WEEKLY UPDATES ON
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Public Finance

India's government debt to GPD ratio expected to fall in coming years says IMF

The International Monetary Fund (IMF) stated in its latest Fiscal Monitor that India government gross debt is likely to ease in coming years when compared to the Gross Domestic Product. The fund noted that India's General Government Gross Debt to GDP ratio is expected to dip from 81.4% in 2025 to 76.9% in 2030. If achieved, the threshold in 2030 could be the best for the economy since 2019. *(Business Standard)*

India bonds edge up on softer state debt cut-offs; RBI minutes in focus

Indian government bonds ended slightly higher on Tuesday, buoyed by lower cut-offs at the weekly state debt auction, while traders awaited minutes from the central bank's latest policy meeting. The yield on the benchmark 10-year note settled at 6.5063%, after closing at 6.5198% on Monday Yields move inversely to prices. Indian states sold 128 billion rupees ($1.44 billion) worth of bonds earlier in the day, with cut-off yields coming in below market estimates, traders said. The market also drew support from data showing India's annual retail inflation eased to an eight-year low of 1.54% in September as food prices fell. *(The Economic Times)*

Tamil Nadu's debt could drop by ₹3 lakh crore if Centre releases pending dues: Finance Minister

Tamil Nadu Finance Minister Thangam Thennarasu on Thursday said in the Assembly that the State's debt could be reduced by about ₹3 lakh crore if the Union government releases pending dues to the State. While responding to AIADMK MLA P. Thangamani, who spoke about the reduction in GST rates during the discussion on demands for first supplementary grants, Mr. Thennarasu said due to GST rate rationalisation, the tax revenues of States have declined, thereby increasing their financial burden. He also said that the Union government had not released the GST Compensation Cess owed to the State. *(The Hindu)*

Tamil Nadu government plans to borrow ₹39,000 crore in Q3 of FY2026

The Tamil Nadu government plans to borrow ₹39,000 crore in the third-quarter of fiscal 2025-26, as per the indicative market borrowings schedule of States' released by the Reserve Bank of India (RBI). States, including Tamil Nadu, raise funds through issue of bonds known as State Development Loans (SDLs). The auction for the bonds is conducted by the RBI. The bonds are issued for various tenures and States have to repay the principal along with interest on maturity. SDLs form a major part of Tamil Nadu's outstanding liabilities. *(The Hindu)*

Andhra Pradesh to raise ₹10,000 crore more via bonds this quarter amid widening fiscal deficit

Andhra Pradesh is planning to raise another Rs 10,000 crore by selling state government securities in the open market auction during the October-December quarter, according to an Indicative Calendar of Market borrowings by the state government. Andhra already raised Rs 1,900 crore via bonds auction in the open market on October 7. According to the Reserve Bank of India calendar, Andhra is likely to raise Rs 5,000 crore on November 4 and a similar amount on November 25. *(BusinessLine)*

General govt capex-to-GDP likely to stay around 5% in FY26, lower than FY25P and FY24 peak: Report

The general government capital expenditure (capex) as a share of GDP in FY26 is likely to remain around 5 percent, which is lower than 5.1 percent in FY25P and much below the FY24 peak of 5.4 percent, according to a report by Emkay Research. The report highlighted that public capex growth has remained strong in the first five months of FY26. During this period, the Centre has already spent around 39 percent of its budgeted capital outlay, recording growth of over 43 percent. States have also shown healthy momentum, with their capex tracking 14 percent growth, though this is below their ambitious budget estimate of 30 percent growth for the year. *(The Economic Times)*

Kerala CM tells Centre its fiscal policies imperil State's development and social progress

Chief Minister Pinarayi Vijayan said on Friday that Kerala apprised Union Finance Minister Nirmala Sitharaman that the Centre's fiscal policies threatened to imperil the State's development and hobble its expansive social security net. He said the recent GST rate revision, the US' prohibitive tariffs on exports from Kerala—mainly marine products, spices, and agricultural produce—the Centre's restrictions on the State's borrowing limit, and the substantial IGST revenue recovery funds the Centre has sought from the State have hindered the State's finances. *(The Hindu)*

Centre 'partial' in allocation and release of funds to developed states like Tamil Nadu: TN finance minister

The Centre is "continuing to be partial" in allocation and release of funds to States like Tamil Nadu, TN Finance Minister Thangam Thennarasu said in the Assembly on Friday. "The fact that we are a developed State is being used against us when it comes to releasing funds for us," he said. Stressing on the need for federalism, Thennarasu said that the announcement of the GST 2.0 by the Prime Minister in his Independence Day speech "without consulting states" goes against the principle of cooperative federalism. *(BusinessLine)*

Centre eases norms for states to avail capex loans

The Centre has eased conditions for states to avail loans for capital expenditure under the Scheme for Special Assistance to States for Capital Investment (SASCI), increasing the untied portion to give them more flexibility in implementing projects. In this financial year, about 66% of the ₹1.5 lakh crore allocated under the scheme was tied to specific conditions. Now, states that have already utilised the first and second instalments of the conditional loan can access the remaining amount without further conditions. *(The Economic Times)*

Govt extends tenure of 16th Finance Commission till Nov 30

The government has extended the tenure of the 16th Finance Commission by one month till November 30. The 16th Finance Commission was constituted by the government on December 31, 2023, with former Niti Aayog vice-chairman Arvind Panagariya as its Chairman. The report by the panel was due by October 31. The Commission will mainly make recommendations on the distribution of taxes between the Centre and states for a 5-year period starting April 1, 2026. *(BusinessLine)*

Taxation

Net direct tax mop-up rises 6% to ₹11.89 lakh cr in April-Oct

With double-digit growth in receipts from non-corporate tax assessees and de-growth of refunds, net direct tax collection grew 6.33 percent so far this fiscal to over ₹11.89 lakh crore, Central Board of Direct Taxes (CBDT) reported on Monday. This is the second successive month of growth in collection after three months of decline. Non-corporate taxpayers include individuals, Hindu Undivided Family (HUF), firms, association of persons, body of individuals, local authorities and artificial juridical persons. *(BusinessLine)*

SC upholds ITC benefit for purchaser-dealer despite selling-dealer's failure to deposit tax

In a major ruling, the Supreme Court has upheld ITC (Input Tax Credit) benefit for purchaser-dealers despite the selling-dealer's failure to deposit tax. Experts said that although the matter is related to VAT (Value Added Tax) regime, it may impact interpretations and litigation under GST. "We find that there is no dispute regarding the selling dealer being registered on the date of transaction, and neither the transactions nor invoices in questions have been doubted. *(BusinessLine)*

Bombay HC grants interim stay on 18% GST for hotel-based restaurants

The Bombay High Court has granted an interim stay in a case challenging the higher Goods and Services Tax (GST) rate of 18 percent levied on restaurants operating within premium hotels, compared to 5 percent for standalone restaurants, according to a report by The Economic Times. According to the current guidelines, 'restaurant services' within 'specified premises' are to be taxed at 18 percent with Input Tax Credit (ITC), while others continue to be taxed at 5 percent without ITC. The petitioner argued before the Aurangabad Bench that this distinction is "arbitrary, irrational, and commercially unjustified." *(Business Standard)*

Inflation lessons: On the inflation data and the RBI

The September 2025 retail inflation data, at a 99-month low of 1.54%, has important policy implications for the RBI in particular. Except for August, retail inflation has slowed in every month this financial year. The average rate of inflation for the first half of the fiscal is 2.2%, just within the RBI's comfort band of 2%-6%. When inflation was at the higher end of this band, the RBI had repeatedly said that its target was 4% and that it would not rest until inflation was at that level. *(The Hindu)*

Inflation is low. But policymakers cannot lower their guard

In a relief for consumers, the trend of weak inflation prints continued in September, when official data revealed that consumer-facing prices rose by just 1.5 percent. This is the lowest inflation rate since June 2017 — that is, in 99 months. It is also the second time in the current fiscal year that the retail inflation rate has undershot the RBI's comfort zone of 2 percent to 6 percent. *(The Indian express)*

Inflation eases across India, but these states are still feeling the heat

India's retail inflation eased to a 99-month low of 1.5% in September and averaged 2.2% in the first half of FY26, according to data released by the Statistics Ministry. Despite the sharp moderation in the first half, some states experienced higher price pressures than the national average, led by Kerala, where soaring gold prices drove up costs. *(The Economic Times)*

India's rise as a top economy hinges on channelising household savings into productive assets: Report

India's aspiration to become one of the largest and fastest-growing economies in the world depends on how effectively it channels household savings into productive assets, according to a report by Elara Securities. The report highlighted that the structure of household savings in India is undergoing a major transformation, supported by favourable demographics, government reforms, economic policies, and a robust digital public infrastructure. *(The Economic Times)*

Festive premium: How Q4 fuels India's consumption growth

Retail outlets of clothes, jewellery, consumer durables overflowing with shoppers around Diwali is quite common in India. Many of these consumer-oriented industries also report a healthy jump in their sales in the October to December period during the festivals of Diwali and Christmas. So, how much does this impact consumption? *(BusinessLine)*

India's exports up 6.74% in September, trade deficit stood at $32.1 bn

India's exports grew by 6.74 percent to $36.38 billion in September despite global headwinds. Imports jumped 16.6 percent to $68.53 billion. The country's trade deficit stood at $32.1 billion during the month. Imports surged due to the increase in imports of gold, silver, fertiliser and electronics. In April-September this fiscal, exports increased by 3.02 percent to $ 220.12 billion. Imports rose 4.53 percent to $375.11 billion, the commerce ministry data showed. *(Business Standard)*

India must fire on all cylinders to reach Viksit Bharat goal: IMF

To attain the goal of Viksit Bharat by 2047, India needs to grow at 8 percent by pushing for deep structural reforms, improve business environment, try to integrate into global supply chains and liberalise trade, Krishna Srinivasan, Director, Asia and Pacific Department, International Monetary Fund (IMF) said on Thursday. *(Business Standard)*

Banking and Monetary Policy

Indian banking sector sees wave of foreign investments

India's robust long-term growth outlook, along with the increasingly accommodative approach to foreign investment in banking on the part of the Reserve Bank of India (RBI) and the government, is fuelling a wave of deal making aimed at creating larger and stronger banks, according to industry experts. *(Business Standard)*

Banks and ECL norms

On October 7, the Reserve Bank of India (RBI) issued the draft Reserve Bank of India (Scheduled Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2025 for public comments. These directions are proposed to be implemented by banks and financial institutions with effect from April 1, 2027—a possible indicator that banks and financial institutions will transition to Indian Accounting Standards (Ind AS) from this date. *(BusinessLine)*

MPC members hold out the possibility of a rate cut

While all six members of the RBI's rate-setting panel were of the view that there is space to further cut the policy rate, they preferred to keep the powder dry as the impact of the earlier front-loaded monetary policy actions and the recent fiscal measures was still playing out, going by the minutes of the latest monetary policy committee (MPC) meeting. *(BusinessLine)*

Interest rates do not seem to be the main driving force of the aggregate saving rate: MPC member

The likely adverse impact on bank deposits and moderation in household savings should not be the reason for not going for a further rate cut, according to monetary policy committee (MPC) member Ram Singh. The MPC, at its meeting held between September 29 and October 1, unanimously voted to hold the policy repo rate unchanged at 5.50 percent. *(BusinessLine)*

RBI allows lending in rupee to ease cross border trade

The current system means strong entities contribute significantly, effectively subsidising payouts for smaller, struggling banks. The new model aims for a more equitable contribution based on risk," said a banker from a PSU bank. *(Financial Express)*

External Sector

India's apparel exports drop 14.8% in Q2 FY26 as global demand weakens

India's apparel exports witnessed a sharp decline of 14.8 percent during the July-September quarter of FY 2025-26, according to a recent analysis by the Confederation of Indian Textile Industry (CITI). The report, based on estimates released by the Press Information Bureau (PIB), highlights that apparel exports dropped from USD 3,636 million in Q2 FY 2024-25 to USD 3,097 million in Q2 FY 2025-26, reflecting sluggish global demand and continued challenges in key export markets. *(BusinessLine)*

India's exports to US slump nearly 12% in September after 50% tariff hit; China, UAE emerge as gainers

India's merchandise exports to the US declined by 11.93 percent to USD 5.46 billion in September due to the high tariffs imposed by Washington while imports increased by 11.78 percent to USD 3.98 billion during the month, according to the commerce ministry data. During the April-September period of this fiscal, the country's exports to the US increased by 13.37 percent to USD 45.82 billion, while imports rose 9 percent to USD 25.6 billion, the data showed. The US has imposed a sweeping 50 percent tariffs on Indian goods entering American markets from August 27. The two countries are negotiating a bilateral trade agreement to boost two way commerce. *(BusinessLine)*

Pricier gold imports send India's September trade deficit to highest in over a year

India's merchandise trade deficit widened to $32.15 billion in September, the highest in 11 months, due to higher imports of gold, silver, fertiliser and electronics. While exports rose by 6.75 per cent y-o-y to $36.38 billion last month, imports surged by 16.67 per cent to $68.53 billion on an annual basis. During H1 FY25, exports rose over 3 per cent to $220.12 billion, whereas imports were higher by 4.5 per cent to $375.11 billion with a trade deficit of almost $155 billion, Commerce Ministry data showed. *(BusinessLine)*

India refiners to buy more US LPG in 2026, cut Middle East imports, sources say

India plans to cut imports of liquefied petroleum gas from the Middle East as its state refiners look to boost purchases from the US, sources with knowledge of the matter said, bolstering New Delhi's efforts to secure a broader trade deal with Washington. The state refiners have already informed their traditional suppliers of LPG in Saudi Arabia, United Arab Emirates, Kuwait and Qatar about the likely cut in LPG purchases, the sources, who spoke on condition of anonymity, said. The planned size of the LPG supply reduction from the Middle East wasn't clear, but Reuters reported in July that India aims to source about 10 percent of its cooking gas imports from the US beginning in 2026. *(BusinessLine)*

India, Brazil look to broaden PTA, eye $20 bn bilateral trade by 2030

India and Brazil are looking to broaden the preferential trade agreement (PTA) and are eyeing a bilateral trade target of $20 billion by 2030, up from $12 billion in 2024. India and Brazil have a limited trade agreement, as a part of a part of the PTA with the Latin American bloc – Mercosur. In July, Prime Minister Narendra Modi's visit to Argentina and Brazil saw discussions over the expansion of the existing limited trade deal with Mercosur bloc—comprising Argentina, Brazil, Uruguay, Paraguay as its members. *(Business Standard)*

India keen to raise energy purchases from US for 'win-win' trade deal

India is looking for a "win-win solution" for both sides in its trade talks with the US that would also address the "tariff issue", with New Delhi keen to make additional energy purchases of up to $15 billion from Washington, Commerce Secretary Rajesh Agrawal said on Wednesday. He said a team of officials from the department of commerce is currently in Washington for the trade talks and he will be joining the team for negotiations on Thursday, with both sides focusing on an early conclusion of the proposed trade agreement. *(Business Standard)*

Agriculture and Rural Economy

Project Unnati Apple helps Uttarakhand farmers adopt climate-resilient cultivation

Project Unnati Apple, supported by Anandana—The Coca-Cola India Foundation, is helping Uttarakhand farmers adopt high-density apple farming. Basanti Bisht from Sunderkhal village increased her yield from seven to 50 boxes in two years, inspiring other women to follow. The project trains farmers in modern techniques, boosting productivity, income, and climate resilience. *(BusinessLine)*

India's sugar output estimated at 30 million tonne, after diversion for ethanol

The Food Ministry has estimated India's gross sugar production for the current season, which began on October 1, at 34 million tonnes (mt), which is lower than the nearly 35 mt estimated by the industry body, the Indian Sugar and Bio-energy Manufacturers Association (ISMA). The government is taking a cautious approach to permitting exports, weighed down by the lower-than-expected output, increased diversion toward ethanol, concerns over the next sugarcane crop, and a delayed start of sugar factories. "There is no hurry, and sugar prices are stable despite Dussehra and Diwali being celebrated in the same month," an official source said. *(BusinessLine)*

NABARD makes investment under AgriSURE Fund

The National Bank for Agriculture and Rural Development (Nabard) announced investment under the AgriSURE Fund, jointly promoted by the Union Agriculture Ministry and Nabard, at the recently concluded Global Fintech Festival (GFF) 2025. A statement said Fambo Innovation Pvt Ltd, a start-up revolutionising the agri-food supply chain by directly connecting farmers and farmer producer organisations with food businesses such as quick service restaurants and cloud kitchens, was recognised as the first investee start-up under the AgriSURE Fund. *(BusinessLine)*

Natural farming gains traction in Himachal Pradesh amid policy push

Himachal Pradesh is steadily adopting natural farming through the State's PK3Y scheme, which has trained over 3 lakh farmers. Sunil Kumar and Rishu Kumari from Kangra district earned higher prices for turmeric and wheat under the new MSP for natural crops. Over two lakh farmers are CETARA–NF certified, and the initiative is improving soil health, farmer incomes, and environmental sustainability. *(The Hindu)*

Grow export-oriented crops, Modi tells farmers

Prime Minister Narendra Modi said GST reforms have doubled rural household savings and reduced costs on daily items and farming tools. Launching the ₹11,000-crore Dhan Dhaanya Krishi Yojana and Pulses Self-Reliance Mission, he urged farmers to grow export-oriented crops and boost pulse cultivation by 35 lakh hectares, benefiting two crore farmers. He stressed pulses' nutritional importance and reducing imports. He added that cheaper tractors post-GST reflect the government's efforts to lower costs and increase farmers' profits. *(The Hindu)*

Centre revises guidelines for Per Drop More Crop scheme

The Centre has introduced greater flexibility under the Per Drop More Crop (PDMC) scheme to promote micro-level water storage and conservation for individual and community use, ensuring sustainable micro-irrigation. Previously, funding was limited to 20% of state/UT allocations and 40% for northeastern, Himalayan states, and UTs of J&K and Ladakh. *(The Economic Times)*

India launches global AgXelerate platform to connect agri-innovators with global markets

To connect agricultural innovators with international markets, a cross-border agri-platform Global AgXelerate was launched here on Wednesday, positioning India as a critical node in the global agri-innovation network. "Through AgXelerate, we aim to connect India's dynamic agricultural ecosystem with St Louis's innovation hub, building bridges between innovators, investors and farmers," he said in a statement. With over 150 million smallholders and an agritech sector that has attracted USD 2.5 billion in funding since 2020, India is emerging as a key hub for global agri-innovation. *(The Economic Times)*

'Pulses Atma Nirbharta Mission': PM Modi's fresh pitch as he launches 2 schemes to transform 100 low-performing agri-districts

Prime Minister Narendra Modi on Saturday called on the farmers to reduce dependency on global markets and work in the direction of Pulses Atma Nirbharta Mission (self-reliance mission in Pulses), to ensure that the Indian agriculture sector moves beyond wheat and rice. Addressing a gathering at the launch and inauguration of agriculture and allied sector projects worth Rs 42,000 crore, the Prime Minister reiterated his 'Atmanirbhar Bharat' pitch, stating that India must aim to "reduce imports and increase exports without falling behind". *(Financial Express)*

Climate change one of the key challenges to tea industry

Almost a week after floods and landslides ravaged north Bengal, tea gardens in Darjeeling, Terai and Dooars are still counting their losses. Nearly 30 of the 276 gardens in the region have been affected by the deluge, though the industry is yet to come up with a figure on how much damage has been incurred. Indian Tea Association chairperson Hemant Bangur, during the 142nd annual general meeting of the Indian Tea Association (ITA) in Kolkata had described the floods in north Bengal as a manifestation of climate change. *(The Hindu)*

Centre reclassifies limestone as major mineral amid rising industrial use

The mines ministry on Tuesday announced that it has reclassified limestone as a major mineral, effective October 10, 2025, following recommendations from an inter-ministerial committee constituted by NITI Aayog last year. Limestone was so far listed as a minor mineral in the Minor Mineral Concession Rules, which are state-level regulations that govern how such minerals are extracted. The mineral will now fall under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, bringing it under central oversight. *(Business Standard)*

Healthcare industry welcomes faster GST refunds, seeks broader reform

India's healthcare and medical device industry has welcomed the government's latest move to fast-track GST refunds, but at the same time requested that the next big step must be to extend refund eligibility to input services and capital goods essential for achieving full tax neutrality and easing liquidity challenges faced by manufacturers. *(Business Standard)*

MSME industry bodies urge RBI to extend ECLGS to tackle US tariff impact

Industry bodies representing micro, small, and medium enterprises (MSMEs) have urged the Reserve Bank of India (RBI) to consider extending the Emergency Credit Line Guarantee Scheme (ECLGS) and introducing a more transparent and standardised lending framework to strengthen the resilience of India's small businesses. The proposal was made at a meeting convened last week by the RBI's financial inclusion and development department to address challenges facing the MSME sector due to the impact of 50 percent US tariffs. *(Business Standard)*

India's Plumbing Industry Faces Urgent Need for Standards and Consumer Awareness

India's plumbing landscape has seen a dramatic evolution over the past four decades, shifting from heavy, corroding galvanized iron pipes to modern PVC and CPVC systems. While these innovations have improved durability, ease of installation, and water quality, experts warn that the sector still faces challenges due to substandard products and inconsistent quality enforcement. *(Business Standard)*

GST Reforms Boost Manipur's Local Industries, Crafts and Agro-Based Economy for Inclusive Growth

The new GST reforms are aimed at driving inclusive growth and improving the ease of doing business for all, including small traders and businessmen. Manipur's economy, rooted in small-scale industries, traditional crafts, and agro-based livelihoods, stands to gain significantly from these changes. From coffee cultivation in the highlands of Ukhrul and Senapati to bamboo crafts and stone carving in Churachandpur and Imphal, the states diverse economic activities are driven largely by regional communities. *(Business Standard)*

News on Kerala

Kerala's 'Vision 2031': General Education Minister's seminar identifies critical gap areas

The General Education department has identified critical gaps in areas such as curriculum and assessment and teacher professionalism for interventions in the wake of a State-level 'Vision 2031' seminar. A final document will be prepared and submitted to the government on the basis of the discussions at the seminar and Minister for General Education V. Sivankutty's speech. The department hopes that the curriculum will evolve into an interdisciplinary and transdisciplinary one for high school and higher secondary classes. Teacher professionalism is another critical area where interventions will be needed. *(The Hindu)*

Public spending inevitable in shaping Kerala's future, says Finance Minister

Public spending is inevitable for the development of Kerala, Finance Minister K.N. Balagopal has said. He was speaking on the topic 'Keralam@2031: A new vision' at a seminar organised by the State government here on Monday. Mr. Balagopal also called for a collective movement to ensure that the State got its due fiscal shares from the Centre. "Public spending by Central and State governments plays a huge role in development. Hence, a collective movement is required to ensure that Kerala gets its due shares. We have to go forward giving more importance to the services sector along with agriculture and industries," he said. *(The Hindu)*

CAG pulls up Kerala Higher Education department for lapses in implementing RUSA

The Comptroller and Auditor General (CAG) of India has flagged serious lapses, delays and deviations in the implementation of the Rashtriya Uchchatar Shiksha Abhiyan (RUSA) by the Kerala Higher Education department. In its report for the period that ended March 2023, which included findings of the compliance audit of government departments, the CAG observed that the Kerala State Higher Education Council (KSHEC) Act was amended in 2018, five years after the RUSA guidelines were introduced in 2013. While this resulted in delayed reforms, the amended Act contained provisions that were inconsistent with the Central guidelines. *(The Hindu)*

Government's revenue has dropped by ₹3.35 crore for each draw due to lottery tax hike: Chief Minister

The State government is taking all necessary steps to protect livelihoods dependent on the lottery sector in view of the recent hike in Goods and Services Tax (GST) on lottery, Chief Minister Pinarayi Vijayan has said. The Kerala government's revenue from every draw has dropped by ₹3.35 crore due to its decision to keep ticket prices unchanged to counter the impact of the tax hike on families dependent on the sector, he said on Monday. *(The Hindu)*

Focus on enterprises that can generate employment, Kudumbashree women told

Minister for Local Self-government M.B. Rajesh has urged Kudumbashree women to focus on business enterprises that could generate more employment and income. He was speaking at a face-to-face programme organised by the Kerala Women's Commission to discuss new opportunities for Kudumbashree women and its auxiliary group members here on Tuesday. The Minister pointed out that over the decades there had been changes in Kerala society, lives of women, and women's status owing to Kudumbashree's interventions. In step with the changing times, Kudumbashree women's focus also had to shift from livelihood generation to business enterprises that could provide more employment and income. *(The Hindu)*

Why is the fiscal architecture of municipalities flawed?

Urban India generates nearly two-thirds of the national GDP, yet its municipalities control less than one percent of the country's tax revenue. Indian cities are not generating revenue, not because they are inefficient, but because the fiscal architecture has failed them. Today, municipal finance is dependent on intergovernmental transfers, loans, and schemes. The core of the problem lies in the centralisation of taxation powers. *(The Hindu)*

A-I Express scaling up international ops from state capital: Kerala CM

Kerala Chief Minister Pinarayi Vijayan on Thursday said that Air India Express was going to scale up its international operations from the state capital from October onwards. Vijayan, in a post on 'X', said that the Kerala government's "constructive talks" with Air India have yielded results. He said that this was a major step towards strengthening Kerala's air connectivity. "Pleased to see the GoK's constructive talks with @airindia yielding results. @AirIndiaX has confirmed that international operations from Thiruvananthapuram are being scaled up. Services to Dubai will resume four days a week starting 28th October, and flights to Abu Dhabi will operate thrice weekly from 3rd December. *(Business Standard)*

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