Public Finance

16th Finance Commission will submit its report to Centre by Oct 31: Chairman

Chairman of the Sixteenth Finance Commission Dr. Arvind Panagariya on Monday said the commission will submit its report to the central government by October 31.Panagariya said this in a meeting of the commission held here with Chief Minister Pushkar Singh Dhami.The chairman praised Uttarakhand for moving ahead rapidly on the development front and said that in view of the difficult geographical conditions, extensive discussions will be held to find solutions to the challenges being faced by other hill states, including Uttarakhand. *(ThePrint)*

States' capex likely grew 9% in FY25

States' capital expenditure likely rose 9% in FY25 to Rs 6.65 lakh crore, down from 27% growth in FY24, amid efforts to cap fiscal deficits at 3% of GSDP. Slower tax revenue growth and higher borrowings impacted spending, with Centre's interest-free loans aiding capex levels.A review of the finances of 16 states by FE showed that their capex in FY25 rose to Rs 6.65 lakh crore compared with Rs 6.09 lakh crore in the previous year. These states are: Madhya Pradesh, Andhra Pradesh, Uttar Pradesh, Maharashtra, Tamil Nadu, Gujarat, Haryana, Karnataka, Kerala, Odisha, Punjab, Rajasthan, Telangana, Assam, Chhattisgarh and Uttarakhand. *(Financial Express)*

Telangana achieves 75.85% revenue target in 2024-25, spends 51% of it on wages, pension and interest payment

The Telangana government has registered overall revenue receipts of ₹1.67 lakh crore during the financial year 2024-25. The revenue receipts, including capital receipts in the form of market borrowings to the tune of ₹48,322 crore, indicated that the State could The State had borrowed ₹64,456 crore till the end of February and reportedly repaid ₹16,134 crore in March, which includes settlement of ways and means advances, taking the total borrowings to ₹48,322 crore.achieve little over 75% target of the ₹2.21 lakh crore projected for the financial year. *(The Hindu)*

Higher defence spends won't stretch India's finances: Economists

The Central Government has enough fiscal space to absorb a jump in defence expenditure without deviating from its fiscal deficit target of 4.4% for this financial year, according to economists.This is largely in keeping with India's past performance, where the fiscal deficit has been under control during periods of heightened tensions with Pakistan, unless it has escalated into a full-blown war, or if global crises have taken place. The Ministry of Defence is reportedly going to ask for an increase in its Budget to the tune of ₹50,000 crore this year, in the Supplementary Demand for Grants in December. This extra spending, however, is manageable for the government as it is expecting higher revenue, and has the flexibility to cut some other expenditure. *(The Hindu)*

Positive effect of social transfers

The World Bank Poverty and Equity Brief published in April 2025 shows that India has reduced poverty significantly in the last decade. A closer look at the HCESs 2022-23 and 2023-24 shows that one possible factor behind the impressive poverty reduction can be the consumption support provided through various social welfare schemes. These traditionally include the PDS, different livelihood support schemes, and pension and financial inclusion schemes. *(BusinessLine)*

Taxation

Tamil Nadu's own tax revenue grew by 7.6% in 2024-25

Tamil Nadu's own tax revenue stood at ₹1,80,225.53 crore in fiscal 2024-25, up about 7.6% from ₹1,67,105.18 crore in fiscal 2023-24, as per the preliminary un-audited provisional figures from the Comptroller and Auditor General of India (CAG). In 2024-25, State's Own Tax Revenue (SOTR) was estimated at ₹1,92,752.43 crore in Revised Estimates, when compared to the projection of ₹1,95,173 crore made in the Budget Estimates, as per the State Budget for 2025-26. The SOTR contributes 75.3% of Tamil Nadu's total revenue receipts. Among its components, the State Goods and Services Tax (SGST) increased by 14.4% from ₹61,960.29 crore in 2023-24 to ₹70,886.65 crore in 2024-25, as per the numbers from the CAG. The State also saw its revenue from Stamps and Registration Fees increase to about 15% from ₹19,013.36 crore in 2023-24 to ₹21,878.27 crore in 2024-25. *(The Hindu)*

MCD launches tax amnesty scheme SUNIYO for FY26, waives old dues, penalties

The Municipal Corporation of Delhi (MCD) on Wednesday announced the rollout of a one-time property tax amnesty scheme for the financial year 2025-26. Under the Sumpattikar Niptaan Yojana (SUNIYO), people will be able to pay the principal amount of property tax of the current year (2025-26) and the previous five years (2020-21 onwards) in one go and all their previous dues (before 2020-21), including interest and penalty will stand waived off, the municipal corporation said. *(Business Standard)*

₹956.16 crore cut from IGST share of Kerala: Finance Minister Balagopal

Systemic issues in the Integrated Goods and Services Tax (IGST) settlement mechanism has cost Kerala ₹956.16 crore, according to the Finance Department. Finance Minister K.N. Balagopal said here on Wednesday that the Centre slashed IGST shares of all States on the grounds that excess amounts had been credited to them. Under this decision, Kerala's IGST share was reduced by ₹956.16 crore. However, there was a lack of clarity regarding the excess settlements, he said. Levied on the inter-State supply of goods and services, IGST is collected by the Centre. The accounts are settled periodically and the revenue is shared between the Centre and the States. In July 2024, the Kerala Public Expenditure Review Committee had advised the Kerala government to closely monitor IGST inflow as the present system resulted in revenue loss for it. *(The Hindu)*

Ease in GST appeal: Now you can make pre-deposit payment for through input tax credit, rules Supreme Court, know who will benefit from it

In what may be termed as an important judgement for Goods and Services Tax (GST) registered taxpayers, the Supreme Court on May 19, 2025, allowed using input tax credit (ITC) to pay the mandatory pre-deposit amount required for filing an GST litigation case appeal. In technical terms, the Supreme Court rejected the petition filed by the government that challenged the Gujarat High Court's judgement which allowed using electronic credit ledger (ECL) for paying the mandatory pre-deposit amount. *(The Economic Times)*

National Accounts and State of the Economy

India to invest $10 billion in homegrown oil tanker fleet by 2040

As the world's third-biggest importer of oil seeks to have its own fleet to secure supplies. Despite the global push for transition to cleaner sources of energy, India's crude oil refining capacity is set to expand — to 450 million tons by the end of the decade from about 250 million tons now — on the back of growing domestic and overseas demand for oil products. For a nation that relies on imports for the bulk of its crude oil needs, it's imperative to have sufficient shipping capacity of its own to carry out its energy trade. *(Business Standard)*

Net foreign direct investment moderates to US$ 0.4 billion in FY25 from US$ 10.1 billion in previous year

This is a sign of a mature market where foreign investors can enter and exit smoothly, which reflects positively on the Indian economy. Nonetheless, gross inward FDI witnessed a double-digit growth of 13.7 per cent and stood at US$ 81 billion during 2024-25. Gross FDI inflows remain concentrated in manufacturing, financial services, electricity and other energy, and communication services sectors, with a share of more than 60 per cent. Singapore, Mauritius, the UAE, the Netherlands, and the US accounted for more than 75 per cent of the flows during this period. *(Business Standard)*

A third of GenZ investing in securities mkt: Sebi chief Tuhin Kanta Pandey

Nearly a third of GenZ investors are now participating in the securities market, Sebi chief Tuhin Kanta Pandey said on Thursday, while lauding digital transformation and the strengthening of digital public infrastructure which he said have unlocked efficiencies and inclusion on an unprecedented scale. *(Business Standard)*

Analysing poverty levels in India by comparing various surveys

A recent paper has estimated that poverty reduction in India slowed down significantly after 2011-12. While poverty levels of 37% in 2004-05 fell to 22% by 2011-12, it has since fallen only by 18% in 2022-23, the paper finds based on its own calculations. The paper notes that the various contradictory estimates can essentially be clubbed into three broad buckets based on their methodology. *(The Hindu)*

Summer travel pushes petrol sales by 10% in first half of May, shows data

Petrol consumption rose to 1.5 million tonne during May 1-15 from 1.37 million tonne sales a year back. Its demand was up 10.5 per cent over consumption of 1.36 million tonnes in May 1-15, 2023 and nearly 46 per cent higher than Covid-marred first fortnight of May 2021. Diesel sales were up 2 per cent to 3.36 million tonnes, the data of three state-owned fuel retailers, who control about 90 per cent of the fuel market, showed. The consumption of India's most used fuel has rebounded since last month. *(Business Standard)*

Agri, pharma, electronics, engineering made up 50% of FY25 exports: Govt

according to government data, highlighting the country's growing strength in diverse sectors amid efforts to boost manufacturing and value-added exports. Engineering goods contributed the highest share of 26.67 per cent to India's USD 437.42 billion exports in 2024-25, while agriculture, pharmaceuticals, and electronics accounted for 11.85 per cent, 6.96 per cent, and 8.82 per cent, respectively. The data showed that the electronic goods sector saw the highest export growth rate at 32.46 per cent, jumping from USD 29.12 billion in 2023-24 to USD 38.58 billion in the last fiscal year. It was USD 23.6 billion in 2022-23 and USD 15.7 billion in 2021-22. *(Business Standard)*

Banking and Monetary Policy

Indian lenders seek overnight liquidity ops, easier reserve norms from RBI, sources say

Indian lenders have urged the central bank to revert to overnight liquidity management operations and sought easier cash reserve requirements, four sources familiar with the matter said. The Reserve Bank of India (RBI) met some lenders on Wednesday for feedback on its liquidity management framework, its second such meeting in less than two months after a similar discussion in April. *(The Economic Times)*

RBI reviewing shareholding norms for banks, says Guv Sanjay Malhotra

The Reserve Bank of India is examining shareholding norms and licensing rules for banks as part of a broader review, Governor Sanjay Malhotra told the Times of India in an interview, less than a month after Japanese lender Sumitomo Mitsui signed a deal to acquire 20% in Yes Bank. While India permits 74% foreign direct investment in private banks, it restricts a single financial entity from holding more than 15% unless a regulatory exemption is granted. *(Business Standard)*

IndusInd Bank flags fraud of Rs 172.58 cr, suspects staff involvement in recent accounting lapses

IndusInd Bank on Wednesday disclosed a suspected case of internal fraud involving its microfinance operations, with Rs 172.58 crore wrongly recorded as fee income across three quarters in the financial year 2024–25. The irregularity came to light following investigations by an external professional firm and the bank’s Internal Audit Department (IAD). *(The Economic Times)*

Credit growth may slow in FY26 as lenders focus more on secured loans

Disproportionate focus on retail asset quality, through a downcycle in policy rates, would lead to tepid credit growth for banks that would struggle to expand core profitability-or net interest margin (NIM)-through FY26, Fitch Ratings said on Tuesday. "We expect slower-to-stable loan growth in FY25 and FY26, after 2 consecutive years of mid-teen growth," Fitch Ratings said in a report. "We don't expect growth to pressure solvency as banks calibrate growth and risk, driven by secured retail, and supported by opportunistic SME and corporate lending." *(The Economic Times)*

RBI revises draft on REs' AIF investments

The Reserve Bank of India (RBI) issued revised draft directions on investment by Regulated Entities (REs) in Alternate Investment Funds (AIFs) after observing its regulatory steps brought financial discipline among REs concerning investments in AIFs. The Securities & Exchange Board of India had also issued guidelines on specific due diligence with respect to investors and investments of AIFs. As per the draft, a single RE's contribution to any AIF scheme will be capped at 10% of corpus and collectively a ceiling of 15% will apply for investment by all REs in AIF scheme. *(The Hindu)*

Finance Ministry looking into how to enhance dividends from RBI

The Ministry of Finance is taking direct interest in the Reserve Bank of India's (RBI) review of its rules pertaining to capital buffers, which affect how much dividend it can send to the government, The Hindu has learnt. Since January this year, RBI officials have been reviewing the central bank's Economic Capital Framework (ECF). The ECF was last reviewed in 2018 by a committee headed by former RBI Governor Bimal Jalan, which recommended that the bank's Contingency Risk Buffer (CRB) should be 5.5-6.5% of the RBI's balance sheet. Once these levels are met, the rest is to be transferred to the government as surplus or dividend. *(The Hindu)*

RBI board reviews economic capital framework ahead of surplus transfer

The central board of the Reserve Bank of India (RBI) on Thursday met and reviewed the economic capital framework (ECF), ahead of the next board meeting later this month to finalise how much surplus it would transfer to the central government. The transferable surplus for a year is arrived at on the basis of the ECF adopted by the central bank in 2019 in accordance with the recommendations of an expert committee. That was for finalising the accounts of 2018-19. Former RBI governor Bimal Jalan had chaired the committee. *(Business Standard)*

SBI cuts fixed deposit rates by 20 bps

Country's largest lender State Bank of India (SBI) has cut fixed deposit rates by 20 basis points across tenors effective May 16. As per the bank's website, the cut in interest rates on retail domestic term deposits below Rs 3 crore is applicable for both general public and senior citizens. Deposits for 2 years to less than 3 years gives the maximum interest to investors at 6.7 per cent, followed by 3 years to less than 5 years which gives 6.55 per cent interest from May 16. *(The Economic Times)*

India-US trade agreement talks to resume May 17 with ministerial oversight

India and the US will commence ministerial-level meetings in Washington from May 17 to assess the progress of negotiations for the proposed bilateral trade agreement, provide political guidance to chief negotiators and push forward efforts to deepen economic ties, an official said.Commerce and Industry Minister Piyush Goyal will hold deliberations on the agreement first with US Commerce Secretary Howard Lutnick and later with US Trade Representative (USTR) Jamieson Greer during his fourday visit, the official said.The minister will be holding political-level discussions to give negotiations a political steer. They will assess the progress made in the negotiations in the past two months, the official said.The ministerlevel meeting will be followed by the deliberations between chief negotiators of the two countries from May 19 to May 22. *(Business Standard)*

Indian shippers see cargo rush, freight rates surge

After the United States (US) administration announced a 90day pause on the tariff war with China last week, Indian shippers are facing the risk of being caught in disruption in global supply chains because Chinese goods are seeing an evacuation rush. The USChina announcement on the temporary lowering of tariffs fired the starting gun for shippers to rush as many imports as they can during the 90day window of opportunity.There is no time to waste for these shippers and the rush of cargo will put upward pressure on spot rates on transpacific trades, said Peter Sand, chief analyst, Oslo-based market intelligence firm Xeneta.The effects of the announcement were visible immediately.On Thursday, the Drewry world container index,a global benchmark index that measures weekly ocean freight rates for eight major eastwest routes, rose 8 per cent to $2,233 after multiple weeks of decreasing rates. *(Business Standard)*

India curbs entry of Bangladesh goods

India on Saturday imposed curbs on several goods imports from Bangladesh, including the entry of readymadee garments through the land route, which could affect the Indian operations of global brands like H&M, Zara and Uniqlo that source apparel from the country.The restrictions come in the wake of similar curbs placed by Dhaka this April on imports of rice and yarn, and bans on other products from India.These restrictions could hit almost 42 per cent of India's imports from Bangladesh worth $770 million, think tank Global Trade Research Initiative (GTRI) said ina note on Sunday.Readymade garments imports, worth $618 million, now face strict routing through only two Indian seaports, GTRI reckoned. *(The Hindu)*

Trade talks: India to push US to lift non tariff curbs

India is set to push the United States (US) to remove nontariff barriers (NTBs) for its goods exporters, in the ongoing negotiations for a bilateral trade agreement (BTA).While the US has a long list of NTBs it wants to discuss with India, we too will raise a number of those faced by our companies there.However, the US side is not keen to discuss nontariff measures (NTMs) like the sanitary and phytosanitary measures,a government official said.NTMs generally pertain to health and safety norms for food and agriculture products.The official said Indian industry had raised the matter of regulatory hurdles and the high cost of certification,, among other issues, that are primary obstacles to increasing outbound shipments to the US. *(Business Standard)*

UK FTA: India may leave Pak, Turkiye behind in textile exports

India's FTA with the UK should enable it to surge past Pakistan and Turkiye to emerge as the third largest supplier of apparel and textiles to the UK, with its exports set to geta levelplaying field against rivals like Bangladesh, Vietnam, and Pakistan that enjoy dutyfree market access.Icra expects India's textile export volumes to the UK to double in the next 56 years after the revised zero tariffs kick in. *(Business Standard)*

India, EU eye early harvest deal by July

Negotiations for a proposed trade pact between India and the 27nation European Union are progressing at a faster pace and both the sides are looking at concluding the talks for an early harvest trade agreement by July this year,a government official said on Wednesday.The early harvest or an interim trade agreement would include issues such as intellectual property rights (IPRs), government procurement, tariff, and nontariff barriers, the official said.An Indian official team from the commerce ministry is visiting Brussels this week for the next round of negotiations on the trade agreement with the European Union (EU). This visit comes in the backdrop of recently concluded eleventh round of talks between chief negotiators of both the sides on May 16 here in the national capital.We are looking for an early harvest.We are trying to do it as early as possible. *(Business Standard)*

U.N. snips outlook for India growth to 6.3% on global slowdown

The United Nations (U.N.) has lowered its growth projections for India for this year and the next, to 6.3% and 6.4% respectively or 0.3 percentage points lower than earlier projections.The forecast is in line with slower growth forecast for global economy on heightened trade tensions and policy uncertainty.The U.N.'s mid-year update of its World Economic Situation and Prospects 2025 report forecast global growth to slow to 2.4% in calendar year 2025 and to 2.5% in 2026 both lower by 0.4 percentage points than January projections.For India, the data is based on calendar years rather than financial years, it uses. The U.N. noted despite trade and tariff talk uncertainties, India can remain reasonably resilient. *(The Hindu)*

Brookfield plans to raise India bet to $ 100 bn in 5 yrs

Brookfield Asset Management plans to ramp up its investments in India to $100 billion over the next five years, from $30.6 billion currently, as part of a broader strategy to double its global assets under management (AUM), President Connor Teskey said on Thursday.The New York-based alternative asset major, which manages more than $1 trillion across renewables, infrastructure, private equity, real estate, and credit, expects its global AUM to reach $2 trillion within the same timeframe.We expect our global business to more than double over the next five years, said Teskey, 38, who is widely expected to become Brookfield's next global chief executive officer..If that is the case, then in high growth regions like India, where we see powerful tailwinds and enormous opportunity, its entirely reasonable to expect our exposure to triple or even quadruple.
(Business Standard)

All-India consumer price inflation for agricultural labourers softens to 3.48% in Apr-25

The All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) (Base: 1986-87=100) increased by 1 point each for the month of April 2025, to stand at 1307 and 1320 points, respectively. The year-on-year inflation rates based on CPI-AL and CPI-RL for April 2025 were recorded at 3.48% and 3.53%, respectively, compared to 7.03% and 6.96% in April 2024. The corresponding figures for March 2025 stood at 3.73% for CPI-AL and 3.86% for CPI-RL. *(Business Standard)*

Agri sector growth likely to be 3-3.5% in FY26'

Union Agriculture Minister Shivraj Singh Chouhan said on Monday that India's agricultural sector is projected to achieve a growth rate of 3-3.5 per cent in FY26, building on the record crop production of 2024-25.Speaking at a press conference, Chouhan highlighted the significance of this growth, stating, "Globally, an agricultural growth rate of 1.5-2 per cent is considered good. India is consistently achieving at least 3 per cent to 3.5 per cent growth. We anticipate this momentum to continue into the next fiscal year (2025-26)." He urged the media to support the upcoming 15-day campaign aimed at connecting farmers with agricultural research. *(BusinessLine)*

Global rice prices stay at the bottom

Global rice prices remain near two-year lows due to weak demand from Africa and Southeast Asia, with both buyers and sellers trading cautiously. High inventories in countries like Benin and uncertainty in markets such as the Philippines have added to the slowdown. Despite competition, Indian rice holds an edge over Pakistani varieties. Prices of 5% broken white rice show only minor changes, with India offering at $382/tonne. India lifted export curbs after building strong reserves, and global production for 2024–25 is expected to exceed 535 million tonnes, adding to oversupply. Traders expect market movement only by Q3, while currency fluctuations may cause volatility. *(BusinessLine)*

Govt to invest ₹1,280 cr to upgrade FCI, CWC godowns

Union Food Minister Pralhad Joshi on Tuesday launched three digital initiatives — the Depot Darpan portal and the Anna Mitra and Anna Sahayata mobile apps — to modernize grain storage operations of the Food Corporation of India (FCI) and the Central Warehousing Corporation (CWC). Aimed at boosting efficiency and transparency in the Public Distribution System (PDS), the Centre will invest ₹1,000 crore to upgrade FCI godowns and ₹280 crore for CWC warehouses. Joshi emphasized that with over 2,278 godowns in use, the move will help reduce losses, curb leakages, and ensure quality foodgrain reaches over 80 crore beneficiaries under the National Food Security Act. *(BusinessLine)*

India surmounts the Great Wall to emerge as world's top rice producer

This is another new normal from India. It has emerged as the world's largest producer of rice, with its output in the 2024-25 season to June estimated at over 149 million tonnes (mt). India has been able to achieve this, thanks to the efforts of agricultural scientists and some States' continued incentives for the paddy crop.The government will release the crop production estimates soon, in which the production of rice has been estimated to be over 149 million tonnes (mt). This relegates China to the number two position. According to the United States Department of Agriculture (USDA) data, China's rice production is estimated to be 144.62 mt in 2024-25. The agency projected production in 2025-26 to be 148 mt in India and 145.28 mt in China. *(BusinessLine)*

Lower castorseed production may affect exports, says SEA chief

The Solvent Extractors' Association of India (SEA) has raised concerns that a decline in castorseed production—from 19.6 lakh tonnes to 15.6 lakh tonnes due to reduced acreage and adverse weather—may impact India's castor oil exports in 2025. SEA President Sanjeev Asthana noted India meets nearly 90% of global demand. On the de-oiled rice bran (DORB) export ban imposed in July 2023, SEA urged the government to lift it, citing a price drop below ₹9,000/tonne and surplus stock due to rising use of DDGS, affecting processors in West Bengal and Odisha. SEA also called for increasing the duty differential between crude and refined palm oil from 7.5% to 15% to support domestic refiners, following discussions with key union ministers and officials. *(BusinessLine)*

Shedding old habits: Rethinking agricultural practices in India

India's pledge to achieve net zero emissions by 2070 faces a key challenge from its agriculture sector, especially the environmentally unsustainable rice-wheat cropping pattern established during the Green Revolution. The Indo-Gangetic Plains, particularly Punjab and Haryana, are major contributors to methane emissions due to water-intensive paddy cultivation and overuse of nitrogenous fertilisers. This has led to environmental degradation and growing fiscal burdens from subsidies. To address this, experts suggest a shift towards millet cultivation, which is more climate-resilient, nutritionally superior, and less resource-intensive. *(Business Standard)*

Processed food products exports surge 15% in April

India's processed food exports surged 15% YoY to $2.13 billion in April 2025, driven by strong rice, meat, and fruit shipments. With eased rice export restrictions and projected bumper harvests, trade outlook remains strong. APEDA basket exports hit $25.14 billion in FY25, up 12%.India's export of agricultural and processed food products have commenced on a brisk note in the current fiscal with the shipments rising by over 15% to $2.13 billion in April, 2025 on year. The rise in farm-sector shipments were driven primarily by a sharp increase in exports of rice, meat and fruits and vegetables last month. *(Financial Express)*

Industry, Manufacturing, Services and Technology

India eyes global stage for ports biz

India is eyeing a strategic expansion of its port infrastructure and management capacities on a global scale. Post its fruitful engagement at Chabahar port in Iran and other ports in its immediate neighbourhood, the country is scouting for opportunities in African nations for port and/or berth operations. *(BusinessLine)*

Amid concerns over REE availability, EV makers seek govt intervention

Some of India's top EV makers have reached out to the Centre — and associated line Ministries — seeking their intervention to ensure continued supply of critical minerals, including rare earth elements (REE), like magnets, from China. Supply restrictions by Asia's largest economy are seen as a possible hiccup in India's EV push, including a possible delay in the roll-out of flagship PM schemes on green mobility. Price rise in EVs are not ruled out either if shortages of supplies continue. Rare earth magnets, particularly neodymium-iron-boron (NdFeB) magnets, are vital in EV manufacturing. *(BusinessLine)*

Government proposes 6GHz spectrum band for faster broadband; industry wants more

The government has proposed to make more airwaves available for faster broadband speeds, but the industry wants more. The Department of Telecommunications (DoT) issued a draft paper to de-licence the lower portion of the 6GHz spectrum band, (5,925-6,425 MHz), freeing up 500 MHz of spectrum. While the Broadband India Forum (BIF) welcomed the draft notification as a "much-needed first step towards unlocking the immense potential of the 6GHz band for India's digital and economic transformation", it also pushed for a further licence exemption of an additional 160 MHz, bringing the total de-licencing to at least 660 MHz *(BusinessLine)*

Indian alco-bev industry shifts towards in-house ENA production

As the alco-bev industry moves towards premium, branded products, industry players are increasingly relying on their own Extra Neutral Alcohol (ENA) facilities. According to industry players, controlling ENA production allows them to manage costs, maintain quality and avoid supply disruptions—key advantages in a market where demand for high-quality spirits is growing. *(BusinessLine)*

Recycled plastic norms pose challenges to consumer products industry

With the regulations for recycled plastic packaging coming into effect from April 1, the consumer products industry is facing issues in implementation of norms for food-grade recycled PET. Industry players said that there is a lack of supply of FSSAI-approved food-grade recycled PET material compared to the requirement of brands. At the same time, industry stakeholders urged the government to align labelling and logo-related guidelines of FSSAI with the Environment Ministry's Plastic Waste Management rules to prevent "operational confusion". As per the regulations notified by the Ministry of Environment, Forest and Climate Change, consumer product companies will need to ensure that 30 per cent of recycled plastic is used to make category-1 packaging, which includes rigid plastics used in PET bottles, by FY26. *(BusinessLine)*

India, China drag global oil demand growth as economic activity slows

Global oil consumption growth is displaying signs of sluggishness driven by a slowdown in economic activity, particularly in Asia led by China and India, which has been exacerbated by geopolitical conflicts and tariff wars. *(BusinessLine)*

India's defence-tech firms on a roll on rising global demand

India's defence-tech firms are seeing robust global demand for their offerings, and they are ramping up production to cater to both domestic and international orders. In the wake of Operation Sindoor and ongoing regional tensions, several private defence enterprises are forging strategic tie-ups for faster deployment and to fast-track innovation. *(BusinessLine)*

'India's drone tech is leaping ahead'

The recent India-Pakistan armed skirmish has sensitised everyone to the fact that drones are at the forefront of today's wars. India started work on drone technology decades ago but fell behind in the race, presumably because its priorities were elsewhere - missiles and space - where it has been successful. But in drones, the country is still playing catch-up. *(BusinessLine)*

News on Kerala

Kudumbashree empowers over three lakh women through micro enterprises in Kerala

Over three lakh Kudumbashree neighbourhood group members were provided self-employment and wage-based employment in farming and non-farming manufacturing, services, and commercial sectors in one year under the Kudumbashree Livelihood Initiative Transformation (K-LIFT) campaign that was announced in the 2024 Budget, Minister for Local Self-government M.B. Rajesh has said.He was inaugurating the Kudumbashree's 27th anniversary and State-level award distribution and announcement of K-LIFT's completion in the State capital on Saturday. *(Times of India)*

Centre for drone pilot training opened

Higher Education Minister R. Bindu on Friday highlighted the government's commitment to skill training in emerging technologies. She said that bridging the gap between education and employment would enhance the job readiness of youth.The Minister also observed that there were numerous employment opportunities in fields such as drone operating, which had applications in sectors ranging from agriculture to defence. *(The Hindu)*

Conference on 'Public policy in India and the Global South' held

International trade continues to be skewed heavily in favour of the wealthy Global North countries, despite the fact that the Global South, which includes India, supplies 90% of the labour force, Kerala Statistical Commission chairman P.C. Mohanan has said.

He was speaking at a two-day national conference on 'Public policy in India and the Global South' organised here by the Public Policy Research Institute (PPRI). Despite accounting for the major chunk of the world's labour force, developing nations receive only 21% of the wealth generated. Wages in the Global South countries are not even 10% of that in the wealthier nations, he said. U.S. President Donald Trump's economic policies will adversely impact the World Trade Organisation, State Finance Commission chairman K.N. Harilal said. *(The Hindu)*

Tax arrears: State Goods and Services Tax department launches stern action against defaulters

The State Goods and Services Tax department has said that it has launched strong action, including recovery measures, against businesses and trade establishments that have failed to settle their tax arrears.As a first step, the department's Economic Intelligence Division led by Deputy Commissioner Manu Jayan had carried out recovery drives in 35 establishments across the State on May 15.The State GST department move is aimed at encouraging tax defaulters to participate in the General Amnesty Scheme, 2025, announced in the 2025-26 State Budget for settling their arrears. Meant for arrears under pre-GST era laws, the deadline for joining the scheme ends on June 30 this year. *(The Hindu)*

As copra, coconut prices soar on supply shortage, trade seeks nod for their import

Hit by the spiralling price of coconut and copra triggered by a sharp plunge in availability, coconut oil manufacturers are considering seeking permission to import them to meet the requirements.Thalath Mahmood, President of the Cochin Oil Merchants Association (COMA), told business line that manufacturers were planning to approach the government to lift the restrictions on import of coconut and copra as the industry is reeling under a severe crisis due to an acute supply shortfall.Currently, there is a shortage of 30-35 per cent in availability, which is steadily getting acute.The crisis can be dealt with by importing coconut and copra from countries such as Indonesia, Philippines and Sri Lanka to meet the industry demand, he said. *(BusinessLine)*

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