



Public Finance

States showing warning signs of stress; need corrective action: RBI article

Observing that the slowdown in own tax revenue, a high share of committed expenditure and rising subsidy burdens have stretched state government finances already exacerbated by Covid, the article said. *(Business Standard)*

Revenue collections grow for all states as property registrations continue to surge

From the aspect of absolute revenue figures, Maharashtra led the tally with the highest collection of state revenue from stamp duty and registration charges (SD&RCs) at ₹35,593 crore. The state, which includes India's largest and most expensive property markets of Mumbai and Pune, contributed 21% of the overall SD & RCs revenue of the country. *(The Economic Times)*

8 states to get nod for borrowing plans only after full disclosures

The Centre has directed eight states to provide additional disclosures of their off-budget liabilities for approval of their borrowing plans. Officials said the move is aimed at enhancing transparency in states' balance sheets and reducing the large off-budget liabilities, which have often been flagged by economists and states. *(The Economic Times)*

Govt committed to make sure capital expenditure continues to support growth momentum: CEA V Anantha Nageswaran

In the previous fiscal, while the capital expenditure was budgeted at Rs 6 lakh crore, the government managed to spend Rs 5.92 lakh crore. "And hence, for the current financial year, if the government is able to execute the capital expenditure of Rs 7.5 lakh crore, then that is the biggest real economic intervention," CEA V Anantha Nageswaran said. *(The Economic Times)*



Taxation

Fuel tax cut eases retail inflation to 7.04% in May; base effect helps

Two factors played an important role in bringing down inflation in May from April's eight-year high. The first was impact of fuel duty cut on prices, and the second, a favourable base effect, as the rate of retail inflation in May 2021 was 6.3 per cent. *(BusinessLine)*

Continue GST compensation to States for 3-5 years: Amit Mitra

Kolkata, June 13 Amit Mitra, Principal Chief Advisor to the West Bengal Chief Minister and the state Finance Department, has urged Union Finance Minister, Nirmala Sitharaman, to continue to provide GST (Goods and Services Tax) compensation to the states for the next three-to-five years beyond June, 2022. *(BusinessLine)*

GoM to meet tomorrow to discuss GST rate rationalisation, exemptions

Deliberations of the meeting called by a Group of Ministers (GoM), led by Karnataka Chief Minister Basavraj S Bommai, to discuss GST rate rationalisation, inverted duty structure and exemptions will be presented before the GST Council which may be convened at the end of this month. Although the GoM is unlikely to finalise its report on Friday, it is expected to present an interim report mainly on exemption and inverted duty structure. *(BusinessLine)*

Corporate, personal IT collection surge boosts advance tax mop-up 52%

The first instalment of advance tax collection for both corporate and personal income tax has recorded impressive gains, initial data reveals. While growth in corporate tax was around 46 per, personal income tax gains surged over 52 per cent. The collection through corporate tax was around ₹26,800 crore, while personal income tax totaled up to around ₹15,800 crore. *(BusinessLine)*

GST Council to meet in Srinagar on June 28-29

The GST Council will be back in Srinagar after a gap of five years as next meeting is scheduled to take place there this month-end. "The 47th meeting of the GST Council will be held on June 28-29 in Srinagar," the office of Finance Minister Nirmala Sitharaman said in a tweet on Thursday. Normally, the Council is supposed to meet once in three months, however, this time it has been delayed on account of various issues including re-nomination of Sitharaman. *(BusinessLine)*

Income tax returns increased in FY22 over the previous fiscal: CBDT chief

The number of income tax returns has increased in FY22 over the previous fiscal, Central Board of Direct Taxes Chairman Sangeeta Singh. Talking to PTI, Singh said the number of income tax returns last fiscal was 7.14 crore against 6.9 crore in the preceding financial year, showing a clear growth. *(Business Standard)*

Anti-profiteering Authority to be merged with Competition Commission

National Anti-profiteering Authority (NAA) is all set to be subsumed into the Competition Commission of India (CCI), according to a report in Livemint. NAA is the anti-profiteering watchdog of GST. Its term ends in November, and no extension has been planned, per the report. NAA came into existence in 2017 and has received two extensions since then. *(Business Standard)*

CBIC issues guidelines for post audit and refund claims under GST

The Central Board of Indirect Taxes & Customs (CBIC) has put out a procedure relating to sanction, post-audit and review of refund claims for taxpayers. *(Business Standard)*

CBDT issues guidelines for new tax rule on gifts, benefits to influencers

The Central Board of Direct Taxes (CBDT) on Thursday issued detailed guidelines on the applicability of the new tax deducted at source (TDS) provisions that come into effect on July 1. *(Business Standard)*

At Rs 42,679 crore, advance tax collection up 48% in April-June quarter

Advance tax paid by companies in the first quarter of the fiscal year grew 46 per cent over that in the equivalent period in 2021-22, indicating healthy tax buoyancy that will provide the government the cushion to absorb part of the higher subsidy bill. *(Business Standard)*

GST applicable on voluntary payments made by members to housing societies, says AAR

AAR said that the money received by the society was for the supply of services. GST has a concept called "supply of services," which is used to figure out if a transaction is taxable or not. The AAR cited parts of the Model Bye Laws that say the society can't accept a payment from a transferor or transferee that was made on their own. *(The Economic Times)*

Supreme Court's GST ruling emboldens states against Modi's government

States are emboldened to take on the Centre after the Supreme Court ruled last month that the GST Council's decisions are non-binding. If the Council, headed by federal finance minister doesn't agree, the states could unilaterally raise revenue with other taxes that goes against a push to standardize such duties across the countries. *(The Economic Times)*



National Accounts and State of the Economy

After a massive dip in 2021, education inflation rises with return to normalcy

After a steep dip during the second wave of the pandemic, education inflation has been slowly rising. While inflation in the sector was a mere 0.63 per cent in April 2021, a year later, it rose to 4.12 per cent, with educational institutions reopening across the country. *(BusinessLine)*

Fitch revises India rating outlook to 'stable' from 'negative' after two years

Fitch Ratings on Friday upped the outlook on India's sovereign rating to 'stable' from 'negative' after two years, citing diminishing downside risks to medium-term growth on rapid economic recovery. The agency, however, cut the economic growth forecast to 7.8% for FY23 from the 8.5% prediction it made in March. *(BusinessLine)*

Fill 10 lakh jobs in 18 months, PM to Central ministries, depts

"PM @narendramodi reviewed the status of Human Resources in all departments and ministries and instructed that recruitment of 10 lakh people be done by the government in mission mode in the next 1.5 years," a tweet by Prime Minister Office said. *(BusinessLine)*

At 15.9%, May WPI inflation hits 30-year high on pricier inputs

Inflation in India's wholesale prices hit a fresh record high of 15.88% in May, escalating from 15.08% in April, as per official data released on Tuesday. This is the 14th month in a row that wholesale price inflation in India has stayed above the 10% mark. May 2021 had recorded an inflation rate of 13.11%. *(The Hindu)*

Is the Indian economy truly resilient?

The Indian economy is in facing some unprecedented challenges. A protracted war in Europe has introduced new strains even before the impact of Covid-19 has fully waned. Together, these two significantly weaken the backbone of the world economy, impacting both the advanced and emerging markets. Contemporaneously, the Indian economy is also impacted. *(BusinessLine)*

India has shown exemplary resilience in recovery from Covid-19 crisis: CEA

The country has shown exemplary resilience in recovery from the Covid-19 pandemic crisis, Chief Economic Advisor (CEA) Anantha Nageswaran said. *(Business Standard)*

Goal of \$5 trn GDP appears to be case of 'shifting goalposts': Chidambaram

With Chief Economic Advisor V Anantha Nageswaran citing the IMF forecast that the Indian economy would cross USD 5 trillion by 2026-27, senior Congress leader P Chidambaram on Sunday said the goal of a USD 5 trillion GDP appears to be a case of "shifting goalposts" as the original target year was 2023-24. *(Business Standard)*

India to be fastest-growing wealth market over next decade: Henley study

There will be a big boom in the number of millionaires and billionaires in India over the next decade, says a report that tracks private wealth and investment migration trends worldwide. *(Business Standard)*

May CPI inflation cools down to 7.04% from eight-year high in April

The consumer price index-based (CPI-based) inflation rate for May 2022 cooled from the eight-year high in April and came in at 7.04 per cent on the back of the base effect and cheaper food prices. *(Business Standard)*

India Inc's hiring outlook for Jul-Sep most optimistic in 8 yrs: Survey

India's job market looks optimistic with 63 per cent of companies planning to add more staff in next three months, in a bid to speed up the recovery process and sustain the economic growth, a survey. *(Business Standard)*

India's fuel demand up 22% YoY in May from low base in 2021: S&P Global

India's oil product demand in May was up 860,000 barrels per day or 22 per cent year-on-year from a low base in 2021, S&P Global Commodity Insights said in a note. *(Business Standard)*

Fitch sees another 100 bps policy rate hike by Dec, cites rising inflation

The Reserve Bank of India (RBI) could increase policy rate by another 100 basis points to 5.9 per cent by December 2022, said Fitch Ratings. *(Business Standard)*

Will PM Modi's 'one million job' drive help ease the employment crisis?

PM Modi announced to recruit 10 lakh people in Central govt in the next 18 months. The govt also announced a radical recruitment plan for armed forces. Will these solve India's unemployment problem? *(Business Standard)*

India jumps 6 places to 37th rank on IMD's World Competitiveness Index

India has witnessed the sharpest rise among the Asian economies, with a six-position jump from 43rd to 37th rank on the annual World Competitiveness Index compiled by the Institute for Management Development, largely due to gains in economic performance. *(Business Standard)*

Covid may have forced return of 51.6% urban men to villages: PLF survey

The coronavirus pandemic may have forced 51.6 per cent of men in urban India to migrate to their rural homes in what could be the country's worst reverse migration, according to a report released by the National Statistical Office. *(Business Standard)*

Unemployment rate dips to 8.2% in Jan-Mar 2022, shows NSO survey

The unemployment rate for persons aged 15 years and above in urban areas dipped to 8.2 per cent in January-March 2022 from 9.3 per cent in the year-ago quarter, showed a periodic labour force survey by the National Statistical Office (NSO). *(Business Standard)*

India better placed than many others to avoid stagflation: RBI article

India is better placed than many other countries to avoid the risks of a potential stagflation amid an increasingly hostile external environment, as per an RBI article on the state of the economy. *(Business Standard)*

Why gov't's skill development initiative still struggles with placements?

Even as the government seeks to recruit one million people in 18 months, it is interesting that the record of its flagship skill development programme, which aims to enhance the employment potential of Indians, has been poor. *(Business Standard)*

94% of domestic workers worldwide lack comprehensive social security: ILO

According to the ILO, domestic workers are often excluded from national social security legislation. As per the report, 57.3% of domestic workers in Europe and Central Asia are legally covered for all benefits while a little more than 10% have such a right in the Americas and almost none are fully covered in the Arab states, Asia and the Pacific and Africa. *(The Economic Times)*

Higher unemployment may give space to politicians catering to divisions: Raghuram Rajan

Former Reserve Bank of India Governor Raghuram Rajan has said that if unemployment rates in India remain high, it may lead to 'entrepreneurial' politicians who cater to religious divisions, rather than focusing on actually enhancing jobs. In an interview with ProMarket, Rajan said the higher unemployment rate in the country is a real danger. *(The Economic Times)*

RBI much ahead in containing inflation: SBI report

After rising to a 95-month (almost 8 years) high of 7.79 per cent in April, Consumer Price Index (CPI) based inflation moderated to 7.04 per cent in May. Core CPI also moderated in May to 6.09 per cent compared to 6.97 per cent in April, as per the SBI's research report 'Ecowrap'. *(The Economic Times)*

CFOs' confidence in financial & economic conditions has declined: Report

Dun & Bradstreet's CFO Optimism Index stood at 91.9, which is a decrease of around 12.0% (QoQ) in Q2 2022 as a result of the rising concerns about economic recovery, geopolitical uncertainties, rising input cost pressures, and a faster-than-expected rise in borrowing prices. *(The Economic Times)*

India's economy recovered strongly despite 3 COVID waves, says US Treasury report

The Indian economy has rebounded strongly despite three significant COVID-19 waves, the US Treasury said in a report to the Congress on Friday. India's acute second wave weighed heavily on growth through the middle of 2021, delaying its economic recovery, the Treasury said in a semi-annual report. *(The Economic Times)*

India will be in league of most advanced economies in next 25 years: MoS Rao Inderjit Singh

India will be in the league of the most advanced and economically developed nations in the next twenty-five years, Rao Inderjit Singh, Minister of State (Independent Charge), Ministry of Statistics and Programme Implementation; Ministry of Planning and Minister of State for Corporate Affairs, said. (*ThePrint*)



Banking and Monetary Policy

Rate hike has not affected demand for loans: Bankers

Though the impact of rising interest rates is being watched closely by borrowers, especially in mortgages, bankers say demand has not been impacted for now, and note that rates are still below pre-pandemic levels. (*BusinessLine*)

Rate hikes: Central banks are playing catch up

Central banks world over failed to recognise the inflationary signals. The result is the threat of stagflation. (*BusinessLine*)

NBFCs' ₹18-lakh-cr debt 'to become dearer by 105 bps in FY23'

Debt of non-banking financial companies (NBFCs), including housing finance companies but excluding government-owned NBFCs, aggregating ₹18-lakh crore, is set to become dearer by 85-105 basis points (bps) in FY23, according to Crisil Ratings. (*BusinessLine*)

Yield curve shows India's better long-term growth prospects: RBI paper

The bond yield curve indicates an improvement in India's long-term growth prospects and increase in inflation expectations, as also a tighter monetary policy in the coming days, a Reserve Bank of India research paper authored by Deputy Governor M D Patra and other researchers observed. (*Business Standard*)

Banks' gross NPA drop below 6% in March 2022, lowest in six years

Gross non-performing assets (NPAs) of the banking sector dropped below 6 per cent as of March 2022 — the lowest since 2016 — and net NPAs fell to 1.7 per cent during the same period, indicating that the sector has remained largely unscathed from the ill-effects of the Covid-19 pandemic so far, M Rajeshwar Rao, deputy governor of the Reserve Bank of India (RBI), said. (*Business Standard*)

Emerging market economies, including India, need to keep foreign exchange reserves liquid: RBI paper

"Our results indicate that there is a 5 percent chance of portfolio outflows from India of the order of 3.2 percent of GDP or US \$ 100.6 billion in a year in response to a COVID-type contraction in real GDP growth, or a global financial crisis -GFC- type decline in interest rate differentials vis-à-vis the US, or a GFC type surge in the VIX" said a study titled "Capital Flows at Risk: India's Experience" published in the latest RBI Bulletin. (*The Economic Times*)

RBI not behind the curve; tolerance of high inflation was a necessity: Das

The central bank was in sync with the requirements of the economic developments, he said, adding the statutes governing the RBI clearly mention about managing inflation while being cognisant of the growth situation. (*The Economic Times*)

Reserve Bank of India turns net buyer of dollars in April, shows data

After selling \$20 billion in March in the foreign exchange market in March, the Reserve Bank of India turned net buyer of dollars in April. According to the latest data, the RBI purchased \$1.96 billion in April. *(Business Standard)*

RBI Lifts Curbs on Mastercard Over Issuing New Cards

The decision follows satisfactory compliance on rules regarding storage of payment system data, the central bank said. *(The Wire)*

To Tackle Inflation, RBI Needs to Learn From Its Recent Mistakes

The errors committed in the monetary policy response post-2009 should help the central bank form a strategic vision with a medium-to-long term action plan for 'inflation targeting'. *(The Wire)*

Loan demand at SBI rising despite inflation, higher borrowing costs, says chairman

Loan growth at India's biggest lender is expected to be robust, underpinned by demand from businesses after two straight years of credit contraction. *(ThePrint)*



External Sector

India's outward FDI shrinks in May

Outward foreign direct investment (OFDI) by India Inc has come down sharply in the month of May to \$803.32 million, a decline of about 78 per cent month-on-month (MoM) and 89 per cent year-on-year (YoY), amid slowdown in the global economy due to the Russia-Ukraine war. *(BusinessLine)*

India opposes WTO draft text on fisheries

India has expressed its opposition to the current draft text on curbing fisheries subsidies under discussion at the ongoing WTO Ministerial Conference (M12) in Geneva, arguing that it allows indefinite over-exploitation of fisheries resources by several advanced fishing nations while placing under scrutiny livelihood subsidies extended by developing nations to small-scale and artisanal fishers. *(BusinessLine)*

Trade deficit spikes in May as oil imports double

India's trade deficit widened to a record \$24.29 billion in May 2022, almost four times higher than last May, with the doubling of oil import bill, resulting in a surge in goods imports. *(BusinessLine)*

Centre rules out reviewing sugar export cap

The Centre is in no mood to review the 10 million tonnes (mt) sugar export cap until the next crushing season starts. However, it could allow a limited quantity of raw sugar additionally, depending on its availability in the current season till September. *(BusinessLine)*

India talks tough at WTO, says 'will not buckle under any pressure'

India talked tough in Geneva. Union Commerce and Industry Minister Piyush Goyal in his remarks at the closed-door session at the 12th ministerial conference touched on the

spiralling food inflation and the need for the agreement on food stockholding by the developing countries. *(Business Standard)*

Russia becomes India's second biggest oil exporter in May: Report

Russia rose to become India's second biggest supplier of oil in May, pushing Saudi Arabia into third place but still behind Iraq which remains No. 1, data from trade sources showed. *(Business Standard)*

Exim Bank estimates India's merchandise exports at \$117.2 bn in Q1FY23

The country's total merchandise exports are likely to be at USD 117.2 billion in the first quarter of FY23, according to India Exim Bank. The total merchandise exports stood at USD 95.5 billion in the corresponding quarter of the previous year, the bank said. *(Business Standard)*

Exports rise 20.55% to \$38.94 bn in May; trade deficit at record \$24.29 bn

India's merchandise exports in May rose by 20.55 per cent to USD 38.94 billion, while the trade deficit ballooned to a record USD 24.29 billion, according to the government data released. *(Business Standard)*

India proposes settling Russia trade in rupees as purchases rise: Report

India is proposing to settle trade with Russia in rupees, according to a person with knowledge of the matter, as the South Asian nation presses ahead with purchases of oil and weapons from the sanctions-hit country. *(Business Standard)*

At WTO Meet, Moratorium On E-Transmission Continues Without any Major Hurdles from India

The final language of the agreement suggests that India may be on board with a deal that is worse than the existing one, according to several people familiar with the development. *(The Wire)*



Agriculture and Rural Economy

Domestic tractor sales dip 8% sequentially in May

Domestic tractor sales reported an 8 per cent decline in May 2022 on a sequential basis though significantly higher than the second-wave hit May 2021. However, exports during the month grew both month-on-month and on a year-on-year basis. USA, Europe and Asia are likely to remain the focal regions for long-term tractor exports. *(BusinessLine)*

Why are global wheat prices rising so much?

The global food crisis has now grown to such proportions that everyone is talking about it (even though world leaders are doing relatively little about it). It has become an article of faith to blame the war in Ukraine for the supply disruptions that have led to dramatic price increases in global food grain markets, which are now impacting food importing countries as well as poor populations across the world. *(BusinessLine)*

Silk exports rebound from 6-year lows in FY22

India's exports of silk products rebounded from six year lows in 2021-22 on improving demand for silk carpets and readymade garments from markets such as Europe and the United States. Shipments grew 36 per cent in rupee value terms in 2021-22 to ₹1,925.94

crore, while in dollar terms, the growth was 35 per cent at \$258.81 million over previous year. *(BusinessLine)*

Centre begins supplying fortified rice in 90 targeted districts from April 1

The Centre has started distribution of fortified rice through ration shops from April 1 in some 90-odd districts out of 291 targeted for the entire year under phase II of PM-POSHAN Abhiyan for which it has procured 90 lakh tonnes (lt) of the grain, Food Secretary Sudhanshu Pandey said on Monday. *(BusinessLine)*

Pulses imports up over 9% at 26.99 lakh tonnes in FY22

India's pulses imports rose 9.44 per cent to about 26.99 lakh tonnes (lt) during the financial year 2021-22 over 24.66 lt in 2020-21 on lower domestic output and the Government's decision to keep imports open to ensure adequate supplies. *(BusinessLine)*

Govt protects farmers' interest through wheat exports curbs: APEDA Official

The government's move to restrict wheat exports last month has been primarily focussed on not just meeting domestic demand but also protecting the farmers income, APEDA Chairperson M. Angamuthu. *(Business Standard)*

India has ample rice stocks, no plans to curb exports, says food secretary

"We have more than sufficient stocks of rice, so there is no plan to consider this," Food Secretary Sudhanshu Pandey said responding to a question whether India would consider any curb on rice exports. *(Business Standard)*

Inflation hits popular food combo: Consumers feel the pinch of rising chicken and rice prices

Prices of chicken will cool off in October-November when harvesting of soyabean, a key ingredient for animal feed, starts. At present, chicken is commanding a price of Rs 240 per kg. Rice prices, which had cooled off a bit, have again shot up by 9 per cent in the last two weeks as the news spread that Bangladesh will import rice to meet its domestic demand and will buy it from private traders. *(The Economic Times)*

Wheat procurement falls short of original target by 57% at 18.7 million tonnes

The government had set a target of 44 mt of wheat procurement for this season, which it later cut to 19.5 million tonnes on account of extreme heat in March impacting production. The final procurement is likely to be less than the revised target. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

April IIP sizzles, hits 8-month high of 7.1% led by power, mining

Factory output growth surprised on the upside in April hitting an eight-month high of 7.1 per cent as compared to 2.2 per cent in March. Overall factory output growth bolstered by strong show in manufacturing, electricity sectors. *(BusinessLine)*

Passenger vehicle sales vroom 185% in May due to low base effect

Total domestic passenger vehicles (PVs) wholesale grew by 185 per cent year-on-year (YoY) to 2,51,052 units in May, as compared with 88,045 units in corresponding month last year. The low base was due to the Covid-19 second wave and lockdown imposed by various States. *(BusinessLine)*

'Disinvestment not for shutting down CPSEs'

Addressing the iconic week celebrations of Department of Investment and Public Asset Management (DIPAM) as part of 'Azadi ka Amrit Mahotsav' here, Sitharaman said privatisation of CPSEs is intended at ensuring that these companies are run efficiently and cost effectively. *(The Economic Times)*

Skills training for MSMEs should change

Developing and implementing a vocational skill development policy for micro, small and medium enterprises (MSMEs) is a challenging exercise, especially for emerging countries. While imparting of vocational skills should typically be demand-driven, MSMEs have neither the incentive nor the necessary fiscal/human capital or scale to train workers. *(BusinessLine)*

Private sector participation can step up India's share in global space industry: PM

"Today, the global space industry is worth ₹400 billion, which is set to touch ₹1 trillion by 2040. Our (India's) participation is just two per cent in this. We have to increase our share in the global space industry. Private sector has a big role to play here," said Modi after launching the headquarters of Indian National Space Promotion and Authorisation Centre (IN-SPACe) at Bopal, Ahmedabad. *(BusinessLine)*

In two months, FPIs pull out almost ₹50,000 cr from financial, IT sectors

From 17,464.75 points at the end of March, the benchmark Nifty 50 index was down by 5 per cent to 16,584.55 points at the end of May. During the same period, the Nifty IT Index declined over 18 per cent to close at 29,679.05 points. *(BusinessLine)*

Indian IT can turn crisis into opportunity

The Indian IT services industry has been on a roll the past few years. Be it revenue, net profit, net headcount, upskilling, client roster, new services portfolio or any other growth metric, it has been a remarkable period for the industry. But with the rekindling of recessionary fears, IT services companies — especially small and mid-tier ones — find themselves in a bind. *(BusinessLine)*

With 16% rise in ATF prices, airlines set to increase fares

Public sector oil marketing companies, on Thursday, raised Aviation Turbine Fuel (ATF) prices by 16 per cent, which pushed the prices to all-time high. With the latest hike, airline operators have indicated fare hike as ATF cost is nearly 40 per cent of the total operating cost of a flight. ATF prices are revised on the 1st and 16th of every month, based on the average of benchmark international rates. *(BusinessLine)*

As states compete for investments, Gujarat's industrial clout keeps growing

Gujarat has more machinery, equipment, buildings and other factory assets than any other Indian state and the gap keeps growing as governments compete to get industrial investment. *(Business Standard)*

Cement sector's capacity utilisation to drop to 65%: Fitch Ratings

Fitch Ratings said it believes a sustained GDP growth, the government's thrust on infrastructure and affordable housing, and a revival in corporate capex, will underpin growth of the cement sector. *(Business Standard)*

RBI article flags low R&D spend, could hurt India's transition to next phase of manufacturing

India's investment in the Research and Development (R&D) segment lags behind advanced economies substantially despite its increasing impact on the manufacturing sector. According to the latest data available (of 2018), India's R&D intensity remains 0.7% in comparison to other countries where the number is somewhere near 3%. *(The Economic Times)*

India's first road constructed from steel slag inaugurated in Surat

The road constructed using 100 per cent steel-processed slag is a real example of converting "waste into wealth" and improving sustainability of steel plants, the minister said. *(The Economic Times)*

Homebuyers' monthly budgets go for a toss as EMIs shoot up

The recent sharp increases in home loan rates have started pinching existing borrowers whose savings are crimped by rising inflation. Two rounds of increases in policy rates in a month have raised EMIs by up to ₹12,000 for those with loans of ₹1 crore and above. *(The Economic Times)*

Govt's IT spends to grow 12 pc to \$9.5 billion in 2022: Report

The government's spending on information and technology will grow 12.1 per cent to \$9.5 billion in 2022, an analyst firm estimated on Monday. The growth estimate is less than a 15 per cent jump in the government's IT (Information and Technology) spending in 2021, and higher than the 5 per cent growth estimated at the global level for 2022, a report by research firm Gartner said. *(The Economic Times)*

India's mineral production rises by 7.8 per cent in April

India's mineral production rose by 7.8 per cent year-on-year in April 2022 led by strong growth in coal, lignite, bauxite, and magnesite, as per the government data released. *(ThePrint)*



News on Kerala

Telangana records the highest retail inflation in May, Kerala the lowest

Telangana leads the clutch of 11 States that have higher retail inflation than the national headline number for May, while Kerala recorded the lowest. Retail inflation based on the Consumer Price Index (CPI) dropped to 7.04 per cent in May from 7.79 per cent in April. A reason for the dip is the favourable base effect. *(BusinessLine)*

Some state govt portals to start integration with ONDC soon

Some state governments are looking to integrate their portals and also get micro, small and medium enterprises (MSMEs) in their states on to the Open Network Digital Commerce (ONDC), which is set to roll out by August. The Kerala government is expected to begin on-boarding its consumer-facing portals with the network this month, according to a source in the know. *(Business Standard)*

Bengal's average loan outstanding per borrower highest among top ten states: Microfinance industry body

West Bengal has the highest average loan outstanding per borrower at Rs 53,708, followed by Kerala at Rs 46,074 among the top ten states of the country, according to a report released by a microfinance industry body. *(The Economic Times)*

Kerala Financial Corporation doubles net profit

The Kerala Financial Corporation (KFC) has doubled its net profit for the year ended March 31, 2022. As per audited financials, KFC posted a net profit of ₹13.09 crore in 2021-22 compared to ₹6.56 crore the previous fiscal. The operating profit has increased to ₹92 crore from ₹29 crore. *(The Hindu)*

Start-up ecosystem: Kerala ranks top in Asia in global report

Providing a boost for Kerala's start-up ecosystem, the State has been ranked first in Asia in Affordable Talent in Global Startup Ecosystem Report (GSER). *(The Hindu)*

State's market intervention steps a model for country: CM

Chief Minister Pinarayi Vijayan has said the State remained a model in the country for the market intervention initiatives that have played a significant role in controlling price rise of essential commodities. *(The Hindu)*

Revenue e-literacy project to be launched in Kerala soon

Revenue Minister K. Rajan has said that the Revenue e-literacy project will be launched in the State soon to ensure availability of digital services offered by the department to common people. *(The Hindu)*

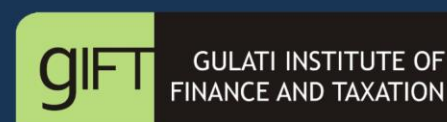
It's high time we revisited GST, says Thomas Isaac

Former Finance Minister T.M. Thomas Isaac said it was "high time that we revisited the Goods and Services Tax (GST)" to allow more flexibility for States, including room for the States to modify their rates. *(The Hindu)*

State on track to set up one lakh MSMEs this fiscal, says Minister

Kerala is well on its way to setting up one lakh micro, small and medium enterprise (MSME) units this financial year with encouraging response from entrepreneurs during the first two-and-a-half months of the current financial year, said Industries Minister P. Rajeev. *(The Hindu)*

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