



Public Finance

India's Fiscal Deficit reaches 38.1 percent of FY26 target; April-August deficit at Rs 5.98 lakh crore

The Centre's fiscal deficit stood at 38.1 per cent of the full-year target at the end of August, according to data released by the Controller General of Accounts (CGA) on Tuesday. The fiscal deficit was 27 percent of the Budget Estimates (BE) of 2024-25 in the first five months of the previous financial year. In absolute terms, the fiscal deficit, or gap between the government's expenditure and revenue, was Rs 5,98,153 crore in the April-August period of 2025-26. (*Financial Express*)

States' capex likely grew 14% in April-August

Capital expenditure by state governments likely grew 14% year-on-year in the first five months of the current financial year, reflecting a moderation in the monsoon period of July-August. Their capex had grown 30% in the April-June period of the current fiscal. A review of the finances of 19 states by FE showed that their capital expenditure (capex) in April-August rose to Rs 1.98 lakh crore, compared with Rs 1.75 lakh crore in the year-ago period. Their capex had contracted by 6% in April-August of FY25 due to election-related pauses. (*Financial Express*)

Indian states to raise Rs 2.82 lakh crore through debt in current quarter, RBI says

The Reserve Bank of India (RBI) on Friday revealed that the state governments and union territories are expected to borrow Rs 2.82 lakh crore through market borrowings in the October-December quarter. Tamil Nadu is among the top borrowers with debt borrowings of Rs 39,000 crore scheduled for the current quarter. (*The Economic Times*)

Govt set to borrow Rs 6.77 lakh crore in H2, stay near FY26 target

The central government will borrow ₹6.77 lakh crore from the market through dated securities in the second half of the fiscal year, the finance ministry said on Friday, slightly lowering the full-year borrowing target from the budgeted ₹14.82 lakh crore. It has borrowed ₹7.95 lakh crore in the first half of the financial year. The move, experts said, would allow the government to fund its resource gap without upsetting the bond market, which has recently felt pressure due to uncertainties caused by the additional US tariff on most Indian goods. (*The Economic Times*)

GST Council did not even discuss the issue of compensating States for revenue loss: Telangana and Kerala

The GST Council did not discuss the issue of compensating States for revenue loss due to the latest rate cuts, the Finance Ministers of both Telangana and Kerala, members of the

Council, told The Hindu. They added that GST has substantially increased the dependence of the States on the Centre, and has eroded their ability to raise their own funds for developmental expenditure. *(The Hindu)*



Taxation

GST revenues up 5% in September to ₹1.6 trillion as refunds surge 40%

Growth in India's net revenues from the goods and services tax (GST) slowed to 5 per cent in September to a tad over ₹1.60 trillion, 4.2 per cent below August's tally of ₹1.67 trillion, primarily due to a sharp 40 per cent spike in refunds to taxpayers. Net GST collections had risen 10.7 per cent in August, aided by a 20 per cent decline in refunds during the month. Gross GST receipts, prior to effecting refunds, accelerated at a four-month high pace of 9.1 per cent in September, to ₹1.89 trillion, 1.5 per cent higher than August's kitty. *(Business Standard)*

GST collection for September rises 9.1% to Rs 1.89 lakh crore

India's goods and services tax (GST) revenues rose 9.1% year-on-year to Rs 1.89 lakh crore in September, according to government data cited by Reuters. In August, gross GST collections stood at Rs 1.86 lakh crore, a 6.5% increase from Rs 1.75 lakh crore in August 2024. Net collections in August grew 10.7% to Rs 1.67 lakh crore. In July, net revenues had moderated to Rs 1.68 lakh crore due to higher refunds issued during the month. *(The Economic Times)*

Five states contribute over 40% of GST revenues in April-September FY26

India's Goods and Services Tax (GST) revenues in the first half of FY26 (April-September 2025) were concentrated among a few large states, with Maharashtra, Karnataka, Gujarat, Tamil Nadu, and Haryana emerging as the top five contributors. Together, these states accounted for more than 40 per cent of total GST revenue collected during the period, underscoring the dominance of industrial and service-driven economies in the tax system. *(Business Standard)*

GST reforms will boost market purchasing and economy: MoS Pankaj Chaudhary

The recent GST reforms will super market consumption and boost the domestic economy, Minister of State for Finance Pankaj Chaudhary said on Monday. He said the impact of these reforms will be known in the next four to six months. Chaudhary interacted with businessmen, entrepreneurs, and tax experts in Indore regarding the Goods and Services Tax reforms. "Prime Minister Narendra Modi believes that when GST reforms bring additional money into the hands of the common people, it will definitely boost market purchasing and accelerate our economy," he said. *(The Economic Times)*

Nearly 4,000 GST complaints filed in first week of reforms, says govt

The national consumer helpline (NCH) has received over 2,700 complaints since the rollout of goods and services tax (GST) reforms on September 22, with a large chunk related to the pricing of milk products and electronics goods. As of Thursday, the

helpline has received a total of 3,981 GST-related calls. Of these, 69 percent were grievances and 31 percent were queries, the Ministry of Consumer Affairs, Food & Public Distribution said. *(Business Standard)*



National Accounts and State of the Economy

Unlocking 8% GDP growth: Why India must embrace global debt capital markets

India's ambition to achieve a sustained real GDP growth rate of 8 per cent is not simply a numerical aspiration — it is an economic and social imperative. This pace of expansion represents the minimum threshold required to create adequate employment for a youthful population and to lay the foundations of a modern, prosperous economy. For decades, the prevailing orthodoxy has assumed that such growth must be funded predominantly through domestic savings. *(Business Standard)*

RBI keeps repo rate unchanged at 5.5%, revises GDP forecast to 6.8%

The Reserve Bank of India (RBI) kept its key repo rate unchanged at 5.50 percent on Wednesday, while signaling that there may be scope to ease in the coming months to support an economy taking a hit from US tariffs. The central bank had cut the repo rate by a total of 100 basis points in the first half of 2025, but paused at its previous meeting in August. The six-member rate-setting panel voted unanimously to keep the key repo rate at 5.50 per cent and decided to continue with a "neutral" policy stance. *(Business Standard)*

EY raises India's GDP forecast to 6.7%; recommends diversifying markets

EY raised India's real gross domestic product (GDP) projection for the financial year 2025-26 (FY26) to 6.7 per cent, up from the previous 6.5 per cent on the back of strong growth in the June quarter and goods and services tax (GST) reforms. In its 'Economy Watch' report for September 2025, EY said, "With 1QFY26 real GDP growth at 7.8 per cent and stimulation of demand through GST reforms on the one hand, constrained by global headwinds affecting India's export. *(Business Standard)*

India's power output growth slows in September as industrial momentum eases

India's electricity generation slowed in September, reflecting a decline in industrial activity and prolonged monsoon conditions that reduced cooling demand. Power output rose 3.2% year-on-year but fell short of August's 4% growth, marking the first monthly drop in three months, according to daily analysis of Grid India data. The moderation coincided with a slowdown in manufacturing expansion and continued rainfall, which curbed energy consumption. Industries account for nearly half of India's domestic power use. *(Business Standard)*

U.S. tariffs will have long-term effect on trade: Commerce Ministry to PAC

The higher tariffs imposed on Indian goods by American President Donald Trump would have a long-term impact, especially for India's marine exports, officials of the Union

Ministry of Commerce told the Public Accounts Committee (PAC) headed by senior Congress leader K.C. Venugopal. The PAC met to deliberate on the 'Performance audit report on the Export Promotion Capital Goods Scheme. There were several questions on India's marine exports from both sides of the aisle, including from the PAC Chairperson, Mr. Venugopal. Several members pointed out that many of India's coastal towns would be directly impacted if shrimp exports declined drastically. (*The Hindu*)

Inflation likely to be much lower than RBI projections in FY26 and FY27: SBI Report

Inflation in the current financial year and the next financial year (FY27) is likely to be much lower than the Reserve Bank of India's (RBI) projections, according to a report released by the State Bank of India (SBI). Inflation in the current financial year and the next financial year (FY27) is likely to be much lower than the Reserve Bank of India's (RBI) projections, according to a report released by the State Bank of India (SBI). The report highlighted that several domestic factors are working in favour of easing price pressures. These include healthy monsoon progress, higher kharif sowing, adequate reservoir levels, a comfortable buffer stock of food grains, and, most significantly, GST rate rationalization. (*The Economic Times*)



Banking and Monetary Policy

RBI MPC: Malhotra & co flag US tariffs as key headwind for Indian exports and growth

In its bimonthly monetary policy report, the Reserve Bank of India (RBI) noted that "uncertainties on tariffs were still evolving, and the impact of past policy rate cuts were still progressing through the economy," underscoring external headwinds to growth. The central bank noted that "external demand continues to face headwinds from global trade uncertainties and US tariffs." It cautioned that "going forward, the high US tariffs, unless resolved, could reduce India's merchandise exports to the largest export destination." (*The Economic Times*)

Indians' average monthly salary increased by Rs 4,565 in 7 years: Govt data

The average monthly emolument of salaried workers in the country has increased by Rs 4,565 in seven years, while the average daily wage of casual labourers rose by Rs 139, the government said in its latest employment report on Saturday. The report said India added a total of 17 crore jobs in six years, and the income levels have been showing "improved job stability, and enhanced job quality." (*Financial Express*)

Private project plans in first half of fiscal is at a 15-year high

New project announcements by the Indian private sector surged to nearly a 15-year high in the first half of the ongoing financial year, even as new government projects and those by foreign companies slumped during this period. The value of new project announcements by governments in India — both Central and State — fell to at least a

15-year low in the first half of the current financial year, while those by foreign companies were at a five-year low. *(The Hindu)*

RBI MPC keeps repo rate unchanged at 5.5%; growth and inflation projections revised

In line with market expectations, the Reserve Bank of India's Monetary Policy Committee (MPC) on Wednesday kept the key repo rate unchanged at 5.5%, following its three-day meeting. The decision, announced by Governor Sanjay Malhotra, was unanimous and accompanied by the committee's decision to maintain its neutral stance on monetary policy. Consequently, the standing deposit facility (SDF) rate remains at 5.25%, while both the marginal standing facility (MSF) rate and the Bank Rate are unchanged at 5.75%. *(The Economic Times)*

Bond markets get a boost as RBI holds rates and hints at future easing

The Reserve Bank of India's Monetary Policy Committee (MPC) kept policy rates unchanged in its October 2025 review, as widely expected, and retained its neutral stance. However, the central bank's communication marked a significant shift, restoring market confidence after months of uncertainty. According to Suyash Choudhary, Head – Fixed Income at Bandhan AMC, the RBI acknowledged that inflation is undershooting projections following the GST cut and is expected to remain close to target in the coming year. *(The Economic Times)*

RBI rings in banking changes, leaves key rate unchanged

The Mint Street has stepped in to match New Delhi's fervour for deregulation. The Reserve Bank of India (RBI) has paved the way for individuals to borrow more from banks to bet on stocks, corporates to mount takeover bids with bank funding, and businesses to have easier access to foreign loans. In a raft of measures to counter a dismal pickup in loan and capex by India Inc, governor Sanjay Malhotra relaxed several rules on Wednesday to boost credit while strengthening the capital structure of banks and keeping the benchmark interest rate and monetary policy unchanged at the Monetary Policy Committee meeting. *(The Economic Times)*

RBI measures to improve credit flow, strengthen balance sheet of banks: Bankers

A slew of measures announced by the Reserve Bank on Wednesday will help expand credit flow and strengthen banks' balance sheets, bankers said. Commenting on the fourth bi-monthly policy of the RBI, State Bank of India Chairman CS Setty said, "The policy statement was an authoritative one towards unveiling of market reforms and moving beyond the rate actions. The move towards a risk-based deposit insurance premium will facilitate significant improvement in the bottom line of sound banks". *(The Economic Times)*

UPI payments to be charged? RBI Governor clarifies

Reserve Bank of India (RBI) Governor Sanjay Malhotra on Wednesday clarified that no proposal has been placed before the central bank to impose charges on Unified Payments Interface (UPI) transactions. The statement came during the post-Monetary Policy Committee (MPC) press conference. Even during the previous post-policy conference, the Governor had issued a clarification regarding the issue. "I never said that UPI can stay free forever. What I said was there are costs (associated with UPI

transactions), and they need to be paid for by someone," he had said. (*The Economic Times*)

Pause gives banks breathing space, rate cut likely in December: SBI MD

The Reserve Bank of India's (RBI) latest Monetary Policy Committee (MPC) meeting has maintained the status quo on policy rates, a decision widely expected by markets. According to Vinay M Tonse, Managing Director, State Bank of India (SBI), the pause provides much-needed breathing space for banks to realign operations without additional margin pressure. Speaking to ET Now, Tonse said that rate transmission has already played out significantly in the banking system. (*The Economic Times*)

Credit growth, liquidity boost to support banking sector ahead of Basel III: Dinesh Kumar Khara

The Reserve Bank of India's latest monetary policy has put the spotlight on the Expected Credit Loss (ECL) framework and the adoption of Basel III norms, which will become effective from April 1, 2027. According to Dinesh Kumar Khara, Former Chairman of State Bank of India (SBI), Indian banks are already well-capitalised and prepared for the transition, making the implementation timeline both practical and achievable. Khara noted that the coverage ratios of banks are at healthy levels, ensuring adequate buffers against potential credit risks. (*The Economic Times*)

RBI hikes limit for loan against shares to Rs 1 crore, IPO financing to Rs 25 lakh

To improve the flow of credit, the Reserve Bank of India (RBI) on Wednesday raised the ceiling for taking loan against shares from the existing Rs 20 lakh to Rs 1 crore. It has also increased the IPO financing limit to Rs 25 lakh. "It is proposed to remove the regulatory ceiling on lending against listed debt securities and enhance limits for lending by banks against shares from Rs 20 lakh to Rs 1 crore and for IPO financing from Rs 10 lakh to Rs 25 lakh per person," RBI Governor Sanjay Malhotra announced at the end of a three-day-long meeting of its monetary policy committee. (*The Economic Times*)

RBI unveils norms to enable faster transmission of rates

The Reserve Bank of India (RBI) on Monday announced a series of regulatory amendments aimed at faster transmission of policy rates, easing gold loan norms and relaxing norms of large credit exposures. Three of the seven changes will take effect from October 1, while the remaining four have been released as draft proposals for public feedback. Under the revised directions on interest rate on advances, banks will now be allowed to reduce spread components on floating rate loans before the current three-year lock-in period, a move aimed at benefiting borrowers. This could result in faster transmission of rate cuts, leading to lower EMIs or interest outgo. Additionally, banks may offer borrowers the option to switch to fixed-rate loans at the time of interest rate resets, though this will no longer be mandatory. (*The Economic Times*)

RBI proposes to ease foreign fundraising for firms

In a move to ease fundraising through external commercial borrowings (ECB), the Reserve Bank of India proposed a framework on Friday to link corporate fundraising limits from abroad to financial strength and scrapped cost caps. This is part of the easing of banking regulations that RBI Governor Sanjay Malhotra announced on Wednesday. The regulator proposed to link the borrowing limit with the financial strength of the

borrower. Under the proposed guidelines, a company can raise ECBs up to \$1 billion or 300% of net worth as per the last audited balance sheet, whichever is higher. Earlier, borrowers were able to raise ECBs up to \$750 million in a financial year. (*Financial Express*)



External Sector

U.S.'s HIRE Bill may choke India's IT, BPM, GCC sectors

HIRE Bill that proposes a 25% excise tax on payments made by U.S. entities to foreign service providers poses a significant threat to India's IT, and ITeS sectors as well as the Global Capability Centre (GCCs) operations, as the tax, along with the denial of tax deductibility for these payments, could drastically alter the cost structures for U.S. companies and consequently result in reshaping the operations of Indian tech industry pegged at \$260 billion, industry experts told The Hindu. The HIRE (Halting International Relocation of Employment) Act of 2025 is a recently proposed U.S. Bill, introduced by Republican Senator Bernie Moreno this month, to discourage American companies from outsourcing jobs overseas. (*The Hindu*)

ADB cuts India's FY26 growth forecast to 6.5% on U.S. tariff impact

The Asian Development Bank (ADB) has downgraded India's growth outlook for the current financial year to 6.5% from the 6.7% predicted in April, on account of the impact of the 50% tariffs imposed by the U.S. on imports from India. The outlook for 2026-27 has also been revised downwards to 6.5% from the earlier prediction of 6.8%. The ADB, in its Asian Development Outlook for September 2025, released on Tuesday, also reduced its growth forecast for developing Asia to 4.8% for the current year, 2025, from its forecast in April of 4.9%. Similarly, the forecast for 2026 has been cut to 4.5% from 4.7%. (*The Hindu*)

Putin orders steps to ease India-Russia trade imbalance amid Trump tariffs

Russian President Vladimir Putin on Thursday instructed his government to explore measures to ease the trade imbalance created by India's large-scale crude imports, while also expressing anticipation for his upcoming visit to India in December. Speaking at the international Valdai discussion forum in Sochi, attended by experts from 140 countries, including India, the Russian leader highlighted the historically "special" nature of Russia-India relations, PTI reported. Putin stressed that Russia and India have never faced interstate tensions. "We have never had any problems or interstate tensions with India. Never," he said, recalling the Soviet Union's support for India's independence and the respect both nations continue to share for that legacy. (*Business Standard*)

India-Asean meet next week on trade pact review

Trade negotiators from India and the 10-nation Association of Southeast Asian Nations will meet in Jakarta on Monday, just days ahead of a ministerial meet to advance the review of their goods trade agreement. The work on reviewing the Asean-India Trade in Goods Agreement has progressed well, but there's still some distance to be covered

before an announcement can be made at the 22nd Asean-India Summit, to be held in Kuala Lumpur on October 27. After the 11th round of talks for the review, which will be held on October 6 & 7, the leaders at the summit will be apprised of the progress in the discussions and seek their direction on the forward movement. *(Financial Express)*

India-EFTA trade deal kicks in Oct 1: Swiss watches, chocolates to cost less

The free trade agreement between India and the four-nation European bloc EFTA will come into force from Wednesday under which New Delhi has received an investment commitment of USD 100 billion in 15 years from the grouping while allowing several products such as Swiss watches, chocolates and cut and polished diamonds at lower or zero duties. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland. It was signed on March 10, 2024. *(Financial Express)*

India, Qatar may finalise FTA terms this week

India and Qatar are likely to finalise the Terms of Reference (ToR) for the proposed free trade agreement (FTA) this week. Both sides will discuss the way forward on finalisation of ToR of the Comprehensive Economic Partnership Agreement (CEPA) during commerce and industry minister Piyush Goyal's two-day visit to Doha beginning Monday, a commerce ministry statement said. ToR sets the scope, objectives, and parameters for the negotiation of deliberations of an FTA. Signing of ToR of the first step before the start of negotiations. During his visit, Goyal will co-chair the Qatar-India Joint Commission on Trade alongside Qatar's minister of commerce and industry, Sheikh Faisal bin Thani. *(Financial Express)*



Agriculture and Rural Economy

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More women are employed in agriculture, but half of them are unpaid

Women-led development has been recognised as a structural game-changer for advancing India's economic ambitions, yet its full potential remains under-leveraged. Nowhere is harnessing this potential more urgently than in the agriculture sector, the backbone of India's economy and the largest employer of its women. Despite their growing presence on farms, women's contributions remain systematically unremunerative. By leveraging recent shifts in trade and technology, India has an unprecedented opportunity to unlock pathways that recognise women as equal partners in agricultural transformation. *(The Hindu)*

India's crop advisory body recommends phased hike of urea price

India's crop advisory body, the Commission for Agricultural Costs and Prices (CACP), has recommended that urea price be increased in a phased manner to curb the imbalanced use of nutrient. In its latest report on Price Policy for Rabi marketing season 2026-27, CACP, in its non-price recommendations, said, "The urea sector in India, which was highly dependent on imports, is now moving towards achieving self-sufficiency due to government initiatives. However, the current fertilizer subsidy structure has led to excessive use of urea resulting in imbalanced use of nutrients." (*BusinessLine*)

'Planters must embrace IT for sustainability'

The plantation sector must embrace Information Technology to enhance its competitiveness, ensuring sustainability and quality in response to evolving consumer demands, said Ajoy Thippaiah, the newly inducted president of the United Planters' Association of Southern India (UPASI). Speaking at the annual general meeting of the Association of Planters of Kerala, Thippaiah emphasised the need to maximise the potential of IT across the sector's operations. Investing in soil health, water conservation, biodiversity, and renewable energy would enable planters to implement more effective models for climate-smart agriculture. (*BusinessLine*)

Govt raises wheat MSP by 6.59% to Rs 2,585 per quintal for 2026-27

The government announced a 6.59 per cent increase in the Minimum Support Price (MSP) for wheat to Rs 2,585 per quintal for the 2026-27 marketing year. MSPs for five other rabi crops were also hiked, aiming to ensure remunerative prices for farmers and incentivise crop diversification, aligning with the 1.5 times cost of production policy. (*The Economic Times*)

Over 10,700 people involved in farming committed suicide in 2023, 38 pc from Maharashtra: NCRB

Over 10,700 individuals in India's farming sector died by suicide in 2023, with Maharashtra and Karnataka reporting the highest numbers. This figure includes both farmers and agricultural labourers. The NCRB report also highlighted that 66.2% of all suicide victims nationwide had an annual income below Rs 1 lakh. As many as 10,786 people involved in the farming sector, consisting of 4,690 farmers or cultivators and 6,096 agricultural labourers, committed suicides during 2023, accounting for 6.3 per cent of total suicide victims in the country. (*The Economic Times*)



Industry, Manufacturing, Services and Technology

IT sector sees subdued growth in FY26, AI-powered rebound in next fiscal: Report

The Indian IT sector is experiencing subdued growth, with industry guidance and recent results pointing towards a muted outlook for FY26, though a recovery in FY27 is possible with a recovery in export markets and adoption of new technology. According to HSBC Global Research, near-term discretionary spending among clients remains weak, but

there are signs of acceleration in the next fiscal year, especially as the adoption of artificial intelligence (AI) among enterprises gathers pace. (*BusinessLine*)

India's copper industry flags CEPA threat as imports from UAE surge

The Indian Primary Copper Producers Association (IPCPA) has raised concerns over rising copper rod imports from the UAE under the India-UAE Comprehensive Economic Partnership Agreement (CEPA), warning that the trend threatens domestic investments in copper refining. Since 1996, Indian producers- Hindustan Copper Ltd, Hindalco Industries, Vedanta Ltd, and Kutch Copper Ltd (Adani Group)- have built a domestic refined copper capacity of 1.25 million tonnes against a projected demand of 0.85 million tonnes for FY25. The industry had plans to expand capacity further in the coming decade. (*BusinessLine*)

Private life insurers cut distributors' commission to absorb adverse impact of GST waiver on insurance

As they pass on the Goods and Services Tax (GST) benefit to policyholders, private life insurers appear to have shifted the burden of the GST waiver on their operational costs, at least partly, to insurance distributors. Manufacturing slowed down to 3.8 per cent in August as against 6 per cent in July. However, mining sector performed well, which partially offset lower growth of manufacturing. "With the Mining sector growth at 6 per cent, the All India Index of Industrial Production (IIP) recorded a 4 per cent year-on-year growth in August 2025," a government statement said. Manufacture of basic metals at 12.2 per cent and of motor vehicles, trailers and semi-trailers' at 9.8 per cent reported healthy growth, the statement added. (*BusinessLine*)

August IIP: Manufacturing slump offsets mining gains; factory output hits 4%

Manufacturing dragged growth of overall factory output based on Index of Industrial Production (IIP) to 4 per cent in August as against 4.3 per cent in July, the government reported on Monday. Growth during August last year was flat. Manufacturing slowed down to 3.8 per cent in August, as against 6 per cent in July. However, mining sector performed well, which partially offset the lower growth of manufacturing. "With the Mining sector growth at 6 per cent, the All India Index of Industrial Production (IIP) recorded a 4 per cent year-on-year growth in August 2025," a government statement said. (*BusinessLine*)

A new calling for our engineers

For decades, the world has known the Indian engineer as the backbone of the global technology industry. We have been the masters of execution, the wizards of scale, the reliable force that powers the world's digital infrastructure. We built the world's back office, and we should be immensely proud of it. But the ground beneath our feet is shifting. The rise of Agentic AI — autonomous systems that can understand goals, create plans, and execute complex tasks — is rapidly commoditising the very act of execution. (*BusinessLine*)

TRAI recommends adoption of single standard for digital radio, reserve prices for 13 cities

The Telecom Regulatory Authority of India (TRAI) has recommended that India should adopt a single standard for introduction of digital radio broadcasting. It has also called

for adoption of the simulcast mode that combines digital and analogue radio services and has set reserve price for auction of spectrum in 13 cities for new radio broadcasters. The regulator, which released recommendations on the digital radio policy framework, said that it can provide new opportunities for radio broadcasters and multiple listening options and value-added services to listeners. ([BusinessLine](#))



News on Kerala

Kerala suspends sale, distribution of Coldrif syrup, says Health Minister

Kerala suspended Coldrif cough syrup sales statewide. This decision followed reports from other states flagging issues. An inquiry found the flagged batch was not sold in Kerala. Authorities halted all distribution and sales for safety. Samples of Coldrif and other cough syrups are under examination. This action follows child deaths in Madhya Pradesh and Rajasthan. ([The Economic Times](#))

GST 2.0 deals blow to lottery sector— But can recent tax reforms shield Kerala from US tariff heat?

The BJP-led Union government's GST 2.0 reform, which raised the tax on lotteries from 28% to 40% by classifying them as "sin goods," has severely impacted Kerala's lottery sector. While critics argue the hike is justified to curb addiction, Kerala presents a distinct case: the state-run lottery sustains nearly 2 lakh agents and vendors, funds welfare schemes like the Karunya Arogya Suraksha Padhathi, and serves as a vital source of state revenue. The steep tax has reduced commissions, altered prize structures, and weakened sales, forcing even the Onam bumper draw's postponement. ([mathrubhumi.com](#))

Centre's poor fund allocation will not affect Wayanad rehabilitation project, says Revenue Minister K. Rajan

Revenue Minister K. Rajan has accused the Union government of neglecting Kerala in the allocation of disaster relief funds for Wayanad's post-landslide rehabilitation, but assured that the project will be completed on schedule. "It is learnt that the Centre has sanctioned ₹260.65 crore as assistance for landslide-hit Wayanad, but the State is yet to receive the amount. Only a recommendation has been made. This is a deliberate move to deny Kerala its rightful share and reflects the Centre's discriminatory approach towards the State," the Minister said. ([The Hindu](#))

GST rate reduction will hit Kerala's finances

The Centre implemented the Goods and Services Tax (GST) as a destination based tax from July 1, 2017 by replacing various indirect taxes such as excise duty, Value Added Tax (VAT) and service tax. The aim was to avoid cascading effect of taxes and to create a single domestic market. We have been experienced many changes in GST rate rationalisation of commodities during its eight years of implementation. Per the decision of the 56th GST Council, GST rates across the country were reduced from September 22. The existing four rates will be reorganised into two rates and a rate of 40 per cent will be

imposed on demerit products (sin products). The rate reduction will have implications on GST revenue collections in both the Union and State governments. (*BusinessLine*)

Fiscal trends indicate Kerala can stabilise debt while setting examples for taking development goals and fiscal responsibility together, says new research paper

A new paper by P.S. Renjith of the Gulati Institute of Finance and Taxation argues that Kerala can stabilise its debt through disciplined fiscal management while continuing its development efforts. Drawing on the CAG's State Finances 2022-23: A Decadal Analysis report, the study finds that Kerala's fiscal position is not as weak as previously believed and shows that development and fiscal responsibility can progress together. Recent trends also lend weight to the more optimistic assessments, according to the paper. Kerala's debt ratio, which peaked at 39.96% in 2020-21, had dropped to 34.2% in 2023-24, with the latest Budget estimates placing it at 33.8% for 2025-26. (*The Hindu*)

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