



## Public Finance

### Govt bond yields soften on better-than-expected cut-offs on SDLs

Government bond yields fell on Tuesday after a better-than-expected cutoff at the weekly state bonds auction, said dealers. While cutoff yield on shorter maturities was slightly higher than expected, stronger results at the long end and the absence of a large tail eased supply concerns and helped the market recover later in the day. The yield on the benchmark 10-year government bond settled at 6.61 percent, against the previous close of 6.64 percent. "It was mixed. On the longer end, over 15 years, all the cutoffs were better than expectations, but up to 10 years, they were a little on the higher side. Overall, it's a mixed cutoff, but supply got absorbed without much damage, which the market has taken as a relief," said a dealer at a primary dealership. (*Business Standard*)

### Broken Data: How states misclassify spending and distort fiscal math

For the financial year 2023-24, the east Indian state of Odisha, long seen as a development laggard, proudly reported capital expenditure of ₹43,273 crore—a number that, on the surface, signalled a state investing aggressively in infrastructure. But when the Comptroller and Auditor General of India (CAG) opened the state's books, the picture told a different story. Nearly ₹4,565 crore of what the state had declared as capital spending turned out to be revenue in nature: operation and maintenance costs, routine repairs, and, most significantly, funds transferred to non-government entities for community assets such as kalyan mandaps (wedding/banquet halls), bhoga mandaps (temple food halls), kothagars (warehouses), and sports equipment for youth groups. After audit correction, Odisha's capex fell to ₹38,708.75 crore and its capex-to-GSDP (Gross State Domestic Product) ratio dropped from 5.07 per cent to 4.54 per cent. The revenue surplus too had been overstated by the same amount. (*Business Standard*)

### India bonds fall as record state debt plan fans supply fears

Indian government bonds slumped on Monday after a record state borrowing calendar prompted a selloff, widening the gulf between supply and demand. The benchmark 10-year yield settled at 6.6331% on Monday. It had ended at 6.6062% on Friday. Bond yields rise when prices fall. States are set to raise 5 trillion rupees (\$55.40 billion) through bond sales between January and March, their biggest quarterly borrowing on record, and will auction 301 billion rupees worth of bonds on Tuesday. Traders said the supply surge has hit a market in which investors are reluctant to build positions as expectations for further rate cuts have faded and liquidity remains tight, even after record central bank bond purchases. (*The Economic Times*)

## **Budget 2026: Rising defence and infrastructure needs likely to test India's fiscal targets**

The Union budget, set to be tabled next month, is likely to see a rise in defence and capital expenditure as the government balances its fiscal consolidation agenda against growing domestic and external spending pressures, as per a report by BMI, a Fitch Solutions firm. While the research firm believes that the government will target a 4.3% fiscal deficit for FY2026-27 in line with its fiscal consolidation agenda, it has forecast the actual deficit equalling 4.6%. India's more dangerous external environment presents new spending needs, as per the report. The country has engaged in armed conflict with China and Pakistan during the past five years. *(The Economic Times)*

## **Tamil Nadu to borrow second-highest ₹51,000 crore among states in Jan-March quarter**

Tamil Nadu plans to borrow ₹51,000 crore from the open market in the January-March quarter (Q4FY26), the second-highest among all states during the period, according to recently released Reserve Bank of India (RBI) data. This constitutes around 10 percent of the total borrowings planned by all states in the quarter, which stands at around ₹4,99,000 crore. In FY26 so far (April - October), Tamil Nadu's gross market borrowings stand at ₹59,300 crore in State Development Loans (SDLs), which was again the second-highest after Maharashtra's total market borrowing of ₹85,000 crore in the 7-month period. *(BusinessLine)*

## **States' subsidies account for around 8% of their revenue expenditure**

State governments continue to devote a sizeable share of their budgets to subsidies, underscoring their role in welfare delivery while intensifying pressure on public finances. Support directed largely to the power and agriculture sectors remains a major component of states' revenue expenditure, raising concerns about fiscal sustainability and the limited headroom available for capital investment. In 2023-24, states spent about ₹3.30 lakh crore on subsidies, making them one of the largest items within revenue expenditure. Energy utilities and agriculture-related activities were the principal beneficiaries, together accounting for nearly 73% of total subsidies disbursed by states, according to data from the Comptroller and Auditor General of India. *(Financial Express)*

## **Capex by 60 CPSEs, govt organisations touch 73.6% of targets in April-December**

Capital Expenditure by Central Public Sector Enterprises and four government organisations touched around 74 percent at the end of December, data from Public Enterprises Department of the Finance Ministry showed. Officials expect that if the trend persists, the year-end target will be exceeded. Data showed that the target of capital expenditure for 60 CPSEs, including four organisations from 18 central ministries and departments, was around ₹7.85 lakh crore. Against this, these entities spent over ₹5.77 lakh crore during the April-December period, which is around 74 percent of target. *(BusinessLine)*

## Telangana received ₹16,478 cr from sale of its land and property between 2014-15 and 2023-24: CAG

Telangana has opted for sale of its lands and property as one of the revenue generation methods to meet its immediate financial requirements during between 2014-15 and 2023-24, the period when the Bharat Rashtra Samiti (BRS) was in power. The decadal review of the States' finances by the Comptroller and Auditor General of India (CAG) said Telangana received ₹16,478 crore from the sale of land and property and miscellaneous other receipts. The proceeds from sale of lands constituted 69% of the State's Non-Tax Revenue (SNTR) receipts during the period. *(The Hindu)*

## FY27 fiscal deficit likely to overshoot target to touch 4.6%: BMI

The government's fiscal deficit could reach 4.6 percent in 2026-27 (FY27) against its target of 4.3 percent expected to be announced in the upcoming Union Budget, amid fresh spending needs and lower tax receipts, a report by BMI, a unit of Fitch Solutions, said on Thursday. BMI said fresh spending needs would not necessarily entail greater public deficits if the government could generate more revenue, but income tax and goods and services tax (GST) reforms in 2025 are likely to hurt tax revenue in FY27. *(Business Standard)*



### Taxation

## CBDT chief urges tax officials to prepare for transition to new Income Tax Act

Central Board of Direct Taxes (CBDT) Chairman Ravi Agrawal has asked the Income Tax Department to be ready and proactive for the transition to the new direct tax law, which is scheduled to be implemented from April 1, calling upon officials to work with clarity and purpose. In his customary New Year communication to department staff, the CBDT chief said new rules, procedures and forms were being formulated to facilitate the transition. The CBDT is the administrative body for the Income Tax Department. The new Income Tax Act will replace the existing Income Tax Act of 1961, which has been in force for over six decades. *(The Hindu)*

## Karnataka recorded highest growth in tax collection, Gujarat in capital expenditure

Karnataka leads in the growth rate of States' tax revenue (excluding share of union taxes) followed by Maharashtra and Uttar Pradesh in April-November period of FY26, data from Comptroller & Auditor General of Account (C&AG) showed. Gujarat topped in terms of increase in the capital expenditure (capex), with Maharashtra coming second, followed by Karnataka. Though, in terms of amount spent, Uttar Pradesh is much ahead of other States during the period, it recorded degrowth as compared to the corresponding period of last fiscal. *(BusinessLine)*

### **GST collection up 6% on year in Dec-25**

Goods and Service Tax or GST collections for December 2025 came at Rs.1,74,550 crores, marking a modest rise of 2.52% on month. The GST collections for December 2025 have increased compared to the previous financial year, showing a stable tax base and sustained compliance levels. Year-on-year data indicates that December 2025 collections are up by 6.1% than those of December 2024. *(Business Standard)*

### **One-third of states including TN and Kerala record decline in GST revenue in FY26**

Amid challenges around slowing demand and GST rate cuts implemented from September 2025, many larger States have recorded a decline in GST collections this fiscal. Analysis of data from the Comptroller and Auditor General of India shows that nine out of 24 States and Union Territories, for which data is available, witnessed a contraction in GST collections between April and November 2025 compared to the same period in FY25. *(BusinessLine)*

### **UP's own tax revenue up by minimising leakages, boosting ease of doing business, says UP Finance Minister Suresh Khanna**

To become a \$1 trillion economy by FY28, Uttar Pradesh is adopting a twin strategy—using technology extensively to boost revenue and increasing capital expenditure. The State's Finance Minister Suresh Khanna said that with higher capital expenditure, physical infrastructure has improved a lot and efforts are on to further accelerate the pace of improvement. *(BusinessLine)*



## **National Accounts and State of the Economy**

### **FY26 first advance GDP estimates show infra investment up, consumption flat**

NSO data shows that the share of gross fixed capital formation, a proxy for infrastructure investment, is expected to rise slightly from 29.9 percent of GDP in FY25 to 30 percent in FY26 in nominal terms. Moreover, in real terms, growth in investment demand is likely to increase to 7.8 percent in FY26 from 7.1 percent in the previous financial year. *(Business Standard)*

### **Datanomics: Lower tax buoyancy, not GDP, weighs on Centre's finances**

Slower nominal GDP growth in FY26 may not hurt deficit math, but weak tax buoyancy and a slipping tax-to-GDP ratio signal rising stress on revenue collections. India's nominal gross domestic product (GDP) growth in 2025-26 is officially estimated to be 2.1 percentage points lower than the Budget assumption of 10.1 percent in 2025-26. However, this may not by itself affect tax collections or the fiscal deficit, as nominal GDP in absolute terms is projected to be marginally higher at around ~357.13 trillion, against ~356.98 trillion estimated in the Budget. *(Business Standard)*

### **India's 7.4% GDP growth looks solid but faces a narrower margin for error**

The Reserve Bank of India had projected a growth rate of 7.3 per cent for the current year. Since the economy grew 8 percent in the first half of the year, growth is expected to be lower in the second half. Nevertheless, the projected growth of 7.4 percent is impressive, given the odds, and is significantly higher than last year's 6.5 percent. The high real growth is partly driven by low inflation. *(Business Standard)*

### **Fiscal deficit target in reach despite lower nominal GDP growth estimate**

The nominal GDP for FY26, according to the first advance estimates, is ₹357.14 trillion against the budget estimates of ₹ 356.98 trillion. Fiscal deficit at 4.4 percent of nominal GDP was budgeted at ₹15.7 trillion for FY26. The budget estimates for this year had assumed a nominal GDP growth of 10.1 percent. *(Business Standard)*

### **Expenditure review: Development needs a wider role of state govts**

As the Centre reviews hundreds of schemes, the push to rationalise spending could reshape fiscal federalism, ease pressure on states, and improve the efficiency of public expenditure. While CSS are designed by the Union, they are partly funded by state governments, and this curtails their fiscal freedom. As a result, states may not be able to spend on programmes they wish to pursue. This was also highlighted by the Reserve Bank of India (RBI) in its study of state finances. An observation in the December 2024 RBI study is worth quoting here: "... too many Central government schemes reduce flexibility of State government spending and dilute the spirit of cooperative fiscal federalism". *(Business Standard)*

### **Andhra tops India investment chart, secures 25.3% of proposed FY26 capital**

The state now leads peers such as Odisha (13.1 percent) and Maharashtra (12.8 percent), signalling a shift in industrial momentum toward the eastern and southern corridors. This has countered to an extent the impact of the higher tariffs imposed by the USA on Indian exports. Further, there has been a tendency for interest rates to also come down which were to spur investment activity also, adding this was on the back of a very positive policy package of the government which has focussed on capex, lowering of income tax rates and GST 2.0. *(Business Standard)*



## **Banking and Monetary Policy**

### **RBI set for further easing — 50 bps cut possible in 2026: Report**

The Reserve Bank of India still has room for a further 50 basis points (bps) cut in policy rates in 2026, following bumper rate cuts of 125 bps in 2025, according to a report by IIFL Capital. The report highlighted that the gap between the repo rate and core CPI inflation remains elevated, providing space for additional monetary easing. *(The Economic Times)*

### **RBI proposes to cap banks' dividend payout at 75% of PAT**

The Reserve Bank of India (RBI) Tuesday proposed to raise the dividend payout cap for banks to 75% of the net profit from the earlier 40% rule. It also wants bank boards to oversee the asset quality and provisioning gaps, capital projection and long-term growth plans before declaring a dividend. The regulator has laid down a graded structure of dividend payment based on banks' common equity tier 1 (CET1) capital levels in a draft proposal and inviting comments on it by February 5. *(The Economic Times)*

### **Small Finance Banks lead Indian banking job creation in FY25**

Small Finance Banks (SFBs) emerged as the biggest job creators in the Indian banking sector with net hiring hitting a five-year high of 26,736 in FY25, according to the latest data from the Reserve Bank of India (RBI). Private sector banks consolidated their hiring, resulting in a contraction in the employee base by 7,257 in FY25 after recruiting 75,000-1,00,000 employees in each of the three years to FY24. This and efforts by SFBs to chase faster business growth helped them become the largest banking recruiters in FY25. *(The Economic Times)*

### **Bank loan-to-deposit ratios at all-time highs raise concern**

Loan-to-deposit ratios (LDRs) across the banking system reached an all-time high of 81% in the December quarter, underscoring a persistent divergence between credit growth and deposit mobilisation. At HDFC Bank, the country's largest private-sector lender, loans grew 12% year-on-year last quarter, while deposits rose 11.5%, slowing from a 16% increase in the June quarter, according to proforma numbers. *(The Economic Times)*

### **Banking sector set for growth upswing: Lower funding costs, rising credit demand and robust fundamentals to support profits in 2026**

Despite deposit and credit headwinds in early 2025, the banking sector outlook improved, supported by phased cuts in the Cash Reserve Ratio (CRR)—the share of deposits banks must hold with the Reserve Bank of India (RBI)—liquidity infusion by the RBI, and government fiscal incentives, including Goods and Services Tax (GST) cuts. *(The Economic Times)*

### **Credit continues to beat deposit growth, PSU banks proforma numbers show**

State-run banks reported steady balance sheet expansion in the December quarter, with credit growth continuing to outpace deposit mobilisation, according to provisional data released on Friday. This underscores the persistent challenges banks face in garnering deposits. *(The Economic Times)*

### **Banks' supervisory data quality index score improves in Sep 2025 quarter: RBI**

Supervisory Data Quality Index score of scheduled commercial banks has improved to 90.7 in the September 2025 quarter compared to 89.9 in the April-June period, the RBI said on Tuesday. The Reserve Bank of India (RBI) has created the Supervisory Data Quality Index (sDQI) to measure data quality in terms of accuracy, timeliness, completeness and consistency in submission of returns. The objective of the index is to assess the adherence to the principles enunciated in the RBI's Master Direction on Filing of Supervisory Returns 2024. *(The Economic Times)*

### **Over 97% of bank accounts were insured at FY25 end**

Nearly 41.5% of total deposits by value and 97.6% by number of accounts at commercial and cooperative banks were insured by Deposit Insurance and Credit Guarantee Corporation (DICGC) as of March 2025, according to latest data released by the Reserve Bank of India. DICGC provides insurance cover up to ₹5 lakh per depositor. Of the ₹241.08 lakh crore deposits with banks until end March 2025, ₹100.12 lakh crore were insured. *(The Economic Times)*

### **Banks' asset quality getting better, gross NPAs at 10-year low**

Asset quality in India's banking system has improved further, latest central bank data showed, with fewer bad loans piling up across borrower categories. This suggests the post-pandemic and rate-cycle-induced stress may have ebbed, although unsecured retail lending remains a cause for concern. The ratio of special mention accounts overdue by 61-90 days (SMA-2) declined to 0.8% as of end-September 2025, Reserve Bank of India (RBI) data showed. Gross non-performing assets (GNPAs) have fallen to a decadal low of 2.1%. *(The Economic Times)*

### **RBI to take over banking, public debt management for Delhi govt from January 9**

Starting January 9, the Reserve Bank of India will manage the Delhi government's banking operations and public debt, the central bank announced on Monday. According to an official notification, the RBI has entered into an agreement signed under sub-section (1) of Section 21A of the Reserve Bank of India Act, 1934, with the Government of National Capital Territory of Delhi (GNCTD). Under the agreement, which shall be effective from January 09, 2026, the Reserve Bank of India shall carry on the general banking business of GNCTD and manage its rupee public debt," read the memo. *(The Economic Times)*

### **GST rate cuts spur credit growth for banks in third quarter of FY26**

Banking sector has witnessed healthy growth in advances in the third quarter of financial year 2026 (Q3FY26) against the same period last year, as the full impact of goods and service tax (GST) rate cuts drove growth. Most of the lenders saw their credit growth outpace the deposit growth in the quarter. *(Business Standard)*

### **Banks see strong deposit growth in Q3 outpaced by rapid credit expansion**

A number of commercial banks have reported double-digit growth in loans and deposits on a year-on-year basis for the October–December quarter (Q3FY26), signalling a revival in credit demand following a cumulative 125-basis-point reduction in the policy repo rate by the Reserve Bank of India (RBI) during 2025. Loan growth for most lenders, during the period under review, outpaced deposit accretion, indicating that challenges around resource mobilisation are likely to persist into 2026. *(Business Standard)*



### **India to grow at 7.2% in 2025-26 with overall U.S. tariff impact to be offset, U.N. body predicts**

India is expected to grow by 7.2% in the financial year 2025-26, with consumption and public investment expected to “largely offset” the impact of the tariffs by the United States, the United Nations Department of Economic and Social Affairs (UNDESA) said in a report. This 7.2% estimate, presented in the UNDESA's World Economic Situation and Prospects 2026 report, is slightly slower than the 7.4% growth predicted by the Indian government on Wednesday (January 7, 2026) in its First Advance Estimates of GDP for 2025-26. The report had predicted India's growth to be 7.4% in calendar year 2025. On a fiscal year basis, the report predicts that India will grow at 6.6% and 6.8% in 2026-27 and 2027-28, respectively. *(The Hindu)*

### **New AEPC chief seeks trade relief, Budget support as US tariff squeezes apparel exporters**

The industry is making efforts to diversify export markets beyond the US, especially towards Russia, Japan, South Korea, Chile and South Africa. Recently concluded FTAs with the UK, New Zealand and Oman will help exporters diversify into these markets and improve the global position of the Indian apparel industry. The industry is also intensifying efforts to scale up efficiencies, [focus on] higher value-added product manufacturing, and fast-track sustainability compliance in line with global buyer requirements. *(BusinessLine)*

### **Why the path to forex reserve control is paved with gold**

Central banks worldwide are pursuing forex reserve diversification and acquiring gold at a record pace to insulate their economies from the fragmenting global trade, financial market volatilities and geopolitical upheavals. In 2022, the share of central banks in the global gold demand doubled to 22.8 per cent from 11.1 per cent in 2021, as per data from the World Gold Council (WGC). By the end of 2024, this share stood at 23.6 per cent, reflecting a growing shift in the reserve management strategies adopted by these financial institutions worldwide, particularly in emerging markets, including India. *(BusinessLine)*

### **Overseas investing: Which international mutual funds are open now?**

Indian investors appear determined not to miss any opportunity to access overseas markets through the domestic mutual funds, no matter how limited. Even as the mutual fund route faces regulatory constraints and uncertain periods of temporary subscription reopenings, investor accounts in the overseas fund-of-funds category have surged by approximately 2.3 lakh—climbing to 16 lakh over the past year. *(BusinessLine)*

### **Tackling US tariff shock with a monetary toolkit**

As the rupee crossed 90 to the dollar this winter, headlines have focused on record lows and currency stress. But analysts miss a critical point. Given the difference in rupee behaviour last year versus this, and RBI's reduced defence, the movement likely reflects a deliberate, coordinated response to the US' tariff escalation in 2025. While China met America's tariff barrage with counter-tariffs, regulatory retaliation, and open hostility, India did something quieter, strategic, and arguably smarter. It reached for the monetary toolkit instead of the diplomatic megaphone. Rate cuts. Managed depreciation. No chest-thumping. No trade war headlines. The rupee's slide is in effect a policy. *(BusinessLine)*

### **India, EU hold FTA talks; reaffirm commitment to protect farmers, MSMEs**

India and the European Union (EU) on Friday (January 9, 2026) held talks in Brussels on the proposed Free Trade Agreement (FTA) and reaffirmed their commitment to a rules-based trading framework and a modern economic partnership that safeguards the interests of farmers and MSMEs. Commerce and Industry Minister Piyush Goyal is on a two-day official visit to the EU headquarters for the talks. He has held high-level talks with EU Trade and Economic Security Commissioner Maros Sefcovic for securing a mutually beneficial FTA. *(The Hindu)*



## **Agriculture and Rural Economy**

### **Fall in nominal GVA also drags down real agriculture growth in FY26**

India's gross value added (GVA) for agriculture and allied activities is expected to grow at a modest rate of 3.1 per cent in real terms in financial year 2025-26 (FY26), down from 4.6 per cent in the last financial year despite a good monsoon and strong crop production, largely due to base effect and indirect impact of sharp dip in the nominal growth rates of GVA. *(Business Standard)*

### **Budget 2026: Why do India's farms suddenly matter?**

India Budget 2026: India's agriculture, despite its challenges, holds immense potential as a global growth engine amidst shifting trade dynamics. Lessons from the shrimp export crisis highlight the power of market diversification and value addition. Budget 2026-27 can unlock this 'power-lifter' role by investing in agri-logistics and predictable trade policies, transforming a managed sector into a strategic asset. *(The Economic Times)*

### **Govt targets to present Seeds Bill in Parliament during Budget session; 9,000 suggestions received: Agri Secretary**

Budget session 2026: The government is targeting to introduce the Seeds Bill 2025 in Parliament during the first phase of the Budget session in February, Agriculture Secretary Devesh Chaturvedi has said. "We have received 9,000 applications with suggestions for the Seeds Bill 2025. We will process them and put a cabinet note. Our target is to first bring this bill in the first phase of the Budget session," he told PTI. *(The Economic Times)*

### **Govt working on war footing to control pests, diseases affecting coconut plantations: Agriculture Minister**

The government is working on a war footing to control pests and diseases affecting coconut plantations in southern India and is taking steps to expand the clean plant programme, Union Agriculture Minister Shivraj Singh Chouhan said on December 9th. Globally, India ranks first in coconut production and Pollachi in Coimbatore is a major producer with coconut plantations spanning 1.2 lakh hectares, the Minister said during Question Hour in the Lok Sabha. *(The Hindu)*

### **India's urea imports more than double to 7.17 MT in Apr-Nov: FAI data**

India's urea imports more than doubled to 7.17 million tonnes in the first eight months of the current fiscal year as domestic production declined, highlighting the country's growing dependence on foreign supplies to meet farmer demand, industry data showed on Monday. *(The Economic Times)*

### **India has overtaken China in rice production, says Agriculture Minister Shivraj Singh Chouhan**

Union Agriculture Minister Shivraj Singh Chouhan said the country has become the world's largest rice producer, surpassing China. "India's rice production has reached 150.18 million tonnes, compared to China's 145.28 million tonnes, ensuring national food security and strengthening India's role as a global food supplier," he said, adding that the new seed varieties will boost crop production and enhance income of farmers. *(The Hindu)*



## **Industry, Manufacturing, Services and Technology**

### **CCI probe finds Tata Steel, JSW Steel, SAIL breached antitrust law, flags price-fixing**

The Competition Commission of India (CCI) has found market leaders Tata Steel, JSW Steel, State-run SAIL and 25 other firms breached the antitrust law by colluding on steel selling prices, a confidential document shows, putting the companies and their executives at the risk of hefty fines. *(BusinessLine)*

### **Data reduction gains priority as India's data centre footprint expands**

India's rapid shift towards AI-led digital transformation is pushing enterprises to rethink how they store, protect and manage exploding volumes of data, with petabyte-scale infrastructure fast becoming the new normal. With data volumes exploding, a priority for enterprises is to reduce and compress data using technologies like compression and deduplication, which can bring storage requirements down. This, in turn, helps significantly shrink the overall infrastructure footprint. *(BusinessLine)*

### **A watershed moment for battery storage capacity**

In the renewable energy sector, the year 2025 was one of continuous records. After solar installed capacity and module manufacturing capacity crossed 100 GW each, wind swept past 50 GW, RE capacity exceeded 200 GW, and power generation capacity from non-fossil fuel grew more than 250 GW and accounted for more than half of the country's electricity generation capacity, here is yet another record: energy storage system (ESS) capacity tendered exceeded 100 GWhr, according to the latest data provided by the India Energy Storage Alliance (IESA). [\(BusinessLine\)](#)

### **Economic growth in FY26 is estimated at 7.4%**

Fuelled by strong performances by the services sector and manufacturing, the Statistics Ministry on Wednesday estimated the real GDP growth for 2025-26 at 7.4 per cent compared to 6.5 per cent in the last fiscal year. Although nominal growth is seen at 8 per cent, lower than the Budget Estimate, economists believe it will not impact the fiscal deficit for the current fiscal. [\(BusinessLine\)](#)

### **Unlocking India's growth engine: The MSME digitalisation imperative**

India's Micro, Small, and Medium Enterprises (MSMEs) contribute a substantial share of the country's overall economic output and act as one of the largest creators of livelihoods across urban and rural India. Be it a food-processing unit in Assam, a handicraft cluster in Rajasthan, or a logistics startup in Bengaluru, MSMEs bring opportunities closer to communities. As India advances toward its "Viksit Bharat 2047" vision, MSMEs are poised to assume an even more pivotal role in shaping the nation's economic transformation. [\(BusinessLine\)](#)

### **Telecom, broadcasting sectors marked a defining phase in 2024-25: TRAI**

India's telecommunications and broadcasting sectors marked a defining phase in 2024-25, backed by rapid technological progress, regulatory reforms, and expanding digital inclusion, the Telecom Regulatory Authority of India (TRAI) said. In its annual report released on Tuesday, TRAI said the overall telecom subscriber base reached more than 1.2 billion, with an increase of 1.51 million in 2024-25. [\(BusinessLine\)](#)



## **News on Kerala**

### **New National Fisheries Development Board Centre to boost Kerala's aquatic economy**

A regional centre of the National Fisheries Development Board (NFDB) will be established in Kerala, the office of Union Minister George Kurian said. The centre will coordinate efforts to increase fish production, upgrade fisheries infrastructure and generate employment opportunities across the state. [\(mathrubhumi.com\)](#)

### **Kerala charts AI-led growth path: Minister Rajeeve**

Kerala is steadily positioning itself as one of the country's most industry-friendly and future-ready States, with artificial intelligence and deep-tech innovation at the core of its industrial policy, said P Rajeeve, the State Industries Minister. He said the government

was focused on building a strong ecosystem that brought together industry, academia, research institutions and start-ups to drive innovation, investment and employment. The early introduction of AI education in schools, coupled with the increasing presence of major technology companies, is set to drive this transformation. (*BusinessLine*)

### **Scent of History: Kerala launches a new spice route network to connect cultures**

Kerala formally launched the International Spice Routes Heritage Network — a collaborative platform between the nations that were engaged with it in maritime trade to do collaborative research, undertake joint projects and share resources in the fields of heritage, preservation, documentation, archiving, archaeological excavations and setting up museums. (*BusinessLine*)

### **Kerala plans plastic recycling industrial park in Kochi**

Kerala plans to set up an innovative industrial park focused on plastic recycling to improve waste management and promote sustainability. State Industries Minister P. Rajeev said Brahmapuram near Kochi has been identified as a potential site for the plastic recycling industrial park (*BusinessLine*)

### **One-third of states including TN and Kerala record decline in GST revenue in FY26**

Amidst challenges around slowing demand and GST rate cuts implemented from September 2025, many of the larger states have recorded a decline in GST collections this fiscal year. Analysis of data from the Comptroller and Auditor General of India shows that 9 out of 24 states and union territories, for which data is available, have witnessed a contraction in GST collections between April and November 2025 compared to the same period in FY25. States which have recorded a decline include larger states such as Tamil Nadu (-2.3 percent), Kerala (-4.1 percent), Odisha (-7.4 percent), and Madhya Pradesh (-2.7 percent). (*BusinessLine*)

### **Kerala: IFF Fashion Expo 2026 launched; Garment market shows potential**

Kerala has the potential to become a major garment and fashion hub due to its strong consumer demand, investor-friendly policies, and skilled workforce. At IFF Fashion Expo 2026, the Industries Minister highlighted growing opportunities from global trade shifts, while the expo connects manufacturers and retailers, strengthening Kerala's fashion ecosystem. (*BusinessLine*)

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