WEEKLY UPDATES ON
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Public Finance

Mild recovery in India bonds; key debt auction to decide next direction

Indian government bonds recovered slightly in early deals on Friday following a massive selloff in the previous session on concerns about rising oil prices, with the bonds' next move dependent on the demand at the weekly debt auction. The yield on the benchmark 10-year bond was at 6.2963% as of 10:00 a.m. IST, compared with the previous close of 6.3095%. The five-year 6.75% 2029 bond was at 5.9924% after ending at 6.0236% on Thursday. *(The Economic Times)*

States' social welfare spending to remain elevated at 2% of GSDP in FY26, says Crisil Ratings

Social welfare spending by 18 of India's largest states is expected to remain elevated at around 2% of their gross state domestic product (GSDP), or approximately ₹6.4 trillion, in FY26, Crisil Ratings said in a report on Thursday. According to the rating agency, these states, including Maharashtra, Gujarat, Karnataka, Tamil Nadu, and Uttar Pradesh, together account for nearly 90% of the country's aggregate GSDP.However, the persistence of high welfare expenditure, supporting developmental goals, may lead to an elevated revenue deficit, thus curbing the financial flexibility of states to expand capital spending, the report warned. *(Mint)*

UP, Gujarat, Maharashtra to lead ₹10.2 trn state capex push in FY26: Report

The capital expenditure by 26 Indian states will increase to ₹10.2 trillion in FY26 from ₹8.7 trillion in FY25, a Bank of Baroda study projects. Just over five states are expected to contribute nearly 50 per cent of this outlay, with Uttar Pradesh alone accounting for 16.3 per cent. Gujarat follows with a projected 9.4 per cent share, ahead of Maharashtra (8.3 per cent), Madhya Pradesh (8.1 per cent) and Karnataka (6.7 per cent). These five states are likely to dominate infrastructure investment in the coming year. *(Business Standard)*

CM Siddaramaiah urges Centre to ensure fair fund allocation to K'taka under 16th Finance Commission

Raichur (Karnataka), Jun 23 (PTI) Karnataka Chief Minister Siddaramaiah on Monday urged the central government to ensure fair allocation of funds to the State under the 16th Finance Commission, claiming that it has suffered a loss of around Rs 80,000 crore in allocations compared to the 14th Finance Commission. Addressing the media here, he criticised BJP MPs from Karnataka, alleging that "not a single saffron party MP has raised their voice on this serious injustice to the state." Siddaramaiah alleged that despite being an influential minister close to Prime Minister Narendra Modi, Union Minister Pralhad Joshi has failed to secure the release of Rs 11,495 crore recommended as a special grant to Karnataka by the Finance Commission. *(ThePrint)*

8th Pay Commission: Is govt backtracking on its promise? Employees question Centre's prolonged silence

The National Joint Consultative Mechanism (Staff Side) – NC JCM, representing central government employees and pensioners, has intensified the demand for making public the Terms of Reference (ToR) related to the formation of the 8th Central Pay Commission. In this regard, Shiv Gopal Mishra, Secretary, NC JCM has written a formal letter to the Cabinet Secretary on 18 June 2025.Till now, neither the terms of the commission have been finalised nor any formal announcement has been made, the Staff Side of NC-JCM said. This has created an atmosphere of great confusion and apprehension among the employees and pensioners, it added. *(Financial Express)*

State government sanctions ₹335 crore to local bodies for health centres

The State government has sanctioned ₹335 crore to local bodies for strengthening community and family health centres and urban health and wellness centres, Finance Minister K.N. Balagopal said. The funds constitute Finance Commission grants for these measures. Community health centres and family health centres are eligible for ₹199 crore. Urban health and wellness centres will get ₹136 crore. This includes ₹2,150 crore towards the first instalment of the development fund, ₹78 crore as untied grants, ₹1,396 crore towards the first instalment of the maintenance fund and ₹427 crore towards the two instalments of the general purpose fund. *(The Hindu)*

Taxation

Make GST registration easier using tech, risk-based parameters: FM to CBIC

Finance Minister Nirmala Sitharaman asked CBIC to make the GST registration easier, seamless, and more transparent for taxpayers, using technology and risk-based parameters. During the conclave, she directed the zones to prepare an action plan to improve various parameters, such as GST registration, processing of refunds, and handling taxpayers' grievances. The finance minister also directed the CGST formations to launch targeted awareness campaigns among taxpayers, trade associations, and industry bodies regarding the mandatory documentation required for GST registration, particularly those related to the principal place of business, the finance ministry said in a statement. *(Business Standard)*

GST evasion detection hits all-time high of ₹2.23 trillion in FY25

The Central Board of Indirect Taxes and Customs (CBIC) detected Goods and Services Tax (GST) evasion of ₹2.23 trillion in the financial year 2024-25 (FY25), an all time high figure which was 10 per cent more than the previous year's ₹2.02 trillion. In FY23, the GST evasion stood at ₹1.01 trillion. In FY25, voluntary payments by taxpayers stood at ₹28,909 crore, according to data shared at the CBIC Conclave held in New Delhi on Thursday. Chairing the meeting, Finance Minister Nirmala Sitharaman called for speedy closure of investigations in Customs and CGST cases, stronger action on tax evasion, and time-bound improvements in GST registration and grievance redressal. *(Business Standard)*

GST Council set to discuss having fewer items in 12% slab

The agenda for the Goods and Services Tax (GST) Council at its next meeting, likely to be held in July, will include deliberations on minimising the 12% tax slab and also finalising the tax treatment on service intermediaries, which could provide the sector relief worth thousands of crores, according to informed sources. *(The Hindu)*

National Accounts and State of the Economy

LRS remittances rise 8.6% in April 2025 on travel, investment boost

Outward remittances under Reserve Bank of India's (RBI's) Liberalised Remittance Scheme (LRS) grew by 8.6 per cent in April 2025 from the year ago period against the back of healthy growth in international travel and investment. The LRS scheme was introduced in 2004, allowing all resident individuals to remit up to $250,000 per financial year for any permissible current or capital account transaction, or a combination of both, free of charge. In the initial phase, the scheme was introduced with a limit of $25,000 which was gradually revised. *(Business Standard)*

Adani Group to invest $100 bn, targets 100 GW total power capacity by 2030

Adani Green, the group's renewable company, aims to achieve 50 GW (gigawatt) of capacity and thermal power producer Adani Power 31 GW. The rest of the capacity will come from pumped hydropower. As of FY25, the group's thermal power capacity stood at 16.6 GW and renewable capacity at almost 15.2 GW. The group will invest $15-20 billion annually in its companies, including airports. Adani Energy Solutions has got transmission orders of around Rs 44,000 crore in FY25 and is executing Rs 13,600 crore worth of smart metering project. *(Business Standard)*

India enters top 100 in global SDG rankings of nations for first time

According to the UN Sustainable Development Solutions Network's 10th and latest Sustainable Development Report (SDR), India ranks 99th on the 2025 SDG Index with a score of 67, while China ranks 49th with 74.4 and the US 44th with 75.2 points. India's maritime neighbours, Maldives and Sri Lanka, stood at 53rd and 93rd places, respectively. The report's authors said that SDG progress has stalled at the global level, with only 17 per cent of the 17 targets adopted by the UN member countries in 2015 projected to be achieved by 2030. Among India's neighbours, Bhutan takes 74th place with 70.5 points, Nepal ranks 85th with 68.6, Bangladesh 114th with 63.9 and Pakistan 140th with 57 points. *(Business Standard)*

Cement makers struggle despite robust growth of construction sector in GDP

Combined revenue of cement makers -- both listed and unlisted, with FY25 figures available -- declined 6.9 per cent year-over-year, marking a sharp reversal from 8.7 per cent growth in the previous year. It was the first annual revenue contraction in this industry in two decades. By contrast, the construction sector, based on gross domestic product (GDP) estimates, expanded 9.4 per cent in FY25 at current prices, slightly down from 10.6 per cent growth a year earlier, according to Reserve Bank of India (RBI) data. The cement industry's aggregate net sales fell to ₹2.1 trillion in FY25 from ₹2.22 trillion the previous year. Meanwhile, construction-sector output rose to ₹15.72 trillion from ₹14.38 trillion. *(Business Standard)*

Icra retains India's FY26 GDP forecast at 6.2% despite rising global risks

Rating agency Icra on Wednesday retained its India's GDP growth forecast for fiscal 2025-26 at 6.2 per cent, assuming well-distributed monsoons and crude oil prices averaging around $ 70/barrel. The Reserve Bank has projected the GDP growth at 6.5 per cent. Aided by the favourable monsoon forecast and likely dip in food inflation, the CPI inflation is projected to cool to 3.5 per cent in FY2026 from 4.6 per cent in FY2025, lower than the Monetary Policy Committee's (MPC's) forecast of 3.7 per cent, it added. *(Business Standard)*

GDP base revision could be done more frequently in future: Rao Inderjit

The ministry has shifted from data collection through pen and paper to tablets through computer-assisted personal interviews in national sample surveys (NSS). In-house software is developed for data validation, multiplier calculation, table generation, etc. AI-enabled chatbots have been included in surveys like the Annual Survey of Unincorporated Sector Enterprises. With computer-assisted personal interviews, the time period for disseminating the results and the data of the surveys after the conduct of the survey could be reduced to a great extent. *(Business Standard)*

Banking and Monetary Policy

Is the slowdown in credit growth a cause for worry?

India's economic growth has long relied on healthy bank credit. While credit growth has been quite volatile in the last three decades, the growth of 11 per cent registered in 2024-25 has raised eyebrows. Particularly as it follows a strong 20 per cent growth in 2023-24. But, is credit growth slowing down? Should policy makers be worried about it? A business line analysis of credit growth since the beginning of this century shows the slower growth last fiscal year is not a cause for concern. The growth last fiscal year is in line with the average growth recorded between 2011 and 2025. The growth is also in line with the growth rate in the economy. A more sedate credit growth could be more sustainable, indicating more stable financial conditions. *(BusinessLine)*

Can 'stablecoins' bolster dollar dominance?

In a world shaken by conflict, pandemic, and populism, the golden era of globalization appears to be in retreat. The once-celebrated flows of capital, goods, and information now stutter under the weight of fragmented politics and deepening geopolitical divides.
As trust in the post-war liberal consensus is eroding, the financial infrastructure underpinning global trade is being reimagined. A quiet but significant transformation in this context is in the architecture of money. As nations race to redefine their monetary

sovereignty in a digital age, two competing infrastructures have emerged: Central Bank Digital Currencies (CBDCs) and Stablecoins. *(BusinessLine)*

RBI to conduct 7-day auction of ₹1 lakh crore to absorb excess liquidity from the banking system

The Reserve Bank of India (RBI) has decided to conduct a 7-day Variable Rate Reverse Repo (VRRR) auction on June 27 to absorb surplus liquidity from the banking system. This comes in the backdrop of the banking system's surplus liquidity touching ₹2.43 lakh crore as on June 23. "After a pause, the Reserve Bank of India has announced a 7-day Variable Rate Reverse Repo VRRR auction of ₹1 lakh crore...While the size and tenor of the VRRR are significant, market participants are likely to view this as a RBI's policy signalling a clear message that surplus liquidity conditions will be actively managed going forward," said Venkatakrishnan Srinivasan, Founder & Managing Partner, Rockfort Fincap LLP. *(BusinessLine)*

Small banks, big deal

In line with its recent credo of easing regulatory curbs on credit, the Reserve Bank of India (RBI) has proposed a significant relaxation in its rules governing small finance banks (SFBs). Beginning this financial year, SFBs will be required to meet a priority sector lending (PSL) target of only 60 per cent compared to the 75 per cent in place until last year. As with other classes of banks, small finance banks must continue to extend 40 per cent of their net credit to agriculture, micro enterprises, weaker sections, affordable housing, renewables and other designated priority sectors. *(BusinessLine)*

Trade credit plays big role in financial stability

India's bank-centric NPA (non-performing asset) resolution framework — from BIFR (Board for Industrial and Financial Reconstruction) to NCLT (National Company Law Tribunal) — does not adequately address its underlying cause: the growing erosion of payment discipline in the B2B trade credit (TC) ecosystem. Delays and defaults within this network eventually manifest as NPAs in the banking system. Given the strong cross-connectivity between banks and the TC network — encompassing supply chain finance, inter-firm payment, TC flows, financial re-intermediation, credit risk, and market liquidity — this policy gap, though critically important, has been overlooked. *(BusinessLine)*

'Banks must raise more deposits to improve LDR ratio

Reserve Bank of India (RBI)'s 50 basis point rate cut may restore loan growth to 12%-13% however this may need a higher deposit ratio in the banking system in FY26, ratings agency Fitch said. Loan-to-deposit ratio (LDR) rose 120 basis points in FY25. To maintain the pace of this growth, banks have to keep mobilising deposits equal to or more than the loan growth, Fitch said in a commentary. Sectoral loan growth was at a 4-year low of 10% as lending to non-banking finance institutions reduced. Public sector banks lent at a faster rate of 12.4% than private sector banks. *(The Hindu)*

Expansionary policies in a slowing economy

The Reserve Bank of India (RBI) has cut key lending rates in two successive meetings, indicating a significant expansionary shift. In April 2025, the repo rate was cut by 25 basis points, and a further 50 basis point cut was announced in the recent meeting in

June, bringing the policy repo rate to 5.5%. The RBI forecasts GDP growth of 6.5% for 2025-26, and inflation within the band of 4% +/- 2%, indicating sufficient room for these rate cuts. *(The Hindu)*

Rates and the right debt fund

Fixed deposit (FC) rates registered a steady dip ever since the MPC started rate-easing cycle at its February meet. The latest 50 bps cut in repo rate and easing liquidity conditions should lead banks to cut FD rates more. This may push fixed income investors towards debt mutual funds to benefit from easing rate cycles. However, with over 300 debt funds and 16 categories, wrong fund choice may lead to sub-optimal returns/capital loss. Here are some key factors to help make informed decisions on debt funds. *(The Hindu)*

Share of public sector banks in CD issuances rises to 69% in 2024: RBI

The share of public sector banks (PSBs) in issuing certificates of deposit (CDs) has risen sharply between 2022 and 2024, while private sector banks (PVBs) have seen a corresponding decline, according to a report in the Reserve Bank of India's (RBI's) latest bulletin. PSBs accounted for 69 per cent of CD issuances in December 2024, a steep rise from just 6 per cent in 2022. In contrast, the share of PVBs dropped from 85 per cent to 30 per cent over the same period. *(Business Standard)*

RBI deepens scrutiny of bank board meetings and governance practices

The Reserve Bank of India (RBI) is taking a much closer look at bank board deliberations and may issue directives to improve governance practices. Senior officials in both state-run and private banks told Business Standard that following the developments at IndusInd Bank, the central bank's senior supervisory managers (SSMs) were asking questions on the agenda presented to boards, the time spent discussing specific items, and observations made by independent directors. *(Business Standard)*

RBI, banks to launch DPIP platform to combat rising digital payment frauds

In a bid to rein in the increasing incidence of digital payment frauds, major public and private sector banks have been roped to develop Digital Payment Intelligence Platform (DPIP) as a Digital Public Infrastructure (DPI) under the supervision and guidance of the RBI. The proposed platform seeks to bolster fraud risk management by facilitating real-time intelligence sharing and gathering, thereby preventing fraudulent digital transactions, sources said. According to sources, the institutional structure of the proposed entity would be created with the help of both public sector and private sector lenders as fraud is a common monster. *(Business Standard)*

RBI reduces priority sector lending requirement for small finance banks

The Reserve Bank of India (RBI) has reduced the mandatory priority sector lending requirement for small finance banks (SFBs) to 60% from financial year 2025-26 onwards as against the existing requirement of 75%. As per the Guidelines for Licensing of Small Finance Banks in Private Sector dated 27 November 2014 a SFB is required to extend 75% of its Adjusted Net Bank Credit (ANBC) to the sectors eligible for classification as priority sector lending (PSL). *(Business Standard)*

Robust balance sheets key to boost monetary policy impact: RBI study

Strengthening corporate balance sheets and targeted credit support - particularly for small firms - can enhance the effectiveness of accommodative monetary policy in stimulating investment, a study authored by Reserve Bank of India (RBI) staffers in the June bulletin has suggested. According to the findings of the study, which investigates the existence of a balance sheet channel of monetary policy transmission in India, this channel is active among Indian manufacturing firms, particularly small firms, while no conclusive differences were found across leverage groups. *(Business Standard)*

External Sector

India ramps up oil imports from Russia, US in June amid Israel-Iran tensions

India has increased its purchases of Russian oil in June, importing more than the combined volumes from West Asian suppliers such as Saudi Arabia and Iraq, amid market volatility triggered by Israel's attack on Iran. The U.S. military struck three sites in Iran early on Sunday, directly joining Israel, which first struck Iranian nuclear sites on June 13. Indian refiners are likely to import 2-2.2 million barrels per day of Russian crude oil in June — the highest in the past two years and more than the total volumes bought from Iraq, Saudi Arabia, the UAE, and Kuwait, according to preliminary data from global trade analytics firm Kpler. *(The Economic Times)*

India's engineering exports contract marginally in May as geopolitical tensions rise

India's engineering goods exports contracted by a marginal 0.82 percent (year-on-year) in May to $9.89 billion due to geopolitical tensions in West Asia and a higher statistical base, according to an analysis by industry body EEPC India. Country-wise analysis showed a substantial decline in engineering exports to the UAE and Saudi Arabia in May, the report noted. While India's engineering exports to the US and the EU grew, a significant decline was noted in the case of the UAE, Saudi Arabia, and Turkey, which are significant markets for India and feature prominently in India's top 25 destinations. The decline can be explained by the growing geopolitical tensions in the area and the rising threat to logistics. *(BusinessLine)*

US intervention in Israel-Iran war increases risks for India's export-import

With the US entering the Israel-Iran war with its strikes on Iran's key nuclear sites, Indian exporters and importers have turned more jittery as retaliation by Tehran could increase transit risks in the region and destabilise global trade further. The Ministry of Commerce and Industry is continuing to closely watch the situation as it develops and is in touch with stakeholders to take appropriate action when required, especially if there is a wider regional escalation, a source tracking the matter said. *(BusinessLine)*

Exports of cut and polished diamonds to decline by 7-10% in FY26: Icra

After witnessing a 20-year low in FY25, the exports of Indian cut and polished diamonds (CPD) are expected to further decline by 7-10 per cent year-on-year (Y-o-Y) to about $12 billion during the current financial year, Icra said in a report on Thursday. This is largely attributable to pressure on demand in the US, exacerbated by uncertainties surrounding imposition of US tariffs. Icra has thus, maintained its sector outlook at negative," the report said. During the previous financial year, CPD exports from India contracted 17 per cent to $13 billion due to worsened global macroeconomic conditions and increasing competition from lab-grown diamonds (LGD) and fancy-coloured diamonds (FCD). *(Business Standard)*

Will take up fertiliser export curbs by China as required, says MEA

The Indian government will take up the matter of squeezing of fertiliser supplies by China and other trade and economic related issues as and when required, a senior official from the Ministry of External Affairs (MEA) said.He was responding to questions on reports that China has stopped supplies of speciality fertilisers and also restricted exports of urea and Di-Ammonia Phosphate (DAP) to India since the last few months that has aggravated the crisis in key agricultural inputs in the aftermath of the West Asia crisis. *(Business Standard)*

China, India cut Indonesian coal imports, shift to higher-grade supply

Top thermal coal importers China and India are slashing Indonesian shipments of the power-generating fuel in favour of energy-dense grades from elsewhere as a global fall in prices has made higher-quality coal more competitive. Coal purchases by China and India from Indonesia, the world's biggest exporter, are dropping faster than their overall thermal coal imports, as both nations shift toward higher-calorific value (CV) coal that yields more energy per ton, industry officials say. Higher CV coal is more expensive, but produces more energy for every dollar spent at current prices. One million tons of higher CV coal can replace 1.2-1.3 million tons or even 1.5 million tons from Indonesia. *(Business Standard)*

Indian trade negotiators in US for trade talks

Indian trade negotiators are in Washington for talks on an interim trade deal with the US before the July 9 deadline. India aims to protect its interests in agriculture and dairy while seeking concessions for labor-intensive sectors. Discussions will also address the impact of US tariffs on steel, aluminum, and auto imports, as India seeks similar concessions to other nations. *(The Economic Times)*

Bilateral trade agreements with US likely to reduce India's goods trade surplus with US: CRISIL

India's trade surplus with the US may decrease due to upcoming bilateral trade agreements. CRISIL reports India's imports of energy, agriculture, and defense could rise. While the US is India's top export partner, there's room to grow exports like smartphones and textiles. Trade deal completion is expected by September. *(The Economic Times)*

Gold duty cut spurs official imports, curbs unofficial channels: ICRA

India's gold import dynamics saw a shift in FY2025 following a sharp reduction in import duty from 15% to 6%, effective July 24, 2024. According to a report released by ICRA, official gold bullion imports rose by 8% during the year despite flat overall demand at 782 tonnes, compared to 774 tonnes in FY2024. This suggests a decline in unofficial gold inflows. *(The Economic Times)*

India plans to roll out new scheme of Krishi Clinics at village level for farmers

The Union government may set up Krishi Clinics in villages to address crop pests and diseases, based on farmers' feedback under the Viksit Krishi Sankalp Abhiyan, Agriculture Minister Shivraj Singh Chouhan said. Suggestions are being reviewed by ICAR scientists. Key issues raised include affordable hybrid seeds, poor mandi prices, high input costs, and better access to quality agro-chemicals and public sector crop varieties. *(BusinessLine)*

Icrisat develops faster, accurate method to check soil health

Scientists at the International Crops Research Institute for Semi-Arid Tropics (Icrisat) have developed a method that speeds up the process of assessing soil health.This will address the challenge of good soil health, which is very important to ensuring a bumper crop. The method cuts assessment time from weeks to mere minutes.By linking degradation maps with real-world crop yields, the research also reveals a critical finding — that irrigation could shield farms from degradation's worst impacts, offering a lifeline for rain-fed agriculture in semi-arid zones. *(BusinessLine)*

Over 50 lakh hectares covered under kharif sowing in a week

The overall acreage under all kharif crops is up by 10 per cent at 137.84 lakh hectares (lh) as of June 20 from 124.88 lh a year ago, the Agriculture Ministry said on Monday. The acreage of arhar (pigeon pea), groundnut and soyabean is marginally lower, while all other crops have reported higher area. As monsoon revived on June 15 and has so far covered almost the entire country barring Punjab, Haryana, north Rajasthan and some parts of west Uttar Pradesh, nearly 50 lh were covered last week against less than 15 lh the previous week. Sowing is earlier than normal in most parts, officials said, adding that the pace is likely to gain further momentum. *(BusinessLine)*

Pulses import value down 37% in April-May

The value of pulses import dropped by around 37 per cent during the first two months (April-May) of the current financial year to $492 million as overseas purchases of yellow peas and chickpeas slowed down.During April-May in the last financial year, the pulses import value stood at $782 million, per the Commerce Ministry data."Weak demand, coupled with last year's record purchases, led to a slowdown in imports during the first two months of the current financial year," said Rahul Chauhan of Igrain India. Also, prospects of domestic production look good, with the forecast of an above normal monsoon for the year, he said. *(BusinessLine)*

Record potato, banana production drives horticulture output to new high in 2024-25

India's horticulture production is estimated to have increased to a new high of 367.72 million tonnes (mt), thanks to potato production surging to a record high of over 60 mt and onion output rising 6.5 mt. Releasing the horticulture production estimates for the

2024-25 crop year ending this month, the Centre said the output of various horticulture crops increased by 3.66 per cent in the current crop year from 354.74 mt in 2023-25.This was made possible due to higher productivity. However, the area under horticulture crops increased by less than 2 lakh hectares (lh). Union Agriculture and Farmers Welfare Minister Shivraj Singh Chouhan, releasing the second advance estimates of the area and production of horticultural crops, said the area increased by 1.81 lh from last year to 292.67 lh. But the production of horticultural crops increased by 12.98 mt from the 2023-24 level. *(BusinessLine)*

Defining rural India

Census 2027 offers a chance to redefine rural and urban areas using real-time data on infrastructure and services. The current classification, based on outdated criteria, fails to capture development needs. Other countries use access to services to define urban areas, aiding poverty analysis. India needs a dynamic, data-driven definition of rurality, reviewed regularly, to make policies more effective and people-focused.(The writer was with the National Institute of Rural Development & Panchayati Raj (NIRDPR), Hyderabad). *(BusinessLine)*

After magnets, China now plants agriculture barrier for India

For the past two months, China has ceased exporting specialty fertilizers crucial for enhancing the production of fruits and vegetables to India, despite continuing shipments to other countries. This halt, impacting India's reliance on China for 80% of these chemicals, is attributed to inspections and procedural delays imposed by the Chinese government, raising concerns about potential retaliatory measures. *(The Economic Times)*

Industry, Manufacturing, Services and Technology

A holistic approach at transforming mining sector

Last month, India auctioned its first-ever potash block, with an aim to cut import dependence on agriculture fertilizers and, thereby, ensure our nation’s food security. Such is the potential of our vast mineral wealth; it touches each and every nerve of a progressing nation. To realise the prospects available holistically, the past decade has witnessed an era of unprecedented reforms, marked by transparency, efficiency, and ambition. *(BusinessLine)*

Data vs the planet: India’s data centre boom sparks sustainability concerns

As India and other digital economies race to expand data capacity for AI, cloud computing and digital streaming, the environmental footprint of data centres is growing just as fast. In 2022 alone, these centres consumed an estimated 240–340 terawatt-hours (TWh) of electricity worldwide, a figure projected to double by 2026. Globally, they already consume as much energy as the aviation industry and are set to double their electricity demand by 2030. *(BusinessLine)*

Defence sector firing on all cylinders

In this volatile arena of geopolitics, conflicts breed not just caution but catalysis. The recent skirmishes and heightened tensions between India and Pakistan have refocused national attention on military preparedness — not merely as a security imperative but as an economic opportunity. With global military expenditure witnessing a record surge, India aims to transition from the world's largest arms importer to a competitive defence exporter and manufacturing hub. *(BusinessLine)*

India-NZ FTA talks: Govt consulting industry on duty cuts

With India and New Zealand eyeing early conclusion of the Free Trade Agreement (FTA) talks, New Delhi has started extensive interactions with various industry sectors on the extent of market access that could be offered to different items, based on requests submitted by Wellington. "The government is consulting the relevant industry sectors on the list of items New Zealand has sought duty cuts on. The industry has been asked to examine the items relevant to them minutely, and suggest whether these should be subject to immediate or phased duty elimination, or whether there should be just duty reduction and no elimination," said the source who is tracking the matter. For items where domestic producers would need protection against surges, the industry could also propose tariff reduction through quotas. *(BusinessLine)*

Manufacturing sector needs transformative push

Indian manufacturing, despite its vast potential, still lags behind its international peers. The sector's contribution is approximately 14 percent to the country's Gross Value Added (GVA), a modest number, considering the government's ambitious plan to develop manufacturing into a $1 trillion economy. While Vietnam has successfully moved up the manufacturing value chain and gained strong export momentum, India remains confined to basic manufacturing with limited global competitiveness. The regulatory environment becomes a hurdle between businesses and investors due to being overlaid with cross-cutting regulations, inconsistent enforcement, and conflicting laws. Import duties on intermediate goods and raw materials inflate input costs, making goods from India costlier globally. *(BusinessLine)*

Network solutions providers see order boom in FY26 on rising demand

Top network equipment and solutions providers are optimistic of higher order inflows in FY26, led by demand for optic fibre cables (OFC), data centres and expanding 5G coverage. They are also banking on the government's BharatNet project to be a growth driver. Sterlite Technologies (STL) and Tejas Networks saw a muted FY25 but there are early signs of orders picking up. This month, STL won a ₹2,631 crore order from BSNL for the middle mile network of BharatNet in the J&K and Ladakh telecom circles while in May, Tejas Networks got a ₹1,525 crore order from TCS for Radio Access Network and other equipment in connection with BSNL's 4G mobile network project. *(BusinessLine)*

Health insurance must be inclusive

Health insurance contributed ₹1.18 lakh crore in FY 24-25, which is around 36 per cent of general insurance premium in India. It has been in the news for both pricing and claims settlement issues. *(BusinessLine)*

Health cover beyond hospital care

Healthcare in India is undergoing a fundamental transformation. Medical advancements, rising awareness, and a growing emphasis on preventive care are changing the way we experience health and healing. Yet, for many Indians, health insurance remains tied to what an employer provides — largely through corporate health insurance. Serving as a critical safety net for millions of employees, these group insurance plans provide coverage for hospitalisation and, often, extend to employees' family members, offering financial relief during medical emergencies. *(BusinessLine)*

News on Kerala

Cabinet clears a framework for river basin conservation

The state cabinet cleared framework for river basin conversion by forming an apex committee, the Kerala River Basin Conservation and Management Authority, will be chaired by the Chief Minister in addition this the panel will also have the Ministers for Water Resources, Industries, Revenue, Power, Forest, Finance, Local Self-Government, Agriculture, Environment, Fisheries, Public Works and Tourism , the Vice-Chairman of the State Planning Board, and the Chief Secretary as members. *(The Hindu)*

Kerala's fishing economy reels from back-to-back maritime disasters

Kerala's coastal communities are on edge after two back to back maritime accidents in the Arabian Sea within a short span, threatening not only fragile marine ecosystems but also the livelihoods of thousands who depend on Fishing. These incidents—first involving the MSC Elsa 3, followed by a fire aboard MV Wan Hai 503—This has triggered bans on fishing, fears of contamination, and causing disruptions in the state's marine economy.Asper Kerala Fisheries Statistics 2021, over one million people in the state depend directly or indirectly on fisheries, including more than 2.4 lakh active fishermen across 222 marine fishing villages. *(Business Standard)*

Kerala may allow BH registration for central govt staff with higher road tax

The Kerala government is considering allowing Bharat Series (BH) registration for central government government employees residing in the state, provided they agree to pay a higher road tax. The government level discussions are underway to explore the feasibility of this proposal. The state's stance is that BH registration can be permitted so long as it does not lead to a loss of tax revenue. (Mathurbhumi)

Farm fests' to be held at Kerala Agriculture department farms

The Agriculture department is set to organise 'farm fests' in the farms run by it across Kerala.Farm produce unique to each farm and seed materials will be on display and sale at the events, which is part of the department's efforts to popularise farming among people.The festivals, which will last three to seven days, will be organised under the supervision of the Farm Council. Agriculture Minister P. Prasad had announced plans to hold the festivals in the Assembly earlier this year. The department has now issued orders for organising them on the basis of a proposal drafted by the Director, Agriculture department. *(The Hindu)*

Kerala Agricultural University develops diabetes-friendly cocoa snacks

Kerala Agricultural University has developed a new environment-friendly, nutritious food from the leftover pod husk and pulp after the manufacturing of chocolateCocoa husk cookies are made from the husk, and the pulp is turned into ready-to-serve soft drinks.Usually, the leftover husk and pulp after the chocolate production are discarded. (Mathurbhumi)

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