



Public Finance

CAG report says Delhi's fiscal surplus turns into a deficit in FY24, revenue surplus drops over 55% in FY24

Delhi's revenue surplus dropped by more than 55% in 2023-24, falling from ₹14,457 crore in the previous year to ₹6,462 crore, according to the Comptroller and Auditor General (CAG) report on state finances. The fiscal balance also declined significantly as a surplus of ₹4,566 crore in 2022-23 turned into a fiscal deficit of ₹3,934 crore in 2023-24 - marking a 186% fall. Chief Minister Rekha Gupta tabled the report in the Delhi Assembly on Monday, the first day of the monsoon session, a TOI report stated. (*The Economic Times*)

States must fix their own economies, address deeper structural cracks

A recent report by Crisil showed that India's 18 largest states, which together account for over 90 percent of the country's gross state domestic product (GSDP), are projected to see a revenue growth rate of 7-9 percent in 2025-26, up from 6.6 percent in 2024-25. Aggregate revenues are expected to touch ₹40 trillion, driven largely by steady goods and services tax (GST) collection, robust growth in excise on liquor, and improved central transfers. Petroleum tax collection, however, continues to lag with subdued 2 percent growth. (*Business Standard*)

CPI(M) urges Pawan Kalyan to release ₹1,121 crore of 15th Finance Commission Funds to Panchayats

CPI(M) Andhra Pradesh State Secretary V. Srinivasa Rao, on Wednesday (August 6) wrote a letter to Deputy Chief Minister K. Pawan Kalyan, urging him to release ₹1,121 crore in funds allocated under the 15th Finance Commission to village panchayats. Mr. Srinivasa Rao said that although the current coalition government released the first instalment of these funds, the second tranche amounting to ₹1,121 crores—released by the Centre over six months ago—has not yet been disbursed, causing distress among local bodies. (*The Hindu*)

Both Centre, States spend big on capex in Q1 FY26

Even as private capex sputters due to macroeconomic conditions and tariff uncertainty, the Centre as well as State governments have accelerated capex spending in the first quarter of FY26. While this can primarily be due to a low base effect from the same quarter last year, which involved the Lok Sabha polls, analysts note that the Centre and most States have front-loaded capex this year. Central government data on provisional capex between April to June 2025 show a y-o-y growth of 52 per cent at ₹2,75,132 crore. (*BusinessLine*)

Government saves Rs 560 crore in interest costs through bond switches amid rising debt maturity

The government has benefited from the elongation of the debt maturity profile and savings on interest outgo through bond switches and conversions. In switches, bonds maturing in the near term are replaced with long-term papers. The interest cost advantage for the government because of the bond switches was ₹560 crore so far in this fiscal, compared with ₹54 crore in the same period a year ago, shown a study by Bank of Baroda. *(The Economic Times)*



Taxation

Net tax revenue contracts 1.7% on year in Q1FY26

India's fiscal deficit more than doubled in the year to Rs 2.8 lakh crore to hit around of the annual target in the first quarter of 2025-26, with acceleration in capex and revenue expenditure, while net tax receipts declined. In the first quarter of FY26, net tax revenues contracted by 1.7% to Rs 5.4 lakh crore, while non-tax revenues surged by 33% on year to Rs 3.73 lakh crore following the receipt of the higher-than-budgeted dividend from the Reserve Bank of India. *(Business Standard)*

Tax arrears worth ₹54.53 trillion pending as on June 30: Govt tells RS

Total direct and indirect tax arrears stood at over ₹54.53 trillion as of June 30, Parliament was informed on Tuesday. In a written reply to a question in the Rajya Sabha, Minister of State for Finance Pankaj Chaudhary said, "The total amount of tax arrears pending as on June 2025, under indirect taxes is over ₹7.01 trillion and under direct taxes is over ₹47.52 trillion." *(Business Standard)*

India's GST collections rise 7.5% y-o-y to Rs 1.96 lakh crore in July

India's gross Goods and Services Tax (GST) collection for the month of July stood at Rs 1.96 lakh crore, marking a 7.5% increase compared to the same month last year, government data showed. For the previous month, India's gross Goods and Services Tax (GST) collection for the month of June stood at Rs 1.85 lakh crore. *(The Economic Times)*

GST evasion of ₹7.08 trn detected in 5 yrs, includes ITC fraud of ₹1.79 trn

Central GST field officers have detected tax evasion of about ₹7.08 trillion in the last five years till 2024-25 fiscal, including input tax credit (ITC) fraud of about ₹1.79 trillion, Parliament was informed on Monday. In 2024-25 fiscal alone, over ₹2.23 trillion of Goods and Services Tax (GST) evasion were detected by CGST field officers, according to the data shared by Minister of State for Finance Pankaj Chaudhary in the Lok Sabha. *(Business Standard)*

West Bengal's GST revenues rise 12% in July, Tripura leads with 41% surge

West Bengal recorded a 12 per cent year-on-year (Y-o-Y) increase in gross Goods and Services Tax (GST) collections in July 2025, with receipts climbing to ₹5,895 crore from ₹5,257 crore in the same month last year, according to provisional figures released by

the Ministry of Finance. The state's cumulative GST revenue growth rate for the financial year to July stood at 7.71 percent. *(Business Standard)*

No proposal to exempt MPLAD funds from GST: Govt to Parliamentary panel

There is no proposal under review to waive GST from the utilisation of the Members of Parliament Local Area Development (MPLAD) scheme funds, the government has told a Parliamentary panel that had in March recommended scrapping the indirect tax to improve the efficacy of the scheme. A GST of up to 18 per cent is levied on the work done under the MPLAD scheme. *(Business Standard)*



National Accounts and State of the Economy

Govt proposes 2022-23 as new base year for GDP and IIP: Minister

The government has proposed 2022-23 as the new base year for the Gross Domestic Product (GDP) and Index of Industrial Production (IIP), and 2024 for Consumer Price Index (CPI), Parliament was informed on Wednesday. "The Ministry is underway to revise the base year of GDP, IIP and CPI. *(Business Standard)*

Fitch cuts GDP growth projections to 6.3%; sees mild impact of US tariffs

Fitch Ratings on Friday cut India's GDP projections for the current fiscal to 6.3 per cent and said it expects a limited direct impact of higher US tariffs on Indian corporates. In its Global Economic Outlook in April, Fitch had estimated India's GDP growth at 6.4 per cent for 2025-26. *(Business Standard)*

US tariff impact: India's FY26 GDP growth likely to take 60-bp hit

The US' move to raise the tariff on most Indian goods to 50 per cent could drag India's GDP growth for FY26 by 35 to 60 basis points, according to various economists. One basis point (bp) is equal to 0.01 per cent. While domestic consumption may avert a huge blow to growth, experts feel that it would still be a setback for the economy and may require government intervention. *(Business Standard)*

National Aluminium Company consolidated net profit rises 78.36% in the June 2025 quarter

Net profit of National Aluminium Company rose 78.36% to Rs 1049.48 crore in the quarter ended June 2025 as against Rs 588.42 crore during the previous quarter ended June 2024. Sales rose 33.29% to Rs 3806.94 crore in the quarter ended June 2025 as against Rs 2856.10 crore during the previous quarter ended June 2024. *(Business Standard)*

Power consumption increases 2.6% to 153.63 billion units in July

Power consumption in the country grew marginally by 2.6 per cent year-on-year to 153.63 billion units (BU) in July, mainly due to reduced usage of cooling appliances amid heavy downpour in several parts of the country. The highest supply in a day (peak power demand met) in July dipped slightly to about 220.59 GW last month, from around 226.63 GW in July 2024. *(Business Standard)*

Industrial Investment Trust consolidated net profit rises 40.05% in the June 2025 quarter

Net profit of Industrial Investment Trust rose 40.05% to Rs 10.28 crore in the quarter ended June 2025 as against Rs 7.34 crore during the previous quarter ended June 2024. Sales rose 33.30% to Rs 15.53 crore in the quarter ended June 2025 as against Rs 11.65 crore during the previous quarter ended June 2024. *(Business Standard)*



Banking and Monetary Policy

MPC meeting highlights: Continue to do whatever required to support economic growth, says RBI Governor

Reserve Bank Governor Sanjay Malhotra announced that the repo rate will remain unchanged at 5.5% on Wednesday (August 6, 2025). He also projected the GDP growth projection for FY26 retained at 6.5%. Unveiling the third bi-monthly monetary policy for 2025-26, Mr. Malhotra said the above normal southwest monsoon, lower inflation, rising capacity utilisation, and congenial financial conditions continue to support domestic economic activity. The CPI inflation for FY26 projected down at 3.1% as compared with 3.7% projected in June. *(The Hindu)*

RBI's panel for continuation of Weighted Average Call Rate as operating target of monetary policy

An RBI internal group has recommended continuation of overnight Weighted Average Call Rate (WACR) as the operating target of monetary policy. The group has also recommended to continue with the variable rate auction mechanism for repo and reverse repo operations of various tenors with the objective of maintaining the operating target rate at the policy rate. *(The Economic Times)*

Co-lending norms: Tech integration could prove a hurdle

Both mainstream banks and non-bank lenders could shift to the direct assignment route on co-lent assets, anticipating a slowdown in such deals after the central bank decided to tighten rules, industry experts said. The co-lending industry is estimated to be in excess of ₹1 lakh crore. Lenders said the new Reserve Bank of India (RBI) rules on co-lending deals would require significant technology integration between banks and non-banking finance companies (NBFC), increasing operational complexity. *(The Economic Times)*

RBI grants AU Small Finance Bank a universal license, first in a decade

The Reserve Bank of India has granted in-principle universal banking licence to AU Small Finance Bank, making it the first such licence in a decade. AU Bank, the biggest of the 11 small finance banks operating in the country, received the approval Thursday, in a development that can be considered a milestone in its journey. This opens the door for other small banks for a transition into big banks. *(The Economic Times)*

India inflation likely dropped to an eight-year low in July: Poll

Cooling food price rises likely reduced India retail inflation to an eight-year low of 1.76% in July, below the low end of the Reserve Bank of India's 2% to 6% tolerance band for the first time in over six years, a Reuters poll of economists showed. Despite uneven monsoons, a strong spring harvest has helped India keep a lid on food prices, extending the country's longest disinflationary streak in more than a decade. *(Business Standard)*

Not worried about bank savings being put into equities: RBI gov Malhotra

Reserve Bank of India (RBI) Governor Sanjay Malhotra on Wednesday said he is not concerned about household savings shifting from bank deposits to equity markets, describing it as a healthy trend. "There is certainly a shift from banking to equity. I think it is a healthy trend for any economy. As it grows, there should be a healthy mix. I think we are moving towards that, and we should not be unduly concerned about that," Malhotra said, replying to a question on whether further cut in deposit rates will drive away deposits of households from the banking system to the equity market. *(Business Standard)*

No asset quality worries in MFIs or unsecured loans, says RBI Governor

The Reserve Bank does not have any concern on asset quality from unsecured loans perspective, including microfinance (MFI), Governor Sanjay Malhotra said on Wednesday. The system NPAs (non-performing assets) are also "satisfactory", Malhotra told reporters, stressing that the proportion of dud assets is not increasing. "We have seen a slowdown in credit growth there. From an overall perspective, this (NPAs in unsecured loans and MFI) is not a cause of concern for us," he said. *(Business Standard)*

No worries over credit demand growth: Gov

Circumspect credit demand for mortgages and other retail-focused sectors does not reflect either a worrying slowdown or ineffectiveness of the percentage-point cut in policy rates, Governor Sanjay Malhotra said Wednesday, highlighting the long-term nature of housing loans and the expectedly careful decision-making by individual borrowers. *(The Economic Times)*

NBFCs have an opportunity to expand investor base: Crisil

The rising demand in India's retail credit market has opened new opportunities for Non-Banking Financial Companies (NBFCs) to expand their investor base, according to a recent report by Crisil Intelligence. The report highlighted the strong and consistent growth seen in the Indian retail credit space and predicts continued momentum over the next few years. *(The Economic Times)*



External Sector

Rise in US tariff to pull down gem and jewellery exports by 75%

The recent increase in US import tariffs to 50 percent on gem and jewellery products from India has led to a significant disruption in bilateral trade. The duty on export to the

US will increase from 10 percent to 25 percent from Friday. From August 27, the US will double the levy to 50 per cent on various gem and jewellery commodities, including cut and polished diamonds, lab-grown diamonds, gold, silver, platinum and imitation jewellery. *(BusinessLine)*

Indian agri products face SPS roadblocks to get FTA benefits from UK

As the United Kingdom and the European Union are moving towards an agreement on sanitary and phytosanitary (SPS) rules, Indian agricultural produce exporters may have to comply with stricter maximum residue limit (MRL) norms in the UK, potentially negating the zero-duty benefits under the recently concluded India-UK free trade agreement. Indian exports of agricultural produce to the UK jumped to 5.23 lakh tonnes (worth \$997 million) in 2024-25 from 4.58 lakh tonnes (worth \$686 million) in 2019-20 as the UK adopted Codex standards after exiting from the EU in February 2020. Codex standards are considered more liberal than EU's own standards. *(BusinessLine)*

Gujarat remains top exporting state in FY25 with ₹9.83 trn exports: FIEO

Gujarat retained its position as India's top exporting State in 2024-25, with outbound shipments worth ₹9.83 lakh crore, accounting for 26.6 percent of the country's total exports, the Federation of Indian Export Organisations (FIEO) said on Tuesday. It said that despite a marginal dip from previous year, Gujarat's exports remained significantly ahead of other States, nearly ₹4.3 lakh crore more than Maharashtra (₹5.57 lakh crore), the second-ranked State. Maharashtra was followed by Tamil Nadu, Karnataka, Uttar Pradesh, Andhra Pradesh and Telangana, according to the analysis of the FIEO. *(Business Standard)*

US tariffs to reduce apparel export volumes by 25-30% during FY26: AEPC chairman

A 50 percent reciprocal tariff imposed by the US on India is expected to see a 25-30 percent reduction in apparel export volumes, as buyers cancel orders and opt for cheaper sourcing destinations like China, says Sudhir Sekhri, Chairman of Apparel Export Promotion Council (AEPC), the official body of apparel exporters in India. Export volumes are expected to be hit drastically. If the 50 percent tariff continues to remain in effect, the \$16 billion Indian apparel exports is expected to reduce to \$11-12 billion during the financial year 2026. No exporter, be it big or small, will be able to absorb such high tariffs. Many of the smaller exporters—with a low financial base and reserves — will be wiped out as buyers have started cancelling orders and are refraining from placing new orders. *(BusinessLine)*

Led by mobile phones, India's electronics exports grow 47% to \$12.4 billion in Q1FY26: ICEA

Led by a strong performance in mobile phone exports, India's electronics exports have witnessed a sharp rise in the first quarter of FY26, with a 47 per cent year-on-year (y-o-y) growth to \$12.4 billion. It was \$8.43 billion in the same period last year. According to data compiled by the India Cellular and Electronics Association (ICEA), the mobile phone segment grew 55 per cent to an estimated \$7.6 billion in Q1 FY26 against \$4.9 billion in Q1 FY25. Non-mobile electronics exports also saw a 36 per cent growth at an estimated \$4.8 billion in Q1FY26 (\$3.53 billion). These include key product segments

such as solar modules charger adapters and parts, and components, the industry body said. *(BusinessLine)*

Exporters to U.S. fear loss of business with 25% additional tariff

Exporters of textiles, garments and engineering goods fear the 25% U.S. tariff will not only lead to loss of orders but also put them in a quandary as no other market offers such high-volume demand as the U.S. for several products. Union Minister for Commerce and Industry Piyush Goyal met delegations from the textile and engineering export councils on Saturday and discussed the possible impact of the tariff and the measures required from the government. *(The Hindu)*

Trump raises U.S. tariffs on Indian imports to 50%

U.S. President Donald Trump on Wednesday (August 6, 2025) signed an executive order imposing an additional 25% tariff on imports from India, in response to India “directly or indirectly” importing oil from Russia. This is over and above the 25% tariff on Indian imports that Mr. Trump approved on July 31. *(The Hindu)*

Leather exporters face major setback as US tariffs hit 80% export-reliant industry

Indian leather exporters are bracing for significant financial setbacks as the United States has imposed steep tariffs on Indian goods, escalating the total tariff rate to 50 percent. This move threatens an industry heavily reliant on exports, potentially leading to order cancellations and a shift of business to competing nations like Bangladesh, Vietnam, and Pakistan. *(The Economic Times)*

India's merchandise imports to grow twice than exports in current financial year: RBI Survey

A recent RBI survey forecasts India's merchandise imports to outpace exports significantly in the coming years. Imports are projected to grow by 2.5% in 2025-26, more than double the 1.2% growth of exports. This trade imbalance is expected to result in a current account deficit of 0.8% of GDP in 2025-26, slightly increasing to 0.9% the following year. *(The Economic Times)*

Indian seafood industry stares at Rs 24,000-crore loss as Trump doubles India tariffs

The Indian seafood export industry faces a potential loss of Rs 24,000 crore due to the US doubling tariffs to 50%. This move puts India at a significant disadvantage compared to competitors like Ecuador, impacting exporters and potentially farmers. The industry, heavily reliant on the US market, is seeking government support and exploring alternative markets to mitigate the effects. *(The Economic Times)*

Tariff impact on India's iPhone exports unclear despite US exemption

American President Donald Trump has announced that even while he plans to impose 100 per cent duty on imported semiconductors and chips, companies like Apple Inc (and manufacturers of laptops and personal computers) that have their manufacturing base of critical components in the United States (US) but assemble their products (like iPhones) in foreign countries will continue to be exempt from duty. *(Business Standard)*

US tariffs to have 'negligible' impact on India's GDP, exports: Study

The 25 per cent tariffs on Indian goods announced by US President Donald Trump will have "negligible" impact on the country's GDP as only \$ 8.1 billion of exports to America might get affected, according to a PHDCCI study released on Wednesday. The tariffs announced by the US are likely to come into effect on August 7, 2025. The paper, released by the PHD Chamber of Commerce and Industry (PHDCCI), also recommends a series of measures to mitigate the impact of US tariffs. (*Business Standard*)



Agriculture and Rural Economy

Red lines beyond agriculture

After US President Donald Trump's announcement of imposing a 25% penalty tariff on India for its trade relations with Russia, India's exports to the US will face a 50% illegal import duty over and above World Trade Organization (WTO)-consistent tariffs. Trump's latest salvo comes at the time when negotiators from the two sides are scheduled to meet within a few days for resolving the negotiating deadlock. (*Financial Express*)

Unscientific mining pushing Uttarakhand's Bageshwar toward disasters: Govt panel to NGT

A government panel has cautioned that unscientific mining in Uttarakhand's Bageshwar district is destabilizing slopes, endangering villages, agriculture, and water sources. The report, submitted to the National Green Tribunal, calls for mining reforms and strict monitoring due to rising complaints of landslides and water depletion. Experts observed altered slopes, cracks, and haphazard debris disposal, emphasizing Bageshwar's seismic vulnerability. (*The Economic Times*)

Calibrate duty cut on agri-products

US President Donald Trump has delivered a strong blow to India by imposing 25% tariff along with some unspecified penalty on exports of most Indian goods. This may hit the overall GDP growth by 20-30 basis points, according to many experts. That means the overall GDP growth in FY26 may not reach 6.5% as expected by the Reserve Bank of India, but may end up somewhere around 6.2-6.3%. This is a significant loss, but not too big for India to endure. (*Financial Express*)

Philippines delegation agrees to boost food imports from India: IREF

A high-level delegation from the Philippines met with Indian trade bodies to increase imports of Indian food products like rice, buffalo meat, and peanuts. The Philippines aims to reduce reliance on Chinese products and strengthen bilateral cooperation. The agreement includes eliminating restrictions on Basmati rice imports, fostering food security and economic growth. (*The Economic Times*)

China has now disrupted the specialty chemical market. Startups step up

Indian startups are taking a crack at another market facing Chinese squeeze: specialty fertilizers. The bulk of such agrochemicals, designed to deliver targeted nutrients based on soil and crops, are imported, with China contributing 80% of the shipments,

according to industry estimates. However, minister of state for chemicals and fertilisers Anupriya Patel informed the Lok Sabha on 25 July that China has reportedly withheld shipments to India over the past two to three months. Just like in the case of rare earth magnets used by the auto industry. *(Mint)*

Trump's levy decision fails to spook India: PM Modi says will shield farmers at any cost

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No proposal to enhance financial support under PM-KISAN: Agriculture minister

There is no proposal under consideration to expand the coverage and quantum of financial support under the Pradhan Mantri Kishan Samman Nidhi (PM-KISAN) Scheme, Parliament was informed on Tuesday. Launched in February 2019, the PM-KISAN scheme aims to supplement the financial needs of farmers with cultivable land-holding with a financial assistance of ₹6,000 per year in three equal instalments. *(Mint)*

Investing in food, agricultural infrastructure should be national priority: Agri varsity VC

Investing in food and agricultural infrastructure should be a national priority to reduce waste and boost supply, said University of Agricultural Sciences-Bangalore (UAS-B) Vice Chancellor S V Suresha here on Tuesday. He was speaking at the CII Karnataka Food Processing & Agri Conclave 2025. *(ThePrint)*



Industry, Manufacturing, Services and Technology

Surging coconut oil prices leave Kerala Ayurvedic drug manufacturers in a fix

Surging coconut oil prices have left Ayurvedic medicine manufacturers in Kerala in a fix. Despite increasing the prices of products involving coconut oil by up to 20%, the manufacturing cost is going through the roof, they say. The Ayurveda industry in the State is estimated at around ₹4,000 crore, and around 800 manufacturers, both big and small, are involved in the business. According to D. Ramanathan, general secretary, Ayurvedic Medicine Manufacturers of India (AMMOI), around 12,000 tonnes of coconut oil are required a year for making various products. Apart from this, coconuts and coconut oil are required for the bathing soap industry and for producing virgin coconut oil. *(The Hindu)*

T.N. CM Stalin inaugurates VinFast's first EV manufacturing plant in India at Thoothukudi

Tamil Nadu Chief Minister M.K. Stalin on Monday inaugurated Vietnamese electric vehicle (EV) maker VinFast's first manufacturing plant in India at Thoothukudi. Spread

across 408 acres at the SIPCOT industrial complex in Sillanatham in Thoothukudi district, the plant is expected to generate over 3,500 jobs in the next five years. It is part of a ₹16,000-crore investment pact inked between VinFast and the State government during the Global Investors Meet 2024. *(The Hindu)*

Clean energy startup Hylenr raises \$3 million

Hylenr raised about \$3 million in a pre-series A funding round expected to aid the clean energy startup accelerate product commercialisation. The fresh capital will enable it to fast-track from pilot to market launch. It signals growing investor confidence in Low Energy Nuclear Reactions (LENR) as a viable alternative to fossil fuels, Hylenr said. The round was led by Valour Capital and Chhattisgarh Investments, early-stage investors focused on deep-tech/energy transition technologies. Individual investors Karthik Sundar Iyer and Anant Sarda also participated. Hylenr is focused on harnessing LENR to develop scalable, carbon-free heat energy systems for industrial heat and power. *(The Hindu)*

Medical devices industry raises concerns over an additional 25% US tariff

India's medical devices industry has raised concerns after US President Donald Trump on Thursday announced an additional 25 per cent tariff on Indian shipments — on top of the existing 25 per cent duties imposed last month. Calling the US decision to impose a second round of 25 per cent tariffs “short-sighted,” the Medical Technology Association of India (MTAI) said the escalation is numbing for Indian exporters to the US — not only in its economic impact but in its disregard for stability and predictability in global trade. Industry executives fear that the tariff hike may also affect the competitiveness of Indian medical device exporters compared to China and the European Union (EU). *(Business Standard)*

UP gov't's new policy aims to boost leather manufacturing, exports

The Uttar Pradesh government is planning to leverage the free trade agreement (FTA) between India and the United Kingdom (UK) through a proposed policy to boost the manufacturing and exports of the state's traditional leather goods industry. The proposed UP Footwear, Leather, and Non-Leather Sector Development Policy 2025 will focus on a cluster-based development model to promote the sector. This comes as India is aiming to augment its leather and footwear exports to \$50 billion by 2030. *(Business Standard)*

Brahmos will be manufactured in Lucknow: PM Modi hails indigenous weapons

Prime Minister Narendra Modi on Saturday lauded India's indigenous weapons used during Operation Sindoor and said that Brahmos Missiles will soon be manufactured in Lucknow. Addressing a public meeting in Uttar Pradesh's Varanasi, PM Modi commended India's air defence system, which countered Pakistani drones and missiles during the military operation. He said, "During Operation Sindoor, the world saw the capabilities of our indigenous weapons. Our Air Defence Systems, missiles, and drones have proved the strength of 'Atmanirbhar Bharat', especially the Brahmos missiles. Brahmos missiles will now be manufactured in Lucknow." *(Business Standard)*

Services firms maintain a positive outlook on demand conditions in Q2FY26

Reserve Bank of India (RBI) released the results of the 45th round of its quarterly Services and Infrastructure Outlook Survey (SIOS) conducted during Q1:2025-26. This forward-looking survey captures qualitative assessment and expectations of Indian companies engaged in the services and infrastructure sectors. Services sector enterprises assessed improvement in the overall business situation, employment conditions, and their turnover during Q1:2025-26. Responding firms reported easing of pressures from input and finance costs, while pressures stemming from salary outgo increased. Services firms maintained their positive outlook on demand conditions in Q2:2025-26, though their level of optimism recorded some moderation vis-vis the previous quarter. (*Business Standard*)



News on Kerala

Tariff war will worsen economy more than COVID-19 pandemic: Kerala Finance Minister K.N. Balagopal

Kerala Finance Minister K.N. Balagopal has warned that Kerala needs to prepare well to tackle the 'tariff war' looming over the economy, propelled by the recent tariff policies of the United States and other global players. Mr. Balagopal was speaking after inaugurating a two-day seminar 'Post-COVID Development Challenges and Response: Kerala through the lens of State budgets', organized by the Gulati Institute of Finance and Taxation (GIFT) in Thiruvananthapuram on Tuesday, August 5, 2025). (*The Hindu*)

Game-changer virus developed by Kerala Forest Research Institute can help save teak plantations

A revolutionary technology developed by the Kerala Forest Research Institute (KFRI) can transform the way teak plantations are protected from their most notorious pest – the teak defoliator moth (*Hyblaea puera*). The institute has successfully identified, mass-produced, and patented a naturally occurring virus, *Hyblaea puera* Nucleopolyhedrosis Virus (HpNPV), which causes lethal infection in the pest larvae and prevents widespread defoliation of teak trees. For decades, teak defoliator has wreaked havoc in plantations, stripping entire forests of their foliage up to six times a year, weakening trees, and causing significant loss in timber yield. "When the larvae attack, the tree spends its energy regenerating leaves instead of growing. It's a huge invisible loss," explains T.V. Sajeev, Principal Scientist at the KFRI. (*The Hindu*)

Child welfare council's adoption centre named Little Planet

The Kerala State Council for Child Welfare at Thycaud here, selected as a recognised adoption centre, is being renamed Little Planet, Specialised Adoption Agency. Council general secretary G.L. Arun Gopi has approached the government with a request for the same. Mr. Gopi said here on Monday that the council's adoption centre at Thycaud did not have a name; it was just referred to as the adoption centre. However, with a number of children being adopted by couples living abroad, the need for name for the adoption centre was felt acutely. Hence, the name Little Planet. (*The Hindu*)

Focus on infrastructure development to overcome post-pandemic growth challenges: K.N. Harilal

Kerala should focus more on infrastructure development in order to overcome the post-COVID 19 development challenges, K.N. Harilal, chairman, 7th State Finance Commission, has said. He was speaking on 'Investing for the future: Kerala, which way now,' on the second and final day of the seminar, 'Post-COVID Development Challenges and Response: Kerala through the lens of State budgets,' organised by the Gulati Institute of Finance and Taxation (GIFT). (*The Hindu*)

Kerala ranked 19th in NITI Aayog's India Electric Mobility Index

Kerala has been ranked 19th in the first India Electric Mobility Index 2024 (IEMI) published by the NITI Aayog for tracking the progress of electric mobility made by States and Union Territories. With an overall score of 36 out of a possible 100, Kerala has been adjudged 'Aspirant' State in the rankings, which assess performance on three core themes: progress of transport electrification, readiness of charging infrastructure, and status of research and innovation in electric vehicles. Kerala has been ranked 21st in transport electrification, 11th in EV research and innovation, and 24th in the readiness of charging infrastructure. Kerala shares the 19th position overall with Jharkhand. (*The Hindu*)

Kerala shipwrecks: State to frame Oil Spill Contingency Plan

The State government will frame an Oil Spill Contingency Plan (OSCP) following the recent two shipwrecks, which posed a serious threat to the marine ecosystem and coastal environment. The Kerala State Pollution Control Board has awarded the work of preparing the plan to a Bengaluru-based firm. It will include mapping of the environmentally sensitive index of oil spills along the Kerala coast and preparation of response-focused contingency plans. The work, which includes preparation of plans for crisis management and marine emergency response, is expected to be completed in eight months as per the work order issued by the board to the firm on June 27. (*The Hindu*)

Loans at 4% interest rate for women to promote entrepreneurship in tourism sector in Kerala

The State government has decided to introduce a special subsidy loan scheme to encourage entrepreneurship as part of the women-friendly tourism scheme implemented by the Tourism department. The scheme will be implemented jointly by the Kerala State Women's Development Corporation (KSWDC) and the Responsible Tourism Mission. The decision was taken at a meeting held here on Tuesday in the presence of Tourism Minister P.A. Mohamed Riyas and Minister for Women and Child Development Veena George. The scheme aims at providing loans at 4% interest to enterprises registered under the women-friendly scheme. About 18,000 people have already registered under the scheme. (*The Hindu*)

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