



August 17, 2022 – Wednesday

## Key Developments

### E-book keeping regime tightened for MNCs, new-age start-ups

Corporates in India — especially multinational outfits operating here — can no longer decline real time access of their account books to government authorities because they are maintained in electronic mode under a “cloud” infrastructure with servers located outside India. Ministry of Corporate Affairs (MCA), through its latest tweak of accounting rules under the Indian company law, has mandated that companies would now have to provide real time access of their books of accounts on Indian operations to authorities in the form of “daily backups” of records even if the servers that hold the books of accounts are located outside India. The daily backups would have to be maintained in servers physically located in India. The new rules reflect a tightening of the regulatory regime around maintenance of books of accounts in electronic mode. It requires all corporate entities to ensure that the books of accounts and papers — when maintained in electronic mode — remain accessible to Indian authorities “at all times” so as to be usable by local law enforcement authorities for subsequent reference.

<https://www.thehindubusinessline.com/economy/mca-tightens-rules-around-electronic-mode-of-book-keeping-by-corporates/article65775993.ece>

## Economy

### India's July WPI inflation eases to 13.93% as food, fuel prices decline

India's wholesale inflation in July eased sequentially to 13.93 per cent as vegetables, milk and fuel became cheaper, but remained in double digits for the 16th month. Wholesale Price Index-based (WPI) inflation was 15.18 per cent last month and at a record high of 16.63 per cent in May. It was 11.57 per cent in July 2021. WPI inflation rate for May 2022 was revised to a record high of 16.63 per cent year-on-year, from 15.88 per cent estimated earlier. “Inflation in July, 2022 is primarily contributed by rise in prices of mineral oils, food articles, crude petroleum & natural gas, basic metals, electricity, chemicals & chemical products, food products etc. as compared to the corresponding month of the previous year,” said a government statement. WPI inflation softened on account of a moderation in the inflation for food items, core-WPI, crude petroleum and natural gas, and primary non-food articles, said Aditi Nayar, chief economist at ICRA. “The WPI-Food inflation dipped to single-digits in July 2022, led by primary food articles, with a sharp correction in vegetable prices, led by tomatoes amid incoming fresh supplies and a moderation in manufactured food products owing to a sequential dip in edible oil prices following the Government of India's (GoI's) measures and a dip in global prices,” Nayar said.

[https://www.business-standard.com/article/economy-policy/india-s-july-wpi-inflation-eases-to-13-93-as-food-fuel-prices-decline-122081600675\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-july-wpi-inflation-eases-to-13-93-as-food-fuel-prices-decline-122081600675_1.html)

### Retail inflation may remain elevated despite easing in July: Report

India's headline retail inflation that eased for the third straight month in July is expected to remain above the central bank's upper tolerance range in the near term, necessitating more rate hikes in coming months, analysts said. "High frequency price data suggest that headline inflation is likely to remain around July levels in August...We expect headline inflation to remain above 6% until February 2023, and core CPI inflation to remain sticky at a shade under 6% in the remaining months of FY2023," Nomura economists Sonal Varma and Aurodeep Nandi said in a note. "The

outlook on food inflation still faces uncertainties given the uneven rainfall. For the first two weeks of August prices of vegetables, cereals (rice and wheat) and pulses are tracking higher. Rice sowing has been impacted by deficient rainfall in key producer states," said Gaura Sen Gupta, India economist at IDFC First Bank.

[https://www.business-standard.com/article/economy-policy/retail-inflation-may-remain-elevated-despite-easing-in-july-report-122081600184\\_1.html](https://www.business-standard.com/article/economy-policy/retail-inflation-may-remain-elevated-despite-easing-in-july-report-122081600184_1.html)

#### **Inflation: Things might get “better” towards September-end, says SBI Chairman**

State Bank of India’s (SBI) Chairman Dinesh Khara on Tuesday said that things might get “better” on the inflation front towards the end of September. He said the supply side constraints getting addressed and crude oil prices trending low will help ease the situation. “Inflation...the recent numbers which came out was 6.7. Going forward the way things are – the supply side constraints which are there are getting addressed, so the situation should be improving going forward,” he said in response to a question. Speaking to reporters here, he said one of the important factors of inflation is crude oil prices, and with them also trending lower, it will also support the inflation to be further tapered down. “...overall expectation is that, maybe towards the end of September things might look to be even better as compared to what you are seeing (now),” he added.

<https://www.financialexpress.com/economy/inflation-things-might-get-better-towards-september-end-says-sbi-chairman/2632257/>

#### **Aadhaar number mandatory to get government benefits and subsidies, UIDAI says**

According to a recent circular issued by the Unique Identification Authority of India (UIDAI), if you don't have an Aadhaar number or enrolment slip, you may not be entitled to avail government subsidies and benefits. The UIDAI issued a circular to all central ministries and state governments last week. This circular is issued on August 11 to tighten the Aadhaar rules for those who don't have an Aadhaar number and are availing of the subsidies and benefits provided by the government. If you want certificates by government which are used for determining the eligibility of beneficiaries for delivery of benefits/subsidies/services under government schemes, they must have the Aadhaar number, said the circular.

<https://economictimes.indiatimes.com/news/india/aadhaar-number-mandatory-to-get-government-benefits-and-subsides-uidai-says/articleshow/93600206.cms>

### **Banking and Finance**

#### **Sitharaman wants banks to focus on younger customers in next gen push**

Finance minister Nirmala Sitharaman has asked banks to develop a focussed approach targeting the young next generation customers and provide wholesome banking solutions to such clientele. This comes as the government looks to push its flagship schemes such as Mudra Yojana and Start Up and Stand Up India to generate employment through entrepreneurship. Banks are now expected to conduct open house interactions and share their feedback with the government. "The suggestions were made in an interaction during the review of the progress of banks and the benefits accrued to customers by way of EASE (Enhanced Access and Service Excellence) reforms over the last four years," said an official aware of the matter, adding that it was pointed out to banks that they should understand the needs and expectations of such clients.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/sitharaman-wants-banks-to-focus-on-younger-customers-in-next-gen-push/articleshow/93602020.cms>

#### **IBBI wants Committee of Creditors to up their game as firms’ saviour**

Insolvency regulator Insolvency and Bankruptcy Board of India (IBBI) wants the Committee of Creditors (CoC)— an institution of public faith— to pursue strategies beyond recast of liabilities while striving for value maximisation with sustained resolution. In a message published on its website — ahead of a workshop it plans to hold next week for the CoC—the IBBI has highlighted that this approach requires tremendous commercial dexterity and acumen on the part of members of the CoC. “The CoC’s decisions must increase the value of the firm, which is valued 100 at the commencement of the resolution process, to at least 101 the next year, 102 the year after, and so on. Such value maximisation with sustained resolution requires strategies much beyond restructuring of liabilities”, the IBBI said.

<https://www.thehindubusinessline.com/money-and-banking/ibbi-wants-committee-of-creditors-to-up-their-game-as-firms-saviour/article65776747.ece>

## Industry

### **Electronic, car companies hit top gear to step up festive output**

Companies manufacturing cars, smartphones, televisions, refrigerators and washing machines are ramping up festive season production by up to 50% compared with the corresponding period a year ago, anticipating robust sales and buoyed consumer sentiment in the next three-four months. For electronic companies, this will mark a reversal from the April-July period when they had slashed production due to fall in demand. Top car manufacturers such as Maruti Suzuki India, Mahindra & Mahindra, Hyundai and Tata Motors are increasing output by more than 15-20% on a year-on-year basis with component supplies easing up. Electronic brands like LG, Samsung, Xiaomi, Realme, Haier and Godrej have advanced festive season production by about two-three weeks to build inventory with plans to expand it further in September, said company executives and contract manufacturers.

<https://economictimes.indiatimes.com/industry/services/retail/electronic-car-companies-hit-top-gear-to-step-up-festive-output/articleshow/93603606.cms>

### **'India Inc to hand out bigger hikes next year'**

India Inc employees are likely to get bigger pay hikes in 2023, with companies budgeting for an overall median increase of 10%, a report from global advisory firm WTW has said. This translates to an average salary increase of 9.8% in 2023, compared to the actual 9.5% increase paid out in 2022. Financial services is expected to see the highest salary increase at 10.4%, followed by banking at 10.2% and technology, media and gaming at 10%, as per WTW's Salary Budget Planning Report. Concerns around inflation and tighter labour markets have influenced the higher projected salary budget, it said. As per the report, 58% of Indian employers have budgeted for higher salary increases this year compared to last year, while 24.4% are making no changes in the budget. Only 5.4% have reduced the budget as compared to 2022.

<https://economictimes.indiatimes.com/jobs/india-inc-to-hand-out-bigger-hikes-next-year/articleshow/93601831.cms>

### **India chip component market to grow to \$300 billion from 2021 to 2026: report**

India's semiconductor component market will see its cumulative revenues climb to \$300 billion during 2021-2026, a report said Tuesday. The 'India Semiconductor Market Report, 2019-2026', a joint research by the India Electronics & Semiconductor Association (IESA) and Counterpoint Research, observed that India is poised to be the second largest market in the world in terms of scale and growing demand for semiconductor components across several industries and applications. It added that this was being bolstered by the increasing pace of digital transformation and the adoption of new technologies and covers smartphones, PCs, wearables, cloud data centers, Industry 4.0 applications, IoT, smart mobility, and advanced telecom and public utility infrastructure.

<https://economictimes.indiatimes.com/tech/technology/india-chip-component-market-to-grow-to-300-billion-from-2021-to-2026-report/articleshow/93601046.cms>

## Agriculture

### **Central Pool foodgrain stocks at lowest in 5 years**

Rice and wheat stock in the Central Pool, managed by the Food Corporation of India (FCI), is at a five-year low, mainly due to lower procurement of wheat. Rice stock, though above 2020 level, may deplete fast in case there is a drop in production during current kharif season as paddy transplanting has dropped 12 per cent until last week. According to latest data, the rice and wheat stock as on August 1 was 545.97 lakh tonnes (lt), whereas the previous low was 499.77 lt in 2017. In case of rice, the stock was 279.52 lt and the previous low was 253.40 lt in 2020. The current stock of rice is 11.5 lt lower than year-ago. The wheat stock as on August 1 was 266.45 lt while the previous low was 243.80 lt in 2008.

<https://www.thehindubusinessline.com/economy/agri-business/foodgrains-stock-in-central-pool-lowest-in-5-years/article65775933.ece>

## Infrastructure

### **Govt receives 38 technical bids for setting up silos at 14 locations**

The government on Tuesday said it has received 38 technical bids for setting up silos under the 'hub and spoke model' at 14 locations in six states. The bids have been received from 15 prospective parties. Technical evaluation is expected to be completed in three-four weeks, the union food ministry said in a statement. The ministry has proposed to develop a capacity of 111.125 lakh tonne of Hub and Spoke Model Silos at 249 locations across the country. These silos will be constructed in two modes through implementing agency Food Corporation of India (FCI). One is constructing under the DBFOT (Design, Build, Fund, Own & Transfer) in state-run FCI's land and the other DBFOO (Design, Build, Fund, Own & Operate) in land of concessionaire/other agency.

<https://economictimes.indiatimes.com/news/india/govt-receives-38-technical-bids-for-setting-up-silos-at-14-locations/articleshow/93598765.cms>

### **Average housing prices rise 5% in April-June across 8 cities: Report**

Revival in housing demand and rise in construction cost have led to a 5 per cent average annual increase in residential property prices across eight major cities during the April-June quarter, according to a report. Delhi-NCR saw the maximum rise in housing prices at 10 per cent. Realtors' apex body Credai, real estate consultant Colliers India and data analytic firm Liasis Foras have come out with 'Housing Price-Tracker Report 2022' for eight major cities -- Delhi-NCR, Mumbai Metropolitan Region (MMR), Chennai, Kolkata, Bengaluru, Hyderabad, Pune and Ahmedabad. "During Q2 (April-June) 2022, housing prices in India have surpassed pre-pandemic levels, indicating robust demand and supply that is well-aligned with the demand," the report said. As per the data, housing prices in Ahmedabad rose 9 per cent year-on-year (y-o-y) to Rs 5,927 per square foot during the April-June quarter of this calendar year.

[https://www.business-standard.com/article/economy-policy/average-housing-prices-rise-5-in-april-june-across-8-cities-report-122081600204\\_1.html](https://www.business-standard.com/article/economy-policy/average-housing-prices-rise-5-in-april-june-across-8-cities-report-122081600204_1.html)

### **Indian Railways conducts test run of its longest freight train**

The Railways conducted a test run of the 3.5-km-long freight train, Super Vasuki, with 295 loaded wagons carrying over 27,000 tonnes of coal between Korba in Chhattisgarh and Rajnandgaon in Nagpur on August 15, as part of the 'Azadi Ka Amrit Mahotsav' celebrations. The train run by the South East Central Railway left Korba at 13:50 and took 11.20 hours to cover the distance of 267 km. This is the longest and heaviest freight train ever run by the Railways, the national transporter said, adding the train takes about four minutes to cross a station. The amount of coal carried by Super Vasuki is enough to fire 3000 MW of power plant for one full day, officials said. This is three times the capacity of existing railway rakes (90 cars with 100 tonnes in each) which carries about 9,000 tonnes of coal in one journey.

[https://www.business-standard.com/article/indian-railways/indian-railways-conducts-test-run-of-its-longest-freight-train-122081600875\\_1.html](https://www.business-standard.com/article/indian-railways/indian-railways-conducts-test-run-of-its-longest-freight-train-122081600875_1.html)

## **Energy**

### **India begins work on long-term plan to achieve net zero target by 2070**

Even as India is set to communicate its updated 2030 climate targets or nationally determined contributions (NDCs), it has begun work on the long-term action plan to achieve net zero target by 2070, as announced by Prime Minister Narendra Modi at the last year's Glasgow climate conference. India is actively working on formulating Long-Term Low Greenhouse Gas Emission Development Strategies (LT-LEDS) paper, a climate action document that will spell out the country's roadmap to net zero. Hectic inter-ministerial consultations were underway to draft out a 'whole of economy' approach involving several stakeholder ministries, officials said.

<https://economictimes.indiatimes.com/industry/renewables/india-begins-work-on-long-term-plan-to-achieve-net-zero-target-by-2070/articleshow/93601149.cms>

### **In a first, India buys discounted Venezuelan petcoke to replace coal**

Indian companies are importing significant volumes of petroleum coke from Venezuela for the first time, trade sources and shipping data show, as the OPEC nation boosts exports not specifically targeted by U.S. sanctions. India's growing appetite for Venezuela's petcoke - a byproduct from oil upgrading and an alternative to coal - is being driven by a scramble for inexpensive fuel to power industries as global coal prices have surged.

[https://www.business-standard.com/article/economy-policy/in-a-first-india-buys-discounted-venezuelan-petcoke-to-replace-coal-122081600318\\_1.html](https://www.business-standard.com/article/economy-policy/in-a-first-india-buys-discounted-venezuelan-petcoke-to-replace-coal-122081600318_1.html)

### **India's fuel demand continues to fall in August as monsoon sets in**

Diesel demand in India fell for the second month in a row as the onset of monsoon chipped away consumption in key sectors like agriculture, preliminary industry data showed Tuesday. Petrol and diesel demand had fallen month-on-month in July. While petrol consumption is almost flat in the first half of August, diesel - the most widely used fuel in the country - saw demand drop 11.2 per cent during August 1-15 to 2.82 million tonnes from 3.17 million tonnes in the same period of the previous month. The arrival and intensity of monsoon weigh heavily on diesel demand in the country and consumption traditionally is lower in July-September than in April-June. Monsoon restricts mobility and demand from the farm sector, which uses diesel in irrigation pumps and trucking, also drops with the onset of rains. Diesel demand was, however, 32.8 per cent higher year-on-year, supported by strong economic growth and a relatively low baseline for the same period in 2021 when the second wave of COVID-19 had impacted the economy.

[https://www.business-standard.com/article/economy-policy/india-s-fuel-demand-continues-to-fall-in-august-as-monsoon-sets-in-122081600253\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-fuel-demand-continues-to-fall-in-august-as-monsoon-sets-in-122081600253_1.html)

## **Telecom**

### **DoT seeks Trai recos on E, V band pricing for auction**

The Department of Telecommunications (DoT) has sought the Telecom Regulatory Authority of India's (Trai) recommendations on pricing and other modalities for auctioning E and V band spectrum, officials said. They added that while DoT plans to auction the bands for backhaul and mobile services, it has suggested to Trai that a certain quantum in the V band should be delicensed, or allotted without auctions, for indoor coverage. As per the officials, the DoT has stressed that any delicensed spectrum can be used only for indoor coverage while for outside mobility services and backhaul, companies must buy the spectrum in an auction. The spectrum in E (71-76 GHz and 81-86 GHz) and V (57-64 GHz and 64-71 GHz) bands have the potential to provide high-speed broadband services, especially in remote areas and for better in-building coverage.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-seeks-trai-recos-on-e-v-band-pricing-for-auction/articleshow/93600764.cms>

### **5G: Industry requires Rs 1.5-2.5 lakh crore capex towards infrastructure**

The telecom industry will need at least Rs 1.5-2.5 lakh crore investment in the next two-three years towards infrastructure development to facilitate meaningful roll out of 5G services given that India's fiber layout is much below the required levels. "The low level of fiberisation at present will necessitate network capex of Rs 1.5-2.5 lakh crore in the next 2-3 years. However, with fiberisation at 35.11% in India as of June 2022, more than 3 lakh km has to be covered at the pan-India level between fiscal 2023 and 2025," according to a report by Crisil Research.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/5g-industry-requires-rs-1-5-2-5-lakh-core-capex-towards-infrastructure/articleshow/93595472.cms>

## **States**

### **Delhi govt to bring food truck policy soon: Sisodia**

Deputy Chief Minister Manish Sisodia on Tuesday said Delhi will be the first in the country to bring a food truck policy on the lines of US and the UK. He said the government is in the process of finalizing the hotspots where food trucks will be allowed to park for the public. Sisodia held a review meeting with the concerned department officials on Tuesday which focussed on upcoming Delhi shopping festival and the food truck policy. Stakeholder consultation with various agencies has already been conducted in with regard to food trucks, he said. Even though business related to food trucks is not new to India, no state in the country has, however, made any policy to streamline this business and increase employment opportunities in this sector, the minister said.

<https://economictimes.indiatimes.com/news/economy/policy/delhi-govt-to-bring-food-truck-policy-soon-sisodia/articleshow/93599251.cms>

## **Healthcare**

### **Pharma Inc sets sights on monkeypox vax**

At least eight Indian companies are seeking to develop a vaccine against monkeypox, said people with knowledge of the matter. Pune-based Serum Institute of India (SII), Reliance Life Sciences, Dr Reddy's Laboratories, Biological E and two state-owned units - Mumbai-based Haffkine Institute and Indian Immunologicals Ltd - are among those that have come forward to join hands with the Indian Council of Medical Research (ICMR) to develop vaccines, said the people cited above. ICMR had earlier invited expressions of interest (EoIs) from vaccine manufacturers as well as manufacturers of diagnostic kits. The last date for submitting EoIs was August 10.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-inc-sets-sights-on-monkeypox-vax/articleshow/93601050.cms>

### **External**

### **Amid curbs, India-Russia trade via INSTC booms**

The International North-South Transport Corridor (INSTC) has been facilitating a higher volume of trade between India and Russia via Iran over the last three months amid the West's sanctions on Moscow following the Ukraine war. Iran Shipping Lines has transported some 3,000 tonnes of goods and 114 containers along the INSTC between May and July, ET has learnt. The 7,200-km-long network of highways, sea and rail routes under INSTC offers the shortest connectivity route between Russia and India. It also reduces the carriage cost between the two nations by about 30%, according to experts.

<https://economictimes.indiatimes.com/news/india/amid-curbs-india-russia-trade-via-instc-booms/articleshow/93603407.cms>

### **Health stamp must for imports of fish, dairy products**

Imported consignments of milk, milk products, pork, fish and fish products will require health certificates issued by the competent authority of the exporting country. The certificates will be valid till 90 days from the date of issue. The Central Board of Indirect Taxes and Customs (CBIC) has instructed its officials regarding the requirement of the health certificate with such food consignments. The development comes in the wake of a directive issued by the Food Safety and Standards Authority of India (FSSAI) on August 3 which made health certification mandatory for such imports. The certificate will require a detailed declaration, including country of origin and export, expiry date and details of ingredients. The preservatives have to be as per limits prescribed by the FSSAI.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/health-stamp-must-for-imports-of-fish-dairy-products/articleshow/93601870.cms>