614,000 metric tonnes in June from 4,215,000 metric tonnes

(The Economic Times)

India has not imposed any country specific ban on imports, minister Piyush Goyal informs Parliament

India has not imposed any country-specific ban on imports, Union Minister of Commerce and Industry Piyush Goyal informed Parliament in reply to a question on whether the central government has taken or proposed to take any steps to impose a ban on Chinese products *(The Economic Times)*.

New UK parliamentary panel to promote trade, investment ties with India

A new cross-party UK parliamentary panel has been created to promote trade, investment and people-to-people ties with India, backed up by British Indian think tank 1928 Institute. With a stated goal to promote trade and investment between India and the UK for the mutual betterment of their citizens, whilst building an inclusive living bridge between the two countries, the new APPG hopes to support the ongoing India-UK free trade agreement (FTA) negotiations and promote its benefits once concluded *(The Economic Times)*.

Russia-Ukraine crisis impact: India's crude sunflower oil imports fall 23 per cent during February-June

In the wake of Russia-Ukraine crisis, India's crude sunflower oil imports fell by 23 per cent to 5.70 lakh tonne between February 21 and June 30 of this year, Since February 21, 2022, to June 30, 2022, 5.70 lakh tonne of crude sunflower oil has been imported in the country as against import of 7.39 lakh tonne during the corresponding period in the previous year *(The Economic Times)*.

Global slowdown could hurt India but don't worry too much about recession in 2023

The International Monetary Fund in its July update of the World Economic Outlook (WEO) has lowered India's growth forecast for the current year by 80 basis points to 7.4 per cent. The revised growth projection is closer to the official estimates and appears more realistic. For the next year, the IMF has projected India's economy to grow by 6.1 per cent. The revision in growth projections is attributed to less favourable external conditions and rapid policy tightening *(ThePrint)*.

FII-DII ownership ratio slips; foreign outflows may reverse

Amid elevated global economic uncertainty, foreign institutional investors (FII) fled from the Indian stock markets, but the buying spree of domestic institutional investors (DIIs)

contained a steep fall in benchmark indices. The FII-DII ownership ratio for the Nifty500 companies has fallen to a multi-quarter low of 1.3x in the June quarter, showed an analysis by Motilal Oswal Financial Services Ltd. *(Mint)*

China may have gained from Indian export duty hikes on steel products

The impact of export duty hike on certain steel products was well evident in the June quarter, with shipments declining 26% sequentially, and by nearly 40% from a year earlier to 2.88 million tonnes (MT). *(Mint)*



Agriculture and Rural Economy

Deficient monsoon hits kharif paddy sowing

The area under paddy, which was 19 per cent lower last week, continues to trail with the deficit in the acreage continuing this week too. According to iGrain, the coverage as of July 22 was 170.58 lakh hectares (lh) against 209.21 lh a year ago. *(BusinessLine)*

ISMA sees bumper sugar season ahead

Based on the satellite images procured late last month, the Indian Sugar Mills Association (ISMA) has estimated the total acreage under sugarcane in the country at around 58.28 lakh hectares for the 2022-23 sugar season (October-September). *(BusinessLine)*

Farm budget helps Rajasthan farmers

The measures being taken under the first-ever agriculture budget presented in Rajasthan this year have helped out the farmers with a mission mode adopted for 11 thematic areas. *(The Hindu)*

India sees uneven distribution of rainfall, may affect foodgrain production

While the monsoon in India is tracking at 11% above normal, the distribution is uneven across the country and could pose a threat to this year's foodgrain production and may worsen the inflation outlook, analysts said on Tuesday. *(The Economic Times)*

Wheat gains over 5% in a month as arrivals drop

Wheat prices have gained 6 per cent in agricultural produce marketing committee (APMC) yards across the country over the past four weeks with trade and flour millers complaining that arrivals of the cereals are meagre. *(BusinessLine)*

No imprisonment, compulsory registration are part of proposed changes in warehousing law

The Centre plans to amend the Warehousing (Development and Regulation) Act, 2007, and is likely to introduce a Bill in the current parliament session after the Cabinet approves it. *(BusinessLine)*

Govt launches Agri Census, to use technology for accuracy

The nationwide Eleventh Agricultural Census (2021-22) was launched on Thursday by Union Agriculture Minister Narendra Singh Tomar. Field work will start next month. For the first time, the government is using technology and also taking into account digitised land records to ensure better accuracy in data. *(BusinessLine)*

Sugar output to rise by 5 lakh tonne next season

Area under sugarcane has increased 4% this year. This is expected to result in sugar production going up to 399.97 lakh tonne next season as against 394 lakh tonne this sugar season, Indian Sugar Mills Association said. *(The Hindu)*



Industry, Manufacturing, Services and Technology

Manufacturing sector gets \$21 billion FDI in FY22

The manufacturing sector attracted foreign direct investments worth \$21.34 billion in 2021-22, an increase of 76 per cent year-on-year, the commerce ministry said. It said the government has implemented several reforms under the FDI policy regime across sectors such as insurance, defence, telecom, financial services, pharmaceuticals, retail trading, and e-commerce. Singapore (27.01 per cent) and the US (17.94 per cent) have emerged as the top two investors during 2021-22 in India. These were followed by Mauritius (15.98 per cent), the Netherlands (7.86 per cent) and Switzerland (7.31 per cent). (Source: *BusinessLine*)

Natural rubber industry urged to address sustainability concerns

The demand for natural rubber will increase exponentially in the coming decades. Sustainable and environment-friendly planning is essential to bridge the ever-widening gap between the production and consumption of NR in the country. *(BusinessLine)*

India's crude oil production declines in June

India's crude oil production during June 2022 was 2.4 million tonnes, which is 3 percent lower than target for the month and 1.7 percent lower than the production in June last year. *(BusinessLine)*

How new steel-making technology can make India industrialise without the need to carbonise

Industry in India is highly dynamic and has immense capability to innovate. One can be optimistic that Indian companies will adopt green steel in a phased manner and ensure they are an integral part of global supply chains. *(The Economic Times)*

Industry tag for Rajasthan tourism units

The 'industry' status accorded to the tourism and hospitality sector in Rajasthan earlier this year has given a sure and certain fillip to the State's tourism units that had incurred huge losses during the pandemic. *(The Hindu)*

How innovative are Indian States?

In 2019 the country's first innovation index was rolled out – to help States and Union Territories promote environmentally and socially sustainable economic development through innovation-induced policy interventions. The India Innovation Index ranks States and Union Territories on various parameters related to innovation. *(BusinessLine)*

Industry seeks early rollout of labour codes

Industry and employers have urged the government to roll out the four labour codes at the earliest, and even to go for a staggered or phased implementation, if needed. *(BusinessLine)*



Cabinet nod for revamping Kerala GST department

The Cabinet on Wednesday gave the nod for restructuring the State Goods and Services Tax (GST) department. The department will have three main wings: taxpayer services, audit and intelligence and enforcement. The taxpayer services wing will handle matters related to the registration, filing of returns, refunds and grievance redressal. (*The Hindu*)

State can borrow ₹17,936 crore till December

Amid the row over Kerala's borrowing limit, the Centre has finalised it at ₹17,936 crore for the nine-month period till December this year. Compared to the same period last year, the limit is lower by ₹5,656 crore. (*The Hindu*)

CAG pulls up govt. undertakings

Failure to submit their annual accounts for audit has yet again landed autonomous bodies and department-run undertakings in trouble with the Comptroller and Auditor General (CAG). (*The Hindu*)

Exclude borrowings by State government entities when fixing net borrowing ceiling: Kerala Finance Minister K. N. Balagopal

Reiterating Kerala's stand on 'off-budget' borrowings, Finance Minister K. N. Balagopal has written to Union Finance Minister Nirmala Sitharaman demanding that all balances in the Public Account of the State and the borrowings of State Government entities be excluded when reckoning the net borrowing ceiling of State Governments. (*The Hindu*)

Kerala will not implement 5% GST hike: Pinarayi Vijayan

Chief Minister Pinarayi Vijayan has said the State will not implement the 5% increase in Goods and Services Tax (GST) on essential commodities, including packaged rice and pulses, sold by Kudumbashree units. (*The Hindu*)

Confusion persists over 5% GST exemption

Mr. Balagopal told a press conference here that the government had never claimed that the 5% GST rate on pre-packaged, unbranded food items would not be implemented in the State. The State's stand is that unbranded essential commodities that were not taxed earlier should not be taxed now, he said. (*The Hindu*)