



I-CAN
COMMUNIQUÉ

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MONTHLY NEWSLETTER – JULY 2021

Sensex : Up 1.1% Nifty : Up 0.9%	
Best performing sector: IT (9.2%)	Worst performing sector: Banks (-2.5%)
Best performing Global index: Nasdaq (5.5%)	Worst performing Global index: Madrid General (-3.7%)
Indian Rupee: -2.3%	Gold (International): -6.9%

There has been a sharp decline in Covid-19 cases in the country. The daily new case load dropped from 4 lakh at its peak in May to around 44,000. More than 32 crore jobs have been administered by the Indian government. The Finance Minister proposed 9.3 million jobs a day to cover 80% of the adult population (700 million people) by end of September'21. This would mean tripling the current rate of vaccination. On 21st June India administered more than 80 lakh vaccine doses in a single day – making it the highest single day number achieved by any country in the world.

The chief of the central government's Covid-19 working group, Dr. N. K. Arora, said that the third wave of coronavirus could be delayed and could commence in December this year.

Nifty 50 and S&P BSE Sensex were up by 0.9% and 1.1% respectively in June. The S&P BSE Mid Cap and Small Cap indices staged a stronger

performance with a growth of 3.6% and 6.9% respectively. The 10-year government bond yield moved up by 3 basis points to reach 6.05%.

Foreign institutional investors (FIIs) invested a net Rs. 17,215 crore in equity markets but pulled out a net amount of Rs. 4,828.5 crore from the debt markets in June. There was a 38% or \$6.24 billion increase in foreign direct investment (FDI) inflows in April 2021 compared to April 2020.

S&P Global maintained a 'stable outlook' on India's sovereign credit rating. A survey conducted by Federation of Indian Chambers of Commerce and Industry (FICCI) and Dhruva Advisors indicated that the second wave of Covid-19 impacted about 58% of Indian companies. However, Indian corporates remain optimistic regarding a strong recovery in the coming months. The unemployment rate stood at a one-year high in May at 11.9% compared to 7.97% in the previous month.

Indian exports increased by 69.35% in May from the year-ago period to reach \$32.27 billion. The trade deficit touched an eight-month low of \$6.28 billion.

Moody's lowered India's GDP growth forecast to 9.6% for 2021 from 13.9%, stating that the speed of vaccination will be crucial in curtailing the economic losses. ICRA expects the economy to grow at 8.5% in FY22. The Nomura India Business Resumption Index (NIBRI) increased to



81.3 for the week ended June 20, from 74.9 in the previous week. The business activity levels are back to October'20 levels.

India maintained its 43rd rank out of 64 countries in the World Competitiveness Index which is compiled by the Institute for Management Development. Among BRICS nations India is ranked second after China (which ranked 16). IMD said that this year India showed significant improvements in government efficiency.

As per consulting firm RedSeer India's consumer digital economy is likely to touch \$800 billion by 2030, against \$85-90 billion in 2020.

According to the Centre for Monitoring Indian Economy (CMIE), the index of consumer sentiment started improving since mid-May after seeing a higher fall in rural India in April and May compared to urban India.

The Manufacturing Purchasing Managers' Index (PMI) surprisingly fell from 50.8 in May to 48.1 in June. A figure below 50 indicates contraction. The Services PMI fell from 46.4 in May to 41.2 in June. This is the sharpest decline in the print since July 2020.

There was a 37% increase in mineral production in the country in April 2021 compared to April 2020. Important minerals in the list include coal, lignite, natural gas, petroleum, bauxite, chromite and gold.

The Monetary Policy Committee (MPC) decided to keep the repo rate unchanged with an accommodative stance. RBI data revealed that the foreign exchange reserves swelled up by \$99.2 billion during 2020-21 in nominal terms – much higher than the \$64.9 billion increase seen in the previous financial year.

India's wholesale price index-based inflation (WPI) touched a record high of 12.94% in May mainly due to high global commodity prices and

a low base effect. The consumer price index-based inflation (CPI) rose to 6.3% in May. The figure for the month of April was revised from 4.29% to 4.23%.

The current account in the balance of payments for India in FY21 in was in surplus for the first time for a whole financial year in 17 years. The current account surplus was 0.9% in FY21. India's fiscal deficit was 8.2% of the 2021-22 target at Rs. 1.23 lakh crore in April-May period. Last year in the same period it was 58.6% of the target.

Reforms

- Finance Minister Nirmala Sitharaman unveiled a relief package with prime focus on healthcare, tourism, exports and job creation in order to support the economy.
 - Loan guarantees worth Rs. 1.1 trillion will be offered to Covid-hit sectors, which includes Rs. 50,000 crore to hospitals and Rs. 60,000 crore to tourism.
 - The emergency credit line guarantee scheme which was announced last year for relief to businesses has been expanded in scope from Rs. 3 trillion to Rs. 4.5 trillion.
 - The Atmanirbhar Bharat Rozgar Yojana has been extended from June 30 to March next year.
 - The Cabinet approved the Rs. 3.03 trillion power distribution company (discom) reform scheme. The Centre's share will be Rs 97,631 crore. Funds will be released to discoms subject to them meeting reform-related milestones. The scheme aims to bring down the aggregate technical and

- commercial loss from the current 21.4% to 12-15%.
- The Finance Ministry announced an additional allocation of Rs. 19,041 crore for expanding the reach of broadband internet to all the remaining villages under the BharatNet PPP model.
 - The government will spend Rs. 93,869 crore this year to provide 5 kg food grains per month for free to more than 80 crore people during May-November.
 - Additional corpus of Rs. 33,000 crore to National Export Insurance Account (NEIA) to underwrite project exports and Rs. 88,000 crore to boost export insurance cover.
 - Rs. 23,220 crore to enhance healthcare infrastructure – ICU beds, oxygen availability etc.
 - Financial support to more than 11,000 tourist guides
 - Free tourist visa to 5 lakh tourists
 - The Defence Ministry approved a Rs. 500 crore support research and innovation in defence for the next 5 years.
 - The government plans to end restrictions on industrial use of oxygen after the fall in demand for liquid medical oxygen. The disclaimer along with the relaxation is that in case states or hospitals seek liquid medical oxygen they should be given first priority.
 - As the GST launch reached its 4th anniversary the Finance Ministry decided to issue certificates of appreciation to more than 54,000 taxpayers for their timely filing of returns and cash payment of tax.
 - The government plans to train 1 lakh young people as frontline workers in preparation of the third Covid-19 wave.
 - The government along with private players is building a repository of online courses from domestic and global platforms.
 - Under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme, the Centre disbursed Rs. 25.25 crore for seed capital requirements of around 8,000 self-help group members which are engaged in food processing activities.



Why is making a Will necessary?

A Will is a document which serves as a legal declaration of how an individual intends to distribute one's assets among desired beneficiaries after death. Any person of sound mind and who is not a minor is entitled by law to determine how one's property is passed on by making a Will.

Usually most people don't make a Will because it is assumed that the assets one owns will be inherited by the next generation. The following factors make it necessary to have a will in place at the earliest:

- i. If you do not make a will, everything owned by you will be distributed as per the standard rules of the law – which might be in conflict with your desired way of distributing your assets.
- ii. It protects your family and provides complete transparency.
- iii. It avoids family disputes in case of joint families or families with strained relationships. Legal battles over property can be long-drawn and expensive.

While there is no specific format, it is advisable that the will is drafted as a clear, precise document in simple language. One needs to appoint an executor who will ensure that the property is distributed in a responsible manner. A will can be revoked or altered by the testator (the author) at any time.

Registration of a will is not mandatory. For practical reasons it is advisable to get the will registered to avoid any future litigation and protect the document from tampering or destruction.

It is highly recommended to connect with your financial advisor and get a will made which will ensure peace of mind for you and your loved ones.

Did you know?

Lightning strikes the Earth 6,000 times every minute.

Cartoon of the Month





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