



Public Finance

Government to borrow ₹3.84 lakh crore via treasury bills in Q4

The government on Monday said it plans to borrow Rs 3.84 lakh crore from short-term treasury bills spread over 12 weeks during the fourth quarter of the current financial year to meet short-term funding requirements. The weekly auction would vary between Rs 29,000 crore and Rs 35,000 crore, the finance ministry said in a statement. This amount is Rs 10,000 crore lower than Rs 3.94 lakh crore raised during the same quarter in the previous financial year. The government had issued an auction calendar of treasury bills worth Rs 2.47 lakh crore for the third quarter of the current financial year ending December 31, 2025. (*BusinessLine*)

India bonds little changed on first day of 2026 as demand falters

Indian government bonds kicked off 2026 with range-bound trades on Thursday, with traders largely staying on the sidelines, wary that a buyer-thin market may struggle to absorb upcoming debt supply. The benchmark 10-year yield closed at 6.5818%. It ended at 6.5881% on Wednesday. Bond yields rise when prices fall. Traders are cautiously bracing for Friday's 320-billion-rupee (\$3.56 billion) auction of the benchmark 10-year bond. The market remains in limbo, with investors waiting for a catalyst to revive demand as the rate-easing cycle looks largely over and the Reserve Bank of India's heavy secondary-market purchases have failed to lift sentiment. (*The Economic Times*)

Fiscal deficit widens 15.4% y-o-y to ₹9.77 lakh crore in April-November FY26: UBI Report

India's fiscal position during the April-November period of FY26 indicates that concerns over lagging tax revenues and adherence to the full-year budget targets have resurfaced, even as the government continues to prioritise capital expenditure-led growth, as per a report by Union Bank of India. The report stated that the fiscal deficit stood at ₹9.77 lakh crore during the first eight months of FY26, accounting for 62 percent of the Budget Estimate (BE). This compares with a deficit of ₹8.47 lakh crore, or 54 percent of the Revised Estimate (RE), recorded in the corresponding period last year, reflecting a year-on-year increase of 15.4 percent. (*BusinessLine*)

Centre's fiscal deficit 62% of full year's target by end-November, higher than last year

The Centre's fiscal deficit at the end of November 2025 stood at ₹9.77 lakh crore, which is 62.3% of the amount budgeted for the full financial year 2025-26. Last year, at the same time, the fiscal deficit had stood at 52.5% of the budgeted amount. The reason for this widening of the fiscal deficit at this point of time is because capital expenditure has grown significantly in the April-November 2025 period, while tax revenues have lagged. The Centre's capital expenditure stood at ₹6.58 lakh crore in the April-November 2025 period, 28% higher than in the same period of the previous year. Revenue expenditure,

on the other hand, stood at ₹19.1 lakh crore in the first eight months of this financial year, 2.1% higher than in the same period last year. *(The Hindu)*

CAG flags states' fiscal stress as debt, committed spending erode revenue gains

India's states entered FY24 with stronger revenue inflows but ended the year under mounting fiscal stress, as rising debt and fixed spending commitments eroded fiscal flexibility, the Comptroller and Auditor General of India (CAG) said. More than half of their revenue expenditure was locked into salaries, pensions, interest payments and subsidies, limiting room for investment or shock absorption despite improved collections, according to the State Finances 2023-24 report. *(Mint)*

CAG State Finances Report 2023-24: Revenue capacity continues to vary widely among states

States' Own Tax Revenue (SOTR) continued to be the single largest source of income for Indian states in 2023-24, underscoring its growing importance for fiscal autonomy even as sharp inter-State disparities persist, according to the State Finances 2023-24 report of the Comptroller and Auditor General of India (CAG). In 2023-24, the combined SOTR of all 28 states stood at about Rs 18.8 lakh crore, accounting for nearly 50% of their total revenue receipts and 6.49% of aggregate Gross State Domestic Product (GSDP). *(Financial Express)*

State Finance Commission hands over first report to Governor, says 'suitable changes' suggested in line with changing economic trends

The 7th State Finance Commission indicated on Monday that it had sought to bring in "suitable changes" in the sharing of financial resources among local self-government institutions in the State in line with changing economic trends. The Commission headed by K.N. Harilal handed over its first report for the 2026-27 fiscal to Governor Rajendra Vishwanath Arlekar on Monday. The Commission said it had made recommendations to strengthen the existing model where resources are shared purely on the basis of realistic criteria. *(The Hindu)*

Economists pitch for recalibrating public capex to avoid crowding out of private investment

Amidst Prime Minister Narendra Modi's call for policymaking and budgeting to remain anchored with vision for 2047, economists on Tuesday advocated for lowering capital expenditure by the government to check crowding out private investment. Modi met economists to get their views for the forthcoming Union Budget, which is likely to be presented on February 1 next year. The Theme of the interaction was 'Aatmanirbharta and Structural Transformation: Agenda for Viksit Bharat'. It was also attended by Finance Minister Nirmala Sitharaman, NITI Aayog Vice-Chairman Suman Bery, NITI Aayog CEO BVR Subrahmanyam besides economists such as Ashok K Bhattacharya, N R Bhanumurthy, Rajani Sinha, Madan Sabnavis, Dharmakirti Joshi, Rahul Bajoria and Monika Halan beside others. *(BusinessLine)*

Centre's fiscal deficit at 62.3% of FY26 BE in April-November; capex up 28%

The government's fiscal deficit for April-November of 2025-26 widened to ₹9.77 trillion or 62.3 percent of the budget estimates (BE) with capital expenditure increasing by 28 percent year-on-year (Y-o-Y) for the same period, latest data of the Controller General of Accounts showed. "Fiscal deficit numbers signal that while overall spending in particular has been in line with what it was last year, revenue collection has lagged. The government will now be in a better position to manage the budgetary numbers with the

level of uncertainty on account of the tariff impact now being absorbed fully by the system,” said Madan Sabnavis, chief economist, Bank of Baroda. (*Business Standard*)



Taxation

GST collection climbs 6% on revenue from imports

India collected ₹1.74 lakh crore as gross goods and services tax (GST) in December, 6% higher than in the same month last year, maintaining a steady pace of growth and indicating sustained demand anchored in progressive reductions both in GST and financing rates. (*The Economic Times*)

Experts say GST collections show resilience after rate cuts; point to stable domestic demand

The Goods and Services Tax (GST) data of December 2025 reflects resilience in India's tax collections despite steep rate cuts earlier in the year, with imports, steady domestic demand and higher refunds shaping the overall revenue picture, stated experts reacting positively to the GST numbers. Pratik Jain, Partner at Price Waterhouse & Co LLP, said that the growth of monthly GST collections is encouraging even after the significant reduction in GST rates. (*BusinessLine*)

In second full month of GST 2.0, net collections increase 2.2%

Net revenues from the goods and services tax (GST) inched up 2.2 percent year-on-year in December 2025 to ₹1.45 trillion, without factoring in GST compensation cess receipts, marking the lowest receipts from the indirect tax since December 2024. Sequentially, the net GST revenues in December, pertaining to transactions undertaken in November—the second full month of the restructured Goods and Services Tax (GST) regime—were 4.3 percent lower than November's receipts, which in turn were 6.1 percent lower month-on-month. (*Business Standard*)

Cess on pan masala, additional excise duty on cigarettes and tobacco products from Feb 1

The Finance Ministry on Wednesday notified February 1 as the appointed date for implementation of the Health Security se National Security Cess Act and the Central Excise (Amendment) Act. These two acts aim to maintain the GST on cigarettes, pan masala, and other tobacco products. The Health Security se National Security Cess Act aims to levy a cess on pan masala. Meanwhile, the Central Excise (Amendment) Act intends to impose an additional levy on cigarettes and various tobacco products. Currently, all these products attract a GST of 28 percent along with a compensation cess. (*BusinessLine*)

New GST mechanism for cigarette, tobacco products, pan masala to give more money to States

With the new GST mechanism for pan masala, cigarette and tobacco products coming into effect from February 1, States will have a higher share of revenue, sources said. Also, GST incidence on all these products will remain the same. Post enactment of the Health Security se National Security Cess Act the Central Excise (Amendment) Act, Finance Ministry on Wednesday notified February 1, 2026 as the date for implementation of new GST mechanism. This means from the said date, Pan Masala will attract 40 percent GST

and cess, while cigarettes and various tobacco products will attract 40 percent GST and additional levy under the Excise Act along with NCCD (National Calamity Contingent Duty). (*BusinessLine*)



National Accounts and State of the Economy

India beats Japan to become world's 4th largest economy

India has overtaken Japan to emerge as the world's fourth-largest economy, and is poised to surpass Germany to become the third-largest by 2030, according to an official release. The US remains the world's largest economy, followed by China. (*The Economic Times*)

Indian economy and financial system face near-term risks from external uncertainties: FSR

While India's economy continues to grow strongly and the domestic financial system remains sound, both face near-term risks from external uncertainties from further escalation in geopolitical and trade tensions and widening geo-economic fragmentation, according to the latest Financial Stability Report (FSR). In his foreword to the half-yearly FSR, to which all financial sector regulators have contributed, RBI Governor Sanjay Malhotra highlighted that despite a volatile and unfavourable external environment, the economy is projected to register high growth, driven by strong domestic consumption and investment. (*BusinessLine*)

India set to end 2025 on strong economic footing with high growth, low inflation: Govt

India is on track to conclude 2025 as one of its most significant years of economic performance, with key macroeconomic indicators reflecting strong growth, low inflation, expanded exports and improved labour market conditions, the government said in its year-end economic review. (*The Economic Times*)

MGNREGS work demand drops 28% in December after law change

Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) dropped in December from a year before, when the government adopted a new law to replace this programme, showed the latest rural development ministry data. Sequentially, however, work demand touched a five month high in December, as most farm labourers usually start coming back to the job market after crop sowing for the Rabi season. (*The Economic Times*)

India's financial system can handle shocks, but long-term outlook hazy, RBI's report says

India's financial system remains robust and resilient, supported by strong balance sheets, easy financial conditions and low market volatility, the RBI said in its bi-annual Financial Stability Report (FSR) on Wednesday. Even during severe macroeconomic shocks, contagion losses would not lead to additional bank failures, it said. (*The Economic Times*)

Rupee plunges 5% in 2025 amid persistent foreign fund outflows, dollar strength

The rupee slumped 5% in 2025 as persistent capital outflows from foreign investors, alongside heightened dollar demand from importers, made it one of the worst-performing Asian currencies. On the last trading session of 2025, the rupee depreciated 13 paise to close at 89.88 (provisional) against the U.S. dollar as month-end demand and FPIs' dollar buying kept it lower. *(The Hindu)*

Rupee to grapple incessant volatility in 2026; US trade pact may not be silver bullet

The Indian rupee, swaying through multiple headwinds, tiding over global trade disruptions and massive foreign fund outflows, is unlikely to arrest its descent until tariff impact overhangs, notwithstanding robust domestic macroeconomic tailwinds. The Reserve Bank of India (RBI), which sees the rupee's depreciation as a silver bullet to offset the tariff shock, expects the currency to find its stable course once India reaches a trade deal with its largest trading partner, the US. *(The Economic Times)*

Power consumption grows 7% to 138.39 billion units in Dec

Power consumption grew nearly 7 percent to 138.39 billion units (BU) in December from 129.39 BU a year ago, as the use of heating appliances like geysers and blowers increased on account of severe cold in North India. According to the government data, the peak power demand met or the highest supply during December also rose to 241.20 GW from 224.23 GW recorded in December 2024. *(BusinessLine)*

Fuel demand remained strong in Dec; petrol sales grew 6.7%, diesel up 5%

India's fuel consumption showed robust growth in December as petrol and diesel demand rose by 6.68 percent and 4.98 percent year-on-year (Y-o-Y) in the month, according to preliminary data from Petroleum Planning and Analysis Cell (PPAC). The strong fuel demand comes amid high travel demand during festival season and a boost in industrial and commercial activity amid the goods and services tax (GST) rate cut. *(Business Standard)*

India's household debt rises to 41.3% of GDP, above five-year average: RBI

India's household debt climbed to 41.3 per cent of gross domestic product (GDP) at the end of March 2025, marking a sustained rise from its five-year average of 38.3 per cent, with consumption-related loans accounting for bulk of the borrowings, the Reserve Bank of India (RBI) said in its Financial Stability Report. *(Business Standard)*

India's economy in 2025: Low inflation, FTAs and GDP growth amid US tariffs

For much of 2025, India's economy navigated a mixed global environment but still marked several clear milestones. Growth continued even as US tariffs widened, inflation eased to more comfortable levels for the Reserve Bank of India, and tax collections helped narrow the fiscal deficit to some extent. New trade agreements with the United Kingdom, the European Free Trade Association, New Zealand and Oman added momentum to India's external engagement. *(Business Standard)*



Banking and Monetary Policy

Treasury income under pressure for banks in Q3 as yields stay elevated

Banks are unlikely to book any treasury gains during the third quarter (October–December) of the current financial year (2025–26/FY26), as government bond yields across tenors remained elevated despite the Reserve Bank of India's (RBI's) policy repo rate cut and liquidity infusion. While the yield on the benchmark 10-year government bond rose marginally by 1 basis point (bp) during the quarter, yields on five-year and 15-year government bonds hardened by 11 bps. *(Business Standard)*

Deposit rate cuts tough for banks as govt retains small savings rates

Banks may find themselves in a bind when it comes to reducing interest rates on deposits, as the government has retained interest rates for a dozen small savings schemes, including the Public Provident Fund (PPF), Sukanya Samridhi Yojana, and others, for the March quarter. This comes as deposit mobilisation has been tough. *(Business Standard)*

Banks may soon sponsor pension funds as PFRDA approves major NPS reforms

The Pension Fund Regulatory and Development Authority (PFRDA) has in principle approved a new framework aimed at strengthening the pension ecosystem, allowing Scheduled Commercial Banks (SCBs) to independently sponsor funds for managing National Pension System (NPS) assets. The proposed framework seeks to remove regulatory constraints that had so far limited banks' participation in pension fund management, while ensuring adequate safeguards for subscribers, according to a statement issued by PFRDA. *(Business Standard)*

RBI warns of risks in bank-NBFC interlinkages, asset concentration

The Reserve Bank of India (RBI) has red flagged concentration risks for banks as they increasingly buy loans originated from non-bank finance companies (NBFC) to scale up their retail portfolios. Moreover, banks are acquiring around 80 per cent of these assets through a limited number of NBFCs, which could create correlated risk and amplification of stress, the financial stability report of the RBI released on Wednesday said. *(Business Standard)*

Loan growth, margins seen improving for banks in Q3 as credit costs ease

The banking sector could see better loan growth in the third quarter of financial year 2026 (Q3FY26) with improved net interest margins (NIMs), though the full impact of latest rate cuts will be largely felt in the fourth quarter. There may be lower slippage in unsecured loans and microfinance institutions (MFIs) along with steady recovery trends, which should lower credit cost. *(Business Standard)*

Banks 'resilient' but face stiff fund mobilisation competition: RBI report

The country's banking system, while remaining "resilient" with bad loans at over a decade low and strong capital buffers, will continue to face intense competition from non-bank sources for resource mobilisation, said the Reserve Bank of India's (RBI's) Trend and Progress of Banking in India 2024-25 report. The report said the Indian economy recorded robust growth amid a rapidly changing global environment. The

near-term outlook remains positive, with inflation easing to a multi-year low. *(Business Standard)*

RBI rejects bids for 2037 paper at OMO as banks quote prices above market

Bids for the 7.18 per cent 2037 security were turned down at the auction on Monday because banks bid higher than the market price for the paper, which the Reserve Bank of India (RBI) declined. However, the central bank purchased securities worth ₹50,000 crore in line with the notified amount. It received bids worth ₹1.42 trillion. *(Business Standard)*

Bank NPAs at multi-decade lows as gross NPA ratio falls to 2.1%: RBI data

Asset quality of commercial banks continued to improve, with the ratio of gross non-performing assets (GNPAs) to gross advances declining to 2.1 percent as of September 30 and net NPAs falling to 0.5 percent, according to the latest data released by the Reserve Bank of India (RBI). *(Business Standard)*

RBI says banking sector remained resilient, highlights strengthening asset quality

The Reserve Bank of India released the Report on Trend and Progress of Banking in India 2024-25. This Report presents the performance of the banking sector, including commercial banks, co-operative banks and non-banking financial institutions, during 2024-25 and 2025-26 so far. It noted that the Indian commercial banking sector remained resilient during 2024-25, supported by double-digit balance sheet expansion. Deposits and credit of scheduled commercial banks (SCBs) grew in double digits, albeit with a moderation from the previous year. *(Business Standard)*

\$6 bn-plus foreign inflows make 2025 a watershed year for India's pvt banks

The year 2025 turned out to be a watershed year for private lenders in India in attracting foreign investment. Domestic lenders received over \$6 billion and the stake sale of another one IDBI Bank is in the final phase and is expected to be sealed by the end of the financial year. A combination of factors including a favourable regulatory environment, banks' balance sheets cleaned up, the country's growth potential, and strong investor conviction in the long-term compounding prospects of mid-tier banks has led to this investment bonanza, and the momentum is likely to continue next year, according to experts, as several mid-tier private banks still require capital to scale up, strengthen their balance sheets, and break out of their current growth constraints. *(Business Standard)*

RBI eases capital norms for NBFCs financing high-quality infrastructure projects

The RBI has eased prudential norms on capital adequacy for non-banking finance companies (NBFCs) giving loans to high-quality infrastructure projects, even as it has offered high degree of protection to the lenders under new amendment directions. The amendment directions are aimed primarily at aligning risk weights with the actual risk characteristics of operational infrastructure projects, thereby promoting better risk assessment and capital allocation, said the RBI. *(BusinessLine)*

Banks' NPAs to improve to 1.9 percent by March 2027: RBI

As of September 2025, the key ratio stood at a multi-decade low of 2.1 per cent, the central bank said in its half-yearly Financial Stability Report. Banks' gross non-performing assets ratio will improve further to 1.9 per cent by March 2027 under a baseline scenario, the Reserve Bank said on Wednesday. *(The Economic Times)*

India's banks exit 2025 on strongest footing in years, RBI flags sustained resilience ahead

India's banks ended 2025 with their strongest balance sheets in years. The Reserve Bank of India reports improved asset quality and robust capital buffers. Lenders are well-positioned to handle economic challenges and support credit expansion. Future outlook remains stable, with banks expected to maintain strong performance and capital levels. *(The Economic Times)*

Bank profits strengthen, bad loans fall to multi-decade low in FY25: RBI

Banking sector profitability strengthened and asset quality improved in FY25, reaching a multi-decadal low GNPA ratio of 2.2%. Banks significantly increased sales of stressed assets to ARCs, with private and foreign banks leading the trend. Non-bank lenders, including NBFCs and HFCs, also reported growth and improved profitability. *(The Economic Times)*

India's banks on firm footing as bad loans decline to decades-low of 2.1%, says RBI

India's banking system is robust, according to the Reserve Bank of India. Banks show strong balance sheets and profits. Bad loans have fallen to a multi-decade low. Capital positions remain strong, enabling continued lending. Deposits and credit are growing. This stability supports economic expansion and financial inclusion across the nation. *(The Economic Times)*



External Sector

The India-New Zealand FTA—unlocking growth

The conclusion of the India-New Zealand Free Trade Agreement (FTA) on December 22, 2025, is a clear signal of this growing confidence. Coming soon after India's FTAs with the United Kingdom and Oman, this agreement reflects a broader global shift toward diversifying trade partnerships and strengthening engagement with India. Domestically, the fast-tracked negotiations concluded within nine months, reflecting a political will to forge mutually beneficial global partnerships which concomitantly further India's national goals and its global vision for a just, equitable and rules-based trading system. *(The Hindu)*

Australia to remove tariffs on 100% of Indian exports from January 1, says Piyush Goyal

Australia will provide duty-free access to all Indian exports from January 1, 2026 under the Economic Cooperation and Trade Agreement (ECTA) between the two countries, Commerce Minister Piyush Goyal said. The Minister was commenting on the third anniversary of the deal, which came into effect on December 29, 2022. *(The Hindu)*

Guidelines for market access component of Export Promotion Mission notified

The government notified the first tranche of guidelines related to market access schemes, under the Export Promotion Mission (EPM). This market access component would be initially allocated ₹4,531 crore over the six years 2025-31, with ₹500 crore being allocated for the current financial year. The overall EPM has been allocated a budget of ₹25,060 crore over the period 2025-26 to 2030-31. *(The Hindu)*

India's exports to Australia grew 8% in FY25 with strong gains across sectors: Goyal

Exports to Australia grew 8 percent in FY25 (year-on-year) to \$8.58 billion, improving India's trade balance with strong gains across manufacturing, chemicals, textiles, plastics, pharmaceuticals, petroleum products and gems & jewellery, Commerce Minister Piyush Goyal has said. Australia eliminated import tariffs on 98.3 percent of tariff lines (accounting for 96.4 percent of India's exports to Australia in value terms) on the first day of the implementation of the India-Australia Economic Cooperation and Trade Agreement (ECTA) in December 2022. *(BusinessLine)*

US ethanol exports to India may hit a record in 2025

The US' exports of ethanol to India are expected to appreciate for the second calendar year (CY) in a row during 2025, with expectations that the cargoes in terms of volume will rise to their highest level on record. India imports fuel ethanol (ethanol), largely used in industries, from the US. It is a renewable fuel produced by fermenting sugar from biomass and typically corn in the US. Besides blending it with petrol, ethanol is also used by pharmaceuticals, cosmetics and chemical industries. According to the US Energy Information Administration (EIA) data, fuel ethanol exports to India stood at 35,39,000 barrels during January-September 2025, averaging more than 3,93,000 barrels a month. *(BusinessLine)*

US tariffs land India's seafood exports in troubled waters in 2025

2025 will be remembered as one of the most challenging periods for India's seafood export sector with a series of tariff shocks eroding the industry's competitiveness in its largest market, the US. The year saw the imposition of a 5.77 percent countervailing duty by the US Department of Commerce, in addition to an existing 2.49 percent anti-dumping duty. The situation worsened with the first round of retaliatory tariffs of 26 percent. This placed Indian seafood exporters at a clear disadvantage vis-à-vis competitors Ecuador and Vietnam. *(BusinessLine)*

India imposes provisional anti-dumping duty on low ash metallurgical coke imports

India has imposed a provisional anti-dumping duty of \$60.87-\$130.66 per tonne on low ash metallurgical coke imports for six months. This measure affects imports from Australia, China, Colombia, Indonesia, Japan, and Russia, potentially raising steelmaking costs as the country aims to boost steel production. *(The Economic Times)*

EU's carbon tax kicks in from Jan 1, may hit Indian steel and aluminium exports: GTRI

The EU's carbon tax on metals, including steel and aluminium, comes into effect from Thursday, impacting India's exports. Indian exporters may need to cut prices by 15-22% to absorb the Carbon Border Adjustment Mechanism (CBAM) tax, which shifts from reporting to payment in 2026. Accurate emissions accounting and verification will be crucial for market access. *(The Economic Times)*

The year of tariffs: India's exports impacted, yet stay on a steady course in 2025; momentum likely to extend into 2026

Indian exports look set for strong growth in 2026. Diversification and new trade pacts with the UK, Oman and New Zealand will boost shipments. Despite US tariffs, exports to America surged in 2025. Electronics, engineering, and pharmaceuticals lead the way.

Global supply chain shifts and India's improving business environment support this positive outlook. *(The Economic Times)*



Agriculture and Rural Economy

Year-ender 2025: Rural economy steadies as GST cuts offset weak crop prices

India's rural sector, which had been witnessing a revival in fortunes in 2025 on the back of a good monsoon, ran into rough weather following a fall in crop prices, but now appears to have found support due to Goods and Services Tax (GST) rate cuts earlier this year. The GST reductions have made prices of several major agricultural equipment cheaper, pushing up sales, and are also expected to spur consumption growth in other commodities. *(Business Standard)*

India's domination of global rice trade stokes looming water crisis

India's booming rice exports are depleting groundwater in key agricultural states, forcing farmers to drill deeper borewells at increasing costs. Government subsidies for water-intensive rice cultivation discourage shifts to less thirsty crops, despite fledgling state efforts to promote alternatives like millets. This unsustainable practice has global implications due to India's significant role in the world rice market. *(The Economic Times)*

Rabi crop area rises marginally; wheat sowing flat: Govt data

Wheat planting for the 2024-25 rabi season shows little change. The area for pulses and oilseeds has seen a slight increase. Rice sowing is up marginally. Chickpea, lentil, and green gram sowing have exceeded last year's figures. Overall rabi crop area has grown compared to the previous year. Planting is nearing completion. *(The Economic Times)*

Why does India need climate-resilient agriculture? | Explained

India is an agricultural nation with a rapidly growing population, which places increasing pressure on the need for higher and more reliable farm productivity. Yet around 51% of India's net sown area is rainfed, and this land produces nearly 40% of the country's food, making it especially vulnerable to climate variability. *(The Hindu)*

Record agri output in 2025 amid GST cuts, US tariffs; seed, pesticide bills eyed for 2026

India's agriculture sector closed 2025 with record foodgrain output projections. GST reforms provided significant input cost relief for farmers. Despite US tariffs impacting exports, market diversification proved effective. Farmers await crucial seed and pesticide bills in 2026 to combat fake inputs. *(The Economic Times)*

Green washing: On the Supreme Court, mining in the Aravallis

The government has been dealing with a firestorm on the question of mining in the Aravallis. On November 20, the Supreme Court of India had passed an order prohibiting fresh mining leases in the region until a Management Plan for Sustainable Mining (MPSM), under central supervision, was in place. *(The Hindu)*

VB-G RAM G marks a shift from rural insurance to managed investment

For nearly two decades, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) occupied a distinctive place in India's policy architecture. Its economic significance lay in a simple but consequential institutional idea that rural distress could be translated into a claim on the state. Any rural household willing to undertake manual work could demand 100 days of employment, and the administration carried a time-bound obligation to respond. *(Business Standard)*



Industry, Manufacturing, Services and Technology

PMI manufacturing dipped to 55 in December

With festive demands on decline so as global orders, manufacturing sector in India saw production growth slowing down to 38 months low, a survey result by S&P Global released on Friday showed. This had an impact on the Purchasing Managers' Index (PMI) which slowed to 55 in December as against 56.6 of November. *(BusinessLine)*

Industrial growth surges to 25-month high of 6.7% in Nov

With a boost in manufacturing and mining sectors, factory output measured by the Index of Industrial Production (IIP) grew by 6.7 percent in November against 0.4 percent in October, the government reported on Monday. The latest reading is the highest in 25 months. Experts feel that if this momentum continues for a few more months, recovery can be established. "Driven by 8 percent growth in the manufacturing sector, IIP recorded a 6.7 percent year-on-year growth in November. The growth is led by manufacture of basic metals and fabricated metal products, pharmaceuticals and motor vehicles," a statement by the National Statistics Office (NSO) said. *(BusinessLine)*

Commercial vehicle makers report robust sales growth in December

India's top commercial vehicle makers Tata Motors, Ashok Leyland and Eicher Motors posted strong growth in sales volume in December 2025 and the larger third quarter (Q3) of FY26, supported by GST 2.0 and the festive surge. Tata Motors reported the strongest increase with 24 percent increase in December 2025 with volumes of 40,057 units as against 32,369 units in the corresponding period last year. *(BusinessLine)*

India's healthcare industry moves beyond bed counts

2025 has been upbeat for the healthcare industry with mergers and acquisitions (M&A) deals and consolidations. This trend is expected to chase the healthcare sector in 2026, too. Big hospital chains were seen stitching together regional networks at an interesting pace in 2025. The spotlight was largely on Manipal Hospitals, Aster DM Healthcare and Fortis, each reshaping their clusters through sizeable acquisitions. *(BusinessLine)*

A catalyst for new round of growth in insurance

For many years, the insurance industry has been waiting for a catalyst that can significantly push the interests of all stakeholders. After a series of reforms that led to regulatory consolidation to improve corporate governance in recent years, 2025 witnessed game changing developments, and 2026 is expected to take it further. *(BusinessLine)*

Medical tourism: Pitching India's cost and care advantage

For years, India's medical tourism narrative has been framed around one variable: affordability. While competitive pricing helped the sector gain global visibility, it no longer explains why it today attracts one of the world's largest and most diverse pools of international patients. Beyond just cheaper care, the new drivers are clinical outcomes, technological depth and institutional reliability. But if we continue to position the country as the world's "low-cost hospital", we risk undermining one of our most credible healthcare strengths. *(BusinessLine)*

Port reforms, increased shipbuilding activity drive credit surge to shipping sector

India's shipping sector has seen a surge in bank credit, with data from the RBI reporting that outstanding credit to the sector stood at ₹9,959 crore as of October 2025, up 28 percent year-on-year from the ₹7,782 crore in the same period last year. The outstanding credit in the sector has risen nearly 2x compared to the ₹5,364 crore outstanding as of October 2020. *(BusinessLine)*

Real estate companies battle worker shortage; mechanisation to the rescue

The real estate industry, which is heavily dependent on migrant workers, is facing a severe shortage of labourers, especially in the south. Many workers are finding better opportunities closer home, say industry sources. However, mechanisation in construction, such as Formwork and Aluform, is helping them to tide over the crisis. *(BusinessLine)*



News on Kerala

GST collections rise 6.1% in December despite rate cuts; Kerala records 4% growth

Gross goods and services tax (GST) collections rose 6.1 percent year on year to over ₹1.74 lakh crore in December 2025 in India, even as revenue growth from domestic transactions remained muted following sweeping tax rate cuts. Government data released on Thursday showed that gross GST revenue in December 2025 in India, even as revenue growth from domestic transactions remained muted following sweeping tax rate cuts. *(onmanorama)*

Godrej strengthens presence in Kerala for home lockers with exclusive store in Kochi

Kerala's home security market is growing at approximately 20 per cent year-on-year, while the commercial and institutional security segment is expanding at around 15 per cent. Demand from Tier II and Tier III towns has also been on the rise, opening opportunities to strengthen penetration across suburban and semi-urban markets, he said while launching a new exclusive store in Kochi. *(BusinessLine)*

Kerala launches new campaign for good health

The Health department is launching a new campaign "Health and Happiness - Vibe 4 Wellness" in the new year to promote health, wellness and healthy habits amongst the population. The campaign will have four essential elements for good health—eating well, physical activity appropriate to age, sleeping well, and caring for oneself. The campaign is being launched to create awareness on these essential changes in people's lifestyles and

to encourage people to embark on the journey towards good health. A rally was flagged off from Kasaragod on Friday as part of the campaign promotion. It is expected to reach Thiruvananthapuram on January 1 when it will be launched formally. ([The Hindu](#))

KSRTC adopts dynamic fare model; bus booking rates now rise or fall with demand

KSRTC has adopted a model of fixing fares in which fares increase or decrease in tandem with passenger demand. This has been implemented initially on interstate routes. The fare for each bus will be determined by monitoring bookings. The model is a 'Dynamic Real-Time Flexi-Fare' system, which private bus operators used to cash in on travel rush. The switch came after approval by the KSRTC Board. ([mathrubhumi.com](#))

Egg prices scramble higher as supply tightens, Kerala's food economy hit

Eggflation is hurting, and it is official: You can't have your cake and eat it too. As supplies tighten, egg prices are scrambling northward, leaving home kitchens, bakeries and snack makers counting the cost. In Namakkal, Tamil Nadu — the country's largest egg hub and the principal supplier to Kerala — prices have risen by nearly Rs 1 to Rs 1.40 per egg over the last year. The surge is being driven by a seasonal spike in winter demand, coupled with steady export orders, thereby squeezing availability in the domestic market. ([newindianexpress](#))

Karimeen prices fall in Kumarakom as plentiful catch meets demand

Fisherfolk operating in Kerala's Vembanad lake are enjoying a rich haul of karimeen (pearl spot) after several months of poor availability of the popular fish variety. With canoe-based net fishing yielding larger catches, the increased supply has led to a drop in prices. The fall in prices applies to fish sold by the Kottayam West Ulnadan Matsyathozhilali Vikasana Kshem. ([onmanorama](#))

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