



Public Finance

Govt sees no threat to fiscal deficit target for FY26

Despite a projected tax revenue shortfall and higher subsidy spending in 2025-26, the government is confident that “scheme savings” and robust non-tax revenues will fully offset the gap, keeping the fiscal deficit on track to fall to 4.4% of GDP from 4.8% in FY25, sources told FE. The additional negative fiscal impact is seen at around Rs 1.15 lakh crore, going by the extra subsidies estimated for food and fertiliser, compensation to oil marketing companies (OMCs), and likely net tax revenue shortfall due to income tax relief and goods and services tax (GST) relief announced recently. (*Financial Express*)

Fiscal deficit for H1 at 36.5% of FY26 target

India’s fiscal deficit in April-September was 5.73 trillion rupees (\$65.19 billion) or 36.5% of the estimate for the financial year ending March 31. The fiscal deficit was 29% of the Budget Estimates of 2024-25 in the first six months of the previous financial year. In absolute terms, the fiscal deficit, or gap between the government’s expenditure and revenue, was Rs 5,73,123 crore in the April-September period of 2025-26. The Centre estimates the fiscal deficit during 2025-26 at 4.4% of the GDP, or Rs 15.69 lakh crore. (*Financial Express*)

Rising committed expenditure squeezing states’ development spending: PRS

Indian states are increasingly facing fiscal constraints that threaten their ability to fund growth-enhancing and crucial development programs, with 62 percent of their revenue receipts in the financial year 2024 (FY24) spent on committed expenditures such as salaries, pensions, interest payments and subsidies, according to the annual ‘State of State Finances 2025’ report by PRS Legislative Research. Drawing on budget documents and audit accounts of all states and select Union Territories, the report finds that 53 percent of revenue receipts were consumed by salaries, pensions, and interest payments, while subsidies accounted for another 9 per cent. (*Business Standard*)

Capex reaches 52% of FY26 Budget Estimates in H1; Roads and Railway lead spending

The total government capital expenditure for the first two quarters of fiscal year 2025-26 stood at 52 per cent of the Budget estimates, says the latest data from the Controller General of Accounts (CGA). As per the CGA data, the Ministry of Road Transport and Highways exceeded the average capex in FY26 by spending 63 percent of its budget estimates. The Ministry of Railways is another ministry which has higher capex in FY26 than the average capital expenditure of union ministries. The Ministry of Railways’ capex stood at 57 percent between April to September this fiscal year. (*Financial Express*)

Road, rail and defence lead FY26 capex surge; overall spend at 52%

The ministries of Road Transport & Highways and Railways have exceeded the national average capital expenditure (capex) by spending 63 per cent and 57 per cent of Budget estimates (BE), respectively, in the first half of 2025-26 (FY26). The total capital expenditure for April-September of FY26 stood at 52 per cent of the BE, according to the latest data by the Comptroller General of Accounts (CGA). The increased capex spending includes ₹50,000 crore disbursed to the department of food and public distribution against a budget allocation of ₹20 crore for FY26. (*Business Standard*)

Resource Mobilisation Committee for higher user charges for govt. services, auction-based digital licensing for excise

Low non-tax revenue, especially from user charges and government assets, continues to remain a major challenge in strengthening the State's fiscal health and sustainable economic growth, according to the Resource Mobilisation Committee (RMC) report. The committee headed by retired IAS officer K.P. Krishnan submitted the report on Thursday to Chief Minister Siddaramaiah, who also holds the Finance portfolio, recommending reform in the tax structures to broaden the tax base and reduce over-reliance on a few major sources of revenue, such as commercial tax, excise, motor vehicles and stamps and registration. (*The Hindu*)

Comptroller and Auditor General announces 2 centralised cadres for revenue, expenditure audits

The Comptroller and Auditor General (CAG) on Thursday announced the creation of two centralized cadres to build deeper professional expertise and further improve the quality of audit of central government finances. The CAG has accorded in-principle approval for the creation of specialised cadres—Central Revenue Audit (CRA) Cadre and Central Expenditure Audit (CEA) Cadre—within the Indian Audit and Accounts Department, DAI (HR, IR, CDN), K. Subramaniam said at a media briefing here. (*The Economic Times*)

India needs more decentralisation, some States resistant to devolving power: EAC-PM chairman

India needs greater decentralisation, but in many States, there is resistance to devolving powers to local councils, according to Mahendra Dev, Chairman of the Economic Advisory Council to the Prime Minister (EAC-PM). At a ceremony to award the fourth Rohini Nayyar Prize for Outstanding Contribution to Rural Development, Dev said the level of decentralisation in China and the US is much higher. (*BusinessLine*)



Taxation

GST collections rise 4.6% to Rs 1.96 lakh crore in October despite tax cuts

Goods and Services Tax (GST) collection rose 4.6% in October, amounting to Rs 1.96 lakh crore, compared to Rs 1.97 lakh crore in October 2024, as per government data released on Saturday. After deducting refunds, the government's net tax collections stood at Rs 1.69 lakh crore, or 0.6% more than in October 2024. As per the data, collections of Central-GST, State-GST, and Integrated-GST rose year-on-year, while cess collections dipped year-on-year. (*The Economic Times*)

GST collections dip in 20 of 36 states and Union Territories in October

Twenty out of 36 states and Union Territories (UTs) in India saw their goods and services tax (GST) collections contract in October, marking the weakest monthly performance so far in the financial year 2026 (FY26) as businesses adjusted to the implementation of the GST 2.0 rate structure. State GST collections grew just 2 percent in October while gross GST rose 4.6 percent, lowest in FY26. *(Business Standard)*

Rise in new orders after GST cuts drove manufacturing PMI to 59.2 in Oct

Manufacturing sector conditions in India continued to strengthen in October, buoyed by goods and services tax (GST) relief, productivity gains and tech investment that led to a faster increase in new orders, boosting output growth and buying levels, showed a private survey on Monday. *(Business Standard)*

GST rate reduction could 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. *(BusinessLine)*



National Accounts and State of the Economy

Strong demand lifts manufacturing PMI to 59.2 in October

Manufacturing activity accelerated to 59.2 in October, nearly a 17-year high, driven by strong demand and the Goods and Services Tax (GST) rate reductions, according to a private sector survey. The seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index in October was higher than the 57.7 in September, which it said indicated a quicker improvement in the health of the sector. *(The Hindu)*

The Investment Trust of India consolidated net profit declines 85.72% in the September 2025 quarter

Net profit of The Investment Trust of India declined 85.72% to Rs 2.91 crore in the quarter ended September 2025 as against Rs 20.38 crore during the previous quarter ended September 2024. Sales declined 28.90% to Rs 79.06 crore in the quarter ended September 2025 as against Rs 111.19 crore during the previous quarter ended September 2024. *(Business Standard)*

Households piling on debt faster than assets

The annual financial debt accumulated by Indian households has grown faster than their annual financial assets since the pre-pandemic year 2019-20, an analysis of data from the Reserve Bank of India (RBI) has found. The amount of financial assets added each year has grown 48% between 2019 and 2025, while the annual liabilities have grown 102% over that period. Even as a percentage of Gross Domestic Product (GDP), the annual financial asset addition is lower this year than before the pandemic, while the annual liabilities added are higher. *(The Hindu)*

Powergrid Infrastructure Investment Trust consolidated net profit rises 177.79% in the September 2025 quarter

Net profit of Powergrid Infrastructure Investment Trust rose 177.79% to Rs 279.29 crore in the quarter ended September 2025 as against Rs 100.54 crore during the previous quarter ended September 2024. Sales declined 1.04% to Rs 316.63 crore in the quarter ended September 2025 as against Rs 319.96 crore during the previous quarter ended September 2024. *(Business Standard)*

PM Modi launches ₹1 trn RDI fund to spur private investment in research

The Department of Science and Technology (DST) is the nodal ministry of the RDI Fund that will operate through a two-tiered funding structure. At the first level, a Special Purpose Fund (SPF) will be established within the Anusandhan National Research Foundation (ANRF), which will serve as the custodian of the ₹1 trillion corpus. *(Business Standard)*

PM announces Rs 4,000 investment dedicated to modernize Dredging Corporation of India

The total investment for procurement of these 11 dredgers and other initiatives is Rs.4000 crore will be focus on Fleet modernization and capacity enhancement to strengthen India's dredging infrastructure; Construction of new dredgers in Indian shipyards, promoting the 'Make in India' initiative along with capital dredging, as well as the Inland Waterways, which the Government is putting a lot of impetus. *(Business Standard)*

Ingka Investments makes its first renewable energy investment in India

Ingka Investment launches its first renewable energy project in the country -- a 210 MWp solar installation in Bikaner, Rajasthan. This is part of its ₹1,000 crore renewable energy commitment to India, it said in a release. The solar project has reached a ready-to-build status, and construction will begin shortly and is expected to start operations in December 2026. The total expected production is 380 GWh per year. *(Business Standard)*



Banking and Monetary Policy

Highest' FPI sell-off signals waning confidence in India

Foreign investors have sold ₹1.5 lakh crore worth of Indian stocks as of November 4, 2025, according to NSDL data. Continued selling will make this the largest sell-off in about 20 years. "India benefitted from investors leaving China, but this benefit has run out," said Mike Coop, Chief Investment Officer, EMEA at Morningstar Investment Management. *(The Hindu)*

Banking law amendment streamlines succession

With effect from this month, India's banking system will see a significant shift in how depositors can secure the transfer of their bank deposits and locker contents, following the implementation of the Banking Laws (Amendment) Act, 2025. *(BusinessLine)*

SEBI to soon streamline IPO disclosures, boost retail access to the bond market

SEBI is working with the Reserve Bank of India on the possible introduction of bond derivatives to improve market liquidity and provide new tools for risk management. On the commodities front, SEBI and the RBI are collaborating on a regulatory framework to facilitate prudent institutional participation, including by banks, insurance firms and pension funds. A proposal to allow foreign portfolio investors (FPIs) to trade in non-cash settled, non-agricultural commodity derivatives is also under examination. *(BusinessLine)*

Weekly Rupee view: Rupee hovers near a crucial support

The rupee declined sharply in the past week. After trading stable between 87.60 and 88 for more than a week, the domestic currency was beaten down again over the last one week. The rupee fell to a low of 88.80 on Monday before recovering slightly and closed at 88.65 on Tuesday. The currency is down about 0.44 percent in the last one week. *(BusinessLine)*

Regulatory reform: Continuity or change?

The spate of proposed RBI regulatory reforms has generated extensive commentary. One group sees a bright new beginning; another easing that may invite a future crisis; a third group continuing restrictive excess caution. But these views miss two aspects. First, the continuity with the path of gradual liberalisation for the financial sector started in the 1990s. There were some steps backwards, but also many forward, depending on the circumstances of the time. *(BusinessLine)*

Why invest in State bonds

In the latest RBI auction on October 28, the weighted average yield on newly issued SGS ranged from 6.97 percent to 7.44 percent for securities maturing between six and 30 years. The 10-year SGS traded at a spread of 62–69 bps over the 10-year G-sec benchmark, which itself yielded 6.54 percent during the day. Simply put, the spread represents the yield difference between SGS and G-secs of the same maturity. *(BusinessLine)*

PSU banks record 9% growth in profit to record ₹49,456 cr profit in Q2

State Bank of India-led public sector banks posted a record cumulative profit of Rs 49,456 crore in the second quarter of the current fiscal, reflecting a 9 per cent year-on-year growth despite two lenders reporting a decline. All 12 public sector banks (PSBs) together made a profit of Rs 45,547 crore in the September quarter of FY25. Thus, the increase in profit in absolute terms was Rs 3,909 crore as compared to the same quarter of the previous financial year. *(Business Standard)*

Liquidity panic? SOFR-IORB spread hits highest level since 2020 — QE next?

US liquidity crisis SOFR-IORB spread 2025: US financial markets show signs of strain despite calm appearances. The SOFR-IORB spread, a key dollar liquidity indicator, has surged to its highest since 2020. This means banks are paying more to borrow cash, signaling tightening liquidity. US Treasury debt issuance is draining market liquidity, creating a paradox of abundant collateral but scarce cash. *(The Economic Times)*

Rupee prone to fall past record low, rate outlook key for bond yields

The Indian rupee is nearing its record low, with the central bank's intervention crucial to prevent a further slide. Bond traders also anticipate continued RBI support to manage yields. Meanwhile, global markets await U.S. Federal Reserve signals on interest rates,

while domestic IPOs could influence portfolio flows. Investors are closely watching these developments. *(The Economic Times)*

Banks tap Fed Standing Repo Facility in record numbers amid month-end pressures

The Federal Reserve's Standing Repo Facility loaned a record \$50.35 billion on Friday to address month-end liquidity pressures in short-term funding markets. Two operations saw the facility lend \$30 billion and \$20.35 billion, respectively, to eligible financial firms facing temporary cash needs. *(The Economic Times)*

RBI cancels Rs 11,000 crore bond auction; 10-year yield eases 7 bps to 6.53%

Indian sovereign bond yields eased on Friday. The Reserve Bank of India cancelled a 7-year bond auction. This action led to a nearly seven basis point drop in the benchmark 10-year sovereign bond yield. Traders believe the cancellation signals the central bank's discomfort with higher yield bids. This development follows a period of rising yields since June. *(The Economic Times)*



External Sector

Australian mining companies 'prefer India over China'

India is the preferred business destination compared with China as the firms here are more transparent, honest, cost-effective and work in a legal framework similar to both countries on account of British history, said the representative of a business delegation on mining equipment from Western Australia, a global leader in mining. Clayton Franklin, founder and chief engineer of EPCA, is a part of Australia's first-ever 'First Nations Business Mission to India'. First nations mean the businesses owned by the aboriginals of the country. *(The Hindu)*

India, Bahrain hold talks on boosting defence, trade ties

A joint statement issued after the meeting of the High Joint Commission headed by Mr. Jaishankar and Mr. Alzayani said that India and Bahrain expressed optimism for "enhancing future collaboration in the areas of defence and security". The two sides highlighted that India is among the top five trading partners of the Kingdom of Bahrain. Both sides agreed to develop a common understanding to commence Double Taxation Avoidance Agreement (DTAA) negotiations, which will help eliminate double taxation, provide tax certainty and promote trade and investment. *(The Hindu)*

India's seafood exports rise 17% to \$3.97 billion despite a dip in shipments to US

Despite concerns over US tariffs, India's marine exports grew 17 per cent in the first half of the current fiscal, reaching \$3,974 million compared with \$3,385 million in the same period last year. In September alone, shipments rose 23.4 per cent to \$781.02 million against \$632.70 million a year ago, according to quick estimates released by the Commerce Ministry. *(BusinessLine)*

Garments, textile manufacturers seek tax breaks, export support

The garments and textiles industry, reeling under the effect of US import tariffs, has asked the government for a slew of measures, including tax concessions for new units,

depreciation allowance, interest subvention and rationalisation of key schemes in recent pre-Budget consultations. “Representatives of the textiles and garments industry, including exporters, met the Textiles Secretary recently to give submissions on expectations from the Budget 2026-27. With the US tariffs giving a sharp blow to the Indian industry, the government was urged to provide both tax and non-tax relief in Budget 2026-27 as well as during the ongoing fiscal. (*BusinessLine*)

India diversifies petroleum exports as traditional buyers cut sourcing

India is shifting its refined petroleum exports to newer destinations such as Jordan, Hong Kong, and Spain, as traditional buyers like the Netherlands, France, and Indonesia reduce their imports. The US stepped up pressure on India to halt purchases of discounted Russian crude oil after Donald Trump assumed office in January this year. On August 7, US President Trump imposed an additional 25 percent tariff on India for buying Russian oil, effective from August 27, doubling the total tariff to 50 percent. (*Business Standard*)

India may double sugar exports as ethanol diversion falls sharply

India needs to double its sugar export allocation to 2 million metric tons in the new season, as lower diversion of sugar for ethanol production is expected to leave a larger domestic surplus. Higher exports from the world's second-largest sugar producer could pressure benchmark New York and London futures, which are hovering near five-year lows. India was the world's second-largest sugar exporter in the five years to 2022/23, with shipments averaging 6.8 million tons annually. (*Business Standard*)

Exports of software services by Indian companies gain 7.3% to US\$ 204.7 billion in FY25

Reserve Bank of India or RBI released the data related to the 2024-25 round of its annual survey on computer software and information technology enabled services (ITES) exports. Exports of software services by the Indian companies (excluding their sales through overseas commercial presence) are estimated to have increased by 7.3 percent during 2024-25 to US\$ 204.7 billion. Computer services continued to account for over two-thirds of India's total software services exports during the year; BPO services remained the major component of ITES exports. (*Business Standard*)

India's exporters tap new markets to offset losses from US tariffs

India's export diversification strategy, aimed at mitigating the impact of steep 50 percent tariffs imposed by the US, has begun showing results, according to a report by The Economic Times. At September end, exports of cotton garments increased to the United Arab Emirates (UAE), France, and Japan, even as shipments to the US fell 25 percent year-on-year. (*Business Standard*)

Govt seeks views on allowing FDI in inventory-based e-commerce for exports

The Commerce and Industry Ministry has floated a note seeking views from various central government departments on a proposal to allow foreign direct investment (FDI) in the inventory-based model of e-commerce solely for export purposes, an official said. The proposal aims to boost India's exports without impacting the businesses of small retailers. At present, the country's FDI policy does not permit overseas investments in the inventory-based model of e-commerce. It is 100 per cent allowed through the automatic route in firms that are operating through a marketplace model only, like Amazon and Flipkart. (*Business Standard*)

India and New Zealand seek 'Win-Win' trade ties with long-term vision

India and New Zealand are strengthening trade ties. Both nations aim for mutual respect and long-term growth. Discussions focus on win-win solutions. Key sectors for collaboration include agriculture and aerospace. Direct flights are planned by 2028. This partnership looks towards the next 20 years. (*The Economic Times*)



Agriculture and Rural Economy

Farm scientists told to focus R&D on nutrient rich, traditional crops to strengthen food systems

ICAR Director-General M. L. Jat urged scientists to focus on nutrient-rich, underutilised and traditional crops to strengthen nutrition, climate resilience and local food systems, emphasising collaboration with ICMR and integrated, multi-institutional research. He highlighted the PM's priorities of bio-fortified crops, biodiversity use and bio-based soil inputs. Former ICAR DG R. S. Paroda stressed horticulture's growing role in nutritional security and called for stronger policy support, value addition, reduced post-harvest losses and greater export focus. (*BusinessLine*)

Govt brings ammonium sulphate under subsidy, pitches it as urea alternative

The government has brought ammonium sulphate under the fertilizer subsidy scheme from this rabi season, aiming to promote it as a soil-friendly alternative to urea. With a subsidy of ₹9,479/tonne, the retail price of a 50-kg bag is expected to fall to around ₹700, making it more affordable. Experts say its slow nitrogen release could boost demand if urea prices are gradually raised. The move comes amid conflicting reports on urea availability during kharif 2025, despite official claims of adequate stocks. (*BusinessLine*)

Heavy rain batters Maharashtra again, over 1 lakh hectares of paddy damaged

Heavy rains across Maharashtra, especially in the Konkan region, have damaged over 1 lakh hectares of paddy, washing away harvested grain and submerging standing crops. The prolonged wet spell has also triggered pest and disease attacks, causing severe losses in key districts like Sindhudurg, Ratnagiri and Raigad. With paddy being the backbone of the local economy, the impact on rural livelihoods is significant. The State government has ordered a detailed loss survey and promised compensation, as excess monsoon rainfall, 117.6% of normal, has left thousands of farmers struggling. (*BusinessLine*)

Indoor farming: Plant a thermostat, reap a bounty

Researchers at VIT have developed a soil-cooling technology that significantly boosts indoor crop yields while sharply reducing water use. By maintaining soil temperatures below the dew point, the system enables moisture condensation within the soil, allowing many microgreens to grow with only initial watering and flowers with minimal irrigation. Tests on lilies, gladiolus and several microgreens showed higher yields and taller plants, with optimal results at a soil depth of 5 cm and energy use of about 10 W/kg. The technology, adaptable for home gardening and research labs, could transform indoor farming and is being explored for high-value crops like mushrooms and saffron. (*BusinessLine*)

ISMA pegs 18.5% jump in net sugar output for 2025-26

ISMA has projected India's 2025-26 net sugar production at 30.95 mt, with about 3.4 mt of sugar diverted for ethanol. Despite a slight revision in gross output to 34.35 mt, production is expected to rise 18.5% from last year, driven mainly by Maharashtra's strong 39% surge. With total availability at 35.95 mt against consumption of 28.5 mt, India is set to end the season with a comfortable 7.45 mt stock, leaving scope for around 2 mt of exports. Sugarcane acreage has risen marginally nationwide, with notable increases in Maharashtra and Karnataka, while Uttar Pradesh shows improved crop conditions despite a small acreage dip. *(BusinessLine)*

Most kharif crops sold below MSP in Oct

Most major kharif crops sold below MSP in October, signalling rural price distress, with only a small share of paddy farmers benefiting through government procurement. Oilseeds such as soybean and groundnut traded 26% below MSP, and pulses like tur, moong and urad were 17-25% lower, while maize and bajra also saw steep discounts. Oversupply from good rainfall, high imports of pulses and limited State intervention kept prices depressed, though experts expect tur and possibly urad prices to firm up on crop losses if imports are curbed. *(BusinessLine)*

Rice procurement up 46%, govt purchase was over 70 lt in Oct 16-31

Rice procurement at MSP surged in October, with the Centre buying over 119 lt, much higher than last year's 81.85 lt, mainly due to early harvesting and advance procurement in Punjab and Haryana. Punjab purchased 69.39 lt and Haryana 38.12 lt, while Tamil Nadu's early-start procurement more than doubled to 7.51 lt. Other States together added 4.05 lt. With a procurement target of 463.49 lt for 2025-26 and paddy acreage at a record 441.58 lh, purchases are running ahead of schedule and may conclude early due to faster arrivals. *(BusinessLine)*

As 42% paddy yet to be harvested, stubble burning rises in Punjab

Stubble burning in Punjab has surged, with 1,906 cases reported in the past week as farmers hasten to clear fields for wheat, making the State the biggest contributor to farm fires this season and raising concerns for Delhi-NCR's air quality. Only 58 percent of Punjab's paddy area had been harvested by October 31, and farmers are racing to complete wheat sowing before mid-November. Across major rice-growing States, harvesting progress varies widely, and although overall stubble-burning cases in monitored States are lower this year due to delayed harvesting, the problem persists. Harvesting of pulses, coarse cereals and oilseeds is also progressing, with around 56-60 percent of area harvested in each category. *(BusinessLine)*



Industry, Manufacturing, Services and Technology

India's car market revs up 12% in October on festival cheer, GST 2.0 push

Improved consumer sentiment, GST 2.0 reforms, discounts from Original Equipment Manufacturers (OEMs) and easy financing schemes helped automakers post healthy sales in October. The country's largest passenger vehicle maker, Maruti Suzuki India,

reported a double-digit growth in its domestic wholesales at 1,76,318 units in October, up from 1,59,591 units in the same period last year. *(BusinessLine)*

Boeing open to backing India's RTA programme

Aerospace major Boeing is open to supporting India's Regional Transport Aircraft (RTA) programme, as it does not compete with any of its existing product line, said a senior company. Notably, India has set the ball rolling on its plan to manufacture a commuter aircraft with a range of 600-700 km through the formation of a dedicated special purpose vehicle (SPV). *(BusinessLine)*

Building India's semiconductor equipment ecosystem

India's semiconductor ambition has gained momentum; from foundry announcements to packaging facilities and design-linked incentives. Yet, the strategic backbone of any chip ecosystem remains underdeveloped; which is equipment manufacturing. The machines that etch, deposit, polish and test semiconductors are where true technological sovereignty lies. If India can develop even a focused segment of these tools, it will move from being a consumer of global technology to a credible co-creator in the trillion-dollar semiconductor race. For a nation aspiring for Atmanirbharta in technology, this is a critical gap that must be bridged. *(BusinessLine)*

Centre launches third round of PLI scheme for speciality steel

The government on Tuesday launched the third round of the Production Linked Incentive (PLI) Scheme for speciality steel to attract investments in the sector, in line with its vision to boost domestic output and reduce imports. Launching the third round of the scheme termed PLI 1.2, Union Steel Minister HD Kumaraswamy said the PLI scheme had so far attracted investment commitment of ₹43,874 crore, direct employment of 30,760 people, and estimated production of 14.3 million tonnes of speciality steel identified in the scheme. As of September 2025, participating companies in the first two rounds had invested ₹22,973 crore and generated 13,284 jobs, a statement added. *(BusinessLine)*

New AI framework draws mixed reactions: Praised for timeliness, criticised for gaps

It's a mixed bag for the new AI Governance Framework announced by the Union Government. Some of the AI ecosystem players have welcomed the framework saying it is a timely framework that could help the landscape grow healthily, others feel that it should have focused more on the safeguards front. *(BusinessLine)*

Good manufacturing practices: Countdown begins for drugmakers

As the year draws to a close, medium and small drugmakers in India have a deadline coming up in less than two months as the country moves to secure the production of safe and quality medicines. After multiple rounds of discussions and extensions, even pharma industry insiders now agree on the need to run a tight ship with strict controls over procurement of raw material, production and documentation. An assurance is needed to keep the faith in an industry that has been supplying affordable medicine at home and abroad, they point out. *(BusinessLine)*

India unveils first AI governance framework, opts for adaptive regulation over new law

The government on Wednesday unveiled the AI Governance Guidelines, which do not propose a new law to regulate artificial intelligence but underscore the urgent need for a

comprehensive review of existing statutes to identify regulatory gaps in relation to AI systems. The framework, released by the Ministry of Electronics and Information Technology (MeiTY), draws attention to significant amendments required in the Information Technology Act, 2000 (IT Act), and the Digital Personal Data Protection Act, 2023 (DPDP Act), among others. *(BusinessLine)*

Skilling for India's logistics leap

India's logistics sector is a core driver of the economy. Valued at \$215 billion in 2021, it is growing at over 10 percent annually and is projected to triple to ₹120 trillion by 2035. Its importance has grown even more with the e-commerce surge and the spread of logistics giants, but infrastructure alone cannot sustain this momentum. What the sector also needs is a steady pipeline of skilled, work-ready talent. *(BusinessLine)*

Why free AI access is a double-edged sword for India's GenAI landscape

As global Generative AI models Perplexity, ChatGPT, Gemini, Grok and Llama attempt to capture the lucrative Indian market by offering free access to their latest models to a few segments of users, analysts foresee an adverse impact on local GenAI model developers. The fact that India has emerged as the second-largest market for all major models reflects their renewed focus on India. This means local companies will have to spend more to get new customers. *(BusinessLine)*



News on Kerala

Kerala declared free from extreme poverty, first State to do so

Kerala CM said that the process of identifying the extremely poor families began within two months of that decision, with active public participation, including local body representatives, Kudumbashree workers, volunteers and officials. The families identified through data collection at the local body level were scrutinised and recommended by ward committees. This was subjected to another check and a draft list was prepared. This list was presented to the grama sabhas and from it, 1,03,099 individuals from 64,006 families were identified as extremely poor. Considering food, health, housing and income as the critical factors for identifying the extremely poor, micro plans were prepared for each family. *(The Hindu)*

Our financial concerns arise from declining central transfers: Kerala FM

Kerala finance minister K N Balagopal says the state's share of grants and tax devolutions from the centre has been decreasing with successive Finance Commissions' recommendations. In a telephonic interview with Sneha Sasikumar, he talks about how the state has been augmenting this shortfall through its own revenue sources, its social sector programmes, and vision on pension. *(Business Standard)*

Call to raise journalists' pension from ₹11,000 to ₹20,000

A meeting of the Kerala Union of Working Journalists (KUWJ) Thiruvananthapuram district general body on Friday demanded that the government increase the pension for journalists from ₹11,000 to ₹20,000. A demand was also raised in another resolution to include video editors in the pension scheme. *(The Hindu)*.

Centre allocates routes for Kerala's seaplane project

The Union government has awarded 48 seaplane routes, including in Kerala, to different airlines under the Regional Connectivity Scheme (RCS)-UDAN of the Union Ministry of Civil Aviation. The routes are currently allocated to IndiaOne Air, Maritime Energy Heli Air Services Pvt Ltd (MEHAIR), PHL, and Spice Jet airlines. Speaking to *The Hindu*, a highly placed senior government officer said Kerala had earlier submitted a list of around 10 waterbodies, including in Kovalam, Ashtamudi, Kumarakom, Punnamada, and Chandragiripuzha in Kasaragod, for setting up waterdromes and other ancillary facilities required for starting seaplane services. (*The Hindu*)

Kerala Savari 2.0 to be a multi-modal transport application

The State government is set to launch Kerala Savari 2.0, an improved version of the existing cab hailing application, as a multi-modal transport application linking bus, metro, water metro, taxi and autorickshaw services, Labour Minister V. Sivankutty has said. Addressing a press conference in Thiruvananthapuram on Tuesday, he said that the platform will be launched in Thiruvananthapuram and Kochi following which it will be extended to other cities. Kerala Savari has been implemented in collaboration with the Departments of Police, Transport and Information Technology as well as the Planning Board with the technical assistance of ITI Palakkad. Unlike other online platforms, Kerala Savari works on a subscription basis. The government has fixed rates to ensure higher returns for the drivers. The revised rate of the scheme has come into effect as per the government order dated May 6, 2025, he said. (*The Hindu*)

Kerala Chief Minister to inaugurate KIIFB silver jubilee celebrations

Chief Minister Pinarayi Vijayan will inaugurate the silver jubilee celebrations of the Kerala Infrastructure Investment Fund Board (KIIFB) here on Tuesday. Souvenirs in English and Malayalam on KIIFB and bot software on the institution will be launched on the occasion. Awards for the best implementation agencies of KIIFB projects and contractors will also be given away at the function. Finance Minister K.N. Balagopal will preside over the event scheduled at 6 p.m. at Nishagandhi Auditorium. Coming into existence on November 11, 1999, KIIFB took its present shape with a law amendment in 2016 under the then Left Democratic Front (LDF) government. (*The Hindu*)

New pathways to end extreme poverty

The Extreme Poverty Eradication Programme (EPEP), by the Government of Kerala, has redefined the notion of State interventions aimed at alleviating poverty, and it has the potential to evolve into a global model. Most importantly, it highlights a new approach to identifying and addressing deprivation. Apart from nearly achieving the first and second Sustainable Development Goals (SDGs), it also demonstrates how poverty can be eliminated in a participatory manner by involving local governments, the community and development agencies, with consistent follow-up. (*The Hindu*)

Kerala CM showcases 'extreme poverty eradication' as crowning point of LDF government

Chief Minister Pinarayi Vijayan on Friday showcased the completion of the State's extreme poverty eradication programme as the "crowning point" of the Left Democratic Front (LDF) government. In a statement on the eve of the 69th Kerala Formation Day on November 1, Mr. Vijayan portrayed the social project to identify and eradicate extreme poverty as a "people's movement." The government has convened a special session of the Assembly on Saturday to announce Kerala's "extreme poverty-free" status. (*The Hindu*)

Statsguru: Kerala outshines others in literacy and poverty reduction

Kerala achieved a historic milestone by becoming India's first 'extreme poverty-free' state on November 1. While it continues to succeed in welfare-oriented initiatives, its job opportunities and industrial base remain weak. Kerala tops all major development indicators in India. The state achieved 100 percent digital literacy in 2025 compared to India's 38 percent and maintains an infant mortality rate of just 5 per 1,000 live births, lower than even the United States, which recorded 5.6. (*Business Standard*).

Educational reality show to spotlight school excellence in Kerala

Kerala Infrastructure and Technology for Education (KITE) is set to launch the fourth edition of its unique-in-India educational reality show, 'Haritha Vidyalayam,' this December. KITE is the technical arm of the state General Education Department. Haritha Vidyalayam is a pioneering initiative aims to showcase the achievements and best practices of the state's public education sector on a national platform, officials said in a statement here on Sunday. (*Business Standard*)

Kerala fares better than US on various social indicators: CM Vijayan

Kerala Chief Minister Pinarayi Vijayan on Saturday claimed that the state fares much better than the United States of America on various social indicators, like maternal and infant mortality rates, and termed it as "the real Kerala story". Vijayan, speaking after announcing the eradication of extreme poverty from the state at a public event here, said that it was a fact that Kerala's infant mortality rate and maternal mortality rate are lower than those in the US. (*Business Standard*)

GULATI INSTITUTE OF FINANCE AND TAXATION
GIFT Campus, Chavadimukku,
Sreekariyam, Thiruvananthapuram, Kerala - 695017
Phone : 0471 2596970, 2596980, 2590880, 2593960
Fax : 0471 2591490
Email : giftkerala@gmail.com



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