



Public Finance

Be fiscally prudent, don't burden future generations: PM to States

As the newly-formed Congress government in Karnataka gets set to implement its five poll promises, Prime Minister Narendra Modi on Saturday cautioned States about fiscal prudence as future generations may have to face the consequences. (*BusinessLine*)

6.1% GDP expansion in Q4 seen taking FY23 growth to 7.2%

Thanks to the strong 6.1 per cent expansion in the January-March quarter, the government sees the fiscal 2022-23 growth at 7.2 per cent. In FY22, the GDP growth was 9.1 per cent. In another positive development, the government managed to keep the fiscal deficit for FY23 at ₹17.3-lakh crore, which is lower than Revised Estimate of ₹17.55-lakh crore, data released by the Controller General of Accounts (CGA) on Wednesday showed. However, it still remained at 6.4 percent of GDP, thanks to the expansion of the economy. (*BusinessLine*)

India is 'capital starved', needs to work towards getting capital to become USD 5-trillion economy: Ajay Piramal

Speaking at the Times Network India Economic Conclave 2023, he said India must learn from the rest of the world and allow pension funds and provident funds to invest into many companies instead of restricting them into investing mainly on government securities. Piramal, who was bullish on the future of the Indian economy, said this is the best time the country has had and "we want to grow faster". (*The Economic Times*)



Taxation

Tax collection in India one of the highest, reduce direct tax to 25 pc from 40 pc: Surjit Bhalla

"We are a much more globalised economy in the world and the world is a lot more globalised. If you look at the overall tax rate structure in India, collection of taxes is one of the highest in the world and we are not the richest economy of the world," Bhalla said. He said that tax collection by state, Centre and local bodies is around 19 per cent of India's GDP. (*The Economic Times*)

GST kitty swells, factory activity hits 31-month high

The GST collection rose 12% from a year earlier to ₹1.57 lakh crore in May while the Manufacturing Purchasing Managers' Index (PMI) climbed to 58.7 from 57.2 in April. "May PMI and GST data show that underlying momentum in the economy remains resilient, largely based on domestic factors," said Rahul Bajoria of Barclays. (*The Economic Times*)

CREDAI-MCHI urges finance minister to change redevelopment projects' GST structure

Real estate developers of Mumbai's Metropolitan Region have approached the Indian Ministry of Finance with concerns that the Goods & Services Tax is impacting the viability of rehabilitation projects. Redevelopment is a key aspect of the region's property market, with around 19,000 properties awaiting such a project. *(The Economic Times)*

CBDT notifies e appeals scheme 2023

The Central Board of Direct Taxes (CBDT) in India has launched an "e-appeal" scheme designed to reduce the pendency of appeals relating to tax deducted at source (TDS) default issues and tax collection at source (TCS). The scheme allows the Joint Commissioner (Appeals) to dispose of appeals filed before it, with the power to send show cause notices and initiate penalties. *(The Economic Times)*

In a relief to contractors, Karnataka HC asks govt bodies to bear differential GST burden

The dispute between contractors and government arose due to the entering of works contract before July 1, 2017, when the GST replaced the VAT regime. There were also situations where work was completed during VAT regime, but payments were made during the GST regime; contracts were entered during VAT regime but executed both during both VAT and GST regimes or bids were invited during the VAT regime but were finalised during the GST regime. *(The Economic Times)*

'Angel tax' shield for buyers of PSU shares during selloff

India has granted relief from its angel tax for buyers of shares in public enterprises that were strategically divested for below the fair market value. The Central Board of Direct Taxes has amended the Income Tax Rules to exempt from any close scrutiny by tax authorities movements in equity shares of a government company received by a person who was involved in strategic disposal in the public sector, including overseas buyers, who may have paid a lower book value than the actual value. *(The Economic Times)*

CBIC reorganizes National Assessment Centre

Each of the 8 NACs would now be convened by one Chief Commissioner and it will also bring uniformity in customs assessment of similar goods. The changes would be effective from June 15 and DG Systems would issue suitable advisory in this regard, CBIC said in an internal circular sent to field formations on Thursday. *(The Economic Times)*



National Accounts and State of the Economy

Govt moots policy interventions for women empowerment

In the final year of its second term in office, the Centre intends to rope in multiple ministries and States to lay out different plans for gender parity and restoring dignity of women. *(BusinessLine)*

Swachh Bharat-G Aims to Cover All Villages by Yr End

The government plans to cover all of India's villages under the Swachh Bharat Mission (SBM)-Grameen phase II by the end of this year, giving the flagship cleanliness scheme a renewed push in the run-up to the 2024 general election. It has announced that 50.6% of

India's nearly 600,000 villages had implemented some degree of SBM-G phase II model by May 12. *(The Economic Times)*

Icra: Services to Drive GDP Growth to 4.9% in Q4 FY23

Domestic ratings agency Icra expects GDP growth in January-March period of 2022-23 at 4.9%, a modest step-up from the 4.4% recorded in preceding quarters, driven by the services sector. The National Statistical Organisation (NSO) is scheduled to release provisional estimate for the GDP growth for Q4 as well for fiscal 2022-23 on May 31. *(The Economic Times)*

Consumption trend lifts FY23 GDP hopes

India's economy, in the January- March quarter of 2022-23 (Q4FY23), is expected to show much improved growth on sequential and year on year bases, primarily driven by the manufacturing and services sectors reflecting improved consumption trends, and an encouraging rise in private according analysts. *(Business Standard)*

Share of women working overtime in factories at 11-year high in 2019

The share of women workers in registered factories submitting annual returns — working more than the statutorily-mandated maximum limit of 48 hours in a week — increased to a 11-year high of 33.6 per cent in 2019, shows the latest annual data released by the labour bureau. In comparison, only 27.9 per cent male workers worked more than the statutorily-mandated hours. *(Business Standard)*

Goldman Sachs raises India's growth forecast this year by 30 bps

Goldman Sachs in its latest release on Friday revised upwards the growth estimate for India by 30 basis points (bps) to 6.3 per cent for the calendar year (CY) 2023, given the boost in services export and a lower merchandise import. *(Business Standard)*

Urban Unemployment Dips to 6.8%

Better-than-expected economic activity in the fourth quarter and strong services sector-led growth contributed to urban unemployment declining to 6.8% in the quarter through March from 7.2% three months earlier. *(The Economic Times)*

India Reclaims Spot in World's Top 5 Markets

India reclaimed its spot as the world's fifth largest stock market after losing that status to France in January, aided by a revival in Adani Group stocks. *(The Economic Times)*

Won't let guard down against inflation, says FM Nirmala Sitharaman

Economists expect inflation to fall further towards 4 per cent levels - the medium-term target of the central bank - in May. *(Business Standard)*

India's growth momentum likely to be sustained in FY24, says RBI in Annual Report

RBI reported that the Indian economy will be supported by sound macroeconomic policies, softer commodity prices, and a robust financial sector among other things. *(The Hindu)*

ADB Launches India Strategy for 2023-27; Focus on Employment Creation, Green Growth

The Asian Development Bank (ADB) on Tuesday rolled out its 2023-27 country partnership strategy for India that identifies accelerating structural transformation and

job creation, promoting climate-resilient growth, and deepening social and economic inclusiveness as key focus areas. *(The Economic Times)*

Q4 Nos Spring a Surprise, Lift FY23 Growth to 7.2%

A stronger-than-expected fourth quarter lifted India's growth to 7.2% in FY23, exceed the 7% cited in the second advance estimates released in February, underscoring the country's economic resilience in the face of multiple challenges. *(The Economic Times)*

CEA Sees Risks to 6.5% Growth Forecast More Evenly Balanced

Chief economic adviser V Anantha Nageswaran on Wednesday predicted another year of "solid economic performance" by India in FY24, stressing that risks to the forecast of 6.5% growth are now more evenly balanced "than what we thought four months ago.

(The Economic Times)

Supply-side Reforms to Aid India Growth in Next Decade

India will emerge as a key driver of Asia's growth within the next decade, Morgan Stanley said in its latest report. Highlighting the reforms that have taken place in the country since 2014, the American financial services company said India is different from what it was in 2013 and has gained "positions in the world order". *(The Economic Times)*

Household consumption still weak, but private sector capex shows revival

On a nominal basis, gross fixed capital formation (GFCF), a proxy for infrastructure investment, contributed 29.2 per cent to FY23 GDP. *(Business Standard)*

FM Scans Progress on Key Priorities Under G20 Presidency

Finance minister Nirmala Sitharaman on Friday reviewed the progress on the key priorities for India during its G20 presidency, including resolution of the debt distress faced by developing countries, reform of multilateral development banks and a global framework for digital currency. *(The Economic Times)*

Gati Shakti: Railway Lines & Road Projects Gather Steam

Almost two years after the launch of Gati Shakti National Master Plan (NMP), construction of new rail lines has risen to 12 km per day in 2023 from 4 km per day before 2022. The railways has planned a record 13,264 km of rail infra projects for the year, data analysed by the Department for Promotion of Industry and Internal Trade (DPIIT) shows.

(The Economic Times)

EPFO draws up a five-year plan to upgrade physical infrastructure

The Employees' Provident Fund Organisation has drawn up a five-year perspective plan to upgrade its physical infrastructure, based on standardised norms, to cater to the growing subscriber base of the retirement fund body which is expected to jump to 10 crore as against six crore now. *(The Economic Times)*



Banking and Monetary Policy

UPI to Account for 90% of Retail Digital Payments by 2026-27

Growing at a steady pace, UPI transactions are likely to reach 1 billion per day by 2026-

27, accounting for 90% of the retail digital payments in the country, said a PwC India report. Unified Payments Interface (UPI), which is driving the digital payments revolution, accounted for about 75 % of the total transaction volume in the retail segment during 2022-23, said the PwC report titled 'The Indian Payments Handbook 2022-27'.

(The Economic Times)

Changing of Rs 2,000 currency notes off to a slow yet smooth start

The withdrawal of Rs 2,000 denomination bank notes, which started last week, went on smoothly as most bank branches and the Reserve Bank of India (RBI) regional offices saw lukewarm response in the first week. *(Business Standard)*

10-year G-Sec, repo spread halves on thaw in inflation

The spread between the 10-year government security (G-Sec) and the repo rate has almost halved since the paper was first issued in early February. This is due to the spurt in demand for G-Secs and a thaw in retail inflation. *(BusinessLine)*

NPAs linked to trade credit crisis

The RBI and banks need to factor in problems in circulation of working capital finance, when they seek to nip NPAs in the bud. *(BusinessLine)*

RBI-MPC may not change interest rates: Experts

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) may not change the interest rates and would continue with the 'pause' mode at their upcoming meeting, said experts. The MPC met on April 3, 5 and 6 this year and decided to pause on the repo rate at 6.50 per cent after hiking continuously earlier as an inflation control measure. *(The Economic Times)*

UPI trades at record high in May, breach 900 crore monthly transactions

Transactions undertaken on the UPI (Unified Payments Interface) network, touched a record high of ₹14.89 lakh crore in May, also crossing the milestone of 900 crore transactions per month. *(BusinessLine)*

Cash in circulation grows at the slowest pace since FY18

As Indians take to digital payment avenues, UPI transactions have been growing at a scorching pace. But cash is still holding its ground. *(BusinessLine)*

Counterfeit notes of ₹500 denomination rose 14% in FY23: RBI report

Counterfeit currency notes of ₹500 denomination detected in the banking system rose by 14.4 per cent in FY23, while those of ₹20 denomination saw an increase of 8.4 per cent the Reserve Bank of India said in its annual report for 2022-23. *(BusinessLine)*

What's really behind the recall of ₹2,000 notes?

In comparison to the economic, financial and monetary tsunami that swept across India on November 9, 2016, the RBI's notification of May 19 on the recall of ₹2,000 notes was akin to just a strong wave hitting one shore. *(BusinessLine)*

RBI conceptualises 'bunker'-like light weight, portable payments system

RBI is exploring a light weight and portable Payment and Settlement System (LPSS), which will be independent of conventional technologies and can be operated from anywhere by a bare minimum staff. *(BusinessLine)*



Sharp jump in foreign exchange income boosts RBI dividend for FY2023

While income for the year increased by 47.06 per cent to its highest ever at Rs 2.65 lakh crore, the expenditure increased by 14.05 per cent. The year ended with an overall surplus of Rs 87,416.22 crore that was transferred to the government in the form of dividend as against Rs 30,307.45 crore in the previous year, RBI's latest annual report released on Monday said. RBI's surplus transfer was more than the budgeted amount of Rs 48,000 crore for banking sector. *(The Economic Times)*

FDI equity inflows contract 22% in FY23

Foreign direct equity investments into India in fiscal 2023 shrank 21.67% from the previous year to \$46.03 billion, data released by the Department for Promotion of Industry and Internal Trade (DPIIT) showed Monday. The FDI equity inflows were \$58.77 in 2021-22. *(The Economic Times)*

India emerges as key source country for FDI into Dubai: Report

India has emerged as a key source country for Foreign Direct Investment (FDI) in Dubai, one of the wealthiest of the seven emirates in the United Arab Emirates, according to a report released on Monday. It ranked among the top five source countries for announced FDI projects and estimated FDI capital, according to a report released by "fDi Markets", a service from UK's Financial Times Ltd. *(The Economic Times)*

India may have achieved current account surplus, say experts

Weakening of commodity prices, strong services exports and rising remittances by people working abroad likely pushed India's current account balance to surplus in the quarter ended March. In that case, the country will be reporting current account surplus after a gap of six quarters, and experts are hopeful the gains will continue this quarter. *(The Economic Times)*

Global trade indicates possible turnaround in second quarter of 2023: WTO

Global goods trade is expected to witness a turnaround in the second quarter of this year due to a recent pickup in export orders, the WTO said. According to the WTO's Goods Trade Barometer, preliminary data suggest that trade remained depressed in the first quarter of 2023. The WTO's (World Trade Organisation) expectation augurs well for India, which is struggling to push its outbound shipments. *(Business Standard)*

Global unemployment to fall 5.3%; low-income nations lag in recovery: ILO

The International Labour Organisation (ILO) said global unemployment is likely to fall below the pre-pandemic levels to 5.3 per cent or 191 million in 2023. ILO in its 11th edition 'World of Work' called for global financial support for the creation of jobs and social protection. This is after the ILO stated that low-income countries may be far behind other nations as far as the recovery process is concerned. *(Business Standard)*

Sri Lanka cuts policy rates to reduce inflation and boost economic recovery

On June 1, Sri Lanka's Central Bank slashed the policy interest rates by 250 basis points, the first since the "historic contraction" of the island nation's economy in 2022, saying it will reduce high inflation and provide an impetus for growth. The Monetary Board of the

Central Bank of Sri Lanka decided to cut the policy rate by 250 basis points, saying inflation was falling faster than expected. *(The Hindu)*

India extends \$1 billion credit line to Sri Lanka by another year

India on May 30 extended its \$1 billion credit line to Sri Lanka by another year to help the island nation hit hard by an unprecedented economic crisis procure much-needed food, medicine and other essential items. An agreement was signed between the State Bank of India (SBI) and the Sri Lankan government for \$1 billion credit facility in March last year. India extended the credit line to Sri Lanka at the height of the country's economic crisis. *(The Hindu)*

Avg long-term US mortgage rate at 6.79% this week, highest level since Nov

The average long-term US mortgage rate climbed this week to its highest level since November, driving up borrowing costs for would-be homebuyers at a time when the housing market is being held back by a near record-low inventory of homes on the market. Mortgage buyer Freddie Mac said Thursday that the average rate on the benchmark 30-year home loan rose to 6.79% from 6.57% last week. A year ago, the rate averaged 5.09%. *(Business Standard)*

Pak's annual inflation rises to record 37.97% YoY in May: Official data

Pakistan's annual inflation rose to a record 37.97 per cent year-on-year in May, according to official data. Pakistan, currently in the throes of a major political as well as economic crisis, is grappling with high external debt, a weak local currency and dwindling foreign exchange reserves. According to data released by the Bureau of Statistics, which keep a record of price hike, the highest year-on-year increase was recorded in the categories of alcoholic beverages and tobacco at 123.96 per cent, recreation and culture at 72.17 per cent and transport at 52.92 per cent. *(Business Standard)*

US manufacturing dips for seventh straight month in May; employment rises

U.S. manufacturing contracted for a seventh straight month in May as new orders continued to plummet amid higher interest rates, but factories boosted employment to a nine-month high. The persistent weak readings in the PMI support analysts' expectations that the economy will slip into recession this year. But there have been several periods, including the mid-1990s as well as mid- and late-1980s when prolonged readings of the PMI below 50 were not accompanied by a recession. *(Business Standard)*

China's youth faces record high unemployment at 20.4% in April: Report

The Chinese economy continues to struggle in its recovery from the Covid-19 pandemic as a study reveals the nation hit a record high of 20.4 per cent unemployment rate in April. The statistics were announced just a month before 11.6 million students are getting ready to graduate from universities and vocational schools and enter the workforce, stated a report by ANI. This could mean one in every five people could be unemployed. *(Business Standard)*

Canada's real GDP grew by 0.2% in April, 0.8% in first quarter this year

Canada's real gross domestic product (GDP) grew 0.2 per cent in April and 0.8 per cent in the first quarter this year, the statistical agency said in its advance estimates. Statistics Canada said that the mining, quarrying, oil and gas extraction, transportation and warehousing sectors, as well as the offices of real estate agents and brokers, and the other activities related to real estate industries rose in April, but the increases were partially

offset by decreases in the wholesale and retail trade and public administration sectors, Xinhua news agency reported. *(Business Standard)*



Agriculture and Rural Economy

WHO stresses on policies to help tobacco farmers shift to growing food crop

On the eve of World No Tobacco Day, WHO on Tuesday called upon its partners to support governments in developing policies to help tobacco farmers shift to growing food crops that would provide them with a better life culminating in supporting national economies and ensuring food security. *(Business Standard)*

Inspections requirements for rice export to European nations deferred: DGFT

India has suspended the necessary requirement of the certificate of inspection by export inspection organisations for shipping both basmati and non-basmati rice to specified European nations on Monday for six months. *(Business Standard)*

Cabinet approves world's largest food storage scheme, allocates Rs 1 trn

The Centre will introduce a policy for the world's largest food grain storage scheme under the cooperative societies sector, said Union minister Anurag Thakur during a Cabinet briefing on Wednesday. *(Business Standard)*

Record production of rabi crops push up agri growth to 3-year high in Q4

Record production of the main rabi crops — wheat and mustard — has led to a 12-quarter high growth rate of 5.5 per cent in agriculture and allied activities in the fourth quarter (Q4) of 2022–23 (FY23), compared with an upwardly revised 4.7 per cent in the third quarter (Q3). *(Business Standard)*

Weather impact. Seed industry sees tight supply of some branded Bt cotton hybrids this season

Amid expectations that cotton acreage in the upcoming kharif season is likely to exceed the previous year's tally, the Bt cotton seed market is witnessing tight supply of branded hybrids, mainly in the central and south zones, as seed production was impacted last year due to excess rains, vendors said. *(BusinessLine)*

Better farming. Direct-seeding method gains currency in India's paddy growing regions

Farmers in several leading rice-growing States are shifting to direct-seeding method with rains getting delayed and the availability of labour becoming a challenge. This method, which is in vogue in small pockets across the country, allows the farmers to go ahead with sowing of the seed without having to wait for rainfall and without the need for spending a month on growing paddy nurseries and planting them — both tasks require heavy manpower. *(BusinessLine)*

GDP estimates. GDP expected to grow 6-6.5 per cent in FY24: BoB Eco Research

India's GDP is expected to grow in the 6-6.5 per cent range in FY24, with agriculture growth continuing at a healthy pace, a recovery in industrial growth and the services sector remaining resilient, according to Bank of Baroda's economic research department (ERD). *(BusinessLine)*

Rice fortification pilots in India show drop in anaemia

India's pilot studies on rice fortification showed that nutritional anaemia could be reduced, with a significant drop in the prevalence of anaemia among schoolchildren, according to a United Nations report. Through its World Food Programme, the UN supported national and state governments with a unique pilot-to-scale approach that could be "useful in countries where governments are not yet fully convinced about fortification". *(The Economic Times)*

Maharashtra farmers to get Rs 12,000 annually under 'Kisan Samman Nidhi', announces CM Shinde

Maharashtra Chief Minister Eknath Shinde on May 30 attended the cabinet meeting held in Mumbai. Considering the issues faced by the farmers of states, the government assured to deposit Rs 12,000 in the accounts of the farmers. Eknath Shinde said, "Today, decisions have been taken for the farmers in the cabinet meeting. Central Government had decided to give Rs 6,000 annually to farmers, the same decision has been taken by the state, in which Rs 6,000 will be given to farmers from the state." *(The Economic Times)*

Assam government has decided to procure for the first-time mustard seeds

The government has approved to procure 45,793 MT mustard seeds under PSS for Rabi Season 2023 at an MSP of 75450 per quintal against the Market rate of Rs 4500-4800 per quintal. This procurement will be done through Assam State Agricultural Board and Assam Food and Civil Supplies Corporation as the State Level Agencies and NAFED as the Central Agency. *(The Economic Times)*

Agricultural products trade via e-NAM surges 41% in FY23

Agricultural products trade through the electronic-National Agriculture Market (e-NAM) surged 41% to 18.6 million tonnes in 2022-23 from 13.2 million tonnes in the previous financial year. "Several innovative products have started trading through these mandis," said a senior official, who did not wish to be identified, adding that several products such as silk cocoons, saffron and bamboo are being sold on the platform. *(The Economic Times)*

Total wage for tea estate workers in West Bengal to increase soon: ICRA

Rating agency ICRA has said that the proposed wage hike in the tea estates of West Bengal is likely to see a margin contraction of the bulk tea players by around 500 basis points at a steady state level of realisation. ICRA, in its latest report on bulk tea, has highlighted that the total wage rate per day (including bonus, other cash components, and benefits) for tea estate workers in West Bengal is estimated to increase by 6% w.e.f. June 1, 2023, given the recent advisory issued by the Labour Department, of the West Bengal government to hike the basic wages by 8% to Rs. 250/day from Rs. 232/day. *(The Economic Times)*

Centre buys 262 lakh tonne wheat so far this year from farmers at MSP; total payout at Rs 47,000 crore

The Centre has purchased 262 lakh tonnes of wheat so far this year at minimum support price (MSP) and paid about Rs 47,000 crore to farmers. "Wheat procurement during the ongoing Rabi Marketing Season (RMS) 2023-24 has progressed smoothly. The progressive procurement of wheat in the current season till May 30 is 262 lakh tonnes, which has already surpassed last year's total procurement of 188 lakh tonnes by 74 lakh tonnes," the Food Ministry said in a statement. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Inter-ministerial consultation on for new industrial policy: DPIIT Secy

The Indian government is working on a new industrial policy, which will be the third after 1956 and 1991. The policy aims to create a globally competitive business environment that fosters manufacturing, exports, and innovation. The policy is likely to recommend reforms that enable a globally progressive, innovative, and competitive industrial ecosystem. *(The Economic Times)*

Former RBI governor Raghuram Rajan asks if Modi govt's PLI scheme is a failure

Former RBI governor Raghuram Rajan and fellow authors in a social media note argued the efficacy of the government's PLI scheme to incentivize manufacturing in India. A detailed look at the numbers for the mobile phone sector explains why we should be concerned, they say, while questioning if India has indeed become a manufacturing giant. *(The Economic Times)*

Service sector cushions India's economy from high interest rates

India's economic growth is likely to have grown at a rate of 7% in the year to March 2023, matching government expectations. Although this is slower than the previous year, India's major world economy continues to record impressive growth and remains one of the fastest-growing. *(The Economic Times)*

Strong recovery in residential housing sector driven by pent-up demand and robust consumer sentiment: RBI report

Pent-up demand and robust consumer sentiment for home ownership in the aftermath of the pandemic underlay strong recovery in the residential housing sector in 2022-23, as per RBI's latest annual report. In 2022-23, housing launches improved consistently in terms of completed projects after two years of intermittent shutdowns. "Housing sales picked up in H1 (April-September):2022-23 and recovered in Q4 (January-March) after briefly losing momentum in the third quarter. As launches surpassed sales, unsold inventory increased," the report said. *(BusinessLine)*

Technology companies dominate flex spaces in India, accounting for 50% of utilisation

Technology companies dominate the occupancy of flex spaces in the country, accounting for 50 percent of the total flex space utilization across the top cities, including Chennai, Delhi-NCR, Pune, and Hyderabad, according to a report by Colliers. Other major sectors that are actively embracing hybrid working through flex include engineering and manufacturing and BFSI. *(BusinessLine)*

Textile Industry likely to get second tranche of PLI worth ₹4,307 crore]

The second edition of the production-linked incentive (PLI 2.0) scheme for textiles is likely to have an outlay of ₹4,307 crore and will cover manufacture of garments, made-ups and textiles accessories of all materials, natural or man-made, per the Cabinet note finalised by the Textiles Ministry. *(BusinessLine)*

Investments in start-ups: IT Department proposes 5 valuation methods

The Income Tax Department on Friday proposed five new valuation methods for calculating Angel Tax under a new mechanism for non-resident investors in startups. The department has already said that regulated investor entities from 21 countries/jurisdictions and recognised startups will get immunity from the new mechanism. The new mechanism will come into effect on April 1, 2024. Stakeholders can give their comments on the draft by June. *(BusinessLine)*

Coal India's production rises to a record high of 60 million tonnes in May

Coal India's (CIL) production rose to a record high of 60 million tonnes (MT) in May, logging 9.5 per cent growth over the same month last year with an increase of 5.2 million tonnes, the company said in a BSE filing on Thursday. In a regulatory filing, the company said, "Considering the production for May generally hovers in the range of 40 MT to 48 MT, CIL output surge in current fiscal's May was substantial. All the subsidiaries of CIL have listed positive growth." *(Business Standard)*

Core sectors' growth slips to six-month low of 3.5% in April

India's eight core sectors' output growth slid from 3.6% in March to 3.5% in April, marking the slowest pace in six months with half of the sectors, including electricity and natural gas, reporting a contraction. Crude oil production shrank 3.5% in April, the 11th straight month of contraction. Natural gas output dropped 2.8% and refinery products plummeted 1.5%, the first such decline since November 2022 for both these sectors. *(The Hindu)*

India's manufacturing PMI hits highest level since October 2020 in May

The S&P Global India Manufacturing Purchasing Managers' Index (PMI) surged to a 31-month high of 58.7 in May, with factory orders rising at the fastest clip since January 2021 and producers accumulating inputs at an unprecedented pace thanks to lower costs. *(The Hindu)*

57% of power generated will be via renewable sources by 2027: Central Electricity Authority

While India may have internationally committed to half its installed electricity being sourced from renewable sources by 2030, an estimate of Central Electricity Authority (CEA) suggests that this target may be achieved early, by 2026-27. It notes that the share of non-fossil-based capacity is likely to increase to 57.4% by the end of 2026-27 and may likely to further increase to 68.4% by the end of 2031-32 from around 42.5% as on April 2023. *(The Hindu)*

Petrol, diesel sales soar in May

India's petrol and diesel sales soared in May as agriculture demand picked up and cars yanked up air-conditioning with the onset of summer, preliminary industry data showed. Demand for diesel, the most consumed fuel in the country accounting for about two-fifths of the demand, soared 9.3% to 7.46 million tonne in May compared to the year-ago period. *(The Hindu)*

384 infra projects showed cost overruns of Rs 4.66 lakh crore in March quarter

According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above, out of 1,566 projects, 384 reported cost overruns and as many as 931 projects were delayed. 384 infrastructure projects, each

entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.66 lakh crore in January-March quarter. (*The Economic Times*)



News on Kerala

S.V. Bhatti appointed Chief Justice of Kerala High Court

Justice S.V. Bhatti, the Acting Chief Justice of Kerala, has been appointed as the Chief Justice of the Kerala High Court. The President appointed Justice Bhatti as the Chief Justice on Friday evening. Justice Bhatti succeeds Justice S. Manikumar who retired last month as the Chief Justice of the Kerala High Court. (*The Hindu*)

Kerala's borrowing limit cut drastically: Balagopal

In a move that could severely affect State finances, the Centre has drastically cut down the State's borrowing limit, Finance Minister K.N. Balagopal said on Friday. The borrowing limit has been set at ₹15,390 crore. For the entire fiscal, the State government had been expecting eligibility for ₹32,442 crore (3% of the GSDP). For the first nine months, the State was expecting the limit to be set at ₹22,000 crore. (*The Hindu*)

State-run Anert launches ambitious project to make Kerala capital largest solar city in India

The Kerala government on Tuesday launched an ambitious project to turn every rooftop in Thiruvananthapuram into a solar energy-producing station, a senior official of a State-run agency said. Through this project, the State capital is expected to become one of the largest 'solar cities' in the country. (*The Hindu*)

State writes to Centre, seeks clarification on borrowing limits

Amid the row over the State's 'slashed' open market borrowing (OMB) limit, the State government has sought a clarification from the Centre as to how it had arrived at ₹ 15,390 crore as the OMB. In a letter, the Additional Chief Secretary (Finance) requested the Union Finance Ministry to issue the calculation sheet which gives a detailed break-up on OMB for the 2023-24 fiscal. "We need to know how they have arrived at this figure," a Finance department official said. (*The Hindu*)

Kerala Real Estate Regulatory Authority brings more clarity to the definition of 'real estate project'

The Kerala Real Estate Regulatory Authority (K-RERA) has sought to bring more clarity to the definition of 'real estate project', as it would apply under the Real Estate (Regulation and Development) Act, 2016. (*The Hindu*)

KIIFB planning to mobilise ₹ 1000 crore for infrastructure projects through green bond issue

The Kerala Infrastructure Investment Fund Board (KIIFB) is planning to mobilise up to ₹1,000 crore through domestic green bond issue for financing infrastructure projects. KIIFB has invited a request for proposal (RFP) for the appointment of merchant bank/arranger for the proposed fund mobilisation. (*The Hindu*)

Jal Jeevan Mission: ₹551.63 crore to be released as State share

The State government has accorded sanction for releasing ₹551.63 crore to the Kerala Water Authority (KWA) as its share in the second tranche of the second instalment for the Jal Jeevan Mission (JJM) rural household tap connection programme. *(The Hindu)*

Kerala hampering Central-sponsored welfare schemes: Karandlaje

Union Minister of State for Agriculture and Farmers' Welfare Shobha Karandlaje has accused the Kerala government of failing to implement Central government-sponsored welfare schemes. She has also blamed the government for not furnishing beneficiary lists to disburse assistance for various direct benefit transfer schemes. *(The Hindu)*

Rubber Board expects natural rubber production to grow by 8.3%

The current headwinds in the domestic market notwithstanding, natural rubber (NR) production in the country for 2022-23 is provisionally estimated to grow by 8.3% to reach 8,39,000 tonnes from 7,75,000 tonnes recorded in the previous year. *(The Hindu)*

Sustainability of State's health insurance schemes in question

The two major health insurance schemes in the State – Ayushman Bharat-Karunya Arogya Suraksha Padhati (KASP) and Medisep (the medical insurance scheme for State government employees and pensioners) – are headed for a fiscal disaster. With huge cost overruns, the sustainability of these schemes in the long run is in question. *(The Hindu)*

Role of cooperatives crucial for achieving self-sufficiency in milk production: Minister

Animal Husbandry and Dairy Development Minister J. Chinchurani has said that the role of public and private sectors and cooperatives are critical to the State attaining self-sufficiency in milk production. *(The Hindu)*

C. Veeramani takes charge as CDS director

C. Veeramani is the new director of Centre for Development Studies (CDS), Thiruvananthapuram. He succeeds Sunil Mani to the post. Prof. Veeramani has a PhD and MPhil in Economics from Jawaharlal Nehru University and was serving as a professor at the Indira Gandhi National Institute of Development Research (IGIDR). *(The Hindu)*

Economic security of dairy farmers will be ensured: Minister

Animal Husbandry and Dairy Development Minister J. Chinchurani has reiterated the government's commitment to ensure the economic and social security of dairy farmers in the State. *(The Hindu)*

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