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Public Finance

Kerala State Finance Commission seeks suggestions to improve governance, finances of local bodies

The 7th State Finance Commission is seeking the public's views on a range of topics related to the governance and finances of local bodies in Kerala, including the potential of capital market borrowings in funding their development projects, expanding their revenue base and efficient disaster mitigation at the local level.The 7th commission, constituted last year with former State Planning Board member K.N. Harilal as its chairman, is tasked with studying the fiscal position of rural and urban local bodies in Kerala and recommending measures to strengthen their finances. *(The Hindu)*

Private consumption in India slows in Q4 FY25; fiscal deficit met, but revenue collections see soft start to FY26: BoB Report

On the fiscal side, the Centre successfully met its fiscal deficit target of 4.8 per cent of GDP for FY25. As per report, the government now aims to bring the ratio further down to 4.4 per cent in FY26. However, overall government spending fell short of the revised estimate (RE) in FY25. Total revenue expenditure stood at Rs 36 lakh crore, slightly lower than the RE of Rs 37 lakh crore.The report noted that within overall spending, capital expenditure growth is now normalising, while revenue expenditure has begun to pick up. *(The Economic Times)*

Kerala's share in central funds sparks debate ahead of 16th Finance Commission

As the 16th Finance Commission goes about making recommendations as to how much of the aggregate revenue collected by GoI should be devolved to the states and how the collective share of the states should be distributed among the states, it would be useful to study the treatment received by Kerala at the hands of the 15th Finance Commission as a cautionary tale.The share of total devolutions each of these states receives has been below its population share: 30% below the population share in the case of Tamil Nadu and Kerala, and 28% below the population share in the case of Karnataka and Telangana. *(The Economic Times)*

Karnataka to seek increase in devolution funds under 16th Finance Commission

To recover losses from reduced devolution to Karnataka under the 15th Finance Commission, the Karnataka government has proposed to seek additional grants under the 16th Finance Commission during a meeting in Delhi on Friday. Chief Minister Siddaramaiah, who also holds the Finance portfolio, and his economic adviser and MLA Basavaraj Rayaraddi, and senior officials would participate in the meeting and hold discussions with Arvind Panagariya, chairman, 16th Finance Commission. The 16th

Finance Commission has already held one round of talks with the Karnataka government. *(The Hindu)*

State Bank of India gives Rs 8,076.84 cr dividend to govt for FY25

State Bank of India (SBI), the country's largest lender, has paid a dividend of ₹8,076.84 crore to the government for the financial year 2024-25. The cheque was handed over to Finance Minister Nirmala Sitharaman by SBI Chairman C S Setty on Monday. Financial Services Secretary M Nagaraju and Finance Secretary Ajay Seth were also present during the handover.For the financial year 2024-25, SBI declared a dividend of ₹15.90 per share, higher than the ₹13.70 per equity share distributed in the previous year. Last year, SBI had paid a dividend of ₹6,959.29 crore to the government. The bank reported a record net profit of ₹70,901 crore in 2024-25, compared to ₹61,077 crore in the previous year. This marks a 16 per cent increase in annual profit. *(The Economic Times)*

A testament to fiscal, monetary prudence: Nilesh Shah applauds India as 'yield gap with US narrows to 1.89%'

India's 10-year government bond yield spread with the US shrunk dramatically—from a substantial 6.35 per cent in 2014 to just 1.89 per cent today. This is a testament to the country's fiscal and monetary prudence. India's journey over the past decade has been nothing short of remarkable with the country's 10-year government bond yield spread with the US shrinking dramatically—from a substantial 6.35 per cent in 2014 to just 1.89 per cent today. This sharp compression in the yield gap signals greater investor confidence in India's economy and its ability to manage inflation and fiscal health. *(Financial Express)*

Taxation

GST collections jump 16.4% yoy to Rs 2.01 lakh cr in May, fall from record high in April

India's gross Goods and Services Tax (GST) collection for May 2025 stood at Rs 2.01 lakh crore, registering a 16.4 per cent increase over the Rs 1.72 lakh crore collected in May 2024, data released by the Ministry of Finance showed Sunday. In April 2025, India's GST collections had surged by 12.6 per cent to an all-time high of Rs 2.37 lakh crore. The year-on-year growth was driven by a 25.2 per cent increase in GST collected from imports and a 13.7 per cent rise from domestic transactions. Gross GST revenue from imports stood at Rs 51,266 crore, while domestic sources contributed Rs 1,49,785 crore. *(The Economic Times)*

May GST mopup up by 16.4%; shows FY26 off to a flying start

India's GST collections soared 16.4% to ₹2.01 lakh crore in May, signaling strong economic momentum at the start of FY26. This robust growth, supported by increased UPI transactions and auto sales, provides significant fiscal headroom for the government. Experts suggest that continued strong GST performance could pave the way for rate rationalization. *(The Economic Times)*

Import surge helped drive up GST mopup in May: Nomura

The goods and services tax (GST) collection growth, which accelerated to 16.4% in May, outpacing nominal GDP growth, was driven by a sharp pickup in GST from imports that registered its highest monthly contribution in nearly three years, rating agency Nomura said Monday. Meanwhile, the strong GST collections came as a surprise, given soft trends in other high-frequency growth indicators, it said, adding that it will be closely tracking this divergence in coming months. *(The Economic Times)*

From July, GST returns to be barred after three-year window

Any GST returns such as GSTR1 or GSTR 3B, due on or before June 20, 2022, will be barred from filing after July 2025, the deadline set by the GST Administration for barring GST returns on the expiry of three years. Also, from July onwards, auto-populated liabilities in GSTR-3B will become non-editable. This move aims to curb revenue leakage. According to an advisory posted on the GST portal, the Finance Act, 2023 amended the CGST Act, which prescribes that taxpayers will not be allowed to file their GST returns after the expiry of three years from the due date of furnishing the return. *(BusinessLine)*

How Indian export businesses are using AI to stay ahead on global tax rules

Indian organisations have long embraced Artificial Intelligence and Machine Learning technologies in various aspects to achieve their business goals. Now, they are actively exploring ways to implement these advancements responsibly and profitably. This goal closely aligns with the Digital India initiative, launched in 2015 to build a next-generation empowered economy. *(The Economic Times)*

Banks' proposal for tax relief on NPA interest under review

The government is reviewing a proposal from banks to exempt the interest earned on non-performing assets by amending the income tax law to align the definition of NPAs with that of the banking sector regulator, the Reserve Bank of India. The RBI classifies a loan as an NPA if the interest or principal remains overdue for more than 90 days, while the income-tax act classifies a loan NPA if this period is more than six months. *(The Economic Times)*

Congress pitches for GST 2.0, says it supports a truly 'good, simple tax' regime

A day after Union Finance Minister Nirmala Sitharaman announced that Goods and Services Tax (GST) rates would be further rationalised, the Congress on Sunday argued for "more comprehensive changes" to the indirect tax regime. Speaking at an awards function on Saturday, Ms. Sitharaman said the process of rationalising GST further was in its final stages. "This is the appropriate year for a GST 2.0 since the GST compensation cess is likely to meet its revenue targets later this financial year. The Finance Ministry therefore has a fiscal cushion to anchor the simplified GST," Congress communications chief Jairam Ramesh said in a statement. *(The Hindu)*

Increased fresh order inflows key to the growth of construction companies

The first quarter of the financial year 2026 (Q1FY26) saw rise in tenders and orders year-on-year (Y-o-Y) on the low base of election-hit Q1FY25. Tendering grew by 6.4 times Y-o-Y to ₹1.26 trillion in May-25 (up 4 per cent M-o-M) led by hospitals, water & sewerage and power distribution. However, this was lower than the FY25 monthly average of ₹1.32 trillion. *(Business Standard)*

Consumption funds: Rate cuts to boost growth, but enter with long horizon

In yet another move to boost consumption demand, the Reserve Bank of India (RBI) cut the repo rate by 50 basis points on June 6, marking a total reduction of 100 bps since the beginning of the year. Lenders lowering rates in response is set to stimulate the economy. Higher consumption will drive economic growth, while also enhancing the performance of funds focused on consumption. "consumption funds are a good proxy to play on India's positive demography, the structural theme of rising per capita income, and low penetration levels across several consumption categories," says Navin Matta, fund manager - equity, Mahindra Manulife Mutual Fund. *(Business Standard)*

74% rural households expect income growth in 1 year: Nabard survey

Around 74 per cent rural households expect their incomes to increase in the next one year, according to a bi-monthly survey conducted by the National Bank for Agriculture and Rural Development (Nabard) in May 2025. The percentage recorded was 72 in March. This is the highest percentage of people who are expecting a jump in their incomes over the next one year since the start of the bi-monthly Rural Economic Conditions and Sentiments Survey (RECSS) of Nabard in September 2024. The survey has been conducted in 600 villages, covering 6,000 households (10 households from every sample village). In May this year, the fifth round of the survey was conducted. *(Business Standard)*

World Bank keeps India growth forecast unchanged amid trade uncertainty

Higher tax revenues and falling current expenditures are likely to contribute to a gradual decline in India's public debt-to-gross domestic product (GDP) ratio and fiscal consolidation, said the World Bank's Global Economic Prospects Report on Tuesday. The Bank has kept India's GDP growth forecast for FY26 unchanged at 6.3 per cent from its bi-annual South Asia Development update in April. This comes amid rising trade barriers and dampened exports due to weaker activity in key trade partners. "India would maintain the fastest growth rate among the world's largest economies, at 6.3 per cent in FY26," the World Bank said in its report. *(Business Standard)*

India's natural gas consumption to more than double by 2040: PNGRB study

India's natural gas consumption is likely to rise by close to 60 per cent by 2030 and more than double by 2040, on the back of rise in usage of the fuel as CNG in automobiles and for cooking and industrial purposes, according to a study by oil regulator PNGRB.

Consumption of natural gas, which is used to produce electricity, make fertilizer or turned into CNG for running automobiles and piped to household kitchens for cooking, is expected to rise from 187 million standard cubic metres per day in 2023-24 to 297 mmscmd by 2030 under 'Good-to-Go' scenario, the study by Petroleum and Natural Gas Regulatory Board (PNGRB) said. *(Business Standard)*

India's petroleum and liquid fuel consumption likely to edge up by 0.2 million barrels per day in 2025

The US Energy Information Administration or EIA stated yesterday that it expects India will increase its consumption of petroleum and 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. Consumption is seen at 5.65 million b/d in 2025 and 5.93 million b/d in next year. It noted further that Indias fuel production will come in at 0.98 million b/d in 2025, up modestly compared to 0.95 million b/d. Output is seen improving further to 1.01 million b/d in next year. *(Business Standard)*

Investments in renewables, roads & realty to hit ₹17.5 tn in 2 yrs: Crisil

Investments in India’s renewable energy, roads, and real estate sectors are estimated to touch ₹17.5 trillion over FY26 and FY27, up from ₹13.3 trillion in FY24 and FY25, according to Crisil. Accelerated adoption of storage-linked capacities in the renewable energy sector, a sharper focus on monetisation in roads, premiumisation in residential real estate, and the influx of global capability centres (GCCs) in commercial real estate are the key drivers of this projected growth. *(Business Standard)*

India’s rising household debts are not worrisome: SBI report

While household debt in India has been increasing over the past three years, a State Bank of India (SBI) report suggested that it’s not necessarily a cause for alarm, especially when considering the context of the economy and the type of debt. It said India’s household debt is manageable and not worrisome at all, as two-thirds of the portfolio is of prime and above credit quality and the rise is attributed to a growing number of borrowers rather than an increase in average indebtedness. *(The Hindu)*

Foxconn sends 97% of India iPhone exports to U.S. as Apple tackles Trump's tariffs

During March-May, Foxconn exported iPhones worth $3.2 billion from India, with an average 97% shipped to the United States, compared to a 2024 average of 50.3%, according to commercially available customs data. Nearly all the iPhones exported by Foxconn from India went to the United States between March and May, customs data showed, far above the 2024 average of 50% and a clear sign of Apple's efforts to bypass high U.S. tariffs imposed on China. *(The Hindu)*

In a first in 14 years, PSU banks beat private ones in loan growth

For the first time since 2011, public sector banks (PSBs) have surpassed private banks (PVBs) in loan growth. At the end of FY25, PSBs outpaced PVBs by 4 percentage points, with PSBs recording a 13.1% year-on-year loan growth compared to 9% for PVBs. The strong performance was across multiple segments, including traditional areas like mortgages and corporate loans, as well as various non-mortgage retail segments such as auto loans. *(The Economic Times)*

Banks back status quo on co-lending

Banks have reached out to the Reserve Bank of India (RBI) suggesting continuing with the current co-lending model with non-banking finance companies (NBFCs). The RBI has sought suggestions on draft guidelines on Co-lending Arrangements Directions, 2025 issued in April, said officials aware of the developments. *(The Economic Times)*

Home loan EMIs to fall: Canara Bank, Union Bank, IOB cut lending rates after RBI repo rate cut

Leading public sector banks, such as Canara Bank, Union Bank of India, and Indian Overseas Bank have lowered their Repo Linked Lending Rates (RLLR) in response to the Reserve Bank of India's recent 50 basis point repo rate cut. Home loan borrowers can anticipate some relief in interest rates as a result. Earlier, four major public sector banks Punjab National Bank (PNB), Bank of Baroda (BoB), Indian Bank and Bank of India (BOI) had announced reductions in their home loan interest rates. *(The Economic Times)*

Private sector banks slash FD rates following rate cut

Private sector banks HDFC, ICICI, IDFC First and Kotak Mahindra have reduced interest rates on fixed deposits (FD) by 10-35 basis points (0.1-0.3 percentage point) for retail depositors, following the policy rate cut by the Reserve Bank of India on Friday. Public sector Canara Bank and Indian Bank have also reduced rates, as lenders adjust to lower benchmark interest rates. *(The Economic Times)*

RBI to tighten remittance rules, bar offshore time deposits

The Reserve Bank of India (RBI) plans to tighten rules for overseas remittances by resident Indians, barring them from holding foreign currency deposits with lock-in periods, two government sources said. RBI will amend regulations to prevent overseas transfers from being used to park money in time deposits or other interest-bearing accounts abroad, one of the sources said. “This is akin to passive wealth shifting, which is a red flag for the RBI in a still-controlled capital regime,” the first source familiar with the thinking of the central bank said. *(BusinessLine)*

Microfinance loan book shrinks 13.5% in FY25 on persisting asset quality issues

The gross loan portfolio of players in the microfinance space de-grew 13.5 per cent year-on-year (yoy) to ₹3,75,030 crore as at March-end 2025, against ₹4,33,697 crore as at March-end 2024, according to industry body the Micro Finance Industry Network (MFIN). The de-growth came in the backdrop of issues such as borrower over-leveraging, asset quality and liquidity issues, and a State (Karnataka) bringing in a stringent law to curb coercive loan recovery practices. The players in the microfinance space include non-banking finance companies–microfinance institutions (NBFC-MFIs), banks, small finance banks (SFBs) and NBFCs. *(BusinessLine)*

NPCI, IDRBT ink MoU for payment security, cyber resilience

National Payments Corporation of India (NPCI) and the Institute for Development and Research in Banking Technology (IDRBT) have signed a Memorandum of Understanding (MoU) to strengthen the cyber security and resiliency across India's digital payment ecosystem. As part of the agreement, the two organisations will jointly conduct targeted training programmes for tech and cyber professionals in the banking and digital payment services sector. The programmes will focus on key areas such as cyber security, resiliency and data privacy. *(BusinessLine)*

Rising household debts not worrisome, says SBI report

While household debt in the country has been increasing over the past three years, a State Bank of India (SBI) report suggested that it's not necessarily a cause for alarm, especially when considering the context of the economy and the type of debt. It said India's household debt is manageable and not worrisome at all, as two-thirds of the portfolio is of prime and above credit quality and the rise is attributed to a growing number of borrowers rather than an increase in average indebtedness. Additionally, asset creation, such as home and vehicle loans, makes up 25 per cent, while productive purposes like agriculture, business, and education loans constitute 30 per cent. *(BusinessLine)*

Small savings schemes pose challenge to bank deposits amid rate cuts

Following the Monetary Policy Committee's (MPC) decision to cut policy interest rates and Cash Reserve Ratio (CRR) and the subsequent reduction in bank deposit interest rates, banks are likely to face a significant challenge in mobilising deposits. This challenge primarily stems from the attractiveness of small savings schemes. At present, there are 12 small savings schemes, including savings accounts. Several of these, such as National Saving Certificates, Public Provident Fund, Sukanya Samriddhi Scheme and the Senior Citizen Savings Scheme, offer tax benefits. While interest rates on these schemes are reviewed quarterly, most have seen no change in rates since the July-September quarter of the previous year, barring minor adjustments in a couple of them. *(BusinessLine)*

RBI to discontinue daily variable rate repo auctions amid ample liquidity in the banking system

The Reserve Bank of India on Monday said it will discontinue the daily Variable Rate Repo (VRR) auctions with effect from June 11, 2025. This comes in the backdrop of ample liquidity in the banking system. The central bank started conducting daily VRR from January 16, to help banks and standalone primary dealers (SPDs) to overcome the then tight liquidity conditions. RBI injects liquidity into the banking system via VRR auctions. The move to discontinue VRR auctions comes in the backdrop of the liquidity surplus of about ₹2.45 lakh crore as on June 8. *(BusinessLine)*

RBI front-loads stimulus with 50 bps cut, leaves little scope to cut more, says UBS – What's the focus now?

The RBI surprised markets with a 50 bps rate cut, signaling a front-loaded push to support growth. With limited room left for further easing, UBS said, the focus now shifts to credit transmission and sustaining macro momentum. With the Reserve Bank of India (RBI) announcing a larger-than-expected 50 bps repo rate cut, UBS Securities interprets this as a front-loaded stimulus effort, suggesting limited room for further rate cuts, shifting the focus to credit transmission and macroeconomic momentum. "We believe our baseline forecast of 5.5 per cent terminal repo rate has been met. However, considering still elevated global uncertainty, we think RBI has kept a buffer of another 25-50bps rate cut in case growth surprises lower," said Tanvee Gupta Jain, Chief India Economist at UBS Securities. *(Financial Express)*

Microfinance disbursal falls 25% in Q4 amid rising defaults

Microfinance loan disbursals dropped 25% in Q4FY25 amid rising defaults and tightened lending norms. Sector GLP fell to Rs 3.75 lakh crore as credit stress, heatwaves, and overleveraging hit growth. PAR levels worsened, though early signs of recovery are emerging, says MFIN and Macquarie. Loan disbursals of the microfinance sector declined 25% year-on-year to ₹1.12-lakh crore in Q4FY25 as lenders curtailed exposure and reduced the borrower base in response to growing default stress. According to the 53rd edition of Micrometer by Microfinance Institutions Network (MFIN), a self-regulatory body for the sector, the number of loans disbursed dropped to 22 million accounts during the quarter, from 34 million in Q4FY24. *(Financial Express)*

RBI to discontinue daily VRR from June 11

RBI to end daily variable rate repo (VRR) auctions from June 11 amid surplus liquidity reaching Rs 3 lakh crore. Introduced in Jan 2025 to manage short-term liquidity, the move follows weak auction response. 14-day VRRs likely to continue, say market participants.The Reserve Bank of India (RBI) has decided to discontinue daily variable rate repo (VRR) auction from Wednesday following a review of current and evolving liquidity conditions. The central bank will conduct its last auction on Tuesday, amounting to Rs 25,000 crore. *(Financial Express)*

External Sector

Union govt. to wield quality control 'stick' to drive exports

The Indian government is not keen on providing further subsidies to export-oriented sectors of the economy, instead, the government is going to follow a more "carrot and stick" approach where quality control orders (QCOs) will increasingly be used to push Indian industry to become internationally competitive, while all non-subsidy help will be in terms of land acquisition and other regulatory hurdles. "The government has taken a call that just giving subsidies has not really worked in boosting India's exports," the official said. "There is an issue with the quality of the product as well. That's why we are now focusing on QCOs to ensure that our exports meet the minimum quality standards." *(The Hindu)*

India, U.S. inch closer to limited trade agreement

An India-U.S. trade deal, including a potential initial "mini-deal" of limited concessions, will likely be firmed up by the original deadline of the fall season — between September and November in the U.S., according to sources aware of the progress of the negotiations. Earlier, officials on both sides had expressed confidence of finalising an initial deal before July 9. An Indian team led by Commerce Minister Piyush Goyal visited the U.S. last month to further the negotiations, followed by a week-long trip to India by a U.S. team of negotiators that ended on June 10. Despite "productive" talks, certain sticky issues remained that are stymieing the finalisation of an initial deal. India and the U.S. are working towards negotiating the first tranche of a mutually beneficial, multi-sector Bilateral Trade Agreement (BTA) by fall 2025. *(The Hindu)*

India notifies WTO about its open-ended export curbs on wheat, sugar

India has notified the World Trade Organization (WTO) about its export curbs on wheat and sugar, calling these temporary measures to prevent critical shortage of items in the domestic market and stabilise prices. But New Delhi gave no indication of the time frame for removal of the export control measures asserting that the procedures would continue till the conditions, which led to them, persist. "India's export ban on wheat and restrictions on sugar have been questioned by several countries, including the US and Australia, at the WTO," a source tracking the matter told BusinessLine. *(BusinessLine)*

Sugar exports top 5.5 lakh tonnes, may fall short of allocation

India exported 2.29 lakh tonnes (lt) of sugar in the past two months, taking total shipments to 5.38 lt since the government allowed 10 lt exports on January 20 for the current season ending September 30. However, as 23,219 tonnes are in transit or waiting for loading at ports, the total quantity can be pegged at over 5.61 lt. In the ongoing 2024-25 sugar season until May 31, the position on physical sugar dispatches from sugar mills for export was 5.17. *(BusinessLine)*

Russia to drive India's crude imports in H2, but intensity may wane

A combination of discounts, operational ease and geopolitical leeway is aiding Russia retain its position as India's top crude oil supplier in the second half of the current financial year as it continues to account for over one-third of the cargoes procured by the world's third largest importer. However, India's traditional suppliers in West Asia are also prepping to ship more cargoes, as more supplies come online due to gradual winding up of the voluntary production cuts. *(BusinessLine)*

Pharma opportunity

The reciprocal tariffs imposed by the Trump administration, has introduced a complex layer of challenges to the global trade landscape, with notable ramifications for India. But pharmaceuticals, a crucial component of India's export basket to the US, have largely received exemptions. India plays a crucial role in supplying affordable medicines to both developed and developing nations. The sector boasts a substantial market size, estimated at around $50 billion in 2024, and is projected to reach $130 billion by 2030, showcasing a remarkable growth trajectory. *(BusinessLine)*

Centre sets up a new task force to boost country's textile exports

In a bid to enhance India's textile exports at a time when the country is signing trade deals with developed nations, the government has set up a new task force that will look into sector-specific bottlenecks such as regulatory hurdles, cost competitiveness and lack of enough export credit. Commerce Secretary Sunil Barthwal has been appointed as the chair of the task force with representation from officials of Department of Commerce, Ministry of Textiles, Directorate General of Foreign Trade, along with representatives from export promotion councils, industry associations and exporters. *(Business Standard)*

Tea exports from India rise 9.92% to 254.67 mn kg in 2024 on higher output

Tea exports from India increased by 9.92 per cent at 254.67 million kg, from January to December 2024, against 231.69 million kg in the previous calendar year. According to the latest data released by Tea Board, production in the north Indian estates during calendar 2024 stood at 154.81 million kg, as compared to 141 million kg in the preceding period from January to December 2023, registering a rise of 9.79 per cent year-on-year. *(Business Standard)*

Willing to step-up dialogue, China on lifting export curbs on rare earth metals to India

China has hinted at potential discussions with India regarding export restrictions on rare earth materials, expressing a willingness to enhance dialogue and cooperation with various nations to ensure stable industrial supply chains. This follows concerns in India about shortages affecting automobile and semiconductor manufacturing. *(The Economic Times)*

India's coal import drops 4% to 24.95 MT in April

India's coal imports saw a dip of 4.4 percent in April, totaling 24.95 million tonnes. Non-coking coal imports decreased, while coking coal imports increased. Surplus stock reduced buyer interest despite soft seaborne prices. Domestic coal production increased by 3.6 percent, reaching 81.57 million tonnes. Coal India Limited's output was almost flat. *(The Economic Times)*

Agriculture and Rural Economy

Agriculture minister ends campaign, promises continued talks with farmers

Union Agriculture Minister Shivraj Singh Chouhan on Thursday concluded the 15-day 'Viksit Krishi Sankalp Abhiyan' at a Kisan Sammelan in Bardoli, Gujarat, emphasising that while the campaign was ending, the government's engagement with farmers would continue unabated. Speaking at the venue that holds historical significance as the site of

Sardar Vallabhbhai Patel's Bardoli Satyagraha against British tax policies in 1928, Chouhan drew parallels between past and present struggles for farmers' welfare. *(Business Standard)*

Empowering women in agriculture for food security
The United Nations General Assembly has declared 2026 as the International Year of the Woman Farmer, garnering the support of over 100 co-sponsors. The resolution celebrates the essential role of women in global agriculture while raising awareness of their challenges, which include property rights and market access. *(The Hindu)*

Expand loan facility to Primary Agricultural Credit Societies: Amit Shah
Union Cooperation Minister Amit Shah on Monday called for immediate action to expand the loan facility to Primary Agricultural Credit Societies (PACS), under the Agriculture Infrastructure Fund (AIF), to improve their financial condition. Reviewing the scheme to build the world's largest cooperative food grain storage network, Shah emphasised the extensive involvement of PACS in the food storage scheme. *(Business Standard)*

Firms start slashing prices of edible oil post duty cut
After the import duty on crude edible oil was slashed last month, companies have started to pass on the benefit of lower tariff to consumers, and retail prices are likely to fall by 5-7% in the next few weeks, industry sources said. The maximum retail price (MRP) of 'Dhara' brand of soyabean oil has been reduced by Rs 10/litre, according to a spokesperson of Mother Dairy. The selling price of sunflower oil has been reduced by Rs 5/litre, though its MRP remains unchanged as it was not revised upward during earlier price increase, the spokesperson said. *(Financial Express)*

The crop that is raising farm incomes — and eyebrows in Telangana
Once a fringe experiment, oil palm cultivation has rapidly taken root across Telangana, reshaping rural economy and farmer aspirations. Backed by subsidies, buyback guarantees and political push, the crop promises steady returns and sustainability. But beneath the optimism, there are concerns over volatile prices, labour shortages, water stress and ecological fallout. As the State races to expand acreage, experts and farmers have one question — can this boom withstand market shocks and environmental strain? P. Laxma Reddy and P. Sridhar report. *(The Hindu)*

Escrow accounts by states a must under crop insurance plan
To reduce delays in claim settlement under the Pradhan Mantri Fasal Bima Yojana (PMFBY), the government has made it mandatory for states to open escrow accounts for payment of their share of funds on time from the next kharif season (2025-26). For ensuring robust crop yield assessment, the agriculture ministry has asked states to ensure at least 50% weightage is given to yield derived by Yes-Tech, a technology-based crop yield estimates system. *(Financial Express)*

MSP boost: Moong, groundnut procurement approved under price support scheme
Agriculture minister Shivraj Singh Chouhan has approved a proposal to purchase 54,166 tonnes of moong and 50,750 tonnes of groundnut crops under the price support scheme (PSS). The PSS is usually implemented when prices of notified pulses, oilseeds and copra

fall below the MSP (minimum support price) during peak harvesting periods, and is intended to ensure farmers receive remunerative prices for their crop. *(Mint)*

Structural gains may take India's agriculture to $1.4 trillion by 2035: McKinsey

India's agriculture sector could reach $1.4 trillion by 2035 and $3.1 trillion by 2047, driven by structural advantages, productivity gains, and tech adoption, says McKinsey. Report highlights growth in agri-biologicals, processed foods, and ethanol-linked feedstock opportunities. Structural advantages compared to other agricultural economies if leveraged to their potential, India's agriculture sector could witness acceleration to $1.4 trillion by 2035 and $3.1 trillion by 2047, consulting firm McKinsey & Company has said on Wednesday. *(Financial Express)*

Good monsoon may drive 10–15% earnings growth in agri-linked sectors in H2 FY26: Report

India's agrarian outlook has brightened significantly with the onset of the 2025 monsoon, marking a potential turning point for agriculture-linked and rural-facing industries. According to smallcase manager GoalFi, a strong monsoon—characterised by above-average intensity and widespread rainfall—could drive 10–15% year-on-year earnings growth in sectors like tractors, agri-inputs, rural non-banking financial companies (NBFCs), and consumer durables in the second half of FY26. *(Mint)*

Industry, Manufacturing, Services and Technology

'Reducing local content in telecom equipment will hurt Make in India'

Domestic telecom equipment manufacturers have said that the government's move to reduce the local content in electronic/telecom products to around 20 per cent from 50-60 per cent would hurt the Prime Minister's 'Make in India' programme. Last week, the Department of Telecommunications (DoT) issued a notice seeking stakeholder comments on its proposal to review the requirement of 50-60 per cent local content in electronic/telecom products. *(BusinessLine)*

Tech firms bet on AI to offset slowdown

Facing headwinds and fierce competition, India's IT services industry is undergoing a strategic recalibration — balancing short-term caution with long-term bets on AI, innovation, and global expansion. As discretionary tech spending remains tight and service commoditisation (interchangeability between providers) intensifies, experts say firms must double down on workforce upskilling, digital transformation, and the creation of IP-led, AI-driven offerings to stay relevant and resilient in a rapidly evolving global market. *(BusinessLine)*

Centre working on welfare plan for construction workers

The Ministry of Labour and Employment is developing a comprehensive social security scheme for the 5.73 crore 'building and other construction workers' (BOCWs) registered across the country. This ambitious initiative will be funded from the over ₹70,000 crore accumulated from the welfare cess levied on construction costs. This substantial fund represents the aggregate of unspent money held by individual State and Union Territory Building and Other Construction Workers Welfare Boards. Thirty-six States and Union Territories Building and Other Construction Workers Welfare Boards collect funds primarily through a cess levied on the cost of construction from employers. This is meant for providing social security to registered beneficiaries. *(BusinessLine)*

Centre mandates 'trusted' IT gear for power sector security

Heightened risks of cyber attacks on critical infrastructure following Operation Sindoor have prompted the Centre to implement additional security firewalls around the power ecosystem, including transmission grids and distribution systems. In line with the procedures followed in the telecommunications sector, the Centre has proposed the mandatory use of information technology (IT) and telecom equipment from "trusted sources" in the power sector. *(BusinessLine)*

Electronics manufacturing sector to hit $282 billion by 2030: PwC

PwC estimates India's electronics manufacturing sector to reach $282 billion in size conservatively by 2030, as opposed to the $500 billion projected by the Indian government. This growth will be driven by mobiles and wearables, accounting for $160 billion of their estimated value, said PwC. *(BusinessLine)*

India wants to mine its way out of China's rare earth elements' shortage trap

Nearly three months after China imposed new licensing rules on export of seven rare earth elements (REE) and related magnets, India's auto industry has sounded an alarm. Rare earth magnet stocks are running low — these would last "at the most till June-end". India is seeking a 45-60 days' timeline to set up an alternative supply chain. Countries being tapped include Japan (magnets of reportedly inferior quality), Indonesia, Vietnam (high local consumption), the US, and Russia (long supply chain routes). *(BusinessLine)*

News on Kerala

Foreign aid and financial woes

When reports last week stated that the Chief Minister's Relief Fund of Maharashtra had been allowed to receive foreign contributions under the Foreign Contribution (Regulation) Act (FCRA), the CPI(M)-led Left government in Kerala was quick to depict this as yet another act of discrimination against the southern State by the Centre. It recalled that the Centre had declined the Kerala government's plea for accepting foreign aid in the days following the 2018 floods — a catastrophe that left large-scale destruction in its wake. Kerala Finance Minister K.N. Balagopal said that while his State welcomed the approval for Maharashtra, it believed that it was unbecoming of the Central government to indulge in "political bias" in moments of great crisis. He stressed that it is important that the Centre treats every State equally. *(The Hindu)*

RGCB hosts brainstorming session 'Kerala@2047'

Governor Rajendra Vishwanath Arlekar on Friday said that Kerala's development was pivotal for the advancement of India and called for a collective effort from the State's knowledge community to help the country realise its goals. Mr. Arlekar, addressing a brainstorming session on "Kerala@2047" on the Rajiv Gandhi Centre for Biotechnology (RGCB) campus here, said that India was not only aspiring to be an economic power by 2047, but it was aiming to be a model to the world by presenting a concept of development that is human-centric and is rooted in its traditional knowledge system, according to a release issued by the RGCB. At the event, organised by the Vijnana Bharati in association with RGCB, the Governor further said that the knowledge community in Kerala should make collective efforts to prepare a roadmap for the State to play a key role in realising the country's ambitious development goals. *(The Hindu)*

Average income of agriculture households pegged at ₹28,984

The average monthly income of agricultural households in Kerala, while showing an increase over 2019, continues to hover below the ₹30,000 mark, indicates a report compiled by the Economics and Statistics Department of the Kerala government. The average monthly income of agricultural households, at current prices, stood at ₹28,984 in 2024, according to the Situation Assessment Survey of Agricultural Households in Kerala: 2024-25, compiled by the department in collaboration with the Agriculture department. Of this, crop production by itself accounted for a mere 22.97% (₹6,658), with the rest being contributed by wages (60.71%), animal farming (6.25%), non-farm business (9.93% and income from leasing out land (0.13%). The earnings from pensions and remittances stood at ₹6,348. *(The Hindu)*.

Kerala clears amendment to regularise houses, quarries on 'pattayam' land

In a major development Minister Pinarayi Vijayan approved the draft of an amendment to the Kerala Land Assignment Act.The amendment, prepared by the Revenue Department, aims to regularise houses and shops up to 1,500 square feet on 'pattayam' land without inspection or fee.The amendment will also enable the regularisation of houses built on land assigned for agriculture.As per the amendment, regularisation will be approved within 90 days of applying without inspection.Meanwhile, religious places, educational institutions and public buildings will be regularised after. *(Onmanorama)*

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