WEEKLY UPDATES ON
FINANCE, TAXATION & THE INDIAN ECONOMY

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Public Finance

Everybody doesn't need subsidised public services: Finance Secy Ajay Seth

Financing India's development requires a greater contribution from users of public goods and services, while ensuring affordable or free services for the needy sections, so that the burden of investing in the economy is not just borne by taxpayers and public borrowings that are essentially a levy on future generations, Finance Secretary Ajay Seth said. In his first public remarks after assuming the top post in the Finance Ministry, Seth said the country needs to ramp up investments and productivity from all factors of production, and make smart trade-offs on competing demands and outcomes, given the limited domestic savings pool. Seth also flagged divergences in States' approach to development, citing Uttar Pradesh that has maintained fiscal prudence and ramped up capex to 5 per cent of GSDP in its latest Budget, while many high-income States are spending just 2-3 per cent of GSDP into capital spends and still running into revenue deficits. *(Business Standard)*

No fee to be charged for update of nominees for PPF accounts: Finance Minister Nirmala Sitharaman

Finance Minister Nirmala Sitharaman on Thursday (April 3,. 2025) said no fee will be charged for the update or addition of nominees for Public Provident Fund (PPF) accounts as the government has done necessary changes through notification. Recently, it was informed that a fee was being levied by financial institutions for updating/modifying nominee details in PPF accounts," the Finance Minister said in a social media post on X. Necessary changes are now made in the Government Savings Promotion General Rules 2018 via Gazette Notification dated April 2, 2025, to remove any charges on the update of nominees for PPF accounts," she said. *(The Hindu)*

No fiscal constraint on capex; govt's fiscal prudence firm: FM Sitharaman

Union finance minister Nirmala Sitharaman said on Tuesday that the centra; government's capital expenditure has increased over the years, including in FY25, despite last year's national elections and that there is no fiscal constraint in this regard. Sitharaman also said in a social media post that the NDA government's fiscal prudence stands firm, reflective of ground realities and transparent fiscal management.The minister said in a social media post that the revised estimate for the Centre's capital expenditure in FY24 was ₹9.5 trillion, and the same for the financial year that ended on 31 March was ₹10.18 trillion. *(Mint)*

Last day of Parliament's Budget Session: Centre to push key legislations

Today marks the final day of the Parliament's Budget Session, and the Centre is pushing to pass several key legislations. Union Minister Arjun Ram Meghwal is expected to introduce the Readjustment of Representation of Scheduled Tribes in Assembly Constituencies of the State of Goa Bill, 2024, which aims to reserve seats for Scheduled Tribes in Goa and rescind seats in the Legislative Assembly. *(The Economic Times)*

India to scrap 6% equalisation levy on digital ads, leading to revenue loss

The Indian government has removed the 6 per cent equalisation levy on online advertisements starting April 1, 2025. This move is expected to result in a revenue loss of over ₹3,000 crore in the financial year 2025-26, a senior official told Moneycontrol. The government is also set to forego a substantial amount of revenue as a result of tax relief measures outlined in the Union Budget 2025. Finance Minister Nirmala Sitharaman said various tax concessions, such as higher rebate limits and reduced tax rates, could result in a revenue shortfall of around ₹1 trillion in FY26. *(Business Standard)*

Indian bond yields dip as government's debt sale plan undershoots estimates

Indian sovereign bond yields eased slightly in early deals on Friday after the government's lower-than-expected borrowing plan for the first half of next financial year aided sentiment. The finance ministry, late on Thursday, said it plans to raise 8 trillion rupees ($93.41 billion) through bond sales between April and September, amounting to 54% of its gross borrowing plan for the financial year.The market, however, was expecting New Delhi to borrow 56%-59% of its planned 14.82 trillion rupees for financial year 2026, up from 53% in the first half of the current fiscal year. Friday also marks the end of the current financial year and investors could look to increase bond positions to prop up the balance sheet valuation of their treasury portfolios. *(The Economic Times)*

Taxation

Net GST collection surges by 7.3% to Rs 1.76 trillion in March 2025

The net goods and services tax (GST) collection grew marginally by 7.3 per cent year-on-year (Y-o-Y) to ₹1.76 trillion in March, according to provisional data released by the government on Monday. Sequentially, the mopup was higher than February's ₹1.62 trillion, which saw 8.1 per cent Y-o-Y growth. The gross GST collection — the amount before adjusting for refunds — rose by 9.9 per cent in March to ₹1.96 trillion. *(Business Standard)*

CBDT signs record 174 APAs in FY25, including India's 1st multilateral APA

The Central Board of Direct Taxes (CBDT) has signed a record 174 Advance Pricing Agreements (APAs) with Indian taxpayers in FY25, marking the highest number finalised in a single financial year since the programme's inception. An APA helps taxpayers and tax authorities agree on how to price transactions between related companies in different countries. It was introduced in the 2012 Finance Act and took effect on July 1,

2012. APAs reduce tax disputes by providing certainty. The CBDT can make these agreements for up to five years. *(Business Standard)*

New financial year set to bring key tax, pension, and MSME reforms

A host of financial and regulatory changes set to take effect from April 1, marking the start of the 2025-26 financial year, are expected to boost consumption, strengthen social security and expand business opportunities for small enterprises. These include revised income tax slabs, a unified pension scheme (UPS) for central government employees, and enhanced turnover ceilings for micro, small and medium enterprises (MSMEs). *(Business Standard)*

Govt to rollout 'track & trace' mechanism to curb GST evasion

With the notification of the Finance Act 2025, the government has gained enabling power to introduce a track and trace mechanism to curb GST evasion in the new fiscal year beginning on Tuesday. The new mechanism aims to focus more on tobacco-related products, where evasion is very high. The Finance Act 2025 has inserted a new provision (148A) in the CGST Act 2017. Accordingly, based on the recommendation of the GST Council, the government may specify the goods and the persons or classes of persons who are in possession of or deal with such goods to which the track and trace mechanism will be applied. *(BusinessLine)*

No GST e-Way Bill without two factor authentication from April 1, 2025

Goods and Services Tax (GST) registered taxpayers who are yet to register for two factor authentication for generating e-waybill, have got a short-term relief from GSTN. The Goods and Services Tax Network (GSTN) said that for the time being 2FA has been made optional so that taxpayers can generate e-waybills without it, but 'shortly' it will be made mandatory. GSTN hence advised to take this opportunity and register for 2FA to prevent disruption in the taxpayer's business. *(The Economic Times)*

National Accounts and State of the Economy

India's GDP growth projected at 6.4% for FY25, 6.5% for FY26: EY report

The Indian economy is likely to grow at 6.5 per cent in the fiscal year starting April 1, EY Economy Watch said, emphasising that a well-calibrated fiscal strategy that supports human capital development while maintaining fiscal prudence could significantly enhance long-term growth prospects. The March edition of EY Economy Watch projects India's real GDP growth at 6.4 per cent in FY25 (April 2024 to March 2025 fiscal year). For the next, it projects 6.5 per cent growth, highlighting the need to realign fiscal policy to support the country's journey toward Viksit Bharat. *(Business Standard)*

India's current account deficit widens to 1.1% of GDP in Q3 FY25

India's current account deficit (CAD) rose marginally to $11.5 billion, or 1.1 per cent of gross domestic product (GDP), during the October-December 2024 quarter of the ongoing financial year (Q3FY25) from $10.4 billion, or 1.1 per cent of GDP, a year ago, amid a rise in service exports. Sequentially, CAD moderated from $16.7 billion in Q2FY25, or 1.8 per cent of GDP, latest data released by the Reserve Bank of India (RBI) showed. *(Business Standard)*

Interest rates on small savings schemes unchanged for April-June quarter

The government on Friday left interest rates unchanged on various small savings schemes, including PPF and NSC, for the fifth straight quarter beginning April 1, 2025. "The rates of interest on various Small Savings Schemes for the first quarter of FY 2025-26 starting from 1st April, 2025 and ending on 30th June, 2025 shall remain unchanged from those notified for the fourth quarter (1st January, 2025 to 31st March, 2025) of FY 2024-25," said a finance ministry notification. As per the notification, deposits under the Sukanya Samriddhi scheme will attract an interest rate of 8.2 per cent, while the rate on a three-year term deposit remains at 7.1 per cent prevailing in the current quarter. *(Business Standard)*

India ranks 10th with $1.4 billion private investment in AI: UN report

India and China are the only developing countries in the world with significant private investments in AI in 2023, according to a UN report. India ranks tenth.The 2025 Technology and Innovation Report, issued by UN Trade and Development (UNCTAD), also states that India ranked 36th in 2024 on the 'Readiness for Frontier Technologies' index, improving its position from 48th in 2022.India ranks 36th out of 170 nations on a global index measuring a country's readiness for frontier technologies, improving its ranking from last year, according to the report. *(Business Standard)*

RBI maintains FPI investment caps in govt securities, corp bonds for FY26

India's central bank on Thursday kept the investment limits unchanged for foreign portfolio investors (FPIs) in government and corporate bonds for the fiscal year 2025-26. The Reserve Bank of India (RBI) maintained the existing caps of 6 per cent for government securities, 2 per cent for state government securities and 15 per cent for corporate bonds for the current year starting April 1, the central bank said in a press release. The general limit for foreign investment in government bonds would continue to be Rs 2.79 trillion ($32.71 billion) for April-September and Rs 2.89 trillion for October-March, the central bank said. *(Business Standard)*

India's power consumption rises 7% to 148.48 bn units in March 2025

India's power consumption rose by nearly 7 per cent to 148.48 billion units (BU) in March compared to the same month last year due to an increase in mercury levels, according to official data. Power consumption was 138.95 BU in March 2024.The highest supply in a day (peak power demand met) also rose to 235.22 GW last month from 221.68 GW in March 2024.The peak power demand touched an all-time high of about 250 GW in May 2024. The previous all-time high peak power demand of 243.27 GW was recorded in September 2023. The ministry had estimated that peak power demand might hit 260 GW in the summer of 2024. *(Business Standard)*

India's services sector growth eases slightly in March

India's services sector activity eased slightly in March, weighed down by a marginal slowdown in sales amid softer demand conditions and easing inflationary pressures, a monthly survey said on Friday (April 4, 2025). The seasonally adjusted HSBC India Services PMI Business Activity Index fell from February's reading of 59.0 to 58.5 in

March, but remained above its long-run average of 54.2. In the Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion, while a score below 50 denotes contraction. *(The Hindu)*

Banking and Monetary Policy

RBI's Rs 80,000 cr OMO push drags 10-year government bond yield under 6.5%

Government bond yields tumbled on Wednesday, a day after the Reserve Bank of India announced ₹80,000 crore in Open Market Operation (OMO) purchase auctions, signalling a proactive stance to ease financial conditions ahead of the April monetary policy review. The yield on the 10-year benchmark government bond fell 10 basis points on the first trading day of the new financial year to settle at 6.48 per cent — the lowest in three years. The benchmark yield had already softened 15 basis points in March. Yields on the 15-year and 5-year bonds also declined by 9 basis points (bps).

Certificates of deposit issuance by banks up 34% amid March rush

Banks have significantly ramped up their borrowing through certificates of deposit (CDs) to meet the surge in credit demand in March. According to data from CDSL, banks raised ₹2.25 lakh crore through CDs in March 2025, nearly double of the ₹1.26 lakh crore in the same month the previous year. Experts attribute this surge in CD borrowing to tighter liquidity conditions and slower deposit growth amid rising credit demand. *(The Economic Times)*

NABARD and SBI forge strategic partnership for sustainable growth of rural Assam

A Memorandum of Understanding (MoU) was signed between National Bank For Agriculture and Rural Development (NABARD), and State Bank of India forging strategic partnership for sustainable growth of rural.The ceremony was attended by key officials, including Loken Das, CGM, NABARD Assam Regional Office, S Radhakrishnan, CGM, SBI Guwahati Circle. *(The Economic Times)*

Indians borrowed ₹15.3 lakh crore in 11 months, industry takes a backseat

Banks extended ₹15.3 lakh crore in fresh loans during the first 11 months of the financial year, expanding their total loan book by 9.3% to ₹175.56 lakh crore, ToI reported. While personal loans took the largest share of new credit, the share of industry in incremental lending dropped to 14.5%. Home loans accounted for nearly 17% of the total new credit issued, surpassing lending to businesses. Personal loans made up the biggest chunk of the ₹15.33 lakh crore non-food credit, contributing ₹5.47 lakh crore or 35.71% of the total. The services sector followed closely with ₹4.64 lakh crore, making up 30.3% of the fresh credit issued. *(The Economic Times)*

Like Shaktikanta Das, RBI's new boss Sanjay Malhotra is also championing 'goldilocks balance' between inflation & growth

As the Reserve Bank of India (RBI) turned 90 Monday, Governor Sanjay Malhotra, who is still new at the Mint Street, has emphasized the need to maintain a ‘Goldilocks’ balance between inflation and growth.Malhotra, in an opinion piece in The Times of India, reiterated the central bank's commitment to "stability, trust, and growth" in the financial system, the anniversary theme of India's central bank.The RBI boss' comments come amid India's slowed growth in the last fiscal year, its slowest since pandemic, expected at 6.5%. He plans to 'collaborate' with Prime Minister Narendra Modi's government and their goal of making Viksit Bharat 2047, might be hindered as the government's forecast for FY25 at 6.3% to 6.8% is miles away from the 8% needed. *(The Economic Times)*

Global trade war, US tariffs could cut bank profits by 25 bps in FY26: ICRA

The global trade war and the ensuing tariff hike by the US, rating agencies believe, could lead to supply chain disruptions and have a negative impact on inflation, potentially impacting bank profits by up to 25 basis points in FY26 amid a likely scramble for deposits.One basis point is a hundredth of a percentage point. Agencies expect India's GDP growth for FY26 to be between 6.5% to 7%. *(The Economic Times)*

RBI rate cuts to boost housing demand, enhance affordability in FY26

A reduction in interest rates directly impacts affordability, making homeownership more accessible and boosting demand across all segments of the housing market.With home loan interest rates expected to decline further, the Indian real estate market is poised for a significant boost in FY26. The recent 25-basis point repo rate cut by the Reserve Bank of India (RBI) has set the stage for a potential easing cycle, making homeownership more affordable and enhancing loan eligibility for buyers. *(Financial Express)*

Banking liquidity turns positive after 3 months

India's banking system saw liquidity turn surplus in March after 3 months, thanks to RBI's fund infusion and increased government spending, offering hope for potential rate cuts and lower lending rates.The Reserve Bank of India's aggressive fund infusion in the past few months is beginning to show results, as the banking system's liquidity position turned surplus at the end of March — the first time in three months.The banking system's liquidity stood at a surplus of Rs 89,399 crore on March 30. On March 29, the liquidity was at Rs 71,672 crore. The last time there was a liquidity surplus was on December 15, when it stood at Rs 33,533 crore. At the start of December, the surplus stood at Rs 1 lakh crore. *(Financial Express)*

RBI committed to bolster consumer protection: Governor

RBI Governor Sanjay Malhotra emphasizes the bank's commitment to consumer protection, financial stability, innovation, and expanding financial inclusion as it steps into its centenary decade.The Reserve Bank of India (RBI) remains committed to bolstering consumer protection while optimising regulatory frameworks, to strike a balance between financial stability and efficiency, governor Sanjay Malhotra said on Tuesday.peaking at the closing ceremony of the commemoration of the 90th year of the RBI, the governor said, "We remain committed to expanding and deepening financial inclusion. We shall strive to foster a culture of continuous improvement in customer services and strengthening customer protection." *(Financial Express)*

Credit growth may further moderate in FY26

India's credit growth is expected to slow further in FY26, with banks taking a cautious approach on unsecured loans and struggling with deposit mobilization amid falling interest rates.After moderating in 2024-25, banks' credit growth is expected to slow further in 2025-26 as they take a cautious stance on unsecured loans. According to Reserve Bank of India (RBI) data, the credit growth eased to 11.13% in FY25, with outstanding bank credit reaching Rs 181.29 lakh crore as of March 7. This marks a significant slowdown from the 20.18% expansion in FY24. *(Financial Express)*

UPI outage hits transactions as year-end rush strains bank servers

A year-end rush at banks, coupled with rising volumes of India's real-time payments system, Unified Payments Interface (UPI), led to a bank-wide outage on Tuesday, sources said. Users encountered issues in processing digital payment transactions. The NPCI attributed the technical declines to financial year-end closing at the banks' end. Industry players point out that there could be three reasons for this outage — internet connectivity issues, bank server overload due to capacity constraints, or technical glitches at UPI. *(Business Standard)*

Emerging challenges for RBI: The central bank will need to keep adapting

The Reserve Bank of India (RBI) this week completed 90 years. Governor Sanjay Malhotra in a column in The Times of India on Tuesday highlighted some of the functions of the RBI and how it was preparing for the future. This significant milestone in the life of the central bank offers an opportunity to discuss the kind of challenges it may face in the coming years. The shape of the Indian economy has changed significantly over the past few decades with increasing engagement with the global economy. As a result, the demands on the central bank have also changed. The RBI, to be fair, has adapted well to serve the needs of a rapidly growing economy. *(Business Standard)*

Banks, financial institutions raise Rs 1.17 trillion via CDs in two weeks

Banks and financial institutions (FIs) raised over ₹1.17 trillion through certificates of deposit (CDs) during March 7-21, the highest in a fortnight since May 2021, according to Reserve Bank of India (RBI) data. This period saw IndusInd Bank aggressively tapping the CD market with its liquidity coverage ratio declining after its disclosure of discrepancies in its derivatives portfolio. The bank's liquidity coverage ratio fell to 113 per cent as of March 9, 2025, compared to 118 per cent at the end of December. *(Business Standard)*

External Sector

27% tariffs levied on Indian exports; govt goes into a huddle to assess trade impact

US President Donald Trump has announced sweeping reciprocal tariffs of 27 per cent on India. This sent the government into a huddle to study its implications to help affected sectors and identify possible opportunities flowing from the new tariff order. New Delhi is also looking at "expeditious conclusion" of the India-US bilateral trade agreement (BTA) negotiations that are set to deliver the first tranche of results by September, according to a Commerce Department statement. Indian exporters, across sectors such as textiles, chemicals, agricultural products, gems & jewellery, machinery, electronics and electricals, are worried about the steep tariffs affecting future prospects. But much higher rates of reciprocal tariffs on competing countries such as China, Vietnam, Bangladesh and Cambodia give India the competitive edge in some areas, officials said. *(BusinessLine)*

Coffee exports top govt target for third year

For the third consecutive year, India's coffee exports have exceeded the government target, driven by rising prices, global demand and growing domestic production. For FY25, India's coffee shipments crossed $1.816 billion, registering a 46 per cent increase over the previous year's $1.286 billion. In volume terms, coffee exports were up 1.56 per cent at 3.89 lakh tonnes (lt), based on the permits issued by the Board. In fact, coffee exports have more than doubled over the past five years since 2020-21, when shipments were worth $735 million. *(BusinessLine)*

Defence exports hit a record high of ₹23,622 crore in FY25

Defence exports have surged to a record high of ₹23,622 crore ($2.76 billion) in FY25, a growth of 12.04 per cent over the FY24 figure of ₹21,083 crore. A wide range of items, from ammunition, arms, sub-systems, systems and parts and components, have been exported to around 80 countries in the just-concluded financial year, stated the Ministry. Among the most significant export deals was the delivery of BrahMos supersonic cruise missiles to the Philippines in April 2024, which was worth $375 million. *(BusinessLine)*

Indian rice gains edge, exports may rise from June

Rice exports from India are likely to pick up from June once competing countries such as Vietnam and Pakistan run out of stocks, traders said. A factor that could go in India's favour is that its offers are now priced competitively compared with Pakistan and Vietnam. This is despite Thailand cutting its prices. "Exports have been slow in the first quarter. Since prices declined, buyers are waiting and watching to see if prices will drop more. But that is unlikely to happen," said BV Krishna Rao, President, The Rice Exporters Association. *(BusinessLine)*

U.S. flags India's 'burdensome' requirements ahead of tariffs

The United States has flagged concerns over India's increasing and burdensome import-quality requirements, among its many barriers to trade, in a report released two days before planned U.S. reciprocal tariffs take effect. Last month, Reuters reported India was open to cutting tariffs on more than half of U.S. imports worth $23 billion, the biggest cut in years. Still, the U.S. has concerns that some of India's import requirements are not internationally aligned, and that some are burdensome or lack clear timelines, the Trump administration said in its latest USTR report. It wasn't clear if Trump's April 2 announcement on tariffs would factor in the findings of the USTR report. *(The Hindu)*

Indian petroleum product exports escape Trump's reciprocal tariffs

The baseline 10 per cent tariff on all imports to the US -- and higher for many major trading partners-- will not apply to crude oil, natural gas, and refined products, the White House said on Wednesday. It will save India's oil and petroleum exports to the US, valued at $5.8 billion in financial year 2023-24 (FY24), from being burdened with import duties. The US is India's largest exporter, with total outbound trade reaching $60 billion in the April-December period of FY25. Within this, refined petroleum exports stood at $3.15 billion. The US was the fourth-largest destination for Indian petroleum in the first nine months of FY25. *(Business Standard)*

India's shrimp exports to US seen badly hit due to high reciprocal tariffs

Even though high reciprocal tariffs levied in the US by the Donald Trump Administration are likely to put a dent on exports of some Indian agricultural products, such as shrimps, going forward, several experts say the fact that the tariffs are still lower as compared to many of India's competitors might signal that all is not lost. India exported around $1.9 billion worth of seafood to the US in the financial year 2023-24 (FY24). Bulk of India's seafood exports to the US is in the form of "Vannamei Shrimp", and some estimates said that in FY24, almost 41 per cent of India's shrimp exports went to America, which was by far one of its largest markets. *(Business Standard)*

India's March palm oil imports rise but stay below normal levels, dealers say

India's palm oil imports rose 13.2% in March to 423,000 tons but remained below normal as high prices led refiners to favor soyoil, which saw a 24% jump in imports. Total edible oil imports grew 9.3% to 968,000 tons. Palm oil demand may stay low until July when prices become more competitive. *(The Economic Times)*

Impact of levies should be nullified in phase I of talks: Arvind Virmani, Niti Aayog, Member and trade expert

NITI Aayog member Arvind Virmani states that the first phase of the US-India Bilateral Trade Agreement, effective by fall 2025, will counteract the new US tariffs' impact on India's manufactured exports. The agreement aims to derive potential long-term economic gains over the next decade. *(The Economic Times)*

Agriculture and Rural Economy

Digital survey shows higher crop area

The Centre has mapped at least 23 crore plots in 3 lakh villages of 435 districts in 14 States for its ambitious Digital Crop Survey (DCS) programme, and results show that there is a 19 per cent jump in the acreage data from the manual estimate of the crop sown area.It is now gearing up to cover at least one district in non-covered States under the DCS."The overall increase in the surveyed area of 21 districts during last kharif season was 18.93 per cent higher at 20.09 lakh hectares (lh) in DCS against 16.8 lh estimated through the conventional system of gathering the crucial information through village-level agricultural and revenue staff," said Pramod Kumar Meherda, Additional Secretary in the Agriculture Ministry. *(BusinessLine)*

Indian rice gains edge, exports may rise from June

Rice exports from India are likely to pick up from June once competing countries such as Vietnam and Pakistan run out of stocks, traders said.A factor that could go in India's favour is that its offers are now priced competitively compared with Pakistan and Vietnam. This is despite Thailand cutting its prices."Exports have been slow in the first quarter. Since prices declined, buyers are waiting and watching to see if prices will drop more. But that is unlikely to happen," said BV Krishna Rao, President, The Rice Exporters Association."Demand is slack currently, though we hear Vietnam is scouting for Indian rice," said M Madan Prakash, Director of Rajathi Group that exports agricultural produce. *(BusinessLine)*

Preparing the ground for self-sufficiency in pulses

India's goal of self-sufficiency in pulses remains distant as output declines for the third consecutive year in 2024-25, falling 15% to 23 mt from the 2021-22 peak of 27.3 mt. The primary reason is a 17% drop in cultivation area to 255 lakh hectares. Despite rising MSP and procurement assurances, farmers haven't significantly shifted from cereals to pulses. Urad acreage saw a sharp 41% decline, while tur, chana, and moong areas, though slightly higher than in 2023-24, remain well below 2021-22 levels. To meet demand, imports surged by 78% to 4.86 mt (April-December 2024-25), with 2024's total imports at a record 6.8 mt, up 88% from 2023. Prices have been high since mid-2023, especially for tur, urad, and chana, with chana inflation at 12% in February 2025. Given pulses' role as an affordable protein source, persistent price hikes could impact nutritional security. *(BusinessLine)*

Will 'reciprocal tariff' be a concern for agri trade?

The US remains India's top agricultural export destination, with bilateral agri-trade totaling $6.6 billion in 2024. India exported $5 billion, while US exports to India stood at $1.5 billion, primarily pulses, vegetable oils, and fresh fruits. A significant tariff disparity exists, with India imposing a 37.7% tariff compared to the US's 2.6%, raising concerns about the impact of 'reciprocal tariffs' on key Indian exports like rice, shrimp, wheat, and buffalo meat.Despite these challenges, India can expand its agri-exports by tapping into opportunities in rubber, beverages, spirits, dairy, fish, and cotton, strengthening its position in the US market. *(BusinessLine)*

'Chinese garlic entering India despite import ban'

Despite a ban on the import of Chinese garlic due to the discovery of harmful fungi, India continues to get Chinese garlic, as indicated by the latest data on seized consignments.Considering this, the government has directed the agencies to take necessary measures to stop the illegal import of Chinese garlic.As many as 507 tonnes of Chinese garlic were seized in the country during the 2024-25 fiscal. In a written reply in the Lok Sabha on Tuesday, Ramnath Thakur, Union Minister of State for Agriculture and Farmers' Welfare, said the government had imposed a ban on the import of Chinese garlic from September 6, 2005, due to the repeated discovery of harmful fungus such as Embellisia alli and Urocytsis cepulae. *(BusinessLine)*

India's farm exports may withstand US tariffs as competitors face steeper duties, says economist

Despite the newly imposed 26% tariff by the U.S. on Indian goods, agricultural economist Ashok Gulati believes India may maintain or even expand its agricultural exports to the U.S. compared to regional competitors facing higher tariffs. With countries like China

(34%), Vietnam (46%), and Thailand (36%) facing steeper duties, India holds a relative tariff advantage, especially in seafood and rice exports. *(The Economic Times)*

Is income inequality widening?

High rates of poverty persisted in India through the first half century of Independence, a period of low growth, and high tax rates towards socialist redistribution of income. After the 1990s' liberalising reforms, higher growth at about 6 per cent for 30 years lifted 400 million out of poverty. While debates on measuring poverty are endless, taking the World Bank criterion of $2.15 a day (2017 PPP) as the poverty line, poverty fell from 40 per cent of the population in 2000 to 13 per cent in 2021. Estimates from the 2022-23 household consumption expenditure survey show the poverty headcount ratio at 10 per cent for urban and 5 per cent rural. Higher growth achieved what redistribution without growth could not. *(BusinessLine)*

Industry, Manufacturing, Services and Technology

Waaree Energies launches India's largest solar cell facility in Gujarat

Clean energy player Waaree Energies Ltd on Saturday announced the launch of its solar cell facility having a capacity of 5.4 gigawatt (GW) at Chikhli in Gujarat. Union New and Renewable Energy Minister Pralhad Joshi and Gujarat Chief Minister Bhupendra Patel attended the inauguration event along other senior government officials,Waaree Energies said in a statement. "Bharat's largest solar cell manufacturing Gigafactory inaugurated by Waaree Energies in Chikhli, Gujarat," the company said.The facility is spread across 150 acres, with a built-up area of 101 acres. Speaking on the occasion, Joshi said the launch of one of largest solar cell facilities embodies the spirit of Atmanirbhar Bharat and stands as a tribute to India's growing prowess in the global renewable energy landscape. *(Business Standard)*

Bad news for wind power industry: Heat lowers wind speeds

A warmer world is not good news for the wind power industry — a recent study found that heat dampens wind speeds. Consolidated Energy Consultants Ltd (CECL), a wind energy consultancy based in Bhopal, Madhya Pradesh, analysed temperature-induced wind speed variations in Andhra Pradesh, Telangana, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu between 2003 and 2023. The study, which used a statistical technique called regression analysis to measure the impact of temperature on wind, reveals a "concerning trend" that directly affects renewable energy prospects. *(BusinessLine)*

Bringing gender equity in AI-driven workforce

AI is reshaping India's economy and redefining the nature of work by driving innovation, automation, and efficiency. However, as AI becomes more embedded in the economy, the demand for skilled professionals is rising sharply. Despite the growing demand for AI-skilled professionals, a significant gender gap persists. Data from the World Economic Forum shows that women represent only 22 per cent of AI professionals globally. In

India, women's participation in tech sector jobs is expected to reach just 15 per cent by 2027. This stark under-representation highlights the inequities in access to opportunities and skills, which must be addressed to foster a more inclusive workforce. *(BusinessLine)*

Gems, jewellery industry hit, stares at job losses

The US' reciprocal import duty of 27 per cent will have a major impact on gems and jewellery exports, which are already down 23 per cent this fiscal. The slowdown in exports and weak demand in the domestic markets may lead to job losses in the highly labour-intensive industry. Exports to the US at $11 billion a year account for 30 per cent of India's overall jewellery shipments. *(BusinessLine)*

'India's sports market inching towards $2 billion'

India's sports economy revenues stood at ₹16,633 crore in 2024, up 6 per cent compared to 2023, with cricket remaining the dominant sport contributing nearly 85 per cent, a report released by GroupM ESP noted. The overall Indian sports market is inching towards $2 billion and has grown 7x since 2008. The industry's revenues include sponsorships, athlete endorsements and media spends. The 12th edition of the 'Sporting Nation' report stated that sports sponsorship spends stood at ₹7,421 crore in 2024 with an incremental growth of only 1 per cent over 2023. With a total spend of ₹5,610 crore, cricket contributed 76 per cent to the overall value. *(BusinessLine)*

Liquor sector has little to cheer about, players seek govt support

As uncertainty looms over potential US tariffs on spirituous beverages, industry leaders are calling for bilateral trade discussions to ensure a mutually beneficial and equitable outcome. The sector, which contributes over ₹3 lakh crore to State revenues and supports millions of livelihoods, is urging the government to protect its growth. *(BusinessLine)*

News on Kerala

Urban policy report moots PPPP for growth

The Kerala Urban Policy Commission, constituted by the State government to frame a comprehensive urban policy to guide Kerala's development activities for the next 25 years, submitted its final report to Chief Minister Pinarayi Vijayan on Sunday.The commission, headed by M. Satheesh Kumar, a Senior Associate Professor at Queen's University, Belfast, prepared the 2,359 page report based on 33 short studies and 53 stakeholder meetings with 2,500 individuals from various sectors across all districts. *(The Hindu)*

State's Budget size will touch ₹2 trillion soon: Minister

Finance Minister K.N. Balagopal on Sunday stood firm on his stand that the State's Budget size would soon touch ₹2 trillion.Addressing a press conference here, Mr. Balagopal said that the annual expenditure in 2024-25 has touched ₹1.75 lakh crore.The spending in March alone had crossed ₹26,000 crore, he said.Indications are that the State's Own Tax Revenue (SOTR) would cross ₹84,000 crore in the current fiscal.Non-tax revenue has touched ₹15,632 crore, as per the estimates up to March 27. These figures could go up further once the final figures are in, he said.According to Mr. Balagopal, the treasury outflow on total State Plan allocation (State Plan + LSG Plan) touched 92.32% this fiscal, which is considerably higher than the previous years. In the case of the LSG Plan alone, this is 110%, he said. *(The Hindu)*

KSEB allowed to purchase directly from four PSUs

The State government has issued orders relaxing the tendering procedures so as to allow the Kerala State Electricity Board (KSEB) to make direct purchases from public sector units (PSUs) under the State Industries department.The relaxation, which will allow the KSEB to make the purchases without tender/quotation process, will apply for a period of one year. *(The Hindu)*

Keltron registers record turnover of ₹1,056.94 crore

The Kerala State Electronics Development Corporation Limited (Keltron), a public sector undertaking, recorded a turnover of ₹1,056.94 crore in 2024-25, the highest turnover in the history of the company.The company recorded a turnover of ₹521.71 crore in 2021-22 and ₹643 crore in 2023-24. Industries Minister P. Rajeeve said that the timely changes in its business areas and the financial support provided by the State government through Plan funds and budgetary allocations paved the way for the historic achievement. *(The Hindu)*

New sweet potato variety may bolster up tribal food security

A new orange-fleshed sweet potato variety developed by the ICAR-Central Tuber Crops Research Institute (ICAR-CTCRI) is set to play a role in strengthening tribal food security programmes in Kerala and elsewhere in the country. Awaiting formal release, the biofortified orange-fleshed sweet potato, designated SP-95/4, has undergone final trials successfully in multiple States, including Odisha, West Bengal, Karnataka and Kerala, officials of the Thiruvananthapuram-based ICAR-CTCRI said. *(The Hindu)*

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