



Public Finance

India's interest bill nearly tripled in a decade, to hit ₹12.76 trillion in FY26, govt data shows

India's interest payments on outstanding debt have nearly tripled over the past decade and are projected to rise to ₹12.76 trillion in FY26, finance ministry data showed. The surge reflects elevated borrowing costs as the government has continued to service loans contracted at higher rates, especially during the pandemic years, despite a moderation in bond yields since FY24. The repayment profile of government securities has added to the rise, with a share of bonds issued earlier now coming up for servicing, thus keeping the repayment costs high during FY26," an official aware of the matter said, requesting anonymity. (*Mint*)

Karnataka debt jumps to ₹63,000 cr in FY24; CAG blames guarantee schemes

The Karnataka government borrowed ₹63,000 crore in 2023-24 to cover the cost of its guarantee schemes and the financial gaps they created. This was ₹37,000 crore more than the net debt of ₹26,000 crore in the previous year, according to a report by the Comptroller and Auditor General (CAG). The report said that from the money set aside for capital expenditure on infrastructure, about ₹5,299 crore was instead spent on guarantee schemes in 2023-24. (*Business Standard*)

Establish a 2-tier fiscal council to institutionalise fiscal oversight: CII

The government should establish a two-tier fiscal council, with one at the national level and separate councils for each state, to institutionalise independent fiscal oversight, urges industry body Confederation of Indian Industry (CII). "While the central fiscal council would conduct ex-ante fiscal assessments of budget projections, evaluate revenue and expenditure estimates, monitor FRBM compliance, and analyse long-term debt sustainability, the state fiscal councils would evaluate subnational fiscal risks and borrowing limits," said CII in its latest policy blueprint released on Sunday. (*Business Standard*)

Andhra Pradesh's revenue deficit breaches 110% of budget estimate in first four months of FY26

Andhra Pradesh's revenue deficit crossed 110% of the budget estimate, by reaching Rs 36,741 crore in the first four months of the current fiscal, against the projected deficit of Rs 33,186 crore for the entire year, indicating that the state will have to rely heavily on borrowings or Central government assistance. According to the latest statistics released by the Comptroller and Auditor General (CAG), the fiscal deficit for April-July period stood at Rs 48,354.02 which is about 61% of the projected Rs 79,926.90 crore for the financial year. (*The Economic Times*)

India bonds drop as fiscal fears intensify, debt supply hurts

Indian government bonds fell in early trade on Friday, led by the benchmark, as fiscal slippage fears deepened and traders braced for heavy supply at the weekly debt auction. The benchmark 10-year bond yield stood at 6.5439% as of 9:45 a.m. IST, near this week's high of 6.5486% and up from Thursday's close of 6.5278%. Yields move inversely to prices. India plans to slash the levy by October and has proposed a move to a two-rate structure of 5% and 18%, scrapping the 12% and 28% rates in place currently, a top official said last week. *(The Economic Times)*

TN CM urges all states to form panel on Centre-state ties, take forward state autonomy demand

Tamil Nadu Chief Minister MK Stalin on Saturday urged all the states in the country to form a committee like the one formed by the Tamil Nadu government on union-state relations and carry forward the slogan of "state autonomy." Stalin affirmed that all efforts would be made to effect amendments to the Constitution to reflect the principles of autonomy for states and federalism at the Centre. *(The Print)*

States to ease off-budget borrowings amid fiscal discipline push

After a year of sharp increases, Indian states are expected to keep their off-budget borrowings largely flat in FY26, signaling a shift toward tighter fiscal discipline even amid persisting pressures for welfare spending, according to two people familiar with the matter. The restraint comes after years of heavy reliance on off-budget borrowings, which had ballooned during the pandemic with both the Centre and states scrambling to finance emergency spendings. Off-budget borrowings by states rose to ₹29,335 crore in FY25 from ₹21,251 crore the year before, finance ministry data shows. *(Mint)*

Indian govt raises Rs 1.42 lakh cr via asset monetisation till FY25

The government has raised Rs 1,42,758 crore through different modes of asset monetisation up to FY25, Parliament was informed on Thursday. Union Road Transport and Highways Minister Nitin Gadkari, in a written reply to the Lok Sabha, said the projected financial contribution of asset monetisation for the current fiscal year is Rs 30,000 crore. The government monetises highway assets through three modes - Toll Operate & Transfer (ToT), Infrastructure Investment Trust (InvIT), and Securitization (Project based financing through SPV). *(The Economic Times)*

Kerala, other States should urge 16th Finance Commission to take into account impacts of US tariffs, GST rate rejig: K.M. Chandrasekhar

Former Union Cabinet Secretary K.M. Chandrasekhar on Friday suggested that Kerala and other States place supplementary memorandums before the 16th Finance Commission urging it to take into account the impacts of the U.S. tariff policies and proposed Goods and Services Tax (GST) revamp on their economies.

Mr. Chandrasekhar was making a special address at a round-table discussion organised by the Gulati Institute of Finance and Taxation on 'The impact of US penal tariff with a special focus on Kerala'. *(The Hindu)*



Two-slab 'Next Gen GST' to pay way for single tax rate by 2047: Centre

Describing the proposed GST tax reforms as 'Next Gen GST,' senior government officials on Saturday said that the two-slab tax regime will eventually pave the way for a single sales/services tax rate, hopefully by 2047. They said the proposed new GST regime, which slashes tax rates and assigns just two slabs of 5 percent and 18 percent, will boost the economy and also serve to mitigate tariff threats. The proposed two-slab regime, if approved by the GST Council, will replace the current four slabs in the goods and services tax (GST) regime, doing away with the 12 percent and 28 percent slabs. *(Business Standard)*

GST reforms will benefit the poor and middle class: PM

The proposed changes to the Goods and Services Tax (GST) regime will benefit the poor, middle class, traders, and entrepreneurs, Prime Minister Narendra Modi said on Sunday. "For us, reform signifies the advancement of good governance, which is why we place strong emphasis on continuous improvement," Mr. Modi said while inaugurating two key highway projects in the National Capital Region—the Delhi section of the Dwarka Expressway and the Urban Extension Road-II. *(The Hindu)*

GST rate cut could lead to revenue loss of ₹45,000 cr in FY26: SBI report

Revenue loss on account of GST rate rationalisation could be around ₹45,000 crore for the remaining period of the current fiscal, stated SBI in a research report on Wednesday. However, the report does not see much impact on the fiscal deficit as lower rates could boost consumption. The Centre has proposed next-generation GST reforms, which entail rate rationalisation with two basic rates of 5 and 18 percent, besides 40 percent for five to seven sin goods. *(BusinessLine)*

State anticipates ₹9,000-cr. revenue dip due to GST reforms: Balagopal

Finance Minister K.N. Balagopal on Friday underscored the need to protect States against any revenue loss that the proposed Goods and Services Tax (GST) revamp entails. The Minister said he anticipated a dip of ₹8,000 crore to ₹9,000 crore in Kerala's GST revenues. He was inaugurating a round table organised by the Gulati Institute of Finance and Taxation (GIFT) on 'The impact of U.S. penal tariff with a special focus on Kerala.' At the national level, India's GST revenues for the 2024-25 fiscal was pegged at ₹22.08 lakh crore. Mr. Balagopal said that, in his opinion, this revenue could dip by at least ₹4 lakh crore. *(The Hindu)*

GST rate rationalisation is welcome, but States' revenues must be protected: Karnataka Minister

Reforms in the Goods and Services Tax (GST) regime is a welcome move, but the State governments are concerned about the impact on the revenues accruing to them, Karnataka Revenue Minister Krishna Byre Gowda told The Hindu. Mr. Gowda, who is also a member of the Group of Ministers (GoM) on rate rationalisation, said the impact of the Centre's proposals had to be carefully assessed. Prime Minister Narendra Modi

announced a major overhaul of the GST regime in his Independence day address, with a flat two-rate structure of 18% and 5% proposed by the Centre. *(The Hindu)*

GST Council may allow input tax credit for employee group insurance

The Goods and Services Tax (GST) Council may deliberate on extending input tax credit (ITC) to corporates providing health and life insurance cover to their staff, a senior government official told Business Standard. This comes even as such group policies are set to remain outside the ambit of GST exemption, the official added. ITC allows businesses to offset the tax paid on inputs against their output tax liability. *(Business Standard)*

FM addresses GoMs, explains importance of the GST proposals

Union Finance Minister Nirmala Sitharaman on Wednesday addressed the three Groups of Ministers set up by the Goods and Services Tax (GST) Council to emphasise the importance of the Centre's proposed reforms to the GST system, including the rate rationalisation efforts. The three GoMs are on Compensation Cess, Health and Life Insurance, and Rate Rationalisation. "During the meeting, the Union Finance Minister emphasised that the proposal by the Central Government is with a vision to usher in the next generation of GST reforms in India's journey toward becoming Atmanirbhar Bharat," the Ministry of Finance said in a post on X. *(The Hindu)*

Godfrey Phillips India shrugs off sin tax worries; zooms 17%, hits new high

Shares of Godfrey Phillips India hit a new high of ₹11,450, as they zoomed 17 percent on the National Stock Exchange (NSE) in Wednesday's intra-day trade amid heavy volumes. The stock of the cigarettes and tobacco products maker surpassed its previous high of ₹11,444, which it touched on August 7, 2025. It has bounced back 20 percent from Tuesday's low, shrugging off the media reports that the government might increase the tax slab on certain sin products, including tobacco products, to 40 percent from 28 percent currently in the upcoming GST council meeting. *(Business Standard)*



National Accounts and State of the Economy

GST 2.0 could boost consumption, but does little to fix deeper weaknesses

The patchwork of the four main rates (5 per cent, 12 per cent, 18 per cent, and 28 per cent) will now be collapsed into two — 5 per cent and 18 per cent. A punitive 40 per cent levy will remain for "sin" goods such as tobacco. Because the tax cuts were just a knee-jerk reaction, a desperate response to a flagging economy. *(Business Standard)*

India's Petroleum and Other Liquid Fuels Consumption seen up 5.13% on year in 2025

Energy Information Administration or EIA stated in a latest monthly update that India's Petroleum and Other Liquid Fuels Consumption is expected to witness a steady increase in new few quarters. It estimates India's petroleum and other liquid fuels consumption at 5.65 million barrels per day (mbpd) in 2025, up 3.30% compared to previous year. The

consumption is seen rising to 5.94 mbpd in 2026, up by 5.13% compared to 2025. *(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. Power consumption was recorded at 149.65 BU in July, 2024, according to official data. Experts believe the heavy rains across the country due to active monsoon affected the power consumption as well as demand in July. *(Business Standard)*

Bihar needs private investment to sustain growth, says Nitish Mishra

Bihar's recent growth has been driven largely by government spending on schools, hospitals, and welfare schemes. To sustain this growth and manage its debt, we absolutely need private investment. Without it, the current growth cannot be sustained. After the state's bifurcation in 2000, we had a lot of catching up to do, such as building basic infrastructure like roads and electricity. Now that this foundation is much better, and with new, attractive policies in place, they are confident that they can bring in private investment to boost the industrial sector's contribution to GSDP and help ease the debt burden. *(Business Standard)*

India's renewable energy sector attracted \$11.8 bn investment in H1 2025

"Following the implementation of ALCM, the expected shortage of domestic content requirement (DCR) modules is likely to hamper the execution of nearly 20-25 gW of green open access projects over the next 2-3 years. Concurrently, the high prices of DCR modules will also increase the project power tariff by up to ₹0.4 - ₹ 0.5 per unit," the research firm said. *(Business Standard)*

Rupee appreciates, Govt-Securities yields harden

The rupee got a lift on Monday from rising domestic equity market, which was buoyed by S&P Global Ratings' rating upgrade for India and GST reforms announced by the Prime Minister Narendra Modi. However, Government Securities (G-Secs) could not hold on to last Thursday's gains due to the rating upgrade, with yields rising due to uncertainty about how the US tariffs on India's exports to that country will play out and the possibility that the government may borrow more than what is budgeted to give fiscal stimulus if growth slows. *(BusinessLine)*



Banking and Monetary Policy

Finance industry bodies call for rethink of crypto rules for banks

A group of finance industry bodies is calling for a rethink on looming regulatory standards that they say will make it difficult for banks to participate in crypto markets. The Basel Committee on Banking Supervision, which comprises regulators and central banks from the world's main financial centres, agreed to a set of standards in 2022 for

how banks should manage and disclose risks around their exposure to crypto assets. *(BusinessLine)*

RBI inching towards principle, outcome-based regulations: Dy Guv Rao

The RBI is gradually shifting towards principle and outcome-based regulations, as it gives operational flexibility to regulated entities (REs) to conduct their operations, according to Deputy Governor M Rajeshwar Rao. This approach also tailors REs (such as banks and non-banking finance companies) activities to their unique needs, while adhering to the regulatory framework. *(BusinessLine)*

Troubled banks

The merger of New India Cooperative Bank (NICB) with Saraswat Bank, in February, boosts confidence in the stability of the banking system and provides relief to its 1,30,000 depositors and other stakeholders. Lakshmi Vilas Bank's (LVB) merger with DBS Bank India Ltd (DBIL) was completed just 10 days after LVB was placed under moratorium on November 17, 2020. In contrast, Punjab Maharashtra Cooperative (PMC) Bank, which was placed under moratorium on September 23, 2019, had to wait until January 25, 2022 to merge with Unity Small Finance Bank. *(BusinessLine)*

Bank asset quality: Slippages rise 26% in Q1 on stress in unsecured loans

Commercial banks in India reported 26 percent year-on-year (Y-o-Y) growth in slippages at ₹63,000 crore during the first quarter ended June 2025 (Q1FY26). This was predominantly due to stress in microfinance and unsecured retail portfolios of select lenders. The incidence of default was higher among private lenders compared to their public sector counterparts, according to CareEdge Rating data. *(Business Standard)*

State Bank of India spurts 0.01%, up for five straight sessions

State Bank of India is quoting at Rs 830.5, up 0.01% on the day as at 12:44 IST on the NSE. The stock is up 1.83% in the last one year as compared to a 1.11% gain in NIFTY and a 9.83% gain in the Nifty Bank. State Bank of India rose for a fifth straight session today. The stock is quoting at Rs 830.5, up 0.01% on the day as at 12:44 IST on the NSE. The benchmark NIFTY is up around 0.26% on the day, quoting at 25046.15. The Sensex is at 81856.19, up 0.26%. State Bank of India has added around 0.76% in the last one month. *(Business Standard)*

Banks fund India's digital payments while fintechs reap the revenue

Indian banks are bearing an annual ₹8,500 crore cost burden to operate the country's digital payments infrastructure while fintech competitors leverage this network to generate revenue from lending and financial services, according to a report by fintech firm Zeta. *(Business Standard)*

India Inc turns to equity, bonds as cheaper bank loans remain elusive

Indian corporates are increasingly shifting away from bank funding towards alternative sources, such as equity and bond markets, as their deleveraged balance sheets have improved their ability to raise equity at better valuations. Moreover, the 100 basis points (bps) rate cut by the Reserve Bank of India (RBI) has enabled them to access long-term funds from the debt capital market at cheaper rates. *(Business Standard)*

Likely deflationary effect of GST reforms may give RBI's rate-setting panel room for 25-50 basis points rate cut

UBS economists said that the timing of GST reforms is apt and this potential policy stimulus, along with personal income tax relief (\$15 billion), front-loading of rate cuts (100 basis points calendar year-to-date), softer inflation (boosting purchasing power) and improved credit availability on regulatory easing should help buoy household consumption over the next 2-3 quarters. (*BusinessLine*)



External Sector

India negotiating FTAs with EU, US, Chile, Peru: Piyush Goyal

India is actively engaged in free trade agreement (FTA) negotiations with key global partners, including the European Union, the United States, Chile, and Peru. Commerce Minister Piyush Goyal highlighted the continuous efforts, with discussions spanning across different time zones to accommodate various countries. Talks with the US are ongoing, despite a recent tariff increase imposed on Indian goods. (*The Economic Times*)

India will buy oil where it gets 'best deal': Indian envoy to Russia

Indian companies will continue buying oil from wherever they get the "best deal", India's envoy to Russia Vinay Kumar has said, asserting that New Delhi will continue taking measures which protect its "national interest". In an interview with Russia's state-run TASS news agency published on Sunday (August 24, 2025), Mr. Kumar said that New Delhi's priority is ensuring energy security for the country's 1.4 billion people. (*The Hindu*)

Rate of rejection for imported Indian products decline by 12.50%, says MoS Jitin Prasada

The rate of rejection for Indian products by importing countries has fallen by 12.50% in June 2025 compared to June 2024, according to Minister of State for Commerce and Industry, Jitin Prasada, in response to a query raised by Viduthalai Chiruthaigal Katchi Chidambaram M.P., Thol. Thirumavalavan. Mr. Thirumavalavan asked whether the Government of India has the data about the number of items that were rejected by foreign countries for want of quality and consumption safety and whether the Government of India is aware of the number of foreign countries that have rejected and banned Indian products for want of quality and safety. (*The Hindu*)

Govt mulls ₹25k cr support for exporters over six years under EPM scheme

The government is considering support measures worth about ₹25,000 crore for exporters under the Export Promotion Mission, announced in the Budget, for six financial years (2025-2031), according to sources. "The main focus is on providing easy and affordable credit to the exporter community," they said. The commerce ministry has sent the proposal to the expenditure finance committee (EFC) of the finance ministry. (*Business Standard*)

India, Australia conclude 11th round of talks for comprehensive trade pact

India and Australia on Saturday concluded another round of negotiations for a comprehensive free trade agreement to strengthen economic ties between the two countries. The two countries have implemented an interim trade deal in December 2022, and are now in negotiations to widen its scope into a Comprehensive Economic Cooperation Agreement. *(Business Standard)*

India can explore alternative seafood markets to blunt tariffs: MPEDA chief

India's seafood industry can explore alternative markets to cushion the impact of higher US tariffs on a range of Indian goods, D V Swamy, chairman of the Marine Products Export Development Authority (MPEDA), said on Saturday. Swamy noted that the country's marine products sector has repeatedly shown resilience in the face of crises. He said the Centre has identified Russia, the UK, the European Union, Norway, Switzerland, the Middle East and South Korea as new focus markets for seafood exports. *(Business Standard)*

India shifts focus to EU as US tariffs stall bilateral trade negotiations

The India-US Bilateral Trade Agreement talks are now on rough terrain, with the scheduled sixth round unlikely to take place. The 25 per cent reciprocal tariff has already come into force, meaning India's exports to the US now face an additional 25 per cent duty over and above the existing MFN rates, with a few key exclusions. Given the uncertainty over US trade talks, India is seeking alternative strategies to offset potential losses in its top export market. The recently concluded free trade agreement (FTA) with the UK has come at an opportune time, helping to cushion some of the likely losses. More importantly, India is now looking to secure and consolidate access to the wider European market. *(Business Standard)*

India, Brazil looking to strengthen oil ties amid high US tariffs: Report

Sky-high US tariffs are prompting India and Brazil to explore opportunities to boost oil trade, as New Delhi looks for alternatives to Russian oil, while Brazil scouts for newer markets for its growing crude output, according to a report by S&P Global Commodity Insights. Russian oil flows to India continue, but Indian refiners are preparing for the worst by continuing to diversify their sources, a move that could lead to Brazilian crude flows to India, which posted the highest growth among all suppliers in the first half of 2025, rising even further in the second half. *(Business Standard)*

India's seafood exports remain flat in 2024-25 at \$7.45 bn

The country's seafood exports remained flat at USD 7.45 billion during 2024-25, the commerce ministry said on Saturday. The shipments in volume terms, however, dipped to 16,98,170 tonne last fiscal year. According to the ministry's statement on June 19 last year, India's seafood exports of 17,81,602 tonne in 2023-24 were worth Rs 60,523.89 crore (USD 7.38 billion). *(The Economic Times)*

India to gain as China eases curbs on urea

China is increasing urea exports, with India as the main recipient. This follows earlier restrictions on fertilizer shipments. Discussions between India and China cover rare earth magnets and other essential supplies. The move brings relief to Indian farmers

during the kharif season. Demand for urea in India has risen due to good monsoon rainfall and increased crop acreage. *(The Economic Times)*

India ships Garhwali apples from Dehradun to Dubai

India has shipped Garhwali apples from Dehradun to Dubai for the first time in a bid to increase agricultural exports from the country. Commerce Secretary Sunil Barthwal flagged off the first trial shipment of 1.2 tonnes of Garhwali apples from Dehradun to Dubai, the commerce ministry said. The trial shipment was facilitated by the Agricultural and Processed Food Products Export Development Authority (APEDA). *(The Economic Times)*

India and Russia seek to increase trade to \$100 billion as US ties fray

India and Russia are looking to increase their annual trade by about 50% over the next five years to reach \$100 billion, seeking to reduce tariffs as both countries see mounting tensions with the US, a top envoy said. Indian External Affairs Minister Subrahmanyam Jaishankar said Wednesday during a visit to Moscow that the two countries must remove trade bottlenecks and reduce non-tariff barriers to reach the goal. Russia is India's fourth-largest trading partner, while India is Russia's second-largest. *(The Economic Times)*



Agriculture and Rural Economy

A urea crisis in Telangana

Telangana is facing a urea shortage, sparking a political blame game. The Centre allotted 9.8 lakh tonnes, but only 5.32 lakh tonnes were reached by mid-August. The State blames the Centre for short supply, while the BJP blames State mismanagement. The BRS blames both. Shortages stem from import curbs (China), rising demand, and production issues at the Ramagundam plant. Relief is unlikely in Kharif, though supplies may ease by Rabi. *(The Hindu)*

In relief to textile industry, cotton import duty paused

The government has scrapped the 11% import duty on cotton till September 30 to support the textile sector hit by steep US tariffs. Industry bodies like CITI and CAI welcomed the move, saying it will boost competitiveness and efficiency. The duty removal has already put pressure on domestic cotton prices, with the Cotton Corporation of India cutting floor rates by ₹600 per candy. Imports are expected to hit a record 39 lakh bales this year, far higher than 15.2 lakh bales in 2023-24, as overseas cotton is cheaper and contamination-free. While the step helps mills and exporters, it has hurt CCI's sales and pushed down prices for domestic growers. *(BusinessLine)*

Genome-edited rice varieties will be a game changer in sustainable farming: Govt

The government highlighted genome-edited rice as a key step for sustainable farming. DRR Dhan 100 (Kamala) gives 20–25% higher yield, matures 20–25 days earlier, and performs well even with half the fertilizer. Pusa DST Rice 1 tolerates inland and coastal

salinity, with a 10–30% yield advantage. Both save water, need fewer inputs, and are climate-resilient, making them suitable for stressed ecologies across major rice-growing States. The government is pushing scientific cultivation, value addition, and exports through ICAR and 23 AICRP centres. *(BusinessLine)*

Higher paddy, maize acreage boost overall kharif area

Kharif sowing has covered over 95% of the normal 1,097 lh, with acreage 3.7% higher than last year. However, uneven rainfall is raising crop damage concerns—112 districts have large deficits while 158 have surpluses. Excess rain has hit crops in Rajasthan, while parts of Tamil Nadu and Uttar Pradesh face severe deficits. Experts expect good yields overall, but localized losses in pulses and oilseeds are likely. Farmer leaders demand compensation instead of crop insurance premium deductions for affected farmers *(BusinessLine)*

India rushes to secure urea imports as demand surges, stocks dwindle

India is rushing to secure urea as kharif demand strains stocks. Reserves fell to 37.19 lt in August from 86.43 lt a year ago, while sales rose 12% in April–June. Higher paddy and maize acreage is driving demand. To meet the shortfall, NFL has floated a 20 lt import tender after IPL's order, with hopes boosted by China's reported agreement to sell 3 lt and easing export curbs. Global prices have risen to \$530/tonne from \$425 in May. The government has stepped up by raising urea subsidy payouts 51.5% to ₹31,983.6 crore and urging States to ensure fair distribution and prevent misuse. The outcome of NFL's tender on September 2 will be crucial for supply stability. *(BusinessLine)*

Unemployment rate drops to 5.2% in July

India's unemployment rate fell to 5.2% in July from 5.6% in June, mainly due to a decline in rural joblessness. Labour Force Participation Rate rose to 54.9%, while Worker Population Ratio also improved in both rural and urban areas. Female WPR stood at 31.6%, higher in rural (35.5%) than urban areas (23.5%). Quarterly data (Apr–Jun) showed UR at 5.4%, with rural lower at 4.8% versus urban's 6.8%. Rural jobs are dominated by self-employment and agriculture, while urban employment is led by regular wage jobs and services. Overall, about 56.4 crore people were employed in Apr–Jun 2024. *(BusinessLine)*



Industry, Manufacturing, Services and Technology

Gaming Bill sparks meltdown fears among industry players

The government's Promotion and Regulation of Online Gaming Bill, 2025, which prohibits offering, aiding, abetting or promotion of online money games and related services, has triggered widespread concern across the gaming industry. Industry players warn that the proposed law could cause a sector-wide shakeout, forcing small- and mid-sized operators to shut down, leading to job losses, reduced innovation, and potentially driving users towards illegal and unregulated platforms. Since 2020, Indian

real money gaming (RMG) start-ups have raised \$696 million in funding, peaking at \$390 million in 2021, according to Tracxn data. *(BusinessLine)*

Fertilizer industry seeks clarity in inverted duty structure as part of GST reforms

The fertilizer industry plans to write to the Centre and State Finance Ministers, seeking clarity on the inverted duty structure (IDS) that persists in the sector and is likely to continue even if GST rates are rationalised. The inverted duty structure of the fertilizer industry will continue to be a challenge and strain the working capital even if the input and output rates are aligned at 5 per cent, because the output duty is paid on the subsidised value of fertilizers. *(BusinessLine)*

Indian IT is seeing a rising share of revenue from manufacturing, but geopolitical threats pose a risk

As banking, financial services, insurance, and healthcare sectors tighten digital spends amid a larger slowdown, the share of revenue from manufacturing and allied sectors has been increasing for the Indian IT services players. Three of the five top-tier Indian IT services players have seen an increase in share of revenue from the manufacturing vertical over the past three fiscals. In FY25, manufacturing accounted for 15.5 percent of Infosys' overall revenue, up from 12.9 percent in FY23. Similarly, Tech Mahindra saw the sector's contribution to its topline rise from 15.7 per cent to 17.3 per cent during the same years. *(BusinessLine)*

IIT-M incubated Mindgrove Technologies expects commercial launch of Secure IoT chips in six months

As Mindgrove Technologies positions itself as India's first commercial player in the microcontroller and Vision SoC space, it says it has placed its first mass manufacturing order for Secure IoTchips with its foundry partner. Co-founder and CEO Shashwath T R said that the IIT-M incubated fabless chip design start-up expects to receive the devices in about six months, with customers already lined up for shipments once production is complete. *(BusinessLine)*

Good times for users as GenAI price war heats up in India

As generative AI service companies race to acquire customers in India, an intense price war has broken out. ChatGPT developer OpenAI has partnered with Grammarly, an AI-based English correction service company, to significantly reduce its rates and tap the price-sensitive Indian market. A customer acquisition battle was set off after Perplexity, a major competitor to ChatGPT and Gemini AI in terms of efficiency, entered into a partnership with Airtel to offer its premium services free to the telco's users. *(BusinessLine)*

Satcom: India's game-changer for inclusivity

India's satellite communication (Satcom) sector is poised for a historic leap. A flood of proactive Government initiatives, massive private investments, cutting-edge space-tech breakthroughs, and surging demand are pushing it into the national spotlight. The IN-SPACE/Industry Decadal Vision aims for the Indian space economy to capture 8 per cent of the global market by 2033, reaching \$44 billion, with Satcom contributing a staggering \$14.8 billion by then. *(BusinessLine)*

The path to ending global hunger runs through India

With global chronic undernourishment now on a downward trend, the world is beginning to turn a corner in its fight against hunger. The United Nations' newly released The State of Food Security and Nutrition in the World 2025 reports that 673 million people (8.2% of the world's population) were undernourished in 2024. This is down from 688 million in 2023. Although we have not yet returned to pre-pandemic levels (7.3% in 2018), this reversal marks a welcome shift from the sharp rise experienced during COVID-19. ([The Hindu](#))



News on Kerala

Kerala govt approves fresh DA, DR hike for state employees, pensioners

The Kerala government on Saturday approved another instalment of dearness allowance (DA) for state employees and teachers, and dearness relief (DR) for pensioners, Finance Minister K N Balagopal said on Saturday. The revised payments will take effect from salaries and pensions due on September 1. The move is expected to add about Rs 2000 crore to the state's annual spending. ([Business Standard](#))

Kerala to be declared fully digitally literate on Aug. 21

Kerala will officially be declared a fully digitally literate State on August 21, marking the completion of the first phase of the Digi Kerala project, a grassroots-level intervention across all local bodies to bridge the digital divide. Minister for Local Self-Governments M.B. Rajesh said the State, which achieved total literacy in 1991, had put forward yet another model for the country with over 99% of the population achieving total digital literacy also. ([The Hindu](#))

GST reforms in India: Kerala raises concerns over possible luxury goods tax reduction

With structural changes in the Goods and Services Tax (GST) underway, indications suggest that luxury goods might see a reduction in tax rates. If this materialises, it could have a remarkably positive impact on Kerala's tax revenue. There are also reports that the tax on lottery tickets may be raised to as much as 40%. Initial reports suggest that expensive mobile phones and high-end electronic products could see a reduction in GST. This would adversely affect consumer states like Kerala. ([mathrubhumi.com](#))

Why are Kerala's poorest families falling into debt? Home loans and medical bills top the list

In Kerala, only 4% of the state's ultra-poor have fallen into a debt trap due to borrowing for their children's education. In contrast, a remarkable 25.4% ended up in debt after taking loans to build homes. Medical expenses come a close second, pushing 23.5% of these families into financial distress. Loans for children's weddings accounted for debt in 6.8% of cases. These insights come from data compiled by the State Decentralised Planning Committee, which analysed debt trends among Kerala's ultra-poor, with information collected at the district level. ([mathrubhumi.com](#))

Why pay Rs 150 for traffic jams? Supreme Court slams NHAI, upholds Kerala HC order suspending toll

The Supreme Court has questioned the justification of toll collection on Kerala's NH 544, where commuters face 12-hour traffic jams on a stretch meant to take only one hour. The court criticised NHAI's arguments, highlighting that poor road maintenance contributes to accidents and delays. The verdict is awaited, raising concerns about citizens paying for failing infrastructure. ([The Economic Times](#))

Kerala's Okkal Seed Farm bags carbon-neutral tag

The State Seed Farm at Okkal near Perumbavoor in Kerala's Ernakulam district has been certified as a carbon-neutral farm. The recognition comes after a scientific study by the Centre for Water Resources Development and Management (CWRDM), supported by the Department of Agriculture Development and Farmers' Welfare and verified by Carbon Check India Pvt. Ltd. (CC IPL), an agency accredited by the Government of India, according to a communication. ([The Hindu](#))

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