



Public Finance

Finance panel urged to grant funds to local bodies

Members of several Urban Local Bodies and Rural Local Bodies have appealed to the 16th Finance Commission to liberally grant funds for them to improve public infrastructure. The members called on the 16th Finance Commission member Soumya Kanti Ghosh in Tirupati on Thursday during a meeting called to discuss development. The members sought grant of funds to the local bodies towards improving civic infrastructure as well as for payment of wages to green ambassadors, to ensure balanced development of towns and villages. They wanted the Finance Commission to take into reckoning the present population of the towns and villages and not as per the 2011 Census. works and public amenities such as sanitation, roads, drinking water and drainage. *(The Hindu)*

Govt entities' capex may hold steady at Rs 7.8 lakh cr in FY26

Capital spending by large central public sector enterprises (CPSEs) and four key government entities are likely to remain steady this fiscal year, keeping up support to broader economic activity, said a senior government official. These CPSEs and government entities have set a total capital expenditure target of Rs 7.85 lakh crore for FY26, almost unchanged from last fiscal's actual spending of Rs 8.07 lakh crore, which surpassed the revised goal of Rs 7.87 lakh crore. *(The Economic Times)*

State overcame hurdles by mopping up tax and non-tax revenues: Balagopal

Finance Minister K.N. Balagopal said here on Tuesday (May 13, 2025) that the total tax and non-tax revenues were expected to cross ₹1 lakh crore at the end of the current fiscal. The total tax and non-tax revenues increased from ₹54,000 crore in the 2020-21 financial year to ₹95,000 crore this fiscal. "The tax revenue when the Left Democratic Front (LDF) came to power was ₹47,000 crore. It has now gone up to about ₹81,000 crore," he said in his inaugural address at the complaint redressal adalat held in the Kalamassery Assembly constituency. *(The Hindu)*

Badlapur civic body submits proposal to 16th Finance Commission for infra funding

The Kulgaon-Badlapur Municipal Council in Maharashtra's Thane district has submitted a comprehensive proposal to the 16th Finance Commission, seeking funding for infrastructure to manage the region's growth, an official said on Monday. Development of Kalu, Poshir and Shilar dams, desilting of the Ulhas River, metropolitan transport system connecting to Thane, Kalyan, and Navi Mumbai, construction of a multi-speciality hospital and funding for multi-storey slum rehabilitation units are some of the plans mentioned in the proposal, Nandkishor Patkar, a representative of the Commission said. *(The Economic Times)*

India rolls over \$50 million worth Treasury Bill to help Maldives

Even as the Maldives attempts to stabilise its economy amid challenges of high public debt and a widening fiscal deficit, India has rolled over a \$50 million-treasury bill to support the neighbouring island nation. In a statement on Monday (May 12, 2025), the High Commission of India in capital Malé said following a request from the Government of Maldives, the State Bank of India subscribed to the Treasury Bill, as part of India's ongoing support with annual rollovers of treasury bills since 2019. "This has been done under a unique Government-to-Government arrangement, as emergency financial assistance to Maldives," the Indian mission said. *(The Hindu)*

India-Pakistan conflict can hurt Centre's finances. What are Nirmala Sitharaman's options?

The overall revenue receipts growth projections for the current year are reasonably conservative and broadly in line with the growth achieved last year. If the fiscal deficit target for 2025-26 has to be met, there are two options for the government. It can either change the composition of expenditure by reducing a bit of its proposed capital expenditure to provide for higher defence expenditure. Or it can let the fiscal deficit reduction plan take a temporary pause. Its total debt is expected to decline to 56 per cent of GDP in 2025-26, compared to 57 per cent in 2024-25. Perhaps allowing a minor slippage in the fiscal deficit reduction plan is a better option than curtailing capital expenditure, given the latter's growth-multiplier effect. *(ThePrint)*

Uttar Pradesh eyes Rs 63,000 crore FY26 excise revenue

Uttar Pradesh is aiming to raise the state's excise earnings to ₹63,000 crore this fiscal, said Nitin Agarwal, minister of the state with independent charge with the Department of Excise and Prohibition. Speaking to ET, he said the nearly 20% higher revenue over fiscal 2024-25 is credited to UP's new e-lottery policy to allocate retail liquor shops. *(The Economic Times)*

India bonds inch up tracking US Treasuries; debt supply eyed

Indian government bonds rose in early deals on Friday, buoyed by a rise in U.S. Treasuries, with traders awaiting a weekly debt sale. The yield on the 6.79% government bond maturing in 2034 was at 6.2696% as of 10:30 a.m. IST, compared with the previous close of 6.2742%. The yield on the new 10-year benchmark 6.33% bond maturing in 2035 was at 6.2246%, versus its previous close of 6.2302%. *(The Economic Times)*



Taxation

Income Tax dept notifies all 7 ITR forms for assessment year 2025-26

The income tax department has notified all seven income tax return forms for assessment year 2025-26. While ITR forms 1 and 4, which are filed by small and medium taxpayers, were notified on April 29; ITR-7, filed by trusts and charitable institutions, was notified on May 11. One important change has been introduced in ITR-1 and 4, which was notified on April 29, relating to the reporting of capital gain income from listed equities. *(Business Standard)*

AI, tech changes cause taxing times for accountants, says ACCA survey

The changing speed of technology and impact of artificial intelligence on their roles has left Indian accountants overwhelmed, who are finding it difficult to keep pace with the

rapidly evolving scenario, according to the findings of a survey by a global accounting body. The third annual Global Talent Trends Survey 2025 by the Association of Chartered Certified Accountants (ACCA) revealed that more than half of Indian accountants taking part in a global survey have flagged concerns of not being able to develop the required future skills due to the frequently changing technology. *(Business Standard)*

Finance ministry considers 10% duty on key telecom gear amid tax disputes

The Union finance ministry is considering levying a 10 per cent Basic Customs Duty (BCD) on a key category of mobile tower components through a new product classification, aiming to curb the misuse of tariff exemptions and bolster domestic manufacturing. This policy rethink comes against the backdrop of two high-profile disputes involving Samsung India and Nokia Solutions – which have claimed zero-duty benefits on the import of such items. The government, however, considers this as a case of misclassification. *(Business Standard)*



National Accounts and State of the Economy

Union Cabinet approves ₹3,706 crore HCL-Foxconn semiconductor joint venture; plant to be set up at Jewar

The proposed HCL-Foxconn semiconductor plant will manufacture display driver chips for mobile phones, laptops, automobiles, and other devices. There are already five semiconductor units in advanced stages of construction, the release said that the Jewar plant would mark the be sixth semiconductor unit, and will take India “forward in its journey to develop the strategically vital semiconductor industry. The unit will process 20,000 wafers per month and create about 2,000 jobs, a release said. *(The Hindu)*

Markets end higher as inflation cools to 6 year low in April

The retail inflation eased to a nearly six-year low of 3.16% in April, mainly due to subdued prices of vegetables, fruits, pulses, and other protein-rich items, creating enough room for the Reserve Bank to go for another round of rate cuts in the June monetary policy review. The Consumer Price Index (CPI) based inflation was 3.34% in March and 4.83% in April 2024. It was 3.15% in July 2019. The wholesale price inflation dropped to a 13-month low of 0.85% in April, with softening in prices of food articles, fuel and manufactured products, with experts projecting further easing in the data for next month. *(The Hindu)*

Microsoft to cut 3% of global workforce amid AI investment focus: Report

Microsoft is laying off 3 per cent of its workforce, or roughly 7,000 employees, as the technology giant looks to rein in costs, while funneling billions of dollars into its ambitious bet on artificial intelligence. The cuts will be across all levels and geographies and are likely the largest since Microsoft laid off 10,000 employees in 2023, according to the report. *(Business Standard)*

68% of IT workers missed out Rs 49,000 in tax savings-How to avoid mistakes

Nearly 2 out of every 3 professionals could've saved taxes through legal strategies. 1 Finance research shows that tax-saving potential wasn't uniform; it varied widely by income. IT professionals often earn high CTCs, but when it comes to tax planning, many

choose the DIY route—relying on limited information, sticking with the default tax regime, or taking last-minute decisions. *(Business Standard)*

A.P. attracts several investment proposals in aerospace and defence manufacturing sectors

The Andhra Pradesh government's efforts to attract Aerospace and Defence Manufacturing (A&DM) units on a large scale appear to be yielding the desired result as a host of Original Equipment Manufacturers (OEM), most of them Micro, Small and Medium Enterprises making niche products, have submitted proposals to set up their facilities in the State. *(The Hindu)*

Wind power generation picks up in Tamil Nadu

Wind energy generation, which peaks between June and October every year in Tamil Nadu. The state consumed 61.13 million units of wind energy on Tuesday, May 12, according to data available with Tamil Nadu Transmission Corporation. K. Kasthurirangaian, president of the Indian Wind Power Association. Tamil Nadu. *(The Hindu)*

CESC Q4 profit dips 6.8% on higher tax despite rise in demand, revenue

India's CESC, a power generation and distribution company, reported a fall in fourth-quarter profit on Thursday, hurt by a jump in tax expenses amid higher power demand. The company's consolidated net profit fell 6.8 per cent year-on-year to Rs 373 crore (\$43.6 million) for the three months ended March 31. CESC's total tax expenses jumped to Rs 810 lakh from Rs 400 lakh a year ago. The company's profit before tax rose 11.2 per cent. Revenue from operations climbed 14.5 per cent to Rs 3,877 crore. Power demand increased steadily during the January-March period as above-normal temperatures led to higher electricity usage. *(Business Standard)*

DTC depots to become commercial hubs, eye Rs 2,600 crore in revenue

The Delhi Transport Corporation aims to generate Rs 2600 crores in revenue after its depots become commercial hubs. The Banda Bahadur Marg depot is expected to generate revenue of Rs 1,858 crore and whereas the Sukhdev Vihar depot will generate revenue of Rs 758 crore. These multi-level depots and projects will generate revenue through parking, advertising, installation of mobile towers and office space rentals, aiming to enhance infrastructure and DTC's financial health. *(Business Standard)*

Metropolis Healthcare Q4 results: Net profit falls 19.9%, revenue up 4.3%

India's second-largest pathology laboratory chain, Metropolis Healthcare, on Tuesday posted a 19.9 per cent year-on-year (YoY) decline in its consolidated net profit to ₹29.1 crore for Q4FY25, while revenue from operations rose 4.32 per cent to ₹345.2 crore. *(Business Standard)*

Manufacturing investment gestation rate rises to 5-year peak: CMIE

The rate of gestation is a measure of time efficiency in completing manufacturing projects relative to its cost, as defined by the Centre for Monitoring Indian Economy (CMIE). Lower numbers indicate greater efficiency in putting money to work. The rate of gestation for 2024-25 (FY25) was 9.17 months per ₹100 crore in project expenditure. Consumer goods as a sector saw significant improvement in the rate of gestation. This is followed by transport equipment, food and agro-based products, and machinery. Some key manufacturing sectors such as metals and metal products, and textiles have seen a notable decline. *(Business Standard)*

India's trade gap widens in 'tariff tantrum' month; exports surge 9%

India's merchandise trade deficit widened significantly to \$26.42 billion in April from \$21.5 billion in March, as a 9 per cent year-on-year uptick in exports was outweighed by a far sharper surge in imports that hit their third-highest tally in a month that US President Donald Trump's tariff tantrums upended global trade dynamics. *(Business Standard)*



Banking and Monetary Policy

Balancing risks & returns in shifting landscape

Conservative hybrid funds represent the only segment within the hybrid category experiencing steady net outflows, totalling ₹682 crore during the past two years. This declining investor interest primarily stems from the change in taxation of debt-oriented funds in the 2023 Budget, which eliminated capital gains tax benefits and indexation advantages for funds with equity allocation below 35 per cent, a criterion encompassing this category. Consequently, any profits from these funds are now taxed according to the investor's applicable income tax slab rate. *(BusinessLine)*

To stem CASA deposit decline, SBI eyes cash-rich segments

With low-cost current account, savings account (CASA) deposits dipping below 40 per cent of domestic deposits, State Bank of India (SBI) is planning to intensify focus on cash-rich segments such as hotels, hospitals, education institutions, and religious institutions (HHEIRs) and Trusts, Associations, Societies and Clubs (TASCs) to garner these deposits and protect its net interest margin. *(BusinessLine)*

Rupee falls 32 paise to 85.64 against US dollar in early trade

The rupee depreciated 32 paise to 85.64 against the US dollar in early trade on Thursday, tracking a negative trend in domestic equities. Forex traders said investors are awaiting cues from US FED Chair Jerome Powell's speech on Thursday. His comments will be closely watched on how the Central Bank plans to proceed with Monetary Policy easing, they said. *(The Economic Times)*

PSU banks may take a hit on margins as interest rates dip

State-owned banks saw a 26% profit surge in FY25. However, net interest margins may face pressure this fiscal year. Banks like State Bank of India, Canara Bank, and Punjab National Bank anticipate lower margins. Geopolitical factors and potential US tariffs contribute to uncertainty. Credit growth forecasts are also tempered. Overall bank credit is expected to grow. *(The Economic Times)*

Central Board of Directors of Reserve Bank of India reviews Economic Capital Framework of RBI

A meeting of the Central Board of Directors of Reserve Bank of India was held in Mumbai under the Chairmanship of Sanjay Malhotra, Governor. As part of the agenda, inter alia, the Board reviewed the Economic Capital Framework (ECF) of the Reserve Bank of India. *(Business Standard)*

Up to 9% interest rates: FD rates in may, small fin banks lead

Fixed deposits (FDs) remain a popular investment option among risk-averse savers, offering guaranteed returns over a fixed period. According to data compiled by Policybazaar.com, in May 2025, small finance banks continue to offer the most attractive interest rates on FDs. Below are the best FD rates offered by the banks across the sectors and a table containing detailed rates on different tenures. For investors seeking the highest returns, NorthEast Small Finance Bank tops the list, offering up to 9 per cent for general depositors for the tenure of 18 months 1 day to 18 months 2 days. Following closely is Unity Small Finance Bank, providing 8.60 per cent on 1001 days deposits. Suryoday Small Finance Bank secures the third spot with 8.60 per cent on a tenure of 5 years. *(Business Standard)*

State-run banks cautious; target modest 11-13% credit growth in FY26

Despite sharp interest rate cuts, expected in the current financial year amid the easy liquidity conditions, state-run banks are treading cautiously on their loan growth projections for FY26. Most large banks are projecting loan growth at around 11-13 per cent, almost similar to the previous financial year. Similarly, banks' deposit growth is expected to be in the range of 9-11 per cent as mobilisation of retail deposits continues to be a challenge. Bankers said credit growth is expected to be sluggish in FY26 owing to weaker demand across unsecured loans, mortgages. They are also cautious on lending to non-banking financial companies (NBFCs). *(Business Standard)*

Finance Minister highlights critical role of banking and financial sector in ensuring economic stability during heightened geopolitical tensions

Union Minister for Finance and Corporate Affairs Nirmala Sitharaman, recently convened a high-level meeting with the Managing Directors and CEOs of Public and Private Sector Banks and insurance companies amidst emerging security concerns arising from tensions at the border. Senior officials from the Department of Financial Services (DFS), Ministry of Finance, CERT-In, RBI, IRDAI and NPCI attended the meeting that focused on reviewing the banking sector's operational and cybersecurity preparedness, including digital applications such as internet banking and UPI. The Managing Directors and CEOs of all the banks and insurance companies apprised the Union Finance Minister about the measures they are undertaking, given the ongoing tensions at the border. *(Business Standard)*

Indo-Pakistan tensions: Banks saw demand for cash surge near borders

Banks are seeing a surge in demand for cash in north India, particularly in border areas, since the launch of Operation Sindoor. With most of the bank branches in the border areas shut over safety concerns due to shelling by Pakistan, particularly in Punjab and the Union Territory Jammu & Kashmir, banks are working overtime to keep cash in the automated teller machines (ATMs). The demand for cash has gone up as there is apprehension that internet/mobile banking services may be interrupted due to the tension between the two countries. Some of the banks are facing cash demand of around ₹100 crore to ₹110 crore every day from the border areas, said a senior bank official in the northern region. *(Business Standard)*

Account Aggregators: Blueprint for consent managers under the DPDP Act

India's pioneering Account Aggregator (AA) framework has already demonstrated the transformative potential of consent-driven data-sharing in the financial sector. With the passage of the Digital Personal Data Protection (DPDP) Act, 2023, and the release of the Draft DPDP Rules, 2025, the time is right to expand the AA framework to a broader data

governance ecosystem by introducing Consent Managers (CMs). CMs are envisaged as accessible, transparent, and interoperable platforms that act as a single point of contact for Data Principals (individuals) to give, manage, review, and withdraw their consents across a range of Data Fiduciaries. *(The Hindu)*

BCRC seeks remuneration review of Bank Mitras as costs increase

Business Correspondent Resource Council (BCRC), the industry body representing Bank Mitras, has appealed to the Parliamentary Committee on Finance to review the remuneration of Bank Mitras and sought subsidy on their infrastructure cost. Recently, office bearers of BCRC met Bhartruhari Mahtab, Chairperson, Parliamentary Committee on Finance and gave a representation to him. Since Bank Mitras' remuneration is by way of commissions from banks the rates for which were set in 2014, a review has been sought. *(The Hindu)*

RBI reviews capital framework, ignites hope of record dividend to Centre

The central board of directors of the Reserve Bank of India met on Thursday in Mumbai to review the Economic Capital Framework (ECF) of the central bank, a move that could lead to record surplus transfer to the Centre. In the FY26 budget, the government has estimated RBI's surplus transfer in excess of Rs 2.1 lakh crore, an all-time high. The robust dividend in FY25 (RBI accounting year FY24) was against the budget estimate of Rs 80,000-90,000 crore, giving extra fiscal space to the Centre. This enabled the government to spend more as well as to bring down the fiscal deficit to 4.8% of GDP from the budget estimate of 4.9%. *(Financial Express)*

RBI gives final approval to PayU for online payment aggregator

PayU has announced that it has received the final authorisation from the Reserve Bank of India (RBI) to operate as an Online Payment Aggregator under the Payment and Settlement Systems Act, 2007, reported NewsVair. "We are grateful to the RBI for granting us the opportunity to be a responsible contributor to India's payments ecosystem. As we move forward, we remain dedicated to building a resilient, compliant, inclusive, and innovation-driven institution—one that serves merchants of all sizes and contributes meaningfully to the Digital India vision of the RBI and the Government. We sincerely thank our partners, merchants, employees, customers, and all other stakeholders for their continued trust and support," said a PayU Spokesperson. *(Mint)*



External Sector

EXIM Bank pegs overall merchandise exports to grow 3 pc to USD 113.7 bn in Apr-Jun

Export Import Bank of India projects a 3.3% rise in India's merchandise exports, reaching USD 113.7 billion in the June quarter, with non-oil exports expected to surge by 10.9%. This positive outlook hinges on manufacturing revival, trade negotiations, and accommodative policies, though global uncertainties pose risks. The bank's export leading index forecasts continued export growth into the second quarter. *(The Economic Times)*

US-China reciprocal tariff truce likely to narrow India's export edge

The United States (US)-China trade truce, following negotiations over the weekend in Geneva, could erode the tariff advantage Indian exporters enjoyed after Washington slapped steep import duties on Chinese goods in April. The US has agreed to pare back tariffs on Chinese imports from a combined 145 per cent to 30 per cent, including a 20 per cent levy on fentanyl, effective May 14. In return, China will reduce its tariffs on US goods to 10 per cent from 125 per cent. *(Business Standard)*

India's exports rise 9% in April 2025 to \$38.49 billion

Indian exporters started the fiscal on a buoyant note with outbound shipments in April 2025 rising 9.03 per cent (year on year) to \$38.49 billion, led by engineering goods, petroleum products and electronics. But trade deficit increased to a five-month high of \$26.42 billion as import surge was sharper. Imports increased 19.12 per cent (year on year) to \$64.91 billion in April due to a rise in shipments of crude oil and electronics. *(BusinessLine)*

Gem, jewellery exports dim on geopolitical uncertainty

The Gem and Jewellery Export Promotion Council (GJEPC) said exports declined five per cent last month to \$2.04 billion, compared with \$2.13 billion in the same period a year ago, due to escalating geopolitical tensions and the recently introduced Trump tariffs. On the other hand, the overall imports of gems and jewellery declined to \$1.57 billion against \$1.9 billion a year ago. Cut and polished diamond exports dipped 6 per cent to \$1.11 billion (\$1.18 billion). Major consumer markets, including the US and China, are witnessing a slowdown in demand as people are increasingly opting to invest in gold as a safe haven during times of uncertainty, leading to a decline in Indian diamond exports. *(BusinessLine)*

Realising potential of India-UK FTA

India and the UK have concluded a mutually beneficial Free Trade Agreement (FTA) along with a Double Contribution Convention on May 6. The agreement offers India improved access for its labour-intensive sectors such as textiles, leather goods, and gems & jewellery into the UK market, which will help support job creation, manufacturing growth and export earnings. The 12 per cent duty on textiles and up to 18 per cent on gems and jewellery will now be eliminated, creating a level playing field against major competitors. India currently holds a 6-7 per cent share in the UK's textile import market, while Bangladesh and Vietnam has around 12-15 per cent. With this tariff cut and India's strong textile value chain, that gap may narrow sharply in the next few years. *(BusinessLine)*

India notifies WTO of plan to impose retaliatory tariffs on U.S. imports

At a time when India and the U.S. are in talks over a trade deal, fresh tensions have emerged as India has notified the World Trade Organization (WTO) of its proposal to impose tariffs on \$7.6 billion worth of imports from the U.S. in retaliation for that country raising its import duties on steel and aluminium to 25%. According to a communication from the WTO, India's reciprocal measures could kick in 30 days from the date it sent its notification to the WTO — May 9. The WTO said it was circulating the communication "at the request of the delegation of India". *(The Hindu)*

India en route to boost Gulf trade amid tensions with Pakistan

India strengthens its economic bonds with Gulf nations. Trade agreements are being finalized. A free trade agreement with Oman is expected soon. Similar pacts with Qatar

and other Gulf countries are under consideration. India already has a trade deal with the UAE. Negotiations with the Gulf Cooperation Council are ongoing. *(The Economic Times)*

India, US working on new customs audit process to cut trade friction

India and the US are collaborating on a revised customs audit process to reduce consignment rejections and expedite goods movement amidst ongoing trade negotiations. Discussions involve clearer protocols, relaxed certification norms for seafood and genetically modified agri-produce, addressing key contention points. *(The Economic Times)*

India's palm oil imports in April fall over 24% m/m

India's vegetable oil imports in April plunged to their lowest in over four years, led by declines in palm oil imports, dragging inventories to their lowest in nearly five years. Depleted stocks may mean India, the world's biggest buyer of vegetable oils, will increase imports of palm oil and soyoil in the coming months, supporting Malaysian palm oil prices and U.S. soyoil futures. *(The Economic Times)*



Agriculture and Rural Economy

Paddy, pulses acreage has increased this kharif season: Centre

The cultivation of paddy, pulses, coarse grains, and oilseeds has expanded this kharif season, the Agriculture Ministry said here on Monday, after a meeting chaired by Union Minister Shivraj Singh Chouhan. As on May 2, paddy sowing has increased by 3.44 lakh hectares, compared with last year. The sowing of pulses increased by 2.20 lakh hectares. In 2023-24, paddy acreage was 28.57 lakh hectares and in this season, it is 32.02 lakh hectares. "Sowing of pulses has increased to 20.67 lakh hectares in 2024-25 as compared to 18.47 lakh hectares in 2023-24," the Ministry said, adding that cultivation of popular pulses varieties such as moong and urad has also increased by 1.70 lakh hectares and 0.50 lakh hectares, respectively. *(The Hindu)*

Indian summer crops sowing up 7% on conducive weather, ample water

The sowing of summer or zaid crops was nearly 7 per cent higher than last year as of May 9, with the area under almost all crops rising. The acreage increased due to conducive weather and the availability of water for irrigation in key States such as Gujarat, Maharashtra and Madhya Pradesh. The higher coverage of zaid crops will likely result in record production of rice and maize. According to the Ministry of Agriculture, 78.82 lakh hectares (lh) have been covered under zaid crops — cultivated between rabi harvest and kharif sowing — compared with 71.94 lh a year ago. The coverage of most crops is higher than normal, too. *(BusinessLine)*

Tata-Cornell Institute project promotes diverse food value chains

A new project titled 'Promoting value chains for climate resilience and nutritious diets' at the Tata-Cornell Institute for Agriculture and Nutrition (TCI) aims to bolster Indian food value chains in support of the diversification of the country's food system. TCI researchers say that diversification is key to overcoming India's high malnutrition rates and making its food system resilient in the face of climate change, but value chains for non-staple crops need strengthening. *(BusinessLine)*

Raising domestic cocoa output will help cut imports by 50%, says DCCD chief

Surging prices, rocketing demand and the potential to boost rural income generation make a strong case for considering cocoa as a strategic crop in India's agricultural portfolio, according to experts. India is currently a net importer of cocoa beans and products to sustain its booming chocolate industry. Femina, Director, Directorate of Cashewnut and Cocoa Development (DCCD), said the country's cocoa sector has the potential to emerge as a vibrant, self-sustaining industry providing strategic interventions such as scientific area expansion, robust planting material production, intensive capacity building, and collaborative stakeholder action. *(BusinessLine)*

Solar-powered farming: Maharashtra shows the way

In 2024, agriculture used around 255 billion kWh of electricity—about 20% of India's total. Meeting this with solar is ambitious but feasible through feeder separation, now done in all states except Tamil Nadu. Maharashtra has led in feeder solarisation, signing PPAs for 16 GW of solar at ₹2.97–₹3.10/kWh for 25 years. Incentives included land access, early commissioning bonuses, funds for gram panchayats, and a ₹700-crore payment security fund. This ensures daytime power for farmers and stable costs for the state. Feeder-level solarisation, part of PM-KUSUM Component C, is progressing slowly nationwide, with only 4 lakh of 35.78 lakh sanctioned pumps solarised so far. *(BusinessLine)*

Before kharif 2026, India may have a complete seed digitisation system

As many as 24 States are on board with the Central government's SATHI portal as part of the digitalisation process of the seed production chain. The chain starts from the breeder to the foundation and from the foundation to certified seeds under the supervision of State Seed Certification Agencies (SSCAs). Work has begun to digitalise the "distribution value chain", which is likely to be completed before kharif 2026. Maharashtra was the first State to complete the process of digitalising the entire seed retail chain by capturing all the required information online from the kharif 2024 season. Others like Assam, Chhattisgarh, Punjab, Maharashtra, Karnataka, West Bengal, Rajasthan, Odisha, Jammu & Kashmir and Uttarakhand joined in the last rabi season. *(BusinessLine)*

Digital currency comes to farmers' aid

To provide benefits of softer agricultural loans to landless farmers, NABARD has initiated pilots in selected districts of Andhra Pradesh and Odisha aimed at providing benefits of kisan credit cards (KCCs) through RBI's central bank digital currency (CBDC). State Bank of India is currently running pilots in Krishna, west Godavari, and east Godavari districts of Andhra Pradesh and Cuttack and Puri districts in Odisha, where digital currency is being used for supporting tenant farmers for usage for purchasing fertiliser, seeds and seeds through identified vendors. *(Financial Express)*



Counter-drone start-ups see surge in demand amid renewed defence focus

India's defence-tech start-ups focusing on counter-drone systems are seeing a sharp spike in demand as heightened tensions with Pakistan prompt the armed forces to ramp up their arsenal. The recent flare-up has triggered a renewed emphasis on indigenous capabilities, with a clear policy-level push for private players to fast-track innovation and deployment. Firms such as Big Bang Boom Solutions, Kepler and Zebu Intelligent Systems are at the forefront of this shift, building technologies that span the entire drone warfare spectrum — from detection and jamming to active neutralisation. The segment has cumulatively raised over \$40 million since 2019, according to industry estimates. *(BusinessLine)*

How India moved from import dependence to exporting of defence arsenal

Prime Minister Narendra Modi stated on Monday that India has not only outperformed Pakistan on the battlefield, but also demonstrated its edge in 21st century warfare, using indigenously developed defence systems. The operation proved India's strength in deserts and mountains, and validated the credibility of home-grown weaponry. This statement is backed by numbers. According to Ministry of Defence data, India's defence production reached an all-time high of ₹1.27 lakh crore in FY2023–24, up from ₹46,429 crore in 2014–15. Defence exports too hit a record ₹23,622 crore in FY 2024–25, up from ₹686 crore in 2013–14. The government now targets ₹3 lakh crore in production and ₹50,000 crore in exports by 2029. *(BusinessLine)*

Is Microsoft layoff a signal for India's tech sector to cut its flabby middle?

Shockwaves are rippling through the IT sector on news of Microsoft laying off around 3 per cent of its global headcount (an estimated 7,000 people). As the company hinted on this Tuesday that it was implementing changes to reduce the 'layers' of management, the tech sector viewed it as an early signal for India's IT companies to reduce their paunchy middle. *(BusinessLine)*

Making Indian steel globally competitive

Despite the US-China trade deal in Geneva, the imposition of 55 per cent duties on Chinese steel exports to the US significantly increases the risk of large-scale steel dumping from China into India. The US duty on Chinese steel was 170 per cent before the deal (25 per cent imposed initially and 145 per cent later). In response, India has swiftly set-up an import-surge monitoring group and has imposed safeguard duties on steel, building upon an already robust framework of protective and prohibitive measures. However, a stark structural gap remains: China's massive steel capacity of over 1,050 million tonnes (mt) dwarfs India's 150 mt in 2024, despite both being world's largest and second largest producers respectively. This imbalance severely restricts India's long-term ambition of emerging as sustainable and reliable supplier to the world economy. *(BusinessLine)*

Rise of the defence innovation ecosystem in India

The headlines around Operation Sindoor focused on India's assertiveness, the powerful visual of two women officers shaping the narrative, and the munitions used. However, a

crucial but less discussed aspect of the operation was the quiet and significant role played by the defence innovation ecosystem in India. A prominent defence innovation example used in Operation Sindoor was SkyStriker Loitering Munitions, which are suicide drones developed by Bengaluru-based Alpha Design Technologies. This precision-striking drone was used in covert operations, given its low noise. It could carry a 5-10 kg warhead and has a range of 100 km. It was not just about the offensive, drone innovations were crucial in playing defence too. For instance, the D-4 anti-drone system developed by the DRDO was instrumental in neutralising hostile drones by disrupting GPS signals. Indigenously developed innovations were also used for other purposes, such as surveillance and unmanned systems. *(BusinessLine)*

Skincare, cosmetic companies see larger potential in UK with India-UK trade agreement

With the India-UK Free Trade Agreement (FTA) easing trade in goods and services, India's skincare and cosmetic companies are eyeing the UK as a large potential market. Companies exporting to the UK now face up to 20 per cent tariff, resulting in restrictive exports. *(BusinessLine)*



News on Kerala

Birth rates in Delhi, Kerala, and T.N. declining at twice the rate of national average: report

The annual crude birth rates (live births per 1,000 people in the population) in Tamil Nadu, Delhi and Kerala are declining at twice the rate of the national average, showed data from the Sample Registration System (SRS) Statistical Report, 2021, released by the Registrar- General of India last week. The data showed that the all-India crude birth rate was 19.3 in 2021, dropping at a rate of 1.12% every year from 2016 to 2021. In comparison, in the same period, the birth rate in Tamil Nadu has been declining at a rate of 2.35% every year, Delhi's at a rate of 2.23% and Kerala's at 2.05%. The data showed that the slowest rate of decline in birth rate was seen in States such as Rajasthan (0.48%), Bihar (0.86%), Chhattisgarh (0.98%), Jharkhand (0.98%), Assam (1.05%), Madhya Pradesh (1.05%), West Bengal (1.08%), and Uttar Pradesh (1.09%). The data further revealed that Uttarakhand was the only State which saw a rise in birth rate in this period. *(The Hindu)*

Erumely airport: govt. seeks to speed up land acquisition

Aimed at expediting land acquisition for the Sabarimala greenfield international airport, the authorities will soon open a special tehsildar office in Erumely or Kanjirappally in Kerala. Official sources said a special tehsildar too would be appointed for coordinating the acquisition process. An office of the general land acquisition tehsildar under the Revenue department had already launched proceedings for a detailed survey of land. *(The Hindu)*

State overcame financial hurdles: Balagopal

Finance Minister K.N. Balagopal said here on Tuesday that the total tax and non-tax revenues were expected to cross ₹1 lakh crore at the end of the current fiscal. The total tax and non-tax revenues increased from ₹54,000 crore in the 2020-21 financial year to

₹95,000 crore this fiscal. “The tax revenue when the Left Democratic Front (LDF) came to power was ₹47,000 crore. It has now gone up to about ₹81,000 crore,” he said in his inaugural address at the complaint redressal adalat held in the Kalamassery Assembly constituency. He added that the government did not increase the prices of liquor, despite it being a key revenue source as it might lead to an increase in the use of narcotic substances. The government ensured efficiency across sectors and it helped overcome the various hurdles, he said. *(The Hindu)*

Kerala to move court to recover ₹1,500 cr withheld by Centre over PH SHRI

The Kerala government on Tuesday said it would explore both legal and protest avenues to secure over Rs 1,500 crore in funds allegedly withheld by the Centre under various centrally sponsored schemes because Kerala has not signed the PM SHRI scheme memorandum. State General Education Minister V Sivankutty said that Kerala will join forces with Tamil Nadu to press for their rightful share. He accused the central government of discriminatory practices. *(Business Standard)*

Wayanad township project: Kerala cabinet grants ₹351 cr

Thiruvananthapuram: Nearly two months after laying the foundation stone for the township project to rehabilitate people displaced by Wayanad landslides, the Kerala cabinet on Thursday sanctioned ₹351 crore for the project. According to an official statement issued by the Kerala government, the cabinet, chaired by Chief Minister Pinarayi Vijayan, granted administrative sanction for the amount. *(onmanorama)*

GULATI INSTITUTE OF FINANCE AND TAXATION
GIFT Campus, Chavadimukku,
Sreekariyam, Thiruvananthapuram, Kerala - 695017
Phone : 0471 2596970, 2596980, 2590880, 2593960
Fax : 0471 2591490
Email : giftkerala@gmail.com



An Autonomous Institution of Government of Kerala

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