WEEKLY UPDATES ON
FINANCE, TAXATION & THE INDIAN ECONOMY
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Public Finance

Finance Secretary moots rating state govt debt

Finance Secretary Ajay Seth on Friday floated the idea of rating state government securities based on their fiscal behavior, as he pitched for a market-driven, independent mechanism to bring about discipline among states. In the absence of such a mechanism, Seth stressed, the borrowing costs of those that are fiscally prudent are not much different from those that are not. A rating mechanism could, therefore, influence the yield of state government papers, incentivise good fiscal behavior, and discourage financial profligacy, he indicated. *(The Economic Times)*

PIL filed in HC against A.P. govt. over private party's access to State's Consolidated Fund

YSR Congress Party (YSRCP) MLC Lella Appi Reddy has filed a Public Interest Litigation (PIL) in the Andhra Pradesh High Court, objecting to the State Government's move to permit a private party to approach the RBI and access the Consolidated Fund of the State.This development is concerning the proposed NCD issuance by the APMDC. The MLC argued that this provision is unconstitutional as it bypasses legislative approval and violates Articles 203, 204, and 293 of the Constitution.He stated that such access undermines the principles of financial accountability and violates the Constitution's framework for public finance. The PIL also questioned the government's decision to grant lease rights of over 436 minor mineral quarries to APMDC without any open bidding or competitive process, he said. *(The Hindu)*

India-Pakistan tensions could strain fiscal deficit if conflict escalates

Any further escalation in the India-Pakistan conflict—following strikes on terrorist camps in Pakistan early Wednesday—could strain India's fiscal deficit, particularly if tensions persist, economists have cautioned. However, they also noted that if the situation remains contained, the broader economic impact is expected to be limited. "On the fiscal side, there could be a diversion of resources at the expense of capital expenditure. Higher fiscal deficit, however, would not make a material difference to fiscal prudence," an economist at a public sector bank said.Moody's Ratings, on Monday had said that tensions with Pakistan are not expected to cause any major disruptions to India's economic activity but higher defence spending would potentially weigh on its fiscal strength and slow its fiscal consolidation. *(Business Standard)*

Rating of state bonds may be needed: Ajay Seth

India may explore credit ratings for State Development Loans (SDLs) to promote fiscal discipline, says Economic Affairs Secretary Ajay Seth, amid rising state debts and calls for better transparency to attract investors and enforce market-based differentiation among states.The comment assumes importance as some states don't rein in revenue expenditures to the required extent, and invest sub-optimally in productive assets. This exacerbates their debt levels.The 15th Finance Commission had pointed out that SDLs have not been able to attract investors, specifically foreign portfolio investors due to lack of financial information on the states. *(Financial Express)*

Need to moderate public debt to save on interest outgo: DEA Secretary

India's elevated public debt, which results in fairly large interest outgo, needs to be moderated to get a rating upgrade from global rating agencies, Economic Affairs Secretary Ajay Seth said on Friday. Speaking at ISAAC Centre for Public Policy Conference, he said India cannot remain fixated to a particular way in the midst of uncertainties. Observing that the current level of public debt continues to be elevated, he said, that needs to be moderated and that is a path for fiscal consolidation. *(Business Standard)*

Why Maharashtra wants focus on urban population as metric for fund devolution under Finance Commission

Arguing for a larger share of funds for developed states, the Maharashtra government has asked the 16th Finance Commission to make a key tweak to the population metric and introduce two new criteria while assessing states to decide devolution of funds. Unlike most other states that have been lamenting the importance given to population while deciding devolution, the Devendra Fadnavis-led Maharashtra government has recommended that the weightage given to the population metric be increased to 20 percent from the previous commission's 15 percent. *(ThePrint)*

Telangana's fiscal position in doldrums, bankers viewing state reps as 'thieves': CM Reddy

Telangana's financial situation is in the "doldrums," and the state is not able to raise any fresh loans as bankers are not believing the government, Chief Minister A Revanth Reddy said on Monday. Reddy said the state government has paid Rs 9,000 crore to Rs 10,000 crore on an average towards debt servicing in the last 16 months for the loans raised at higher interest rates by the previous BRS government. He said the state government requires at least Rs 22,500 crore revenue every month in order to meet all these needs, as against the present income of Rs 18,500 crore. *(ThePrint)*

Taxation

From fake exemptions to old dues, CBDT tightens the tax net this year

The Central Board of Direct Taxes (CBDT), responsible for administering direct tax laws in India, has asked tax officers to keep a close eye on the country's biggest taxpayers, news agency PTI has reported. The idea is to make sure that people and companies are paying the right amount of tax and not using fake exemptions or deductions to reduce their tax bills. *(Business Standard)*

Government, online companies spar in Supreme Court on GST over games of skill, chance

The Supreme Court on Monday saw the government and online gaming companies spar on whether games of skills such as rummy, chess, and bridge will "metamorphosise" into games of chance, and their earnings be subject to the Goods and Services Tax (GST) regime. Appearing before a Bench of Justices J.B. Pardiwala and R. Mahadevan, Additional Solicitor-General N. Venkataraman, for the government, said games of skill would continue to be what they were until bets or wagers were placed on it. *(The Hindu)*

Goyal reiterates India will retaliate against carbon tax

Commerce Minister Piyush Goyal once again warned that India would retaliate with taxes of its own if Europe goes ahead with its Carbon Border Adjustment Mechanism (CBAM) plan. The CBAM is basically a mechanism through which European countries would impose a carbon tax on select imports. "If they put in a carbon tax, we will retaliate," Mr. Goyal said at the 2025 Columbia India Energy Dialogue, hosted by Columbia University's Center on Global Energy Policy. "They will put it on products that will hurt their economy, and the retaliation will be on products which will further hurt their economy." *(The Hindu)*

Rich using farmhouses to save crores in taxes, legally: CA explains how

Wealthy Indians are investing in agricultural land, not only for farming but also to build farmhouses. Such properties, when structured correctly in the law, help them accumulate wealth that appreciates in value and is exempt from tax, said Sarthak Ahuja, a chartered accountant, in a recent social media post. He highlighted how high-net-worth individuals (HNIs) are using farmhouses as a means to make tax-free wealth. *(Business Standard)*

Central GST formulation with fewer assessees edges over the States in per GSTIN collection

Despite the higher number, the average per assessee or GSTIN (GST Identification Number) collection of GST by the States is lower at ₹1.14 lakh than that of the center at ₹1.4 lakh in April. This issue is likely to be discussed during the next meeting of the GST Council. An analysis of GST collection data for April reveals that Haryana leads with over ₹3 lakh in tax payments, followed by Maharashtra. Uttar Pradesh has the maximum number of GSTINs, but its per- GSTIN collection is the lowest among major states. *(BusinessLine)*

National Accounts and State of the Economy

Questions on GDP estimates: The role of discrepancies in recent data needs to be examined

The last three estimates are for annual GDP growth. Each of them is revised upwards compared to their earlier estimates. The upward revision for 2023-24 from 8.2 percent to 9.2 percent is indeed big. On this higher figure, growth in 2024-25 is supposed to be 6.5 percent. Usually, when the previous year's figures are revised upward, the next year's growth rate comes down due to the base effect. This has not happened even for 2023-24, in spite of the revision of growth in 2022-23. Thus, the average post pandemic growth sees an uptick, pointing to a robust recovery. *(BusinessLine)*

Moody's cuts India's GDP forecast to 6.3% in 2025 on US trade uncertainty

Moody's Ratings on Tuesday cut India's GDP growth projections for 2025 to 6.3 percent from 6.5 percent, saying economies globally will see a slowdown on account of heightened US policy uncertainty and trade restrictions. In its Global Macro Outlook 2025-26 (May update), Moody's said geopolitical stresses, like tension between India and Pakistan, also have a potential downside risk to its baseline growth forecasts. Costs to investors and businesses are likely to rise as they factor in new geopolitical configurations when deciding where to invest, expand, and/or source goods, Moody's said. *(Business Standard)*

India to increase its consumption of petroleum consumption by 0.2 million barrels per day in 2025

The Energy Information Administration, or EIA, stated in its latest monthly update that India will increase its consumption of petroleum and other liquid fuels by 0.2 million barrels per day (b/d) in 2025 and 0.3 million b/d in 2026, compared with an increase of 0.2 million in 2024, driven by rising demand for transportation fuels. Total annual consumption in the country is seen at 5.47 million b/d in 2024, 5.66 million b/d in 2025, and 5.94 million b/d in 2026. India's total fuels production is estimated at 0.98 million b/d in 2025 and 1.01 million b/d in 2026. *(Business Standard)*

Petrol, diesel demand rises in April as summer boosts consumption

India's diesel consumption rebounded in April, recording a 4 per cent increase in demand after months of low or negative growth, driven by the start of summer season with warmer days and nights. Diesel, India's most consumed petroleum fuel and lifeline of transport and rural agri economy, saw just 2 percent growth in demand in fiscal year ended March 31, 2024, and no growth at all in the preceding financial year. In April, diesel consumption rose to 8.23 million tonnes, up nearly 4 per cent over demand in the year ago period, according to latest data available from the Petroleum Planning and Analysis Cell of Ministry of Petroleum and Natural Gas. *(Business Standard)*

India and Chile's CEPA talks to focus on MSMEs, investment, and more

India and Chile formally signed the Terms of Reference (ToR) for a Comprehensive Economic Partnership Agreement (CEPA), the Ministry of Commerce & Industry said on Friday. The CEPA is intended to build upon the existing Preferential Trade Agreement (PTA) between the two countries, broadening the scope of cooperation to include digital services, investment, and critical minerals. It also includes micro, small and medium enterprises (MSMEs). The document was signed by Chile’s Ambassador to India, Juan Angulo, and Vimal Anand, joint secretary in India’s Department of Commerce and the lead negotiator for the agreement. (Business Standard)

Banking and Monetary Policy

RBI imposes penalties on five major banks for compliance failures

The Reserve Bank of India imposed a monetary penalty on five banks --ICICI Bank, Axis Bank, Bank of Maharashtra, Bank of Baroda and IDBI Bank. ICICI Bank was fined ₹97.8 lakh, Axis Bank ₹29.6 lakh, Bank of Maharashtra ₹31.8 lakh, Bank of Baroda ₹61.4 lakh and IDBI Bank ₹ 31.8 lakh on Friday. ICICI Bank was fined for non compliance on cyber security framework in banks, know your customer (KYC) regulations, and credit card and debit card - issuance and conduct. *(The Economic Times)*

Reserve Bank of India Recognizes FIMMDA as Self-Regulatory Organisation for financial markets

The Reserve Bank had issued the Framework for Recognition of Self-Regulatory Organisations in Financial Markets regulated by the Reserve Bank (Framework) and invited applications for recognition as Self-Regulatory Organisation (SRO) in financial markets. An application seeking recognition as an SRO in financial markets regulated by the Reserve Bank was received from the Fixed Income Money Market and Derivatives Association of India (FIMMDA). Based on an examination of the application against the relevant requirements under the framework, it has been decided to recognise FIMMDA as an SRO in financial markets regulated by the Reserve Bank. *(Business Standard)*

Banks bolster cyber defence amid India-Pakistan missile tensions

Banks have tightened their cyber security network to ward off any cyber threat in the wake of India launching missile attacks on Pakistan and Pakistan-occupied Kashmir. Banks have also improved their security at the branches near border areas due to heightened threat of a counter attack. "We have strengthened the cyber security mechanism... we have created a 24 hours war room to diffuse any cyber attack... we are prepared for any eventuality," Punjab National Bank MD and CEO Ashok Chandra said. *(Business Standard)*

Bank spread narrows to 10-year low of 2.71% in March: CareEdge

The spread between the outstanding weighted average lending rate and the weighted average domestic term deposit rate for banks continued to tighten, narrowing by 5 basis points (bps) month-on-month (M-o-M) in March to a 10-year low of 2.71 per cent, CareEdge Ratings said in its research report. It further noted that in March 2025, fresh spreads declined by 22 bps to 2.7 per cent. The report highlighted that the spread on fresh loans for private banks fell by 10 bps to 3.63 per cent, while for state-owned banks, it declined by 3 bps to 1.65 per cent, with private banks maintaining a higher spread. *(Business Standard)*

RBI holds 879.59 metric tones of gold by end-March 2025, says central bank report

The Reserve Bank of India held 879.59 metric tonnes of gold as at end-March 2025, of which 511.99 metric tonnes were held domestically, the central bank announced in its latest Half Yearly Report on Management of Foreign Exchange Reserves released on Monday. While 348.62 metric tonnes of gold were kept in safe custody with the Bank of England and the Bank for International Settlements (BIS), 18.98 metric tonnes were held in the form of gold deposits. In value terms (USD), the share of gold in the total foreign exchange reserves increased from 9.32 per cent as at end-September 2024 to about 11.70 per cent as at end-March 2025. *(Business Standard)*

FIEO urges RBI to share info on banks offering rupee trade to aid exporters

Apex exporters' body FIEO has urged the RBI to publicly share information on banks offering the rupee trade settlement system (SRVA) as lack of awareness is limiting its use. The system simplifies trade and saves foreign exchange, but many exporters do not know where to access it, Federation of Indian Export Organisations (FIEO) President S C Ralhan told PTI. In 2023, the Reserve Bank permitted banks operating in the country to open Special Rupee Vostro Accounts (SRVAs) of partner banks from specified countries as part of efforts to promote bilateral trade in local currencies. *(Business Standard)*

Reserve Bank of India starts cutting short dollar book after 7 months

The Reserve Bank of India (RBI) has started winding down its short position in the dollar forward book, after a gap of seven months, on the back of a softening dollar, while infusing funds via open market operations (OMOs) to counter the resulting liquidity drain. According to RBI data, the net short dollar position in the forward book (up to one year) stood at $64.2 billion at the end of March. Including the swaps over one-year maturity, the book stood at $84.3 billion, from $88.75 billion in February. Market participants said the RBI was likely allowing the short positions to mature while sterilising the resulting liquidity impact through OMOs. This, they suggested, explained why the central bank continued to conduct OMOs despite surplus liquidity — ensuring consistency with its accommodative stance aimed at maintaining ample liquidity in the banking system. "The majority of the positions were in short-term tenors — mostly one-month, two-month, and three-month durations. When these positions mature, they need to either be rolled over or squared off. *(Business Standard)*

Banks remain cautious in lending to NBFCs despite risk weight reversal

Banks remain cautious in lending to non-banking financial companies (NBFCs) and microfinance institutions (MFIs) even after the Reserve Bank of India reverted to lower risk weights for such loans, effective April 1. While top-rated NBFCs may continue to have access to bank loans, mid- and lower-rated ones may find it difficult. "The situation is not going to change for midsize and small NBFCs and MFIs. Only top-rated NBFCs will benefit from the reversal of risk weights. Midsize NBFCs like us will not gain anything. Banks will remain cautious while lending," said a senior executive at a midsize NBFC. *(Business Standard)*

RBI's Rs 50,000 cr OMO gets bids worth Rs 1.32 lakh cr

The Reserve Bank of India (RBI) on Tuesday received bids exceeding twice the notified amount in its open market operation (OMO) purchase from banks. The apex bank got bids worth more than Rs 1.32 lakh crore, against the notified amount of Rs 50,000 crore. The RBI will hold three more OMO auctions, each worth Rs 25,000 crore, on May 9, May 15, and May 19. "The OMO auctions are aimed at maintaining surplus liquidity surplus which will help in better transmission of repo rate cuts by the RBI," said an economist of a public sector bank. *(Financial Express)*

External Sector

India-U.K. goods trade surged 60% in eight years; imports nearly doubled

India's total merchandise trade with the U.K. has grown steadily over the years, touching $19.3 billion in 2024-25 up to January 2025. However, import growth has outpaced that of exports by a significant margin. Notably, trade in both directions is highly concentrated in just a few sectors, data from the Ministry of Commerce and Industry shows.An analysis by The Hindu shows that just five product categories — electrical machinery (15.3%), nuclear reactors, boilers & machinery (11.6%), mineral fuels and oils (9.1%), pearls, precious & semi-precious stones (7%), and pharma products (5.4%) — together make up nearly half of what India exports to the U.K. The largest category in this, machinery and engineering goods, is likely to see strong growth following implementation of the Free Trade Agreement (FTA) with the U.K. announced on Tuesday, according to industry participants. *(The Hindu)*

Industry upbeat as India-U.K. ink FTA

Amid the trade war and global uncertainties, the India-U.K. Free Trade agreement, signed on Tuesday, would create large opportunities for Indian companies, significantly boost bilateral trade, attract strategic investments, and further integrate Indian businesses into the global value chain, said trade organisations and industry leaders.The sectors which are set to benefit include textiles and apparel, leather and footwear, gems and jewellery, pharmaceuticals, agriculture and processed foods to name a few."The timely agreement will help advance a comprehensive strategic partnership between India and the U.K., steering bilateral trade towards the ambitious target of USD 100 billion by 2030," said CII President Sanjiv Puri."This agreement comes at a pivotal time when India is positioning itself as a resilient and reliable trade partner in a rapidly evolving global landscape," said the Federation of Indian Export Organisations (FIEO) president S.C. Ralhan. *(The Hindu)*

At WTO, U.S. queries India's PLI scheme for speciality steel

The U.S. has questioned India's Production Linked Incentive (PLI) scheme for specialty steel at the WTO suggesting the subsidies may not be appropriate given the global overcapacity in steel, sources said. India, however, maintains the scheme will reduce its dependence on imports of higher grades of steel and is a much-needed step towards attaining self-sufficiency and securing the nation's interests. "We specifically note there was a part of this (PLI) scheme for specialty steel designed to raise steel production. Why is India subsidising increased production when there is global overcapacity in steel?" as per a submission made by the U.S. to the WTO Committee on Subsidies and Countervailing Duties. *(BusinessLine)*

India-UK FTA: JLR, Diageo among winners of model trade deal

India's decision to slash tariffs on UK-made cars to whiskey as part of a sweeping trade pact could create a line of winners, including Jaguar Land Rover and Diageo Plc. The Free Trade Agreement, announced Tuesday after three years of negotiations, will make it cheaper for UK firms to sell their whiskeys, cars, auto parts, cosmetics, biscuits, clothes and electrical machinery in the world's most populous nation. Indian exporters to the UK will benefit from lower levies on 99% of products and services. The deal saw India opening up some of its most protected sectors — cars for instance — and sets a precedent for other trade pacts under discussion, including with the European Union and the US. Such bilateral agreements also provide a cushion against the tariffs pain inflicted by US President Donald Trump. *(The Economic Times)*

India, UK seal free trade deal; PM Modi calls it 'historic milestone'

After nearly three and a half years of intense negotiations, India and the United Kingdom (UK) on Tuesday announced the conclusion of talks for a free trade agreement (FTA) that will boost strategic and economic ties between the fifth and sixth-largest economies in an era of geopolitical uncertainties and trade wars.The trade deal, once implemented,, may make import of whisky, gin, automobiles, medical devices, electrical machinery, cosmetics, soft drinks, chocolates, and lamb cheaper for India.It will also lead to significant increase in export competitiveness of Indian shipments in the UK for sectors like textiles, toys, leather, marine products, footwear, and gems & jewellery. Sensitive items like dairy products, apples, cheese, etc, have been excluded from any duty concession by India to protect its farmers. In a massive win for New Delhi, both nations also concluded a double convention or a social security pact that will give Indian skilled professionals working in Britain a three-year exemption from social security payments. *(Business Standard)*

Trump's 'Make in America' push: Indian drug cos in no rush to make US shift

United States (US) President Donald Trump's executive order to promote domestic drug manufacturing and cut approval timelines for pharmaceutical plants is unlikely to have a direct impact on Indian exporters, according to industry executives and analysts. Several senior pharma executives said decisions to expand US manufacturing footprints were strategic and would depend on specific products. The chief financial officer (CFO) of a major Indian drugmaker, who did not wish to be named, said high-margin products, or those developed and marketed in partnership with US firms or acquired from local players, might warrant consideration for American production. " This decision would vary from one company to another and also from product to product. It is all a question of viability," said the executive, adding his company had no immediate plans in that direction. *(Business Standard)*

Datanomics: India's investment treaties progress in bits and pieces

Though it is still unclear if the proposed IndiaUS bilateral trade agreement (BTA) will have clauses on investment protection, it makes sense to assess the bilateral investment treaties (BITs) that India has signed with other countries after amending the model framework in 2015, which came into effect from 2016.A BIT is an agreement between two countries that sets the terms for private investments of one country in the other.The objectives of these agreements are to promote and protect investments through a stable legal environment for investors in both countries.India had terminated its BITs with 77 countries after the new framework came into effect as those were based on the old framework of 1993, while it had earlier signed such an agreement with 86 countries.Since the introduction of the new framework, *(Business Standard)*

India offers zero for zero levy on auto parts, steel from US

India has proposed zero tariffs on steel, auto components and pharmaceuticals on a reciprocal basis up to a certain quantity of imports in its trade negotiations with the US, sources said. Beyond this threshold, imported industrial goods would attract the regular level of duties, the people said, asking not to be identified as the discussions are private. The offer was made by Indian trade officials visiting Washington late last month to expedite negotiations on a bilateral trade deal expected by fall this year, the people said. The two nations are prioritising certain sectors to strike an early trade deal before the end of the 90day pause on US President Donald Trump´s titfor-tat tariffs, the people said. *(The Economic Times)*

India targets cheap US LPG with China´s help

Chinese import tariffs have unwittingly come to India´s assistance to help boost imports of US liquefied petroleum gas (LPG) at rates cheaper than what it pays for supplies from West Asia, according to industry sources and shipping data.stepping up crude imports and tying up US liquefied natural gas (LNG) supplies, Indian state-run oil companies are evaluating options for LPG imports from the US in July, directly under term contract arrangements — when they begin talks to secure shipments of the cooking fuel for 2026, top refining sources told Talks are also on to secure cheap US LPG in the immediate term in exchange for contracted West Asian supplies.India is a $12 billion LPG market, equivalent to a third of its trade surplus with the US for 2024.India´s LPG market is dominated by supplies from United Arab Emirates, Qatar, Kuwait, and Saudi Arabia. *(Business Standard)*

Agriculture and Rural Economy

Agri revolution or regulatory blind spot? Genome-edited rice crops stir debate

A group of experts cautions that the lack of specific rules for genome-edited crops may hurt transparency, while the government says that existing regulations are sufficient. However, these crops could redefine farming if concerns are addressed before their commercial launch. The Indian Council of Agricultural Research (ICAR), the government's apex agriculture research organisation, has developed these innovative varieties; these crops could boost rice yields by up to 30% while also improving drought tolerance and decreasing water use. *(The Economic Times)*

Scientists create first 'pangenome' of Asian rice

Scientists have assembled a first of its kind 'pangenome', a kind of reference genome, by stitching together key parts of genomes from 144 varieties of wild and cultivated varieties of rice from Asia. Much like the Human Genome Project in 2003 mapped genomes from a range of individuals, expressing the genetic diversity of the human species, the rice pangenome allows researchers to develop new rice cultivars and introduce new traits for disease-tolerance as well as resilience against climate shocks. *(The Hindu)*

Govt to launch pan-India farmers awareness campaign from May 29 to boost Kharif output

Union Agriculture Minister Shivraj Singh Chouhan announced a 15-day pan-India campaign, 'Viksit Krishi Sankalp Abhiyan,' starting May 29, to educate farmers about modern technology and new seed varieties. The campaign aims to reach 1-1.5 crore farmers across 700 districts. Addressing a National Conference on Agriculture for Kharif Campaign here, Chouhan stressed on improving agriculture extension services to boost productivity and production of all major crops. *(The Economic Times)*

RRBs must boost their lending in agriculture, allied activities: DFS secy

With the implementation of "One State, One RRB", regional rural banks will expand their lending in agriculture and allied activities, MSME and government-sponsored schemes, Financial Services Secretary M Nagaraju said on Monday. During a meeting to review the performance of the regional rural banks (RRBs) and the progress on their amalgamation plan, Nagaraju asked the sponsor banks and RRBs to recognise the challenges that lie ahead. *(Business Standard)*

Indus Treaty historical mistake; Govt will prepare plan to utilise waters: Chouhan

Union Agriculture Minister Shivraj Singh Chouhan announced the government's plans to utilize waters allocated to Pakistan under the Indus Water Treaty for irrigation, especially in bordering states. Calling the 1960 treaty a "historical mistake," Chouhan highlighted the government's decision to suspend it following the Pahalgam terror attack. *(The Economic Times)*

From millets to mistrust, a harvest gone sour

For over 40 years, the Deccan Development Society helped transform lives in Telangana's Zaheerabad mandal, turning fallow lands fertile and empowering Dalit women through sanghams, savings and seeds. But today, the same women who built the movement are demanding answers: What happened to their years of deposits? Who sold their land? How did a movement rooted in collective trust begin to feel so distant, so opaque? As faith frays and misgivings grow, Serish Nanisetti traces the unraveling of a once-iconic grassroots model. *(The Hindu)*

APEDA mulls strategies to boost agricultural, processed food exports

The commerce ministry's arm APEDA is mulling formulation of strategies to boost export of agricultural and processed food products from India, an official statement said on Sunday. The Agricultural and Processed Food Products Authority (APEDA) held an inter-ministerial dialogue to deliberate on the strategy last week here. Representatives from state governments, policy experts, industry leaders from agri trade and processed foods sector also participated in the discussions. *(Business Standard)*

New model finds locusts making complex decisions in deadly swarms

In late 2019, a wave of billions of desert locusts flew into western India through Pakistan. Their journey had already spanned several thousand kilometers since they first erupted in the arid plains of East Africa. Locusts are grasshoppers that, in the right conditions, multiply rapidly. They grow larger and change colour in response to their environment. In a process called gregarisation, they transition from solitary creatures to a swarm, congregating in large numbers and travelling together over several leagues at time. *(The Hindu)*

Industry, Manufacturing, Services and Technology

Commerce Ministry consults industry on India-U.S. trade deal

The Commerce Ministry held a comprehensive consultation with the domestic industry on the proposed India-U.S. trade agreement and sought suggestions to further deepen bilateral trade ties in a mutually beneficial manner, according to an official. The stakeholder consultation was chaired by Special Secretary in the Ministry Rajesh Agrawal. He is India's chief negotiator for the India-U.S. bilateral trade agreement (BTA).During the meeting, Department of Commerce officials briefed the industry representatives on recent developments related to India-U.S. trade ties and solicited views and suggestions to expand them in a mutually beneficial manner, the official added.The Special Secretary assured the industry the inputs would be factored in the ongoing trade negotiations. The U.S. was India's largest trading partner for the fourth consecutive year in 2024-25 with bilateral trade valued at $131.84 billion. *(The Hindu)*

At WTO, U.S. queries India's PLI scheme for speciality steel

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Expanding space economy: new study calls for evidence-based policies, supportive regulations

A new study on India's space economy has called for "evidence-based policies" for expanding the space sector and the creation of enabling environments for private players, public-private partnerships (PPP) and innovation through supportive regulations.A research paper highlighting the findings, 'Space economy of India, its impact on the rest of the economy' published in the journal Space Policy (Elsevier) observed that increasing private-sector involvement in the Indian space sector has triggered "significant growth and transformation" in recent years, a change that is reflected in employment trends as well.While the number of private space companies in India has jumped from a mere 11 in 2019 to over 400 in 2024, the funding for private space companies touched $124.7 million in 2023, up from $67.2 million in 2021, noted the paper by Sunil Mani of the Centre for Development Studies (CDS); V.K. Dadhwal of the National Institute of Advanced Studies, Bengaluru; and C.S. Shaijumon of the Indian Institute of Space Science and Technology (IIST). *(The Hindu)*

Karnataka, In-SPACe sign MoUs to boost NewSpace with R&D manufacturing

The Indian National Space Promotion and Authorisation Centre (IN-SPACe) and the Karnataka government on Wednesday announced the signing of MoUs to accelerate the state's emergence as India's leading commercial space launchpad.Signed by the Department of Electronics, Information Technology, Biotechnology, and Science & Technology on behalf of the state government, the MoUs include the establishment of a Centre of Excellence for Space Technologies in Bengaluru and the development of a public-private Space Manufacturing Park to anchor next-generation satellite and launch vehicle production. *(Business Standard)*

High US tariffs on China can boost India's manufacturing, says CEA

Global disruptions have created opportunities for emerging nations like India, and US tariffs on China could drive manufacturing shift to India due to lower duties, Chief Economic Advisor (CEA) V Anantha Nageswaran said on Saturday.While there are worries about the first, second, and third round effects of the tariffs in terms of external demand to start with and the overall uncertainty and therefore implications for capital formation etc, there are some favourable outcomes also, he said at an event organised by Ashoka University here.One of the positive impacts of the uncertain global environment is a reduction in crude oil prices which are now available around USD 60 per barrel. It is a windfall from India as it lowers input cost and also provides fiscal space, he said. *(Business Standard)*

India's manufacturing sector growth hits 10-month high in April

Growth momentum in the Indian manufacturing industry improved in April, with output increasing at the fastest pace since June 2024 on the back of another strong expansion in order books, a monthly survey said on Friday. Total sales were supported by the second fastest upturn in international orders since March 2011. This positive trend was accompanied by notable rises in employment and purchasing activity. Robust demand for Indian goods boosted firms' pricing power, with selling charges hiked to the greatest degree since October 2013. This was despite a modest uptick in input costs. Despite rising only fractionally from 58.1 in March to 58.2 in April, the seasonally adjusted HSBC India Manufacturing Purchasing Managers Index showed the strongest improvement in the health of the sector for ten months. *(Business Standard)*

News on Kerala

Cabinet nod for ₹3,716-cr. IURWTS project in Kochi; six canals to be made navigable

The State Cabinet on Wednesday gave its nod for implementing the Integrated Urban Regeneration and Water Transport System(IURWTS) in Kochi, aimed at reviving six canals, at a revised estimate of ₹3,716.10 crore.The project was aimed at making the canals navigable and finding a lasting solution to flooding in the city areas during the rainy season, the Chief Minister’s Office said, adding that administrative nod had been given subject to certain conditions. Kochi Metro Rail Limited (KMRL) will continue as the special purpose vehicle for the initiative. The Kerala Water Authority has been appointed as the implementation agency for the sewerage components. Funding for the project will be ensured through KIIFB and the National River Conservation Directorate. The six major canals in and around Kochi city that are to be revived under the initiative are Edappally canal, Chilavannoor canal, Thevara-Perandoor canal, Thevara canal, Market canal, and Konthuruthy canal. *(The Hindu)*

A dream come true for tribal families

All their lives, over a thousand families in the 11 tribal settlements at Thodumala in Amboori on the rural outskirts of Thiruvananthapuram have been depending on country boats to reach the mainland for their daily needs.Every election season, a bridge across the river has been a consistent promise given to them.The bridge at Kumbichal Kadavu, the construction of which began three years ago, has finally become a reality.Completed at a cost of ₹24.71 crore from the Kerala Infrastructure Investment Fund Board (KIIFB) funds, the bridge is expected to make life easier for the families who had to wait for country boats even for medical emergencies. *(The Hindu)*

From God's own country, a carpet for screen demigods

Neytt by Extraweave, from Cherthala, Kerala, crafted the Met Gala carpet for the third time. The company revives traditional weaving. Sivan Santhosh and Nimisha Srinivas established Neytt in 2019. It is now a ₹120-crore business. The company's roots trace back to 1917. Neytt employs 900 people, mostly women. The Met Gala carpet boosted the company's recognition. *(The Economic Times)*

The secret behind Met Gala 2025's stunning decor? A Kerala firm crafted the eco-friendly floral blue carpet

Neytt by Extraweave, an Indian design house from Kerala, supplied the sustainably crafted, deep blue carpet for the 2025 Met Gala, marking their third consecutive year contributing to the prestigious event. The carpet, made from ethically sourced sisal fibers, aligned with the theme "Superfine: Tailoring Black Style," emphasizing heritage and elegance. *(The Economic Times)*

From protest to prosperity: Vizhinjam port offers new hope for local youth

Vizhinjam witnesses a shift as its international seaport commences operations. Once a site of protests, it now offers jobs, especially to local youth. The Kerala government prioritized local hiring, supported by skill development programs. Women are now crane operators, a first for Indian ports. Expansion plans promise increased capacity and further development. Vizhinjam is poised to transform Kerala's economy. *(The Economic Times)*

Ircon International shares in focus after Rs 187-crore contract for rural industrial park in Kerala

Ircon International has secured a Rs 187.08 crore work order from KSITIL for constructing a rural industrial park in Thiruvananthapuram, slated for completion in 30 months. This follows a Rs 458.14 crore contract from NEEPCO for civil works on the Tato-I Hydro Electric Project in Arunachal Pradesh, to be executed over 45 months. *(The Economic Times)*

Nod for transfer of 1,340 acres for industrial corridor

The Kerala government has sanctioned the transfer of 1,340 acres of land to the Kerala Industrial Corridor Development Corporation, the special purpose vehicle created for the development of the Kochi-Bengaluru industrial corridor. The project envisages the development of two major nodes — the Integrated Manufacturing Cluster at Palakkad and the Global City at Kochi.The total land requirement for the Integrated Manufacturing Cluster, the first node of the project, is 1,710 acres, spread across three parcels – Pudussery Central, Pudussery West, and Kannambra in Palakkad district. The government earlier accorded administrative sanction for acquisition of land in Palakkad for the industrial corridor project with the financial aid of Kerala Infrastructure Investment Fund Board. As part of this, the government accorded sanction to transfer 110 acres of land in Pudussery village in Palakkad. *(The Hindu)*

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