



Public Finance

Kerala's fiscal worries

At his first press conference after the Congress-led United Democratic Front's (UDF) landslide victory in the 2026 Assembly elections, V.D. Satheesan, Kerala's Opposition Leader for the past five years, claimed that the UDF had "inherited" a virtually empty State treasury. A treasury so bare that, Mr. Satheesan quipped, a cat and her litter had made it their home. Humour aside, the state of Kerala's finances will be in sharp focus as the new UDF government takes office. The State's fiscal health and the Union's fiscal policies vis-a-vis Kerala have been a dominant theme that coursed through the 10-year-rule of the Left Democratic Front (LDF) in Kerala. (*The Hindu*)

Three new state governments, three old debts—what are TVK, BJP and UDF dealing with?

In West Bengal, the electorate concluded Mamata Banerjee's fifteen-year tenure, delivering a decisive victory to the Bharatiya Janata Party, a result that political analysts had largely deemed unlikely until the final stages of the election. In Tamil Nadu, Vijay, a film star with no prior political experience, led the Tamilaga Vettri Kazhagam, a party established less than five years ago, to a sweeping victory, thereby displacing the Dravida Munnetra Kazhagam and disrupting the Dravidian political dominance that has persisted for six decades. (*ThePrint*)

No cat in treasury, Kerala in good position financially: K.N. Balagopal

K.N. Balagopal, Kerala's outgoing Finance Minister, has refuted senior Congress leader V.D. Satheesan's stand that the UDF is inheriting an empty treasury from the CPI(M)-led LDF. State's outgoing Finance Minister rebuts V.D. Satheesan's allegation that UDF is inheriting an empty treasury; cites a cash balance of approximately ₹6,000 crore. (*The Hindu*)

Austerity Call: Govt to show the way; Ministries told to cut fuel, forex spending

Close on the heels of Prime Minister Narendra Modi's appeal to citizens to adopt practices that would curb the country's foreign exchange outflow and energy use, the government is preparing a broad set of austerity measures for itself. According to official sources, given the deepening economic fallout of the ongoing West Asia conflict, ministries and departments have been instructed to significantly cut administrative expenditure by rationalising fuel consumption, restricting official travel, reducing ceremonial spending, and shifting meetings and government functions to digital platforms wherever possible. (*Financial Express*)



CBDT mulls inclusion of lower value account, pre-filing alerts on e-portal for foreign assets and income discloser

Taking positives out of the Nudge 2.0 campaign, the CBDT intends to expand the target base to include lower value account besides pre-filing alerts on e-portal among other measures. Meanwhile, Bengaluru tops the chart of overall taxpayers from 18 big cities that revised or filed belated ITRs declaring FAs and FSIs for FY 2025-26. *(BusinessLine)*

India considers reducing taxes on bond investments by foreigners

India is considering a significant reduction in the taxes paid by foreign investors on the nation's bonds as authorities seek to align policies with global norms and attract inflows, according to people with knowledge of the matter. The Reserve Bank of India recommended the move, which is being seriously considered by the Finance Ministry, the people said, asking not to be identified as the details are private. Deliberations to ease the tax burden have gathered pace as authorities try to curb the rupee's depreciation, they added. The Finance Ministry and the Reserve Bank of India didn't respond to emails seeking comment. *(BusinessLine)*

Govt likely to restrict manual edits in GSTR-3B returns under GST push

The government is likely to disable the editing option in the monthly summary return form GSTR-3B once the return is auto-populated from GSTR-1 and GSTR-2B. It aims to improve the monitoring of defaulting suppliers and reduce mismatches in the GST system, a top Finance Ministry official told Business Standard. GSTR-3B is a monthly summary tax return businesses use to declare tax liability and pay GST. GSTR-1 is filed to report outward supplies or sales, while GSTR-2B is an auto-generated statement reflecting eligible ITC available to buyers based on suppliers' filing. GSTR-3B is currently auto-populated based on details furnished in GSTR-1 and GSTR-2B. As the IMS is not mandatory, taxpayers have the option to edit auto-populated values in GSTR-3B before filing returns. *(Business Standard)*



Government doubles import duty on gold & silver, effective rate now at 18.4%

The Indian government has doubled the effective tax paid on the import of gold and silver to a total of 18.4% from the previous 9.2%, effective from May 13, 2026. It made the changes through two separate notifications issued late night on May 12. Previously, the basic customs duty on gold and silver stood at 5%, with a 1% AIDC, and a 3% IGST rate on the total assessable value of the imports, which includes the cost, insurance, and freight price, and the applicable basic customs duties, taking the effective import tax to about 9.2%. *(The Hindu)*

India to invest over \$20 bn in offshore energy mapping: Hardeep Singh Puri

Run upstream companies have invested over \$500 million in seismic data acquisition over the past eight years despite financial challenges, while drilling 6,500 wells. He added that production from India's existing natural reservoirs is depleting, making fresh discoveries essential to boost the country's energy quest and achieve energy self-sufficiency. India's crude oil production fell for the eleventh consecutive year in FY26, while natural gas output declined for the second straight year, mainly due to the natural decline of ageing oil fields and the absence of major new discoveries. In FY26, India's import dependence stood at 89% for crude oil and 51% for natural gas, according to official data. *(Business Standard)*

DLF to invest ₹21,300 crore to complete housing projects across cities

The company also disclosed that receivables from customers against the sale of properties stand at ₹33,840 crore. The net receivables after meeting the pending cost to complete the launched project are ₹12,540 crore. Post-COVID pandemic, DLF has launched many residential projects in Delhi-NCR, Mumbai and the tri-city of Chandigarh, including an ultra-luxury project 'The Dahlias' at Gurugram, which has a revenue potential of around ₹35,000 crore. *(Business Standard)*

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HSBC slashes FY27 GDP estimate sharply to 6%, expects two RBI rate hikes

Twin shocks of energy crisis and deficient rainfall will lead to the real GDP growth falling to 6% in FY27 from 7.4% in FY26, a foreign brokerage said. The shocks will also stoke inflation, and may prod the Reserve Bank to hike key lending rates twice in FY27, HSBC said in a report. "Bringing together both the shocks and factoring in some fiscal slippage, we forecast GDP to grow 6% in FY27, lower than our previous year's forecast of 7.4%," the report said. *(The Hindu)*

India's gold policy trap: Cut duty to curb smuggling, raise to save rupee

The Centre on Wednesday increased import duty on gold and silver to 15% from the previous 6%. The import duty on platinum was also raised to 15.4% from 6.4%. The move comes at the height of the West Asia war, which has sent global oil prices over \$100 per barrel and the demand for safe-haven precious metals higher, intensifying pressure on India's trade deficit and the rupee. India is the world's second-largest gold consumer, and more than 90% of its demand is met through imports. Much of this demand comes from the jewellery industry. In FY26, India's gold imports hit a record high of \$71.98 billion. *(Business Standard)*



Prevalence of fake currency still a reality post-demonetisation

On November 8, 2016, Prime Minister Narendra Modi announced the demonetisation of ₹1,000 and ₹500 notes with immediate effect, stating that the move would serve as a major assault on black money, counterfeit currencies, and corruption. The days that followed the announcement saw public panic with long queues at ATMs and widespread economic disruption, particularly in the MSME. While the jury is still out on the exercise's impact on eradicating black money and corruption, the latest 'Crime in India' report of the National Crime Records Bureau for 2024 shows that almost a decade later, the problem of fake currency still persists. *(The Hindu)*

Pros and cons of bank deposits

Creating a goal-based portfolio by diversifying the sources of returns requires you to rely heavily on bank deposits for your bond allocation. In this article, we discuss the concerns that many individuals have relating to investing in bank deposits. Consider first the benefits of bank deposits. You know the maturity value of the deposit when you make the investment. This visibility of cashflows provides stability to your portfolio. *(The Hindu)*

'Banks should brace for risks emerging from Mythos AI'

Banks should make risk management a part of their core culture in order to face cybersecurity threats emerging from the newly introduced Mythos AI model, said Secretary in the Department of Financial Services M. Nagaraju. "Risk management should be embedded in the culture of every bank," Mr. Nagaraju said while speaking at an IBA event here on Thursday. The role of banks would become "more critical" as India continues to grow despite geopolitical challenges, he said. *(The Hindu)*

Banks must tighten cyber security and operational resilience to prepare for threats posed by AI models like Mythos: Nagaraju

DFS Secretary M Nagaraju on Thursday urged banks to strengthen their cyber security and operational resilience, cautioning that advanced artificial intelligence models, such as Anthropic Mythos, could pose significant risks to the banking system if released publicly. "I hope the banking community is prepared well to face in case Mythos is released publicly in the country," Nagaraju said, while addressing an IBA conference on Risk Management in Mumbai. *(BusinessLine)*

Decoding banks' return to health

The banking landscape in 2025 is significantly different from what it was a decade ago. It is marked by consolidation of public sector banks and regional rural banks. New category of banks like SFBs and PBs were licensed so as to deepen financial inclusion. DPI added a transformative layer for distribution of financial services. 12 operative SFBs account for only 1.4% of the commercial banks' business. *(BusinessLine)*

Many States will become or come close to becoming 'rich' by 2047: RBI Deputy Governor Gupta

India has attained a virtuous cycle of accelerated growth and macroeconomic stability and if the past rates of growth are maintained, many States will become or come close to becoming "rich" by 2047, according to RBI Deputy Governor Poonam Gupta. Gupta highlighted that India's economic growth has consistently accelerated since the early 1980s, with the average real GDP growth increasing from 5.7% in the 1980s to 5.8% in the 1990s, rising further to 6.3% in the 2000s, to 6.6% in the 2010s, and reaching 7.7% in the most recent four-year period. (*BusinessLine*)

India Inc raises 33% less via ECBs in FY26 as bank credit turns attractive

India Inc's funding via the ECB route at about \$41 billion in FY26 was 33% lower compared to \$61 billion in FY25 as companies stepped up borrowing from domestic banks amid softer interest rates and a depreciating currency. In fact, in FY26, March saw the highest borrowing of \$5.43 billion by Indian companies via ECB. However, this was much lower than the March 2025 ECB mop up of a whopping \$11.04 billion, per RBI data. The moderation in ECB reflects both favourable domestic interest rates following monetary policy easing and higher hedging costs making ECB loans costly, according to the central bank. (*BusinessLine*)

Reserve Bank of India cancels registration of 7 NBFCs, including 2 CICs

As many as seven NBFCs surrendered their CoR to the RBI, following which the central bank cancelled their registrations. Among the seven entities, the CoRs of Guru Kripa Finvest, Gajraj Securities & Services, Ashok Viniyoga, and Purvanchal Investment and Trading Company were cancelled due to their exit from the NBFI business. Additionally, the CoRs of RR Holdings and Anjali Capfin were cancelled after they met the criteria prescribed for unregistered CICs, which do not require registration. Further, the CoR of HDFC Holdings was cancelled after the NBFC ceased to be a legal entity due to amalgamation, merger, dissolution, voluntary strike-off, or related reasons. Separately, the RBI also cancelled the CoRs of 150 NBFCs on its own, while restoring the CoR of Krishna Capfin. (*Business Standard*)

Banks back RBI's proposed 1-hour lag for digital payments above ₹10K

The RBI's discussion paper proposing a one-hour lag on account-to-account transfers above ₹10,000 through digital payment modes to curb rising fraud has drawn criticism from several quarters. However, banks appear to have broadly supported the idea of some form of delay but have urged the central bank to raise the threshold to ₹25,000. The RBI had sought feedback from all stakeholders by May 8. Payments industry body Self-Regulated PSO Association (SRPSOA) has submitted its feedback to the regulator, sources added. The industry has also flagged operational issues that could arise from implementing some of the suggestions made in the discussion paper. (*Business Standard*)

Bank credit growth stays firm, expands around 16% on year

The bank credit growth in India continues to remain firm. As per the latest data released by the Reserve Bank of India, total bank credit from Scheduled Commercial Banks stood at Rs 217.24 lakh crore as of 30 April 2026, up 1.37% on fortnightly basis. It recorded a year-on-year surge of around 15.86%. (*Business Standard*)



Rupee falls to record low of 95.63 against U.S. dollar

The rupee depreciated 35 paise to close at an all-time low of 95.63 (provisional) against the U.S. dollar on May 12, 2026, as renewed tension between the U.S. and Iran has led to risk aversion in global markets. Forex traders said market sentiment remained dominated by fears that the 10-week-old conflict could further tighten global supply, particularly after President Donald Trump rejected Tehran's latest response to a U.S.-backed peace proposal, calling it totally unacceptable. *(The Hindu)*

India doubles platinum import duty, raises costs for diesel SUVs and hybrids

India's decision to more than double the import duty on platinum is expected to raise the cost of emission-control systems used in cleaner internal combustion vehicles, with the biggest impact likely on diesel SUVs and strong hybrid cars that use higher quantities of the metal in their catalytic converters. Industry observers estimate that if automakers pass on the higher costs, mid-size diesel SUVs could see price increases of ₹8,000–12,000, while strong hybrid models may cost ₹12,000–18,000 more. *(BusinessLine)*

Gold duty under India-UAE pact raised in line with standard rate hike

The Finance Ministry has increased the import duty on gold sourced from the UAE under the CEPA, raising the rate for the specified quota to 14% from 5%. The move is in sync with the government's decision on Wednesday to increase the standard import duty on the yellow metal to 15% from 6% in a bid to bring down demand and check forex outflow amid the West Asia crisis. *(BusinessLine)*

China moves WTO against India over solar cells, modules and tech incentives

China has requested the WTO's dispute settlement body to set up a panel in a case it has filed against India over New Delhi's support measures for the solar cells, modules and information technology sectors. The request follows the failure of bilateral consultations on reaching a mutually agreed solution on the dispute filed by China in December last year. The consultations were held on February 10, 2026 with a view to reaching a mutually agreed solution. "Unfortunately, those consultations failed to resolve the dispute. Accordingly, China submits the request for the establishment of a panel," a communication of the WTO said. *(BusinessLine)*

India's vegetable oil imports jump 13% in H1 2025-26 on palm oil surge

India's vegetable oil imports rose 13% to 7.94 million tonnes in the first six months of the 2025-26 oil year, driven by a sharp surge in palm oil shipments, industry body the SEA said on Wednesday. The world's largest cooking oil consumer imported 7.04 million tonnes in the same period a year earlier. India's oil year runs from November to October. In value terms, imports for the November-April period climbed 19% to ₹ 87,000 crore up from ₹73,000 crore a year-ago. Of the total imports, edible oils accounted for 7.82 million tonnes and non-edible oils for 121,000 tonnes, SEA said in a statement. *(Business Standard)*

India set for record DAP import in single tender amid supply fears

India is set to import a record 1.35 million metric tons of DAP in a single tender, government sources said, as the disruption in fertiliser supplies due to the Iran conflict prompts New Delhi to secure larger supplies. The purchases, equivalent to about a quarter of India's annual DAP imports, are likely to tighten global supplies and support prices, which have already risen on higher energy and freight costs. IPL agreed to buy 765,000 tons of DAP at \$930/ton on a CFR basis for delivery to the west coast, and another 581,500 tons at \$935/ ton CFR for delivery to the east coast, the sources said, declining to be named as they were not authorised to speak to the media. *(Business Standard)*

India declines Russian LNG under US sanctions despite energy supply crunch

India has declined Russia's offer to sell it liquefied natural gas subject to US sanctions despite a shortfall driven by Middle East tensions, said two sources with direct knowledge of the matter, leaving a tanker bound for India in limbo as talks continue on permitted cargoes. The stance highlights the fine balance the world's third-biggest oil importer and consumer is seeking to strike between securing energy supplies and avoiding LNG cargoes on which the US has placed sanctions, which are harder to disguise and carry greater compliance risk. It also underscores the limits of Moscow's ability to pivot its LNG exports to new markets. *(Business Standard)*



Agriculture and Rural Economy

Achieving agri-energy security through PM-Kusum

Recently, the Ministry of New and Renewable Energy notified that timeline of the PM KUSUM scheme has been extended till March 31, 2027, as the set targets have not been achieved. PM KUSUM, a flagship scheme of the government, is intended to de-dieselise agriculture through micro-irrigation and transform the farmer into a prosumer through generation of decentralised solar power. As India receives sunlight 250-300 days in a year, the agriculture sector is in a sweet spot to generate power for (micro) irrigation and agrivoltaic farming growing crops between or underneath solar panels to improve the efficiency of the land apart from reducing the dependence on water. *(BusinessLine)*

After PM's appeal to cut fertilizer use, Government says it has ample stocks

Amid rising demand and Prime Minister Narendra Modi's appeal to farmers to reduce the use of chemical fertilizers by 25-50%, the government on Monday said that India has ample stocks of fertilizers for the upcoming kharif sowing season. Agriculture minister Shivraj Singh Chouhan expressed confidence that it is possible to reduce 50% of chemical fertilizers and still maintain productivity. The combined sales of all four key fertilizers urea, DAP, MOP and complex rose 25% to 23.59 lt in April 2026, compared with 18.9 lt in the corresponding period a year ago. While DAP sales rose by a maximum of 57% to 3.45 lt, complex surged by 44% to 5.15 lt. Urea sales, too, were up 14% to 13.93 lt, and those of MOP by 12% to 1.06 lt. *(BusinessLine)*

Centre to form panel on Punjab's demand for denotification of hybrid paddy seeds

Union Agriculture Minister Shivraj Singh Chouhan has assured Punjab Chief Minister Bhagwant Mann that a special committee will be constituted to examine the State government's demand to denotify hybrid paddy seeds in the State. However, no timeline was given for a decision, even as Punjab is seeking immediate denotification to prevent farmers from planting such varieties in the coming kharif season, sources said. Punjab recently wrote to the Centre seeking denotification of all non-basmati hybrid paddy varieties to curb their sale under an existing State law. The State's key concern is that some hybrid rice varieties allegedly result in lower recovery than the mandated 67% rice out-turn that millers must supply to the Food Corporation of India after processing procured paddy. *(BusinessLine)*

Cabinet clears Kharif MSP hikes, ₹37,500-crore coal gasification push to shore up economy

As India grapples with heightened global uncertainties and external sector pressures, the Union Cabinet on Wednesday cleared a series of measures spanning agriculture, energy and infrastructure, signalling a push to strengthen rural incomes, improve energy security and accelerate logistics modernisation. In an apparent move to correct price distortions in certain crops, as flagged by the Economic Survey, the government announced a ₹10/quintal hike in the MSP of maize and a modest 3% rise in paddy MSP for kharif 2026, while pulses (except moong), oilseeds and nutri-cereal crops have been given a 4-9% increase over the previous year. *(BusinessLine)*

Is India's agriculture resilient enough?

For most Indians, the daily plate is reassuringly familiar: rice or wheat at the centre, a dal beside it, and a narrow band of vegetables—potato, onion, tomato, brinjal, okra and leafy greens like palak. That pattern, shaped in the decades after the Green Revolution, has done more than define consumption; it has also shaped what India grows. It helped push the country from a largely rain-fed farming system towards irrigated rice and wheat, steadily converting large tracts once sown to millets and other hardy crops. *(BusinessLine)*

ITCMAARS 'Crop Doctor' enables farmers to improve plant health across 70 crops

ITC Ltd's crop-agnostic full stack agritech platform ITCMAARS' hyperlocal and customised solutions "Crop Doctor" has enabled farmers to improve plant health for up to 70 crops. The "Crop Doctor", powered by AI and ML-based capabilities, is enabling real-time detection of plant diseases, delivering tailored remedial guidance to Indian farmers. Championed by the Food and Agriculture Organization (FAO) of the United Nations and the International Plant Protection Convention (IPPC), this year's International Day of Plant Health Day theme, "Plant Biosecurity for Food Security," underscores the need to strengthen protection against pests and diseases to ensure global food supplies, protect livelihoods, and maintain environmental health. *(BusinessLine)*



Domestic industry ramping up drone production amid evolving threats

With global militaries adopting unmanned systems for layered combat operations, India is trying to catch up with other countries to scale up drone production to become future ready as threat persists on multiple fronts. Ukraine, which has mastered the art of exploiting different formats of unmanned systems technology to sustain a war for years against Russia, reportedly produces over 20,000 drones per day to produce seven million this year. Similarly, Russia reportedly produces somewhere between 1,500 and 2,500 drones per day while the number is believed to be much more in the case of China. *(BusinessLine)*

GJEPC says higher gold import duty may raise prices, fuel smuggling and hurt MSME exporters

Pointing out that hiking import duties has historically failed to meaningfully curb gold imports, GJEPC on Wednesday said the government's latest move may only push up domestic gold prices, fuel smuggling and worsen liquidity pressures for exporters and MSME manufacturers. The government recently increased gold import duty to 10% from 5% and agriculture cess to 5% from 1%. While backing Narendra Modi's broader call for reducing non-essential imports and supporting the economy, the industry body said higher duties have rarely reduced gold imports in proportion to rising prices. "Despite gold prices doubling recently, imports have not declined proportionally. Such measures often fuel smuggling and escalate export costs," GJEPC said in a statement. *(BusinessLine)*

Tractor sales begin FY27 with 27% jump in April on strong rural sentiment

Domestic tractor industry opened FY27 on a strong note, with wholesale rising 27% year-on-year to 1,05,021 units in April, against 82,839 units in the same month last year, aided by favourable farm sentiment, improved rural liquidity and lower GST rates. According to data from the TMA, this is the second consecutive month that domestic tractor sales have crossed the one lakh mark. Domestic sales stood at 1,03,193 units in March 2026 before increasing further in April. According to Crisil Ratings, GST reduction continues to support affordability and sustain near-term demand momentum. *(BusinessLine)*

How Indian IT majors are decoding AI

Outside the rarefied world of agri-business, not many may have heard of Olam Group. Nevertheless, headquartered in Singapore and majority owned by Temasek, it is a global behemoth with revenues exceeding \$50 billion. It is one of the world's major suppliers of food and industrial raw material, with operations in more than 60 countries. In April, Wipro, India's fourth-largest IT services company by revenue, secured a massive eight-year, \$1 billion-plus strategic transformation deal from Olam. Wipro will deliver end-to-end transformation services using its AI-powered suite, Wipro Intelligence, across Olam's 'farm-to-fork' value chain—farming, forecasting, trading, supply chain operations, and customer engagement. *(BusinessLine)*

Centre notifies 1% construction welfare cess, but old BOCW challenges persist

The Central government has notified that a 1% construction worker welfare cess will be levied from May 1 on total construction costs, excluding land and compensation costs, to support welfare schemes such as health, education and insurance for workers under the States' welfare boards. It came into effect along with other notifications related to the four labour codes in the Official Gazette. The welfare boards find a place in new labour codes which have replaced the erstwhile Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. (*BusinessLine*)



News on Kerala

Game-changer for Kerala: New railway line between Balaramapuram and Vizhinjam Port set to ease traffic, boost trade

The proposed Balaramapuram–Vizhinjam railway line is expected to significantly improve cargo movement to and from the Vizhinjam International Seaport in Kerala. The rail corridor, which includes a long underground tunnel section, will connect the port directly to the national railway network, reducing dependence on road transport and easing traffic congestion in and around Thiruvananthapuram. The project is aimed primarily at freight transportation and is expected to lower logistics costs, improve trade efficiency, and strengthen Kerala's position in maritime commerce. Konkan Railway has initiated tender processes for the construction works, indicating progress toward implementation. (*Financial Express*)

Chamber of commerce condemns attack on Uber driver in Kerala's Kovalam

The Trivandrum Chamber of Commerce and Industry has condemned the alleged attack on an Uber driver by local taxi operators in Kovalam, calling it harmful to Kerala's tourism image and business environment. The incident reportedly occurred after the driver dropped tourists at Kovalam beach. The chamber urged authorities to take strict action against those involved and ensure protection for app-based taxi services operating legally in the State. The episode has renewed concerns over recurring conflicts between traditional taxi unions and online cab operators in major tourist destinations. (*The Hindu*)

Pvt bus operators urge Kerala govt to review free travel for women in KSRTC

A prominent transport industry body on Monday urged the newly elected UDF government in Kerala to reconsider its decision to offer free travel for women in state-run KSRTC buses, alleging that the move would severely affect the private sector. The All Kerala Bus Operators Organisation said the decision, announced without consulting private bus operators, could destabilise the public transport network in the state and threaten the livelihood of lakhs of private bus employees. State General Secretary of the organisation T Gopinathan termed the decision as "unilateral" and warned that the private bus industry could collapse if women commuters shifted entirely to KSRTC services. (*BusinessLine*)

Kerala's fiscal worries

The article on Kerala's fiscal situation highlights growing concerns over the State's rising debt burden, increasing interest payments, and dependence on borrowings to finance welfare expenditure and development activities. It notes that a large share of Kerala's revenue is spent on committed expenditures such as salaries, pensions, and interest payments, leaving limited fiscal space for capital investment and infrastructure expansion. The article also points to tensions between Kerala and the Union government over borrowing limits and fund allocations. Despite fiscal stress, Kerala continues to maintain relatively strong social development indicators through sustained spending on health, education, and welfare. (*The Hindu*)

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