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I-CAN COMMUNIQUÉ

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India's retail inflation as measured by consumer price index (CPI) surged to 7% in August due to higher food prices compared to 6.71% in July. The number has remained above the Reserve Bank of India's comfort zone of 2-6% for the eighth consecutive month. Food inflation, which accounts for nearly half the CPI basket, soared 7.62% in August 2022 as against 6.75% in July, according to the data released by the National Statistical Office. Wholesale-based (WPI) inflation eased to 12.41 per cent in August as against 13.93 per cent in July, 2022. The number has remained in double digits for the 17th consecutive month. Despite India restricting wheat flour exports towards the end of August, inflation touched 7% in August. This may add pressure on the central bank to hike interest rates more aggressively in the coming months to tackle elevated inflation.

RBI is expected to hike the repo rate by another 60 basis points through the end of March to 6.00% from a pandemic-era record low 4.00%, a separate Reuters poll showed. The central bank has hiked key policy rate by 140 basis points in May-August, returning borrowing costs to pre-pandemic levels.

India's agricultural and processed food products exports rose by 30% to \$9.6 billion during April-July this fiscal. For 2022-23, an export target of USD 23.56 billion has been fixed for the agricultural and processed

food products basket, the commerce ministry said. Meanwhile, industrial growth, as measured by the Index of Industrial Production (IIP), tumbled to 2.4% in July as compared to 12.3% in June. The manufacturing sector's output grew 3.2% in July 2022. Manufacturing Purchasing Managers' Index (PMI) for August dropped a tad to 56.2 from 56.4 of July, showing second-strongest improvement in operating conditions since last November.

India's services activity accelerated in August even as employment rose the sharpest in more than 14 years and optimism reached its greatest degree since May 2018, a private survey showed. The S&P Global India Services PMI Business Activity Index rose to 57.2 in August from a four-month low of 55.5 in July, highlighting a rebound in growth.

India's eight core industries recorded a growth of 4.5% in July against 9.9% recorded in the same month last year, according to official data released by the Ministry of Commerce & Industry. Apart from crude oil and natural gas, all other six industries recorded an expansion in July 2022.

The advance tax collection, both corporation and personal, has grown 10.1 year-on-year to Rs 1,92,600 crore in the second quarter of FY23, according to official sources. The corporation advance tax mop-

up in July-September stands at Rs 1,49,242 crore, against Rs 1,35,347 crore in the corresponding period a year ago, up 10.2 per cent. Advance personal income tax collection, on the other hand, is 9.5 per cent higher at Rs 43,358 crore, against Rs 39,592 crore a year ago.

Gross direct tax collections in the ongoing fiscal year till September 8 totaled 6.48 lakh crore, up 35.46% compared with the tax collected in the same period of the last fiscal year. Net of refunds, direct tax collections since April 1 increased 30.17% to Rs 5.29 lakh crore, data showed. The net collection is 37.24% of the direct tax collection estimated in the budget for this fiscal year, the Central Board of Direct Taxes said.

The gross GST revenue collected in the month of August 2022 stood at Rs 1,43,612 crore, up 28% on a year-on-year basis, the Finance Ministry said in a statement. With this, the monthly GST revenues have exceeded Rs 1.4 lakh crore for six months in a row.

The overall revenue of Indian Railways at the end of August 2022 was Rs 95,486.58 crore, showing an increase of Rs 26,271.29 crore or 38 per cent over the corresponding period of last year, an official statement said.

The demand for vehicle loans has been witnessing robust increase tiding over negative growth last year. As per Reserve Bank of India data, vehicle advances of commercial banks grew 18 per cent year-

on-year at the end of June 2022. In the same period last year (June 2021), disbursal of vehicle loans declined by 3.5 per cent.

Corporate India's investment in assets, such as plants, equipment, land, buildings, and acquisitions, grew 9.1 per cent year-on-year (YoY) in FY22, faster than 7.4 per cent YoY growth in capex in the previous year. Still, average capex growth in the past couple of years was significantly slower than that during the preceding two years in the pre-pandemic period.

India's goods exports slowed down further in August 2022, growing 1.62 per cent (year on year) to \$33.92 billion, as global demand continued to contract, hit by inflation, high interests and piling up of inventories in Western economies.

The country's foreign exchange reserves fell to their lowest levels in nearly two years, data released by the Reserve Bank of India showed. The reserves fell \$7.94 billion to \$553.1 billion as of September 2, the lowest levels seen since October 9, 2020. Economists attribute the fall to sales of dollars by the RBI to help arrest the slide in the rupee.

The country's demat account tally topped the 100 million-mark for the first time, in August. Over 2.2 million new accounts, most in four months, were opened last month, taking the cumulative figure to 100.5 million, according to data released by depository firms National Securities Depository Limited (NDSL) and Central Depository Services (CDSL).

India's credit profile reflects key strengths including its large and diversified economy with high growth potential, a relatively strong external position, and a stable domestic financing base for government debt, rating agency Moody's said in a report. The Indian economy has higher capital buffers and greater liquidity and as such, the risk from the negative feedback between the economy and financial system are receding, the agency said. The agency has allotted a Baa3 rating for the Government of India with a stable outlook.

The global economic slowdown will be a positive for India, and its gross domestic product (GDP) is expected to grow at a rate between 7.2 per cent and 7.4 per cent this financial year, Chief Economic Adviser V Anantha Nageswaran told Business Standard in an interview. The Reserve Bank of India (RBI) has forecast GDP growth of 7.2 per cent, and the International Monetary Fund (IMF) expects it to be 7.4 per cent. Fitch Ratings slashed its India's economic growth forecast for the current fiscal year to 7 per cent from previous estimate of 7.8 per cent. Fitch said compared to its June forecast of 7.8 per cent growth, it now expects the economy to grow 7 per cent in 2022-23, with next fiscal year also slowing to 6.7 per cent from earlier estimate of 7.4 per cent.

Reforms

The government has relaxed the criteria to classify a business as a small company, opening the benefits of easier reporting and

compliance norms to a wider section of India Inc. An order by the corporate affairs ministry issued doubled the paid-up capital and sales threshold for a business to be termed a small company for regulatory purposes. Under the new classification, a business with up to ₹4 crore paid up capital and ₹40 crore sales will be classified a small company, against the previous caps of ₹2 crore and ₹20 crore respectively. The move enables smaller companies in their growth phase to retain their simplified regulatory regime.

The Customs department will begin a standardised risk-based faceless assessment system across the country for clearance of imported consignments in phases starting with metal from September 5. This would promote ease of doing business as it would bring uniformity in Customs examination, and reduce the time taken for clearing consignments.

The Central Board of Indirect Taxes and Customs (CBIC) in a circular to field offices said the National Customs Targeting Centre (NCTC) has developed system generated centralized examination orders for Bills of Entry (BoE), based on various parameters, and this will be rolled out in phases. This risk-based scrutiny would be meant for 'Second Check Bill of Entry', under which imported goods do not have to mandatorily go through physical examination. Customs officers do assessment of the imported goods on the basis of the documents submitted to the authorities.

Nirmala Sitharman has asked the Reserve Bank of India (RBI) to prepare a "whitelist" of all the legal loan applications. Sitharaman also asked the Ministry of Electronics and Information Technology (MeitY) to ensure that only these "whitelist" apps are available on the app stores - Google Play Store and Apple App Store. Finance Minister expressed concerns over the rising cases of illegal lending applications offering loans or micro-credits, especially to vulnerable and low-income group people at exorbitantly high interest rates with processing fee and hidden charges.

The Reserve Bank of India (RBI) has asked urban co-operative banks (UCBs) with more than ₹10,000 crore deposits (Tier 4 category) to put in place a Board-approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer (CCO) latest by April 1, 2023. UCBs more than ₹1,000 crore and up to ₹10,000 crore deposits (Tier 3 category) too have

been asked to implement the same, latest by October 1, 2023.

The Securities and Exchange Board of India (Sebi) is working on a new payment system for the secondary market, which could prevent brokers from accessing their client funds. It will be on the lines of the Application Supported by Blocked Amount (ASBA) process used for subscribing to initial public offerings (IPOs), where funds move out of an investor's bank account only after the trade is confirmed.

Sebi is looking to boost surveillance of social media and other platforms through a web intelligence tool using artificial intelligence and data analytics to probe violations of various securities laws by individuals, groups and other entities. In this regard, the capital markets regulator has invited Expression of Interest (EOI) from solution providers to implement, install and maintain a 'Web Intelligence Tool', according to a public notice.

Non-Financial Means for Financial Well Being

All of us work hard for securing ourselves and our loved ones financially. However for many of us, no sooner we receive credit for our efforts that money gets debited towards various expenses. This makes some people fear going broke sometime in their life. Well, given the increased life span due to medical advancements, inflation and lifestyle expenses, it is quite possible that we may run out of money if we do not manage our finances with utmost prudence. So let us address this common fear and try to find solutions to have our financial situation under control. The most obvious solution seems to earn, save and invest and secure oneself and family members with health and term insurance. However let us consider the not so obvious means that may create a significant difference to our financial well-being.

1. Income – Savings = Expenses

As obvious as it may seem, it creates a lot of difference when we prioritize savings and make investments before spending money. The key is to set dates for auto debit towards various investment options such as SIPS in mutual funds, recurring deposits in banks, instalments towards insurance products etc. very close to the date when you expect the salary to be credited to your bank account every month. Once you set an ambitious target for savings and have investments auto debited as soon as you receive salary, you pay yourself first and it is one of the best forms of self-care.

2. Invest in skills

While we are always told the importance of formal education, it is the skill sets that actually help us create value. Hence it is imperative to keep upskilling or acquiring newer and relevant skills to be valued in the VUCA world.

3. Follow the Ikigai Principle

You must have read about Ikigai concept of pursuing what one likes, what one is good at and what can pay well. Thus while acquiring skills that pay well it is quintessential to consider if they are aligned with one's core competence and interests.

4. Synergy in efforts

Be it core job, upskilling or taking up freelancing as a side hustle, the efforts must be synergistic and linked to a common goal and purpose, else it would dilute one's bandwidth and focus, create confusion and lead to wastage of time, money and efforts.

5. Networking

Networking with professionals across different functional areas and sectors improves one's noticeability and opens new opportunities.

Did you know?

Camels have three eye lids to protect them from sand.

Cartoon of the Month

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"According to the encyclopedia, bulls eat hay and bears eat berries. My dad says they only eat money."

Good News!

- Nine months after announcing a Rs 76,000-crore incentive scheme for development of semiconductors and display manufacturing ecosystem in the country, the Union Cabinet sweetened it further by making the fiscal support of 50% of project cost uniform across all technology nodes for setting up of semiconductor fabs. When the government had first announced the scheme in December 2021, it had extended financial support of up to 50% of project cost for at least two semiconductor and two display fabs for a minimum of six years. For others, like compound semiconductors, sensor fabs etc, fiscal support of 30% was to be offered. Minister of state for IT Rajeev Chandrasekhar said the total outlay for the package will remain the same but harmonisation of incentives to 50% will make the semiconductor policy “extremely competitive” and attract investment across spectrum of opportunities.
- The government will soon redraft Faster Adoption and Manufacture of (Hybrid and) Electric Vehicles Scheme (FAME) to provide subsidy for setting up of upstream infrastructure to firms setting up EV charging infrastructure. Presently the companies setting up EV charging stations are required to pay for this upstream infrastructure.
- The National Logistics Policy sets the roadmap for developing a more interconnected and tech-driven framework for building cost and operational efficiency in the sector as per industry experts. The policy, unveiled by Prime Minister Narendra Modi, reflects the government's positive intent to address all the core challenges of the logistics and supply chain industry.
- Bank credit rose 16.2 percent to Rs 125.5 lakh crore as of September 9'22 over last year's levels. This is reckoned to be the highest growth in more than eight years and more than double the pace of 6 per cent growth in September'21. Analysts attribute this to a surge in corporate demand besides a steady growth in retail and MSME loans.
- Global rating agency S&P said even though the US and the Euro zone are headed to recession, India is unlikely to face the impact given the "not so coupled" nature of its economy with the global economy. "Indian economy is a lot decoupled from the global economy than we normally think of, given its large domestic demand, even though you (India) are a net importer of energy. But you have enough forex reserves on one hand and your companies have managed to maintain healthy balance sheets," Paul F Gruenwald, S&P global chief economist and managing director said.

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