WEEKLY UPDATES ON
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FINANCE, TAXATION & THE INDIAN ECONOMY

GULATI INSTITUTE OF FINANCE AND TAXATION
An Autonomous Institution of Government of Kerala

Public Finance

Govt exceeds disinvestment target, boosts revenue with strong dividend collections

The government's combined disinvestment and asset monetisation receipts have reached ₹34,400 crore so far this fiscal year, surpassing the revised estimate of ₹33,847 crore, according to latest data from the Department of Investment and Public Asset Management. Its dividend collections from non-financial central public sector enterprises and entities where it holds minority stakes totalled ₹70,577 crore so far this fiscal year, compared with the revised annual estimate of ₹71,000 crore. *(The Economic Times)*

Government seeks Lok Sabha nod for ₹2.81 lakh crore gross additional expenditure in FY26

The government on Tuesday (March 10, 2026) sought Lok Sabha approval for gross additional expenditure of over ₹2.81 lakh crore in the current fiscal year. The second batch of Supplementary Demands for Grants was tabled in the Lok Sabha by Finance Minister Nirmala Sitharaman. Approval of Parliament is sought to authorise gross additional expenditure of ₹2,81,289.26 crore. *(The Hindu)*

Finmin seeks Parliamentary approval for ₹1 lakh cr 'Economic Stabilisation Fund' to face war-induced volatility

To prepare for unforeseen economic shocks in the context of the war in West Asia, the Finance Ministry on Wednesday sought parliamentary approval to establish a ₹1 lakh crore 'Economic Stabilisation Fund'. "The ongoing war in West Asia and the Gulf region is causing a lot of volatility in various markets. *(BusinessLine)*

Niti Aayog urges states to follow fiscal deficit norms under FRBM Act

Government think tank Niti Aayog on Wednesday urged state governments to adhere to fiscal deficit norms under the FRBM Act through disciplined expenditure management, broadening the GST base, and enhancing their own tax capacity. Niti Aayog's 2026 Fiscal Health Index (FHI) for 2023-24 suggests that states with widening revenue deficits should prioritise aligning revenue expenditure with sustainable revenue growth. *(Business Standard)*

Iran war: Fiscal pressures on govt may mount next FY, say experts

Revenue collection next financial year may be affected, and, along with this, subsidies on food and fertilisers can go up if war in West Asia drags for long, according to experts. This, they say, can create fiscal pressures. Since the crisis broke out, urea prices have increased by almost $100 per tonne to around $600 (free on board), while rates for di-ammonium phosphates (Dap) have risen to $750-770 per tonne from $650-670. *(Business Standard)*

Fiscal deficit as percentage of GDP revised upwards for FY'23 to FY'25 after GDP base revision

The fiscal deficit as a percentage of GDP for three financial years till 2024-25 has been revised upwards following the revision in base year for calculation of GDP, the government informed Parliament on Tuesday. As per the new GDP Series published on February 27, the fiscal deficit as a percentage of GDP works out to be 4.9% for 2024-25, 5.7% for 2023-24, and 6.7% for 2022-23, Minister of State for Finance Pankaj Chaudhary said in a written reply in the Rajya Sabha. *(The Economic Times)*

Ministries have Feb-Mar to bridge 26% average revised estimate gap

Union ministries on average need to spend 26% of their allocations in the February-March period this year to meet the revised estimates (REs) in the Budget. However, for several of them, the gap is much higher, an analysis of the latest data by the Controller General of Accounts shows. The highest gap—between the amount spent till January and the REs—is 93% for the Ministry of Corporate Affairs. *(Business Standard)*

States spent only 51.8% of capex budget till January, shows data

After the first 10 months of 2025-26 (April-January), states have managed to spend just over half (51.84%) of their combined annual budgeted capital expenditure (capex) of ₹10.37 trillion amounting to ₹5.38 trillion, according to an analysis of monthly accounts for 23 states released by the Comptroller and Auditor General (CAG) of India. *(Business Standard)*

Taxation

Tax law needed teeth to deal with bigwig evaders: Supreme Court

The Supreme Court of India on Monday (March 9, 2026) gave a petitioner liberty to approach the competent authority in the Union government with a representation questioning the new Income Tax law, which permits authorities not only to disclose reasons for initiating search and seizure operations but also extends the definition of undisclosed assets to the virtual digital space. A Bench headed by Chief Justice of India Surya Kant dismissed as withdrawn a petition filed by Vishwaprasad Alva challenging the legality of provisions, especially Section 132 of the Income Tax Act of 1961 and its corresponding provision of Section 247 along with Section 249 (non-disclosure of reasons for initiating search and seizure) in the new Income Tax Act of 2025. *(The Hindu)*

Go Digit gets GST demand notice of about ₹170 crore for FY18-FY22

Go Digit General Insurance on Saturday said it has received a demand notice of about ₹170 crore for short payment of goods and services tax (GST) for nearly five years. The company has received an order copy from the Office of the Commissioner of GST & Central Excise, Chennai South Commissionerate on March 6, confirming GST demand of ₹154.80 crore levying penalty of ₹15.48 crore and Interest u/s 50 of CGST Act, 2017 for the period July 2017 to March 2022, the insurer said in a regulatory filing. *(Business Standard)*

Karnataka State Finance Commission recommends 5% of GST revenue allocation to municipal bodies, including GBA corporations

In a bid to ensure mobilisation of resources for infrastructure development and civic services in urban areas, the Fifth State Finance Commission has recommended that the State government earmark a minimum of 5% of its total GST revenue generated in cities to Urban Local Self Governments, including those coming under Greater Bengaluru Authority. In its report tabled in the State Legislature on Tuesday, the three-member commission led by former MP Dr. C. Narayanaswamy has observed that the revenue of the municipal bodies would increase by 52% if they get at least 5% share of the State's GST revenue. *(The Hindu)*

National Accounts and State of the Economy

Nomura cuts India FY27 GDP forecast to 7% amid West Asia conflict

Nomura has slashed its forecast for India for fiscal 2026-27 marginally to 7% (7.1% earlier) amid the ongoing conflict in West Asia. Tensions in West Asia, if sustained, could test the Goldilocks mix of robust growth and stable inflation, Nomura said. "For FY27, we further raise our CAD forecast by 0.4 percentage points to 1.6% of gross domestic product and our CPI forecast by 0.7pp to 4.5%, and trim our GDP forecast by 0.1pp to 7.0 percent," wrote Sonal Varma, Chief Economist, India and Asia ex-Japan at Nomura in a coauthored note with Aurodeep Nandi. *(Business Standard)*

Crisil projects 7.1% growth for India in FY27, flags West Asia crisis

The Indian economy is projected to grow 7.1% in the financial year 2026–27 (FY27), supported by private consumption and a mild pick-up in private investment, but with risks tilted to the downside as global trade tensions, tariff actions and geopolitical frictions keep the external environment "squally", according to Crisil's latest India outlook. *(Business Standard)*

Employment for growth: India needs a vibrant apprenticeship ecosystem

The NITI Aayog recently released a report titled "Revitalizing India's Apprenticeship Ecosystem", calling apprenticeship central to the Viksit Bharat 2047 vision. India's apprenticeship architecture is anchored in the Apprentices Act, 1961, operationalised through the National Apprenticeship Promotion Scheme (Naps), under the Ministry of Skill Development and Entrepreneurship, and the National Apprenticeship Training Scheme (Nats), under the Ministry of Education. *(Business Standard)*

India Emerging as Stable Investment Anchor in Turbulent Global Economy, Say Investors at IGF Mumbai 2026

The third edition of India Global Forum's flagship Mumbai gathering brought together authoritative voices from private equity, venture capital, public markets and policy to examine how shifting geopolitics, supply-chain disruptions and tightening financial conditions are reshaping global capital flows—and where India fits within this evolving landscape. Despite global uncertainty, investors at the forum expressed strong confidence in India's structural growth story. *(Business Standard)*

Economic Survey promises, impact of new labour codes

However, over 80% of India's workers are in the informal sector, and they remain outside most of the labour code protections. The scale of informality is increasing. Firms, when given flexibility, tend to respond by shifting away from formal employment. Between 2011 and 2023, direct factory employment fell from 61% to 47%. Contract workers grew to 42% of the factory workforce. Regular employment in central public sector enterprises declined by 30,000 workers in 2024 alone, replaced by casual and contract workers (Public Enterprises Survey 2025). The organised sector, once associated with stable employment, is shrinking in India. *(The Hindu)*

Banking and Monetary Policy

RBI likely selling dollars to cushion rupee as oil worries linger, traders say

RBI was likely selling dollars on Friday, three traders told Reuters, as the rupee remains under strain due to worries over how elevated oil prices may impact the growth-inflation dynamics for the South Asian economy. The rupee was at 92.32 per dollar, down 0.1% on the day and within touching distance of its all-time low of 92.3575 hit in the previous session. Despite the central bank's interventions, traders expect the currency to keep drifting lower as energy prices remain volatile and foreign investors continue to pull money out of local stocks. *(BusinessLine)*

RBI launches "Awareness Program on Digital Payments"

The Reserve Bank of India (RBI) on Thursday launched a pilot programme titled "Awareness Program on Digital Payments" to promote safe and widespread adoption of digital payments across the country. The pilot will be conducted in Maharashtra in partnership with CSC e-Governance Services India Ltd, per a central bank statement issued as part of the sixth edition of Digital Payments Awareness Week (DPAW), which is being observed during March 9-13, 2026. The program aims to conduct in-person awareness sessions for 10 lakh participants in rural and semi-urban areas. *(BusinessLine)*

Rupee sinks to a new intraday low of 92.3675/USD, but recovers on RBI intervention

The rupee continues to be weighed down by the intensifying West Asia war, its debilitating impact on crude oil prices and FPI-related outflows from the domestic equity markets. It sank to a new record intraday low on Thursday, before pulling back on apparent RBI intervention. The Indian currency, which touched a record intraday low of 92.3675 per US dollar, closed at 92.19, down 15 paise over the previous close of 92.04. The Indian unit opened almost 25 paise weaker over the previous close, and tested an intraday high/ low of 92.07/92.3675. *(BusinessLine)*

NBFCs set to outpace banks in India by 2035 with AI adoption: report

India's non-bank financial companies (NBFCs) are expected to expand faster than traditional banks over the coming decade as lenders adopt artificial intelligence and expand into new loan segments, according to a research report by Nomura. Banks currently dominate India's lending system, accounting for more than 70% of total credit as of FY25, while NBFCs hold a much smaller share. However, Nomura forecasts NBFC credit will grow at roughly 17 percent annually between FY25 and FY35, compared with about 12 percent growth for bank lending over the same period. *(BusinessLine)*

RBI amends prudential norms on capital adequacy

The Reserve Bank of India has amended prudential norms on capital adequacy for Non-Banking Financial Companies, including housing finance companies and asset reconstruction companies, permitting them to include quarterly profits in the computation of Owned Fund. The amendment, issued with immediate effect, provides regulatory clarity on what components can be counted toward Owned Fund. Under the revised norms, inclusion of quarterly profits comes with conditions. *(BusinessLine)*

Global banks push back on India's offshore rupee reporting plan

Global lenders pushed back against a proposal by the Reserve Bank of India (RBI) for more reporting of offshore rupee trades, according to people familiar with the matter. Banks told the RBI the proposal could breach client confidentiality and conflict with data and reporting rules in other jurisdictions, the people said, asking not to be named discussing private matters. *(BusinessLine)*

PSBs mopped up over ₹28,000 cr in 5 years through selling third party financial products

Public sector banks earned over ₹28,600 crore in five years through selling of third party financial products, Finance Ministry's data presented in the Rajya Sabha on Tuesday showed. Such products include insurance mutual funds, credit cards, demat accounts. This data is critical as Finance Minister Nirmala Sitharaman recently asked the banks once again to focus on core business while saying that they are spending more time on selling insurance than core business. This trend is also referred to as mis-selling. *(BusinessLine)*

To attract dollars, RBI may revive the 2013 strategy to incentivise banks to mop up non-resident deposits

The Reserve Bank of India (RBI) may look to revive a strategy it last employed in 2013 to attract dollar inflows into the country via the Foreign Currency Non-Resident (Banks) and Non-Resident External deposit routes. This could help stabilise the rupee, which is facing headwinds due to the ongoing West Asia conflict. The rupee has depreciated about 7.4 per cent to ₹91.81 per dollar as of March 10, 2026, from 85.49 as of March-end 2025 amid a widening merchandise trade deficit, including due to the US slapping steep tariffs on Indian goods, and FPIs (foreign portfolio investors) selling in the domestic equity markets. *(BusinessLine)*

RBI tightens counterparty credit risk rules for commercial banks

The Reserve Bank of India on Tuesday amended its capital adequacy framework for commercial banks, introducing clearer rules on how lenders must calculate and maintain capital against counterparty credit risk (CCR) exposures. The changes, issued under the RBI Third Amendment Directions, 2026, take effect immediately. The most significant operational change is the revision of a table that specifies add-on factors for market-related off-balance sheet items. Under the updated table, equity contracts now carry add-on factors of 6 percent, 8 percent, and 10 percent for maturities of up to one year, one to five years, and over five years respectively. *(BusinessLine)*

RBI revises dividend norms for commercial banks, links payouts to capital strength

The Reserve Bank of India (RBI) on Tuesday issued revised prudential directions linking dividend payouts by commercial banks to their CET 1 capital ratios, replacing guidelines issued as recently as November 2025. The new framework — the Reserve Bank of India Directions, 2026, takes effect from FY27. Under the revised rules, dividend payouts are structured across 10 capital-ratio buckets. *(BusinessLine)*

Rupee closes at record low despite RBI intervention, G-Sec yields rise

The rupee and Government Securities markets on Monday felt the impact of rising crude oil prices amid the ongoing West Asia conflict, which entered the tenth day. The rupee closed at a record low and G-Sec yields rose, but pulled back half the losses. The Indian currency ended the day at an all-time low of 92.33 per US dollar, down 59 paise against previous close of 91.74. *(BusinessLine)*

Private sector banks collected over ₹11,000 cr in 3 yrs for not maintaining minimum balance in accounts

Private sector banks collected around ₹11,000 crore in three years as compared to ₹8,000 crore by public sector banks on account of non-maintenance minimum monthly average balance (MAB), data provided by the Finance Ministry in the Lok Sabha on Monday showed. According to data in the written response by Finance Minister Nirmala Sitharaman, HDFC Bank emerged as the top earner with over ₹3,800 crore in 3 years, followed by Axis Bank and ICICI Bank with over ₹2,700 crore and ₹1,200 crore respectively. *(BusinessLine)*

Banks urged to devise low-interest loans for retail, MSME clients

The government has asked banks to devise low-interest loan schemes for retail borrowers as well as micro and small enterprises, and explore credit products for tribals who may lack collateral. Banks are expected to share inputs by the end of this month and implement the schemes early next financial year, said people familiar with the development. "Banks have been asked to look at various loan schemes and further build upon the existing models such as Grameen Credit Score and the Stand Up India 2.0 scheme," a government official said on condition of anonymity, adding that the aim is to push credit growth. *(The Economic Times)*

New LCR norms could help banks expand credit by 7%

The revised Liquidity Coverage Ratio (LCR) norms, set to take effect from April 1 could give banks additional room to expand credit by about 7%, assuming deposit growth remains steady at the current 10% pace, analysts said. A report from brokerage Motilal Oswal said the shift toward an LCR-based framework for assessing liquidity and lending capacity will allow banks to deploy surplus liquidity currently parked on their balance sheets into loans. *(The Economic Times)*

Public sector banks still ahead of private peers in credit growth

Public sector banks (PSBs) continued to outpace private sector peers in credit growth in the December quarter of FY26, with loan growth of around 17-28% year-on-year, compared with 11-16% for private banks. As a result, PSBs' market share in loans rose to 54.4% at the end of December 2025, up from 53.11% a year earlier. In contrast, private banks saw their share decline to 40.6% from 41.07% during the same period. *(The Economic Times)*

RBI aligns capital rules of banks with global norms

The Reserve Bank of India (RBI) Tuesday revised bank capital rules in line with global standards while spelling out clearly how lenders should measure risk that a trading partner fails to pay. Banks that calculate capital at the group level must now include these trading-partner exposures from all entities they consolidate for capital rules. RBI has updated the "add-on" percentages that banks use to estimate potential future exposure from off-balance-sheet trades such as derivatives. *(The Economic Times)*

RBI links bank dividends to Common Equity Tier 1 ratio

The Reserve Bank of India (RBI) has given better capitalised banks more flexibility to pay higher dividends in its final guidelines issued on Tuesday. Dividend payouts are now linked to a bank's Common Equity Tier 1 (CET1) ratio; earlier, limits were tied to the capital-to-risk weighted assets ratio (CRAR) and the net non-performing advances (NPAs). The final norms are also softer than the draft. Banks will deduct only 50% of net NPAs (post-provision) from profit after tax to compute the profit eligible for dividend. *(The Economic Times)*

RBI issues new rules on how banks can distribute dividends, links payouts to capital strength

The Reserve Bank of India (RBI) on Tuesday issued updated prudential norms governing dividend declaration and profit remittance by banks, tightening the framework to ensure payouts remain aligned with capital strength and asset quality. The new directions apply to commercial banks including banking companies, corresponding new banks and State Bank of India, as well as foreign banks operating in India through branch structures. *(The Economic Times)*

RBI examining complaint against Standard Chartered Bank's asset sales, minister says

Reserve Bank of India (RBI) is examining a complaint received against Standard Chartered Bank for "repeated instances of collusive asset disposals at a discounted value", India's junior finance minister Pankaj Chaudhary told lawmakers on Tuesday. India's central bank has received two complaints against the lender in October 2024 and February 2026, related to assets linked to three developers, according to a written reply to parliament. The complaint received in February 2026 is under examination, he said.
(The Economic Times)

External Sector

Boiling crude pushed inflation forecast up to 4.5% for FY 27

With uncertainty due to war and resultant rise in crude prices and depreciation of Indian rupees, global and domestic agencies have raised inflation forecast for fiscal year 2026-27. Retail inflation based on Consumer Price Index (CPI) rose to 11 months high of 3.21 per cent in February mainly on account of higher prices of food and precious metals. Now experts expect prices to rise in crude prices, and its cascading effects will have impact on headline number. *(BusinessLine)*

India, Chile agree to boost cooperation in trade, investment, mineral exploration, space

India and Chile have agreed to boost cooperation in trade, investment, health and pharmaceuticals, science and technology and other sectors. Minister of State for External Affairs Kirti Vardhan Singh visited Chile from March 10-12, and represented the Government of India at the inauguration ceremony of new President of Chile, Jose Antonio Kast Rist, the Ministry of External Affairs said on Thursday. During the visit, Singh held a bilateral meeting with President Kast, and also interacted with outgoing president, Gabriel Boric Font. *(BusinessLine)*

Brent at $100 may widen India's fiscal burden by ₹3.6 lakh crore annually: Report

If crude oil prices sustain above USD 100 per barrel in FY27, the Central government's annual additional expenditure could rise by Rs 3.6 lakh crore, according to a report by Elara Securities. The report highlighted that the ongoing Middle East conflict shows few signs of de-escalation, which could intensify Asia's energy crisis and trigger global supply chain disruptions. It stated "scenario where Brent crude sustains at USD 100/ bbl through FY27E, India's current account deficit (CAD) could widen to 2% of GDP (from 1 percent at USD 70/bbl), USD-INR could weaken further to 94-95, while the Centre's annual additional expenditure would rise by INR 3.6tn annually". *(BusinessLine)*

Indian exporters face payment and finance challenges amid West Asia crisis; govt assures support

Exporters on Tuesday flagged issues such as possible delays in payments due to the ongoing West Asia crisis during a meeting with the Department of Financial Services, which assured them to look into the matters, according to FIEO. Delays in shipments due to rerouting of vessels, particularly because of disruptions in the Red Sea region and avoidance of the Suez Canal are likely to create several banking and trade finance challenges for Indian exporters. As export finance and payments are closely linked to shipment timelines and documentation, extended voyage durations can significantly affect liquidity, compliance, and financing costs for exporters, Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said. *(BusinessLine)*

Crude at $115 per barrel could raise India's oil import bill by $64 billion

India may be looking at a massive ballooning of its crude oil import bill in a range between $56 billion and $64 billion annually if the ongoing surge in global crude prices is sustained and averages at today's level of $110–115 per barrel in FY27. "Each $10 per barrel increase in the average crude oil price results in a $14–16 billion increase in net oil imports. If the oil price moves to an average of $110–115 per barrel in FY2027, then the increase in net oil imports would be to the tune of $56–64 billion," Aditi Nayar, chief economist at ratings agency ICRA, told Business Standard. *(Business Standard)*

U.S. begins probing 'discriminatory trade policies' against India

The U.S. has announced investigations against 16 economies, including India, on whether actions or policies of these countries "are unreasonable or discriminatory and burden or restrict U.S. commerce", the office of the United States Trade Representative Jamieson Greer said on Wednesday. These investigations would be under Section 301(b) of the Trade Act of 1974, which was one of the avenues U.S. President Donald Trump had said he would explore after the U.S. Supreme Court struck down his reciprocal tariffs on February 20. Following the court's decision, Mr. Trump imposed a 10% tariff on imports from all countries for a period of 150 days. *(The Hindu)*

India mulls replacing palm oil with coconut oil to distribute via ration shops

The Union government is considering the distribution of coconut oil instead of palm oil through the public distribution system (PDS) to ensure farmers get a better price, the Union Minister of Agriculture and Farmers' Welfare said on Saturday. The Coconut Development Board has written to State Governments on the distribution of coconut oil through PDS or ration shops. He told the media after a stakeholders' meeting with coconut growers, scientists, and industry representatives that substituting coconut oil for palm oil in the PDS would not only provide a stable market and better prices for farmers but also offer healthier options to consumers. *(BusinessLine)*

Cotton procurement at MSP expands 4% to top 104 crore bales

Procurement of cotton at the minimum support price (MSP) by the state-run Cotton Corporation of India (CCI) for the ongoing 2025-26 marketing season has crossed 104 lakh bales (of 170 kg each), about 4 per cent higher than last year's 100.16 lakh bales. The cotton procurement season is nearing completion, with March 13 being the last date for MSP purchase. Lalit Kumar Gupta, Chairman and MD, CCI, told businessline that procurement had reached 104.01 lakh bales so far. The CCI has also started liquidating part of the stocks. *(BusinessLine)*

India's kharif, rabi foodgrain output pegged 3% up at 349 million tonnes in 2025-26

India will likely harvest record wheat, maize (corn) and mustard crops during the current season, while sugarcane harvest has also been estimated at a record during the current crop year to June. Rice production is also headed for a record high after kharif output has been projected at a new high. The country is estimated to have produced a record high 120.21 million tonnes (mt) of wheat, 11.79 mt of gram (chana) against 11.11 mt a year ago, 1.73 mt of lentils against 1.65 mt a year ago and 13.33 mt of mustard against 12.66 mt a year ago, according to the government's second advance estimates of crops) released on Tuesday. *(BusinessLine)*

India's wheat output pegged at record high 120 mt on higher acreage, conducive weather

India's wheat production in the current crop year (July-June) is likely to be close to 120 million tonnes (mt), exceeding the government's target of 119 mt, due mainly to higher acreage and conducive weather throughout the season. However, in some areas where the crop was planted late, the yield may be impacted by the rise in temperature. "Production is projected to be around 120 mt, according to both manual and digital surveys, and similar feedback was also received from wheat-growing states at the recently held meeting to plan the official procurement," a senior official said. *(BusinessLine)*

President Murmu calls for get greater role for women in decision making in farm sector

Inaugurating a three-day Global Conference on Women in Agri-Food Systems, she said the success case studies on women in agriculture should be published widely to ensure more people were aware of their contributions. President Droupadi Murmu on Thursday suggested targeted support for women farmers on issues of land titles, access to technical knowledge, and institutional finance. She also asked for a greater role for the women engaged in agri-food sector, particularly in policy formation, decision-making and leadership positions. *(BusinessLine)*

Focus area of farm reforms

India's foodgrains output has crossed 330 million tonnes, almost double the levels of the early 1990s. Here lies the paradox: despite producing enough to feed its population, India still hosts nearly a quarter of the world's undernourished population. More than half of Indian women and nearly two-thirds of children suffer from anaemia, while around 790 million people cannot afford a healthy diet. Climate change, by constraining yield, has aggravated the problem across supply chains. Rising temperatures have shortened wheat growing seasons in northern India. *(BusinessLine)*

Industry, Manufacturing, Services and Technology

30% cut in natural gas supply to fertilizer firms may affect urea output

The Union government on Tuesday informed Parliament that urea sales in the current rabi season (October–March) stood at 186.33 lakh tonnes (lt) as of March 5, exceeding the demand estimate of 183.51 lt for the period, leaving a stock of 49.01 lt. However, with the government announcing a 30% cut in natural gas supply—the key feedstock for urea production—there are concerns that the opening stock of the nitrogen fertilizer on April 1 may be lower, unless supplemented through imports. *(BusinessLine)*

Auto sector seeks restoration of LPG/PNG supply for production

The automotive industry has sought the restoration of the allocation of LPG/PNG/Propane to the extent possible, and has requested the government to provide visibility on the availability of supplies for industrial consumers in the automobile sector through a dedicated interface. Any interruption would mean stalling the production of vehicles or the final components. *(BusinessLine)*

Construction equipment segment slips in Feb on high base, slowing infra projects

The construction equipment segment was the exception in February as all other segments of the automobile industry posted strong growth. Construction equipment retail sales stood at 6,721 units in February, marginally down 1.2% from 6,804 units in February 2025, according to data from the Federation of Automobile Dealers Associations (FADA). Industry analysts attribute the muted performance to a high base and a slowdown in infrastructure execution after a period of strong activity. The segment includes heavy-duty machinery used for earthmoving, excavation and material handling, such as backhoes, excavators, loaders and cranes. In contrast, other auto segments reported robust growth during the month. *(BusinessLine)*

Crude volatility puts pressure on electronics supply chain, makers brace for margin hit

A sustained rise in crude oil prices could begin to pressure the consumer electronics supply chain through higher petrochemical input costs. Key plastic materials, such as acrylonitrile butadiene styrene (ABS) and polypropylene, derived from crude and widely used in device casings, have seen prices rise 45-50%, with suppliers increasing rates by ₹23-25 per kg. Reliance Industries (RIL), the largest producer and supplier of polypropylene (PP) in India, recently raised its list prices by ₹23-25 per kg, according to an industry source who requested anonymity. Manufacturers have three-five months of inventory. *(BusinessLine)*

How smartphones became India's largest export category in 2025

Smartphones have emerged as India's largest export category by value in 2025, marking a decisive shift in the country's trade composition. Smartphone exports rose from ₹0.31 lakh crore in 2021 to ₹2.63 lakh crore in 2025, overtaking standard high-speed diesel (₹1.42 lakh crore) and loose polished diamonds (₹1.09 lakh crore), according to the data from the Ministry of Commerce and Industry. The rise of smartphones has been sharp and sustained. Exports expanded at a compound annual growth rate (CAGR) of 53.45% between 2021 and 2025. *(BusinessLine)*

IT services sector deal wins climb to a five-month high in February

Deal wins in the IT services sector rose to the highest in five months, signalling a gradual recovery in enterprise technology spending as companies prioritise operational efficiency and AI-readiness. A BNP Paribas report observed that deal signings increased month-on-month February 2026, and were the highest in the last five months. The three-month rolling sum of deal signings, a one-quarter lead indicator of deal TCV, also increased month-on-month. Deal wins stood at 14 in February, rising from 12 in January, after declining steadily from 18 in September to 10 in December. *(BusinessLine)*

News on Kerala

U.S. waiver to procure Russian oil: Kerala flays Centre

Chief Minister Pinarayi Vijayan on Friday flayed the Union government for securing a 30-day "waiver" from the U.S. for purchasing Russian oil. In a post on the 'X', he said: "India's sovereignty is not subject to foreign "clearance." It is outrageous that a country like India should appear to require approval from the U.S. for decisions such as oil imports. By allowing such a perception to take root, the Union government is humiliating our country before the world." *(The Hindu)*

Power sector reforms: Kerala receives nod for a further ₹2,924-crore borrowing space

The Union Finance Ministry has sanctioned a further borrowing space worth ₹2,924 crore to Kerala in view of the power sector reforms implemented by the State, Electricity Minister K. Krishnankutty said on Monday. Last week, the Centre had sanctioned an additional borrowing space worth ₹2,924 crore tied to power sector reforms. Subsequently, the State had submitted additional documents to the Centre pertaining to the reforms, which has led to the latest decision, Mr. Krishnankutty said. *(The Hindu)*

₹1-crore aid given to farmers as part of KERA project

Minister for Agriculture P. Prasad on Saturday distributed financial assistance to the tune of ₹1 crore to farmers growing plantation crops, as part of the World Bank-assisted Kerala Climate Resilient Agri-Value Chain Modernization Project (KERA). The monetary aid was given away to 324 farmers selected from six districts to replant rubber and cardamom. Addressing the meet at Cherthala, the Minister said the scheme aimed at assisting growers who replant the crops using climate resilient and highly productive saplings. *(The Hindu)*

Pallivasal Extension Scheme commissioned

The Pallivasal Extension Scheme, a hydel project in Idukki district that has been plagued by delays, is expected to see formal commissioning this month. According to the Kerala State Electricity Board (KSEB), which lists this scheme among its biggest ongoing works, Chief Minister Pinarayi Vijayan is expected to inaugurate the scheme. The Pallivasal Extension Scheme, which adds 60 megawatts (MW) of capacity to the State's power grid, was conceived acknowledging the necessity for rapid development of internal hydropower in Kerala to meet the steadily increasing power demand. It was designed as an extension to the 37.5 MW Pallivasal Hydroelectric Project, Kerala's first hydro project which was commissioned in 1940. *(The Hindu)*

Govt. to examine proposal aimed at ensuring fair community representation on minorities panel

The State government has, in principle, agreed to examine a recommendation that no particular minority community should get disproportionate representation in the Kerala State Commission for Minorities. The decision has been made clear in a General Administration department order dated March 2. The recommendation was part of the report of the J.B. Koshy Commission on Christian Minorities which was recently published. The panel opined that it would be appropriate if the Chairman and the member of the State commission for minorities were picked from different minority communities. *(The Hindu)*

Kerala brings out Cyber Safety Protocol in public schools amid AI surge

Kerala has come out with a 'Cyber Safety Protocol 2026' for its school system to address niggling challenges such as cyber safety, screen time management, and student privacy. The framework, published by the General Education department's technology wing Kerala Infrastructure and Technology for Education (KITE) against the backdrop of a surge in artificial intelligence (AI), is designed to ensure a secure digital learning environment and robust cyber defence for students in public schools. *(The Hindu)*

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