



July 01, 2022 – Friday

## Key Developments

### PM Modi launches RAMP scheme for MSMEs, CBFTE scheme for first-time exporters

Prime Minister Narendra Modi on Thursday launched the Rs 6,062.45-crore World Bank assisted central government programme Raising and Accelerating MSME Performance (RAMP) scheme for MSMEs, three months after it was approved by the Cabinet chaired by PM Modi. The five-year RAMP scheme will begin in the current financial year 2022-23 even as it was announced back in 2020 by the government and the World Bank to support Covid-hit MSMEs in their business recovery. Addressing 'Udyami Bharat' programme in New Delhi, PM Modi said, "18,000 MSMEs have been digitally transferred over Rs 500 crore and over Rs 1,400 crore has been released under Rs 50,000 crore Self-Reliant India Fund for MSMEs. MSMEs play a big role in the country's progress. Around one-third contribution to India's GDP comes from MSMEs. If India earns Rs 100, Rs 30 is because of MSMEs. Strengthening the MSME sector benefits everyone." PM Modi also launched the 'Capacity Building of First-Time MSME Exporters' (CBFTE) scheme to boost the quality of MSME products and services to match international standards for the global market. The move is intended to help MSMEs improve their participation in the global value chain and realise export potential.

<https://www.financialexpress.com/industry/sme/msme-fin-pm-modi-launches-ramp-scheme-for-msmes-cbfte-scheme-for-first-time-exporters/2577790/>

## Economy

### Core sector output expands by 18.1 pc in May

The growth of eight core infrastructure sectors expanded by 18.1 per cent in May against 16.4 per cent in the year-ago period, according to official data released on Thursday. The output of eight infrastructure sectors of coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity had expanded by 9.3 per cent in April 2022, the data showed. In May, the output of coal, crude oil, refinery products, fertiliser, cement and electricity rose by 25.1 per cent, 4.6 per cent, 16.7 per cent, 22.8 per cent, 26.3 per cent and 22 per cent, respectively. Growth rate in the production of natural gas and steel slowed down by 7 per cent and 15 per cent in the month under review as compared to 20.1 per cent and 55.2 per cent, respectively in May 2021. Cumulatively, during April-May 2022-23, the output of these eight sectors declined to 13.6 per cent as compared to 36.3 per cent during April-May 2021-22.

<https://www.financialexpress.com/economy/core-sector-output-expands-by-18-1-pc-in-may/2578552/>

### Retail inflation for industrial workers rises to 6.97% in May

Retail inflation for industrial workers rose to 6.97 per cent in May from 6.33 per cent in April this year, mainly due to higher prices of certain food items, according to an official statement. "Year-on-year inflation for the month (May) stood at 6.97 per cent compared to 6.33 per cent for the previous month and 5.25 per cent during the corresponding month a year before," the Ministry of Labour and Employment said. Food inflation stood at 7.92 per cent against 7.05 per cent in the previous month and 5.26 per cent during May 2021. The All-India CPI-IW (consumer price index-industrial workers) for May, 2022 increased by 1.3 points to 129 points. The maximum upward pressure in current index came from the Food and Beverages group, which contributed 0.79 percentage points to the total change, it said.

[https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-rises-to-6-97-in-may/articleshow/92580784.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-rises-to-6-97-in-may/articleshow/92580784.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

#### **Centre's fiscal deficit at 12.3 pc of full year target in May: Official data**

The central government's fiscal deficit at the end of May stood at 12.3 per cent of the annual budget target for 2022-23, mainly due to higher expenditure, according to official data released on Thursday. The fiscal deficit was at 8.2 per cent of the Budget Estimate (RE) of 2021-22 during the corresponding period. In actual terms, the deficit was at Rs 2,03,921 crore at the end of May, as per the data released by the Controller General of Accounts (CGA). The country's fiscal deficit is projected at 6.4 per cent of the GDP for this fiscal ending March 2023 as against 6.71 per cent for the previous year. As per the data, the total receipts of the government at the end of May was at Rs 3.81 lakh crore or 16.7 per cent of the BE for 2022-23. The collection was about 18 per cent of the BE of 2021-22 in the corresponding period last fiscal. In May, the tax (net) revenue was at 15.9 per cent of the BE of 2022-23. It was 15.1 per cent of the BE 2021-22 in the year-ago period. In actual terms, the net tax revenue stood at Rs 3,07,589 crore during April-May 2022-23.

<https://www.financialexpress.com/economy/centres-fiscal-deficit-at-12-3-pc-of-full-year-target-in-may-official-data/2578437/>

#### **Govt's total liabilities rise 3.7 pc to Rs 133.22 lakh crore in March quarter**

The government's total liabilities rose 3.74 per cent to Rs 133.22 lakh crore in the March quarter from Rs 128.41 lakh crore in the three months ended December 2021, according to the latest public debt management report. In absolute terms, the total liabilities, including liabilities under the 'Public Account' of the government, jumped to Rs 1,33,22,727 crore at the end of March 31, 2022. As of December 31, 2021, the total liabilities stood at Rs 1,28,41,996 crore. The report released by the finance ministry on Thursday said public debt accounted for 92.28 per cent of the total outstanding liabilities at the end of March. It was at 91.60 per cent at the end of December last year. Further, the report said the weighted average yield on primary issuances of dated securities showed an increase to 6.66 per cent in the fourth quarter from 6.33 per cent in the third quarter of the current fiscal. "The weighted average maturity of issuances of dated securities was also higher at 17.56 years in Q4 of FY22 (16.88 years in Q3 of FY22). "The weighted average maturity of outstanding stock of dated securities was higher at 11.71 years at the end of Q4 of FY22 as compared to 11.69 years at the end of Q3 of FY22," it said.

<https://www.financialexpress.com/economy/govts-total-liabilities-rise-3-7-pc-to-rs-13322-lakh-crore-in-march-quarter/2578581/>

#### **Economy on recovery path; inflationary pressure, geopolitical risks warrant careful handling of situation: RBI**

The Reserve Bank of India (RBI) on Thursday said the Indian economy is well on the path of recovery even though inflationary pressures and geopolitical risks warrant careful handling and close monitoring of the situation. The RBI's 25th Financial Stability Report (FSR) also said banks as well as non-banking financial institutions have sufficient capital buffers to withstand shocks. "Notwithstanding the challenges from global spillovers, the Indian economy remains on the path of recovery, though inflationary pressures, external spillovers and geopolitical risks warrant careful handling and close monitoring," the report said. The report observed that the outlook for the global economy is shrouded by considerable uncertainty because of the war in Europe, front-loaded monetary policy normalisation by central banks in response to persistently high inflation and multiple waves of the coronavirus pandemic.

<https://www.financialexpress.com/economy/economy-on-recovery-path-inflationary-pressure-geopolitical-risks-warrant-careful-handling-of-situation-rbi/2578252/>

#### **After three consecutive months of fall, consumer sentiments recover slightly in June**

The index of consumer sentiments recovered marginally in June after three consecutive months of fall but the uneven and slow recovery can delay the recovery in final consumption expenditure, the Centre for Monitoring Indian Economy said. As per the CMIE, the 30-day moving average ICS as of June 26 was 1.3% higher than its level as of May-end after 3.7% dip in March, 3% fall in April and 0.8% decline in May. The index of consumer sentiments recovered marginally in June after three consecutive months of fall but the uneven and slow recovery can delay the recovery in final consumption expenditure, the Centre for Monitoring Indian Economy said. As per the CMIE, the 30-

day moving average ICS as of June 26 was 1.3% higher than its level as of May-end after 3.7% dip in March, 3% fall in April and 0.8% decline in May.

[https://economictimes.indiatimes.com/news/economy/indicators/after-three-consecutive-months-of-fall-consumer-sentiments-recover-in-june/articleshow/92567250.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/news/economy/indicators/after-three-consecutive-months-of-fall-consumer-sentiments-recover-in-june/articleshow/92567250.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

#### **Seven states among top achievers in 'ease of doing business' ranking of states, UTs**

Andhra Pradesh, Gujarat and Telangana are among the seven states categorised as top achievers in the ranking of states and Union Territories based on the implementation of the business reform action plan 2020, according to a report released by Finance Minister Nirmala Sitharaman on Thursday. Himachal Pradesh, Uttar Pradesh, Odisha, and Madhya Pradesh are the other states categorised as achievers in the ranking. The Aspires category includes seven states, including Assam, Kerala and Goa. In the category of emerging business ecosystems, there are 11 states and UTs, including Delhi, Puducherry and Tripura.

<https://www.financialexpress.com/economy/seven-states-among-top-achievers-in-ease-of-doing-business-ranking-of-states-uts/2577911/>

#### **PMEGP: Maximum project cost admissible for support now doubled to set up new units, says PM Modi**

Prime Minister Narendra Modi on Thursday launched new features of the government's employment generation scheme Prime Minister's Employment Generation Programme (PMEGP) to enhance MSMEs' capacity for job creation. The maximum cost admissible for financial assistance to entrepreneurs has been increased from existing Rs 25 lakh to Rs 50 lakh for setting up new manufacturing units and from existing Rs 10 lakh to Rs 20 lakh for setting up new service units. Moreover, PMEGP applicants from Aspirational districts and transgenders would now be treated as the Special Category applicants to be entitled to higher subsidies.

<https://www.financialexpress.com/industry/sme/msme-eodb-pmegp-maximum-project-cost-admissible-for-support-now-doubled-to-set-up-new-units-says-pm-modi/2578077/>

### **Banking and Finance**

#### **Bad loans of banks expected to decline further to 5.3 pc by March 2023: RBI report**

The Reserve Bank on Thursday said the bad loans of banks are expected to further decline to 5.3 per cent of total advances by March 2023 from a six-year low on the back of growth in credit and declining trend in the stock of NPAs. However, it cautioned that the proportion of bad loans may increase if the macroeconomic environment worsens. The gross non-performing asset (GNPA) ratio of banks fell to a six-year low of 5.9 per cent in March 2022. The GNPA ratio of scheduled commercial banks (SCBs) stood at 7.4 per cent in March 2021. Support measures provided by the regulator during the COVID-19 pandemic aided in arresting GNPA ratios of SCBs even with the winding down of regulatory reliefs. The Rs 6,000 crore National Asset Reconstruction Company (NARCL) or bad bank is expected to take over the first set of non-performing accounts of banks in July.

<https://www.financialexpress.com/industry/banking-finance/bad-loans-of-banks-expected-to-decline-further-to-5-3-pc-by-march-2023-rbi-report/2578645/>

#### **Stock brokers to report cyber attacks within 6 hrs of detecting them: Sebi**

Sebi on Thursday asked stock brokers and depositories participants to report all cyber attacks, threats and breaches experienced by them within six hours of detecting such incidents. They have to report such incidents within the specified time to the exchanges, depositories and the regulator. The incident will also be reported to the Indian Computer Emergency Response team (CERT-In) in accordance with the guidelines issued by CERT-In from time to time, according to a circular. Additionally, the stock brokers and depository participants, whose systems have been identified as 'protected system' by National Critical Information Infrastructure Protection Centre (NCIIPC) will also report such incidents to NCIIPC. "All cyber attacks, threats, cyber incidents and breaches experienced by stock brokers/ depositories participants shall be reported to stock exchanges/ depositories and Sebi within six hours of noticing/ detecting such incidents or being brought to notice about such incidents," Sebi said in the circular.

[https://www.business-standard.com/article/finance/stock-brokers-to-report-cyber-attacks-within-6-hrs-of-detecting-them-sebi-122063001069\\_1.html](https://www.business-standard.com/article/finance/stock-brokers-to-report-cyber-attacks-within-6-hrs-of-detecting-them-sebi-122063001069_1.html)

## Industry

### **SEA welcomes GST Council's decision to impose 5 pc GST on deoiled rice bran**

Edible oil industry body SEA on Thursday welcomed the GST Council's decision to impose 5 per cent Goods and Services Tax (GST) on deoiled rice bran, saying this will discourage the use of the produce for feed purpose. At present, about 5 per cent GST is applicable on rice bran (before oil extraction) and crude rice bran oil. "This is a welcome step and would discourage the diversion of rice bran directly into animal feed thereby, encourage higher processing of rice bran to produce rice bran oil in country," Solvent Extractors' Association of India (SEA) Executive Director B V Mehta said in a statement. Also, this will simplify the structure, prevent diversion and unfair trade practice and ease of doing business, he said. On April 28, the GST Council decided to recommend the finance ministry the imposition of 5 per cent GST on deoiled rice bran.

<https://www.financialexpress.com/economy/sea-welcomes-gst-councils-decision-to-impose-5-pc-gst-on-deoiled-rice-bran/2578229/>

### **Specialty steel: Govt extends deadline to apply for PLI scheme fourth time till July 31**

The government has extended for the fourth time the deadline to submit applications under the production-linked incentive scheme for specialty steel till July 31, 2022. Initially, March 29 was the last date for manufacturers to apply for the benefits under the PLI (Production-Linked Incentive) scheme for specialty steel. It was later extended till April 30, and again to May 31, 2022. Then it was extended till June 30. According to a steel ministry notification dated June 29, "...the undersigned is directed to convey...to further extend the last date for receipt of applications for the PLI scheme for specialty steel from June 30, 2022, to July 31, 2022. The application window will be kept open up to July 31, 2022". On July 22 last year, the Union Cabinet chaired by Prime Minister Narendra Modi approved a Rs 6,322-crore PLI scheme to boost the production of specialty steel in India.

<https://www.financialexpress.com/industry/specialty-steel-govt-extends-deadline-to-apply-for-pli-scheme-fourth-time-till-july-31/2577805/>

### **Industry seeks compensation for businesses hit by single-use plastics ban**

With the Centre set to enforce single-use plastic ban from Friday, industry bodies have sought financial support especially for micro, small and medium businesses that will get impacted. The ban is expected to affect between 88,000-1 lakh business units as per various estimates. The ban will be enforced on 19 products, which have been identified as items of low utility with high littering potential including plastic sticks used in ear buds, balloons and candies, straws, cutlery items such as cups and plates and packing films on sweet boxes, invitation cards and cigarettes. Sources said talks with the government officials had also been held on such a compensation mechanism earlier this month. In its latest representation to the government, PlastIndia Foundation stated that the plastic industry comprises mostly MSMEs, is labour intensive, and involves huge capital expenditure in terms of plants and machinery. Jigish Doshi, President, PlastIndia Foundation said, "These manufacturing units will face unprecedented impact. The Government should extend financial or fiscal support to those manufacturing units, which have heavily invested in standalone plant and machinery, for manufacturing of those plastic products that are being banned.

<https://www.thehindubusinessline.com/economy/industry-seeks-compensation-for-businesses-hit-by-single-use-plastics-ban/article65586055.ece>

## Infrastructure

### **Electrification project nears 100%, Indian Railways in line to save crores**

Indian Railways' move to electrify the country's broad-gauge network by 2023-24 is nearing completion. The national transporter has electrified 80% of its network, a significant step that would decrease diesel consumption and save hundreds of crores in taxpayer money each year. The Railways is working on a mission mode on its Mission 100% Electrification: Moving Towards Net Zero Carbon Emission plan. The Railways had said in June 2021 that electrification had increased nearly 10 times since 2014. In a recent order, the Railway Board directed that all electrification would be sanctioned with 2x25 kV traction system only, an upgrade from the 1x25 kV traction system in place. Such traction systems are prevalent in Japan, China, South Africa, and France to operate high-speed

passenger trains. While all new electrification work will be completed on 2x25 kV traction, previously electrified routes might also be converted in a phased manner, depending on the need.

<https://www.financialexpress.com/infrastructure/railways/indian-railways-electrification-project-vande-bharat-pm-modi/2577777/>

### **Housing sales fall 15% in Apr-Jun in top 7 cities from previous quarter**

Housing sales have declined 15 per cent during April-June period to 84,930 units across seven major cities compared to the previous quarter, due to rise in property prices as well as mortgage rates, according to Anarock. Sales stood at 99,550 units in the January-March quarter of this year. However, sales jumped 3.5 times from 24,569 units in the April-June quarter last year. On Wednesday, housing brokerage firm PropTiger released its data, which showed that sales jumped over 4.5 times year-on-year in April-June across eight cities at 74,330 units, while demand was up 5 per cent from the previous quarter. As per the data, housing sales in Mumbai Metropolitan Region (MMR) fell 11 per cent to 25,785 units in April-June 2022 from 29,130 units in the previous quarter. Delhi-NCR market saw 19 per cent decline in housing sales to 15,340 units during April-June, from 18,835 units in the previous quarter. Housing sales in Bengaluru were down 14 per cent to 11,505 units in April-June, from 13,450 in the January-March 2022. Pune witnessed 11 per cent fall in housing sales in the April-June quarter to 12,500 units, from 14,020 units in the previous quarter.

[https://www.business-standard.com/article/economy-policy/housing-sales-fall-15-in-apr-jun-in-top-7-cities-from-previous-quarter-122063000534\\_1.html](https://www.business-standard.com/article/economy-policy/housing-sales-fall-15-in-apr-jun-in-top-7-cities-from-previous-quarter-122063000534_1.html)

## **Energy**

### **Coal India says enough supplies, advises power plants to stock up**

National miner Coal India Limited (CIL) said on Thursday the country has enough supplies, but power plants must stock up before monsoon shapes production at mines. CIL has a stockpile of around 43 million tonne (MT). Besides that, the inventory at power plants is 26.2 MT and coal awaiting transportation at private washeries, goods sheds and ports is 4.6 MTs, CIL told 'Business Standard'. CIL recently issued a tender for purchasing imported coal for power-generating companies (gencos) after the central government directed it to meet the shortfall in the domestic supply chain. CIL has called for bids to supply 2.4 mt of coal to be delivered for the July to September 2022 period. Additionally, it has also issued two more medium-term tenders for sourcing 3 mt each at the western and eastern ports of the country for future stocks.

[https://www.business-standard.com/article/companies/coal-india-says-enough-supplies-advises-power-plants-to-stock-up-122063001139\\_1.html](https://www.business-standard.com/article/companies/coal-india-says-enough-supplies-advises-power-plants-to-stock-up-122063001139_1.html)

## **Telecom**

### **Telcos allege govt of providing 'backdoor entry' to big tech players for 5G captive networks**

The Cellular Operators' Association of India (COAI), which represents telcos, including Bharti Airtel, Reliance Jio and Vodafone Idea, wrote to the government on Thursday, urging a re-look into the concept of Captive Non-Public Networks (CNPN) and ensure licensing and regulatory level-playing field between telecom operators and enterprises/ tech companies. This is with reference to the Guidelines issued by the Department of Telecommunications (DoT) on June 27 to allow CNPN reiterating direct allocation of spectrum for such networks.

"Our members are disappointed and disheartened by this development on eve of 5G auction, which is apparently based on some international practices that are not relevant in Indian context, and probably without any in-depth study being conducted by DoT or Telecom Regulatory Authority of India (TRAI) of its adverse impact on the economy and for orderly growth of the telecom sector," said SP Kochhar, Director General, COAI, in the letter to the DoT Secretary, K Rajaraman.

<https://www.thehindubusinessline.com/info-tech/telcos-allege-govt-of-providing-backdoor-entry-to-big-tech-players-for-5g-captive-networks/article65586426.ece>

## **States**

### **West Bengal to set up electrical and electronic industrial park in collaboration with IEEMA**

West Bengal government, in collaboration with Indian Electrical & Electronics Manufacturers Association (IEEMA), will be setting up a dedicated electrical and electronic industrial park in the state. The state government is scouting for land ranging to 1000 acres for the park which is likely to open up huge investment opportunities. The industrial park will have focus on renewable energy and the state government is looking for land for the park in Kharagpur or Durgapur, depending on the availability. "The state government is very proactive about industry and taking serious initiative on the park. We have held several rounds of meetings on this," Siddharth Bhutoria, Chairman of IEEMA Eastern Region, told ET. The industrial park will house new age and hi-tech companies, in addition to the traditional industries. The park would be a new age hi-tech manufacturing hub. Bengal has a large talent pool and necessary infrastructure, Bhutoria added.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/west-bengal-to-set-up-electrical-and-electronic-industrial-park-in-collaboration-with-ieema/articleshow/92579894.cms>

## External

### India's external debt at \$620.7 billion as of March 2022

India's external debt rose 8 percent in FY'22 to \$620.7 billion as short-term debt rose 20 per cent during the year. But debt to GDP ratio declined marginally to 19.9 percent, according to the latest data released by the Reserve Bank of India. While long term debt rose 5.6 per cent to \$499 billion, short-term debt increased 20 percent to \$121 billion, data indicates. The share of short-term debt (with original maturity of up to one year) in total external debt increased to 19.6 per cent at end-March 2022 from 17.6 per cent at end-March 2021. Similarly, the ratio of short-term debt (original maturity) to foreign exchange reserves increased to 20.0 per cent at end-March 2022 (17.5 per cent at end-March 2021)

<https://economictimes.indiatimes.com/news/economy/finance/indias-external-debt-rose-to-620-7-billion-last-fiscal-rbi-data/articleshow/92580137.cms>

### India's coffee exports rise 19 pc in Jan-Jun this year

Coffee shipments from India, Asia's third-largest producer and exporter, rose 19 per cent to 2,24,293 tonne in the first half of the current calendar year, according to Coffee Board. The country had exported 1,88,736 tonnes in the year-ago period. India ships both robusta and Arabica varieties, besides instant coffee. According to the Board's latest data, the shipment of Robusta coffee jumped 39.43 per cent to 1,32,852 tonne during January-June 2022 from 95,280 tonne in the same period last year. Whereas Arabica coffee exports declined 16.75 per cent to Rs 29,058 tonne from 34,905 tonne in the said period. In the case of instant coffee, its shipments increased by 24 per cent to 15,858 tonne from 12,794 tonne in the year-ago period. The volume of coffee re-exported remained marginally higher at 46,324 tonne against 45,621 tonne. Italy, Germany and Belgium were the major export destinations for Indian coffee during the period.

<https://www.financialexpress.com/economy/indias-coffee-exports-rise-19-pc-in-jan-jun-this-year/2578309/>

### India, Japan discuss cooperation in 5G technology

Cooperation in 5G telecom technology figured prominently in the India-Japan cyber dialogue held virtually on Thursday. The Ministry of External Affairs (MEA) said both sides discussed important areas of bilateral cyber cooperation and reviewed the progress achieved in the areas of cybersecurity and information and communication technologies. It said the discussions included developments in cyber domain and mutual cooperation in the area during discussions at the United Nations and other multilateral and regional fora. "Both sides discussed important areas of bilateral cyber cooperation and reviewed the progress achieved in the areas of cybersecurity and Information and Communication Technologies (ICTs) including 5G Technology," the MEA said in a statement.

<https://www.financialexpress.com/industry/india-japan-discuss-cooperation-in-5g-technology/2578324/>