



Public Finance

Centre saves ₹55,000 crore as FY26 spending undershoots estimates

The Centre's spending in 2025-26 undershot its revised estimates by about ₹55,000 crore, largely due to slower-than-expected capital expenditure and unutilised funds across ministries, said a senior official. The savings will help the government absorb some shortfall in direct tax collection and any additional expenditure under certain heads, enabling it to stay on track with its fiscal calculations. (*The Economic Times*)

Capex by big CPSEs, 4 key government entities surges 62% in March

Large central public sector enterprises (CPSEs) and four major government entities increased capital expenditure sharply in March amid the West Asia war, which drove up their 2025-26 spending beyond the target. Capital spending by these CPSEs and Railway Board, National Highways Authority of India (NHAI), Delhi Metro Rail Corporation and Damodar Valley Corporation jumped 62% year-on-year to ₹1.10 lakh crore in March, showed the latest Department of Public Enterprises data. (*The Economic Times*)

States likely to raise up to Rs 14 lakh crore in FY27, says ICRA

State governments are expected to raise between Rs 13.4 lakh crore and Rs 14 lakh crore in the current financial year FY2027, marking a growth of 5 to 9 per cent compared to the previous year, according to a report by ICRA. The report noted that after accounting for redemptions of Rs 4.2 trillion in FY2027, the net State Government Securities (SGS) issuance is estimated to be in the range of Rs 9.2-9.7 trillion (1 trillion = 1 lakh crore). This reflects a year-on-year growth of 1 to 8 percent compared to Rs 9.0 trillion in FY2026". (*The Economic Times*)

Centre may rejig spending to meet FY27 fiscal deficit target

The Centre is considering reprioritising spending without breaching its budgeted fiscal deficit target, as supply chain disruptions caused by the West Asia war have altered expenditure requirements, officials said. The Centre has targeted a fiscal deficit of Rs 16.96 lakh crore for 2026-27, which is 4.5% of the nominal gross domestic product, as per the new series data released after the budget was presented. The deficit ratio was earlier pegged at 4.3%, based on the old series data. (*The Economic Times*)

Piyush Goyal releases 'white paper' on TN's finances, flags GST gap

Senior BJP leader Piyush Goyal on Saturday released a document titled "Tamil Nadu Government Financial Crisis - comprehensive multi-perspective whitepaper," prepared by his party's Professional Cell in the state, and sought to know where the money received as GST compensation and the state's borrowings have gone. (*Business Standard*)

Centre plans ₹2.5 lakh crore credit guarantee scheme amid West Asia war impact

The Union Cabinet is expected to soon take a call on the credit guarantee scheme to support various sectors affected by the West Asia war. The scheme, a version of the Emergency Credit Line Guarantee Scheme (ECLGS), is expected to cover loans worth ₹2.5 lakh crore and would be valid for four years, a senior government official told here. Further, it is likely to provide a 90 per cent credit guarantee for loans from the National Credit Guarantee Trustee Company (NCGTC). *(BusinessLine)*



Taxation

SEZs say DTA duty relief 'too narrow', 80% of supplies see little benefit

Special Economic Zone (SEZ) units have criticised the government's recent tax concessions for Domestic Tariff Area (DTA) sales (sales in the domestic market), citing data that shows the policy may not benefit as much as 80 per cent of the supplies. In a formal presentation to the Commerce Department recently on ease of doing business problems, the Export Promotion Council for EOUs and SEZs also sought the concession for a longer period of 2-3 years and a higher cap of 50 per cent instead of 30 per cent (annual exports recorded in any of the three immediately preceding financial years). *(BusinessLine)*

Global corporation tax system has become complex, ineffective: Devereux

The existing international corporate tax framework, rooted in 1920s concepts of "residence" and "source", has become overly complex and ineffective at taxing multinational companies fairly and efficiently, according to Michael Devereux. Delivering the keynote address titled "Where should international profit be taxed?" at the golden jubilee inaugural event of the National Institute of Public Finance and Policy (NIPFP) on Monday, the Emeritus Director of the Oxford University Centre for Business Taxation called to go back to first principles, rather than continuing with incremental reforms. *(Business Standard)*

GST Council meeting likely in end-May or June

With elections to be held soon in four States and a Union Territory, the wait for the new GST Council meeting is likely to take longer. The 57th meeting is expected to take place only in May-end or June. The last Council meeting took place on September 3, 2025. According to the Rules for Procedure and Conduct of Business Regulations of the GST Council, the body is mandated to meet at least once every quarter of the financial year. *(BusinessLine)*

After GST-led surge, car sales growth likely to decelerate in FY27

India's passenger vehicle (PV) industry growth is expected to moderate in 2026-27 (FY27), following a strong rebound in the second half of FY26 (H2FY26) driven by goods and services tax (GST) rate cuts, as geopolitical tensions in West Asia cast a shadow on demand sentiment and outlook. *(Business Standard)*

Tax experts seek CBDT master circular to resolve legacy guidance issues

With the rollout of the Income-tax Act, 2025, tax experts have urged the Central Board of Direct Taxes (CBDT) to issue a “master circular” clarifying the applicability of legacy circulars under the new regime. Over the years, the CBDT has issued numerous circulars and clarifications under the Income-tax Act, 1961 to interpret provisions and address taxpayer concerns. However, the transition to the new law, where several provisions have been removed, renumbered, or restructured, has disrupted the linkage between these circulars and the revised provisions. (*Business Standard*)



National Accounts and State of the Economy

Moody's cuts India's FY27 GDP growth estimates to 6% amid West Asia conflict

Moody's Ratings has slashed India's economic growth estimates for the current fiscal to 6% from 6.8% earlier, saying the ongoing conflict in West Asia will moderate growth momentum and raise inflation risks. In its credit opinion report on India, Moody's said prolonged disruptions, particularly LPG shipments due to the conflict, would lead to near-term household shortages, higher fuel and transport costs, and spillovers to food inflation through India's reliance on imported fertilisers. (*The Hindu*)

World Bank slashes India's 2026-27 growth outlook to 6.6% on West Asia conflict impact

The World Bank has revised downwards India's growth outlook for the current financial year 2026-27 to 6.6% from 7.2%, citing the impact of the war in West Asia on household and government consumption, as well as on industrial activity. The India Development Update report by the World Bank said that “in the absence of the conflict”, India's GDP growth was projected at 7.2%, a reflection of better-than-expected growth in 2025-26, “strong initial momentum” in the fourth quarter of that year as indicated by high-frequency data, and a “broad pro-growth reform agenda” (*The Hindu*)

In search of ideal investment advice during war

For the past one month, social media has been full of asset managers, financial influencers and experts in the field trying to pitch in with investing advice when the Nifty 50 dipped more than 11% in March 2026 alone. While mutual funds and major stocks are underperforming, the advice that markets will turn around after war-driven corrections and investors will gain has almost become a thumb rule today. (*The Hindu*)

India's coffee exports hit a record high of \$2.13 billion in 2025-26 fiscal

Coffee exports registered 17 percent growth to a record \$2.136 billion for FY26 on higher prices and a modest increase in volume. In the previous year, shipments were to the tune of \$1.82 billion. As per the latest data released by the Coffee Board, export volumes increased by 4.65 percent to cross 4.07 lakh tonnes (lt) during FY26; the figure was over 3.88 lt in 2024-25. In rupee terms, exports grew 22.47 per cent to ₹18,887 crore over ₹15,421 crore. (*BusinessLine*)

Ministry of Social Justice posts record ₹11,810 crore expenditure in FY26

The Ministry of Social Justice and Empowerment has recorded its highest-ever expenditure of ₹11,810.82 crore in 2025-26, nearly 14 per cent higher than the previous financial year. According to an official statement released on Saturday, the expenditure was incurred by the Department of Social Justice and Empowerment under the ministry and reflects a focus on timely utilisation of funds for welfare schemes. (*Business Standard*)

Household's inflation expectations edge higher for three-month and one-year ahead period

Reserve Bank of India (RBI) has released the results of March 2026 round of its bi-monthly Inflation Expectations Survey of Households (IESH). The survey was conducted during February 25 to March 10, 2026, in 19 major cities, with 6,075 responses. The current median inflation perception of households inched up by 30 basis points (bps) to 7.2 percent as compared to the previous round. (*Business Standard*)

Between easing inflation and rising geopolitical risks, RBI chooses caution

The six-member Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI), in its first meeting this financial year, took a judicious call on Wednesday to keep the policy repo rate unchanged. Given the uncertainty stemming from the crisis in West Asia—though its intensity has declined considerably since the United States (US) and Iran have agreed to a ceasefire at a crucial juncture—it made sense for the MPC to wait for more clarity before adjusting the monetary policy (*Business Standard*)



Banking and Monetary Policy

RBI proposes separate categories of BCs, uniformity in wages

The Reserve Bank of India (RBI) on Monday proposed that banking correspondents should be classified into two categories based on their assignments and suggested uniformity in fixing their wages. In the draft norms on branch authorisation released on Monday, the Central bank proposed defining three types of delivery points — bank branches, Business Correspondent-Banking Outlet (BC-BO), and Business Correspondent-Banking Touchpoint (BC-BT). (*BusinessLine*)

RBI opens term money market to NBFCs, corporates to boost liquidity

The Reserve Bank of India will allow participation of non-bank entities, including all-India financial institutions (AIFIs), non-banking financial companies (NBFCs), housing finance companies, and corporates, in the term money market, the central bank said in the Statement on Developmental and Regulatory Policies on Wednesday. The term money market is a segment where funds are borrowed and lent for a period of at least 14 days up to one year. These transactions are typically uncollateralised and non-transferable, unlike instruments such as commercial paper (CP) and certificates of deposit (CD). (*BusinessLine*)

Steady Q4 expected for banks on strong metrics

Loan growth has been sound as hardening yields in the bond market led India Inc to turn to banks for funds, going by provisional numbers shared by the banks. Similarly, deposit growth is up, with investors preferring safety at a time when equities are taking a beating, feeling the ripple effect of the West Asia war. For instance, HDFC Bank, India's largest private lender, reported a 14.4 per cent year-on-year rise in deposits and 12 per cent growth in gross advances. In the public sector space, Bank of Baroda posted 12 per cent growth in global deposits and a 16.23 per cent jump in global advances in Q4. *(BusinessLine)*

Banking system liquidity improves to 4-yr high on back of Gsec maturities

The liquidity in the banking system—as indicated by banks parking their excess funds in the Reserve Bank of India's (RBI's) liquidity adjustment facility (LAF) window—hit around a four-year high on the back of maturity of government securities (G-Secs), said market participants. *(Business Standard)*

Banks exit bulk of India rupee arbitrage positions ahead of RBI deadline

Banks have exited the bulk of their Indian rupee arbitrage trades to comply with central bank-imposed limits on onshore positions aimed at reining in volatility and downward pressure on the currency, three people familiar with the matter said. The Reserve Bank of India imposed limits on banks on March 27, directing them to cap their net open positions in the rupee in the onshore market at \$100 million, requiring that they comply by April 10. *(Business Standard)*

RBI forex curbs on positions of banks, NDFs will not be permanent: Guv

The central bank's recent curbs on position limits of lenders and barring them from offering non-deliverable forwards, aimed at reining in rupee volatility, will not remain in place indefinitely, Governor Sanjay Malhotra said on Wednesday. In a post-monetary policy briefing, Malhotra said the central bank had observed heightened volatility in the foreign exchange market in recent weeks, with banks building positions, including arbitrage trades between the onshore deliverable and offshore NDF markets. *(Business Standard)*



External Sector

Freight surge, logjam hurts egg exports despite strong demand

Egg exporters are battling shipping disruptions and a near five-fold surge in freight costs due to the West Asia war, even as export demand stays strong and domestic demand weakens. The fallout has stranded shipments, flooded the local market and pushed prices below cost. Of 125 delayed containers, 90-95 have now reached destinations, offering partial relief. But 5-10 remain stuck at JNPT and about 30 are still on a vessel near Dammam, likely to clear in a few days, said Valsan Parameswaran, Secretary, All India Poultry Exporters Association. *(BusinessLine)*

Indo-Bangla ties: Bangladesh Minister set to discuss trade, energy, transit issues with top leadership in India

Bangladesh's Foreign Minister Khalilur Rahman is in India for a key round of meetings with the country's top leadership on issues such as trade, energy and transit, marking the first high-level engagement since the new government took office in Dhaka. Discussions are expected to focus on securing energy supplies, resolving transshipment rights, navigating Bangladesh's 2026 LDC graduation, and a possible renegotiation of the power purchase agreement with Adani Power, sources said. *(BusinessLine)*

As U.S. sanctions deadlines expire this month, exporters urge government to revive oil-rice barter trade mechanism with Iran

The government's acknowledgement on Saturday that it is procuring oil and LNG from Iran after a gap of seven years has sparked hope for Indian traders that it may consider restoring trade with Iran and its interest in the Chabahar port, even as U.S. sanction deadlines loom again in April. The U.S.'s temporary sanctions waiver for Russian oil specifically for India expires on Sunday, while another general waiver for all countries will expire on April 11. In addition, the U.S. waiver for Iranian oil will expire on April 19, and its six-month waiver for India's stake in Chabahar port ends on April 26. *(The Hindu)*

War impact unlikely to wane FY26 pharma exports: Officials

Striking a cautiously optimistic note, a senior Commerce Ministry official and representatives of the Pharmaceuticals Export Promotion Council of India said FY26 pharma exports were likely to stay in the positive zone notwithstanding war's impact on the March performance. For the 11 months up to February, exports were almost \$28.29 billion against \$26.79 billion a year ago. We have already achieved 5.6% growth up to February. March is crucial," Pharmexcil director Raja Bhanu said, hoping for positive growth when numbers for the fiscal come out later this month. *(The Hindu)*

India caps refinery margins after windfall export tax to curb losses

After imposing a windfall tax on fuel exports, India has moved to cap refinery margins in a bid to offset losses on domestic fuel sales, sources said. The war in West Asia has had two prolonged impacts - spike in international oil prices that has led to record losses on petrol and diesel sales as retail rates have not changed in tandem. Secondly, it has given bumper margins to refineries, who irrespective of retail price freeze, price their products at imported cost. The government last month imposed a Special Additional Excise Duty (SAED) on exports of diesel and aviation turbine fuel (ATF), as part of efforts to curb windfall gains by refiners and boost domestic fuel availability amid tight global markets. *(Business Standard)*

Sugar industry seeks cap on exports to divert supply for ethanol

With sugar exports from India finding it difficult to get buyers due to low parity in international markets, a section of the industry has started lobbying with the government to cap exports at around a million tonnes to divert the balance for producing ethanol needed for blending beyond the existing 20 percent. As producing more ethanol has become a national priority given the impact of the West Asia war on petroleum prices. The move is also finding favour because the ethanol industry has created a production capacity of around 20 billion litres, while tenders have been floated for just around 10-11 billion litres for 20 percent blending. *(Business Standard)*

India finalising agreement to supply oil, gas to Mauritius amid West Asia crisis, says EAM Jaishankar

India is set to finalize a government-to-government agreement to supply oil and gas to Mauritius. This move aims to strengthen Mauritius' energy security, especially given the ongoing West Asia conflict. India is also supporting Mauritius with clean energy projects, including a floating solar power plant. The two nations are deepening their strategic partnership across various sectors. *(The Economic Times)*

Amid West Asia war, FY26 goods exports may fall 2-3%: FIEO

India's goods exports may see a 7-8% drop in March due to the West Asia conflict. Full fiscal year 2026 exports could be 2-3% lower. However, overall goods and services exports are projected to rise 5-6% for FY26. Rising raw material prices and shipping costs are impacting shipments. Exporters seek government intervention on interest rates and policy simplification. *(The Economic Times)*



Agriculture and Rural Economy

Top 10 per cent rural households control 44 per cent of land in India: Report

The top 10 per cent rural households of India own 44 per cent of land, while 46 per cent of rural households are landless, according to a working paper released by World Inequality Lab. The paper, titled 'Land Inequality in India: Nature, History, and Markets', further said that the top 5 percent of households own 32 percent of land, while 18 percent of rural land ownership is held by the top 1 percent. *(The Economic Times)*

India likely to see weaker monsoon in 2026, forecasts Skymet

India is expected to receive below-normal monsoon rainfall in 2026, private weather forecaster Skymet said on Tuesday, as the El Nino weather pattern is set to reduce precipitation in the second half of the June-September rainy season. Monsoon rainfall is expected to be 94% of the long-period average of 868.6 mm for the four-month period, Skymet said. India Meteorological Department (IMD) is likely to issue its first forecast for the monsoon season next week. *(The Economic Times)*

Centre pushes states on fertiliser black-marketing, MSP procurement; 9.25 crore farmer IDs created

Union Agriculture Minister Shivraj Singh Chouhan on Wednesday chaired a virtual meeting with state agriculture ministers, flagging gaps in farmer registration, fertiliser distribution, and pulse procurement under PM-AASHA. With 9.25 crore farmer IDs created across 19 states so far, Chouhan directed state governments to mount a joint campaign between agriculture and revenue departments to hit 100 per cent coverage of the scheme within six months. He stressed that registration must go beyond PM-Kisan beneficiaries to include all eligible farmers, an official statement said. *(The Economic Times)*

Robust output, exports hit by West Asia war brings down onion prices sharply

Robust crop prospects and exports to Gulf countries hit due to the West Asia war, onion prices have in Lasalgaon, Nashik, Maharashtra, the hub of the country's wholesale trade has declined to around Rs 1100 a quintal on Thursday from Rs 2000/quintal prevailed a year ago. Traders say that with the arrival of rabi crops for the new season (2025-26) in the market, the prices of onion are likely to remain subdued in coming months. *(Financial Express)*

West Asia crisis: Export uncertainty hits mango trade, Karnataka farmers explore alternative and local markets

Farmers in Kolar, Ramanagara and Chikkaballapur districts in Karnataka, who used to get advance orders for export of mangoes to countries like the UAE, have been hit this year due to continuing tensions in West Asia. Growers say this has disrupted their usual export flow, forcing them to look at other markets, like the UK and Canada. This season, production is better compared to the last two years. As a result, traders and growers say, prices are unlikely to rise sharply. *(The Hindu)*



Industry, Manufacturing, Services and Technology

Indian fertiliser sector hopes supplies will be normal soon, easing global prices

The fertilizer industry has expressed the hope that the ceasefire and the dialogue agreed to by the US and Iran will slowly improve the supply of raw materials, gas and finished products once the Strait of Hormuz gets opened, though the impact on price reduction may be gradual. The timing of the ceasefire is very crucial as April and May are important months to produce and stock urea as much as possible as the kharif sowing season will start from June, with the arrival of the monsoon. *(BusinessLine)*

Government considers steps to scale up production of induction heaters, cooktops

The government is learnt to be looking at measures to encourage companies to ramp up production of induction heaters, induction cooktops and compatible utensils. This comes at a time when these categories are witnessing high demand due to concerns over LPG availability amidst the West Asia conflict. In this regard, a meeting was reportedly held on Friday by the Commerce Ministry with the participation of senior officials from various key Ministries. *(BusinessLine)*

Surging raw material costs hit PVC, packaging industries hard

A sharp surge in crude oil prices triggered by the West Asia conflict has sent shockwaves through the PVC industry, driving raw material costs up by 60 per cent and causing acute shortages. This is forcing manufacturers to curb production and pass on price increases to consumers. Prices of polymers, a key raw material derived from crude oil refining, have jumped substantially. PVC market is currently estimated at about 4.3 million tonnes per annum and has been growing at 6–8 per cent annually. It is estimated to hit ₹50,000 crore by 2030 from the current level of ₹35,000 crore. *(BusinessLine)*

Asia textile ecosystem faces major headwinds; industry leaders urged to 'rethink' playbook

The Asian textile ecosystem, which accounts for about 63 percent of global textile and apparel exports, 89 percent of the total spindles in the world, 92 percent of texturising capacity and 82 percent of weaving capacity, is facing several challenges. This includes an unpredictable trade environment, sluggish economic growth, cost inflation and poor margins, changing buyer behaviour and consumption trends and significant labour attrition, according to Ashwin Chandran, Chairman of the Confederation of Indian Textile Industry (CITI). *(BusinessLine)*

West Asia crisis disrupts exports, raises costs for leather industry

The leather industry, a key foreign exchange earner raking in over \$4.5 billion annually, is facing a double blow from the escalating West Asia conflict. Exports worth nearly \$200 million to Gulf markets are at risk due to the suspension of shipping and air services, and rising crude oil prices have sharply increased the cost of petroleum-based raw materials such as polyurethane (PU), ethylene vinyl acetate (EVA) and rubber. The Centre has already granted import duty exemptions on select petroleum-based inputs and chemicals until June 30. Industry players are now seeking freight subsidies and broader duty waivers on crust and finished leather, and critical inputs like PU-coated fabrics. *(BusinessLine)*

PMI Services slips to 14-month low of 57.5 in March

The services sector in India faced the impact of the first full month of war in March, as the Purchasing Managers' Index (PMI) slipped to a 14-month low of 57.5. The worst aspect was input price inflation, which climbed to a 45-month high, S&P Global reported on Monday. However, the good news is that job creation increased. The fall in the services PMI is in line with manufacturing. On April 2, S&P Global published a report saying manufacturing PMI dropped to 53.9 in March, which is the lowest since June 2022. *(BusinessLine)*



News on Kerala

Kerala Assembly Elections 2026: 2.71 crore voters to decide fate of 883 candidates in 140 constituencies

All arrangements are in place for the April 9 Kerala Assembly elections, Chief Electoral Officer Rathan U Kelkar said on Tuesday, with 883 candidates contesting for the mandate of 2.71 crore voters. Progress on advance voting remains high, with 98 per cent of home voting completed, along with 95 per cent participation from emergency service personnel and 50 per cent from polling staff. For poll management, 1.46 lakh trained officials have been deployed, along with 76,000 police and central forces personnel to ensure security. As part of preventive measures, around 2,000 individuals have been detained, 11,000 non-bailable warrants executed, and 3,400 social media posts flagged for poll violations have been removed. *(Onmanorama)*

Surge in demand for biogas units amid LPG crisis

The demand for biogas units has surged amid the LPG crisis, with households and hotels increasingly turning to the fuel as an eco-friendly alternative. This shift has led to a rise in bookings, helping reduce reliance on conventional fuels and promote sustainability, experts said. Divya Johnson, a college lecturer, installed a biogas plant at her residence a few months ago. When the crisis hit, her family was largely unaffected. "We now depend far less on LPG, and a cylinder lasts nearly three months. The biogas plant provides a steady daily supply of gas, which has been a big help," Ms. Johnson said. (*The Hindu*)

Govt warns gas agencies of strict action over LPG distribution violations

A striking feature of the day was the robust participation of urban voters. Cities such as Thiruvananthapuram, Ernakulam and Kozhikode witnessed a surge, with even satellite towns reflecting similar enthusiasm. Rural areas largely mirrored this trend, with long queues forming early and persisting through much of the day. In Thiruvananthapuram, key constituencies of Nemom, Kazhakkootam and Vattiyoorkavu had, by noon, recorded nearly half the total turnout seen in 2021, a telling indication of a marked shift in urban voting patterns, though its electoral implications remain uncertain. (*Onmanorama*)

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