
E-NEWSLETTER FOR
JUNE 2026
OF
BRAHMAPUR BRANCH OF
EIRC(ICAI)
JUNE 2026

CHAIRPERSON'S MESSAGE

Dear Esteemed Members,

Warm greetings!

As we bid farewell to another eventful month, I am delighted to reflect on the meaningful initiatives undertaken by our Branch during June.

This month was marked by our commitment to professional excellence, environmental responsibility, and nation-building.

We celebrated *MSME Day*, where we organized a highly enriching seminar focusing on the immense opportunities available to Chartered Accountants in the MSME ecosystem. The enthusiastic participation of members, industry leaders, entrepreneurs, and government representatives reaffirmed the vital role that our profession plays in strengthening India's MSME sector—the backbone of our economy.

June was also observed as Sustainability Month, reinforcing our collective responsibility towards creating a greener and more sustainable future.

Through awareness initiatives and discussions, we emphasized that sustainability is no longer merely a global aspiration but an essential business imperative.

As we move into the coming months, let us continue to embrace learning, uphold the highest ethical standards, and contribute meaningfully to society through our profession. Together, we can build a stronger profession, a stronger economy, and a more sustainable future.

Wishing you and your family good health, happiness, and continued professional success.

With warm regards,
CA K. Seeta Rajani
Chairperson
Brahmapur Branch of EIRC of ICAI

The Word That Changed

"Cumulatively" in § 6(2)(b) of the Income-tax Act, 2025 - and why it may mean more than the drafter intended

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Section 6(2)(b) of the Income-tax Act, 2025 contains a single word the 1961 statute did not - "cumulatively." Asked about it by the Standing Committee, the Ministry said the new word means the same as the phrase it replaced. In our view, it may not. This is a note on what we read as a potential gap - and a flag for the practitioner to record the concern before the first dispute arrives.

Consider an Indian citizen, Singapore-based, with Indian-source income above ₹15 lakh. She visits India twice in the previous year. Thirty-one days, then thirty-one more. Total: sixty-two days. Resident under § 6(2)(b) of the Income-tax Act, 2025?

Under § 6(1)(c) of the 1961 Act, the answer was settled in 1922 - aggregate the days, apply the test, file the return. Sixty-two is more than sixty; if the four-year leg is also met, she is Resident. The 2025 Act was meant to preserve this answer. The residence clauses of Section 6 were among the provisions most often advertised as "renumbered, not rewritten." The 182-day test of § 6(1)(a) survives as § 6(2)(a). The alternate sixty-plus-three-hundred-and-sixty-five-day test of § 6(1)(c) survives as § 6(2)(b). Numerical thresholds, carve-outs, the FA 2020 high-income amendment - all preserved.

One word, however, has changed. The drafter, in the course of the renumbering, retired the phrase that has carried this calculation since 1922 - "for a period or periods amounting in all to" - and replaced it with two different words, in two different places. On the most aggressive reading of the new word, the same client - same stay, same income - walks out of § 6(2)(b) a Non-Resident.

In § 6(2)(a), the replacement is "for a total period of." This is a defensible substitution. "Total period" and "period or periods amounting in all to" can reasonably be read as synonyms; the new phrase says, in plainer English, what the old phrase said in legalese. No injury done.

But in § 6(2)(b), the replacement is "cumulatively." And here, the reader must pause.

§ 6(1) (c) ITA 1961. Settled

"is in India for a period or periods amounting in all to sixty days or more in that year

§ 6(2)(b) ITA 2025. Changed

"is in India cumulatively for sixty days or more during that year ..."

The Standing Committee on Finance, hearing the Bill, was alerted to this substitution by stakeholders. The Ministry responded with

with a clarification: the phrase "for a total period" and the word "cumulatively," when used with specified durations such as "60 days" or "365 days," convey the same meaning. The Committee accepted the clarification and the Bill was enacted without further amendment on this point.

This article disagrees. The Ministry's clarification, however well intentioned, cannot foreclose the litigation that the drafting choice has invited. What follows is a forensic reading of the word that changed - and of why it may, in time, prove to have meant more than the drafter intended.

"Period or periods" gave way without injury in § 6(2)(a). In § 6(2)(b), it has been retired for a word the careful reader would not have chosen.

I. The settled phrase: "for a period or periods amounting in all to"

The phrase appears in § 4A of the Income-tax Act, 1922, and is carried, unchanged, into § 6(1)(a) and § 6(1)(c) of the 1961 Act. For nearly a century it has stood without amendment - and, more telling, without dispute.

The reading is textual. "Period or periods" is plural by design. "Amounting in all to" demands the sum. Together they say what nothing else in the section says: a stay can be broken, and what counts is the total.

The Revenue has never seriously contested it. The CBDT has never qualified it. What case law has touched § 6(1)(c) day-counting - Manoj Kumar Reddy v. ITO, [2009] 34 SOT 180 (Bangalore ITAT), affirmed in DIT (International Taxation) v. Manoj Kumar Reddy Nare (Karnataka HC, 20 June 2011), and the Tribunal decisions that follow it (Dr. R.K. Sharma, Jaipur; Fausta C. Cordeiro, Mumbai) - applies the aggregation reading without needing to decide it. The point is too plainly textual to have invited a fight.

What those decisions did resolve are the residual day-count ambiguities the statute left open - whether the day of arrival counts, whether the day of departure counts, whether part of a day is a day. Aggregation itself was never on the table.

This is settled language. Any practitioner advising on Section 6 has, for half a century, relied on the phrase to mean exactly this - no more, no less. To replace it is to undo, at the stroke of a draftsman's pen, work that the textual reading and the case law had already done together.

II. The word that replaced it: "cumulatively“

What does "cumulatively" mean in legal English?

The dictionary answer is straightforward. Black's Law Dictionary (11th ed., 2019) defines "cumulative" as: "Increasing by successive additions; aggregate."The Oxford English Dictionary gives, similarly: "Having the property of accumulating; gathering or growing by gradual increase. "Both definitions point to the same core meaning - an aggregate produced by successive additions.

The settled phrase "period or periods amounting in all to" points only to the aggregate. It does not require any particular process of accumulation; it does not require the periods to be in any particular order, or of any particular length, or related to each other in any particular way. The phrase looks only at the final tally.

"Cumulatively," by contrast, suggests a process. The word comes from the Latin cumulus - a heap, something built up by adding. It implies that the total is produced by successive additions - a sequence, an accumulation, a building-up over time. Indian law has preserved that connotation across several statutes:

Cumulative sentences (s. 31, CrPC; s. 427, CrPC): when a court orders two sentences to run cumulatively, the second sentence commences after the first is served. The word carries a sequential meaning: one sentence followed by another, added end-to-end. The Supreme Court has, in numerous cases, emphasised that "cumulative" in the sentencing context is contrasted with "concurrent" - the former implying succession, the latter simultaneity.

Cumulative preference shares (s. 43, Companies Act, 2013): a cumulative preference share is one whose unpaid dividend in a given year carries forward and accumulates against the company. The word implies a building-up over successive years; the contrast is "non-cumulative" where unpaid dividend is forfeited.

Cumulative voting (s. 109, Companies Act, 2013, as historically applicable): a voter casts a cumulative total of votes - the votes are pooled and applied in a single concentrated act. The word implies accumulation followed by deployment.

In each of these contexts, "cumulatively" does not merely mean "in aggregate." It means in aggregate, produced by additions that follow one another without break. Sentence B begins where Sentence A ends. Year 2's unpaid dividend rolls directly into Year 3's. The votes pool into a single concentrated act. The accumulation is continuous there is no gap between the things being added.

When the drafter of § 6(2)(b) imported "cumulatively" into the residence test, he imported, with it, the residue of these connotations. He may not have intended to. The Ministry's clarification is, in essence, that he did not intend to. But the word is now in the statute, and the assessee is entitled to read the statute as it stands.

III. The asymmetry within § 6(2) itself

The deeper concern is not the use of "cumulatively" in isolation. It is the inconsistency between § 6(2)(a) and § 6(2)(b) - drafted by the same hand, in the same section, and addressed to the same operative question of day-counting.

§ 6(2)(a) ITA 2025

"is in India for a total period of one hundred and eighty-two days or more in that tax year." § 6(2)(b) ITA 2025

"is in India cumulatively for sixty days or more during that year and has been in India cumulatively for three hundred and sixty-five days or more in the four years preceding such tax year."

Both subsections perform the same operative function: they ask whether the assessee has spent at least a specified number of days in India. Both replace, in their respective limbs, the same 1961-Act phrase. If "total period" and "cumulatively" mean the same -as the Ministry says they do then the drafter has used two different words to convey the same meaning, in the same section, in adjacent subsections.

The canons of statutory construction militate against this reading. The Supreme Court has held, in Member, Board of Revenue v. Arthur Paul Benthall, AIR 1956 SC 35, that the legislature is presumed not to use words without meaning, and that different words used in the same statute are ordinarily presumed to carry different meanings. The principle of expressio unius est exclusio alterius - the expression of one thing is the exclusion of another operates within a section as forcefully as across sections.

If the drafter had intended "total period" and "cumulatively" to be synonyms, he would have used the same word in both subsections. The fact that he did not is, on the canon, a signal that he intended a difference. A future tribunal, faced with a § 6(2)(b) interpretation question, may be required to give the difference effect.

What might that difference be? Four readings are textually available, in ascending order of distance from the Ministry's stated intent.

Possibility 1- Synonyms (Ministry's reading)

The tribunal reads "cumulatively" and "total period" as synonyms despite the canon, deferring to ministerial intent. Under this reading, the word change is stylistic and the calculation unchanged. This is the practitioner's most likely working assumption.

Possibility 2 - Requires more than one stay

The tribunal reads "cumulatively" to require some minimum number of stays - say, more than one on the theory that a single stay cannot "accumulate" in the lexical sense. An assessee who comes once for sixty days might escape § 6(2)(b) on this reading, while an assessee who comes twice for thirty days each would be caught. Counter-intuitive, but textually open.

Possibility 3-Successive stays, end-to-end (no gap between them)

The tribunal reads "cumulatively" as the §li analogues read it: the additions must follow one another without break. Multiple stays may cumulate, but only if they touch in time Sentence B begins where Sentence A ends. A thirty-one-day stay followed five months later by another thirty-one-day stay does not cumulate on this reading; the absence between them breaks the accumulation. The two stays are added together under § 6(1)(c) of the 1961 Act; under this reading of § 6(2)(b), they are not.

Possibility 4-Strict continuity (the assessee's gift)

The tribunal reads "cumulatively for sixty days" as requiring a continuous, unbroken stretch of sixty days a single "cumulus" or heap. Two thirty-one-day stays do not qualify; each is a discrete period that does not "cumulate" into the required stretch.

This is the most aggressive reading and the least likely to prevail. The natural meaning of "cumulatively for X days" in ordinary English is the aggregate count - "cumulative rainfall" does not require continuous rain. A tribunal would have to set aside that ordinary meaning to reach the strict-continuity result.

And yet note what this reading does. It narrows the residence test in the assessee's favour. The client in the opening of this article thirty-one plus thirty-one - is caught by 6(1)(c) of the 1961 Act and walks free of § 6(2)(b) of the 2025 Act. The drafter's slip, on this reading, is not the Revenue's friend.

The Ministry would resist all three readings beyond Possibility 1. But ministerial resistance is not statutory text. And the assessee, in a tax dispute, is entitled to the most favourable plausible reading of the statute on which her tax liability is hinged.

IV. The Ministry's clarification - and its limits

The Standing Committee on Finance, hearing the Bill, was alerted to the substitution by stakeholders. The Ministry responded that the phrase "for a total period" and the word "cumulatively," when used with specified durations such as "60 days" or "365 days." convey the same meaning. The Committee accepted this clarification and the Bill was enacted without further amendment on this point.

The clarification is not without value. It records, in proceedings of Parliament, the executive's understanding of its own drafting. But Indian courts have been cautious about reliance on legislative history. In K. P. Varghese v. Income Tax Officer, Ernakulam, (1981) 4 SCC 173, the Supreme Court held that speeches in Parliament are not admissible to override the plain language of the statute, but may be looked at as a guide to the legislature's intention where the language is ambiguous. The English principle in Pepper v. Hart, [1993] AC 593, permits a similarly limited recourse to Hansard where statutory language is obscure.

This is the precise dilemma § 6(2)(b) creates. If the statute is plain - if "cumulatively" means only "in aggregate" - then no recourse to ministerial clarification is necessary. If the statute is ambiguous - if "cumulatively" admits the connotations it carries from cumulative sentences and cumulative preference shares then the ministerial clarification is admissible, but only as one factor among others.

And the ministerial clarification is not the last word. A future Finance Act may amend the Act. A future Supreme Court bench may, in a residency dispute, read "cumulatively" against the Revenue. The CBDT may issue a circular giving operative effect to one reading or the other. None of these is foreclosed by the Ministry's statement to the Committee. The clarification is an executive aspiration; the statute is what binds the assessee, the Revenue and the courts.

The practitioner, accordingly, must operate in a zone of uncertainty that the 1961 Act, with its settled "period or periods" phrasing, did not create.

V. Why the drafter should have done better

This is where the practitioner must speak frankly.

The 2025 redrafting was an opportunity to settle the residence provisions, not to re-open them. The 1961 phrase, whatever its archaic resonance, had been judicially detoxified - its meaning had been determined by the Supreme Court, by the high courts, by tribunals across the country, by CBDT circulars consistent with the case law, and by half a century of practitioner usage. To replace such a phrase with a new word, when the new word carries connotations in other parts of the legal corpus that the old phrase did not, is to undo work that the courts had already done.

The drafter had at least three options. He could have:

Kept the settled phrase, in the interest of jurisprudential continuity: "for a period or periods amounting in all to sixty days

Replaced it consistently across § 6(2)(a) and § 6(2)(b) with a single new term, such as "total period": "for a total period of sixty days

Defined "cumulatively" within the Act itself, anchoring it to the operative meaning he intended: "for these purposes, 'cumulatively' means the aggregate number of days, whether continuous or not, on which the individual was in India."

He took none of these courses. He retired the settled phrase from § 6(2)(a) in favour of "total period," and from § 6(2)(b) in favour of "cumulatively," without defining either, and without acknowledging in the statute that the two words may not be synonyms. The Ministry's clarification, given orally to the Committee and recorded in proceedings, cannot do the work that the statute itself was given the chance to do, and did not.

The Ministry's clarification cannot do the work that the statute itself was given the chance to do, and did not.

This is not a fatal defect. It is, however, a drafter's slip - the kind of small mistake that, accumulated across many such slips, makes a statute progressively harder to read and to apply. It is precisely the kind of slip the 2025 redrafting was supposed to eliminate.

The practitioner's working assumption, for the present, must be that the Ministry's clarification will hold and that "cumulatively" will be read, in the context of § 6(2)(b), as "in aggregate." That is the reading most consistent with substantive continuity, most consistent with the operative thresholds preserved, most consistent with the Ministry's stated intention. It is the reading the practitioner will advise his client to plan around.

But the practitioner who, in a future residency dispute, is asked to extract every available argument for his client must remember the asymmetry within § 6(2), and the connotations that "cumulatively" carries elsewhere in Indian law. The argument is available; it has been put on the table by the drafter himself.

Coda - The dignity owed to settled language

There is a duty, in statutory drafting, to use language with the precision its consequences demand. A residence provision decides whether a person's foreign income is taxable in India - whether the State reaches across borders to claim a share. That is a power of the highest consequence, and the language by which it is invoked must be language of the highest precision.

The 1961 Act, despite its archaic resonance, met that standard. The phrase "for a period or periods amounting in all to had become, through judicial labour, a phrase of complete meaning. The 2025 Act, in retiring that phrase, has accepted a small loss of precision in exchange for a small gain in readability. In § 6(2)(a), where the substitution is "total period," the trade has been struck cleanly. In § 6(2)(b), where the substitution is "cumulatively," the trade has been struck less cleanly. The new word has imported, into a residence statute, connotations from contexts it has no business carrying -cumulative sentences, cumulative dividends, cumulative votes.

The Ministry's clarification will, in all probability, hold for most cases. But it is the practitioner's task to notice the cases for which it may not hold, and to record, in the professional literature, that the statute, as drafted, did not say what the Ministry said it meant.

That is the work of close reading. That is what the practitioner is paid to do.

A note on opinion

This article is an opinion, not a legal conclusion. The reading of "cumulatively" advanced here may not prevail; the Ministry's reading may, and probably will. What we record is a concern about a drafting choice that, in our view, was unnecessary and a flag for the readings the choice has left open.

We may be wrong. The change may turn out to be harmless in practice. But our view is that there was no reason to retire a phrase that had been settled by precedent since 1922, and that the substitution has, at minimum, introduced uncertainty where none existed. Whether that uncertainty bears out in actual disputes is a question time, and the first contested return, will answer.

Authorities referred

Statutes | Income-tax Act, 1922-§ 4A, the source of the "period or periods amounting in all to" phrasing carried forward into the 1961 Act

Income-tax Act,1961(as amended) | Income-tax Bill, 2025/Income-tax Act, 2025 (as enacted following the Report of the Select Committee,

Section 31 & Section 427, Code of Criminal Procedure, 1973

Section 43, Companies Act, 2013

Case law :Manoj Kumar Reddy v. ITO, [2009] 34 SOT 180 (Bangalore ITAT), affirmed in DIT (International Taxation) v. Manoj Kumar Reddy Nare (Karnataka HC, 20 June 2011)

Member, Board of Revenue v. Arthur Paul Benthall, AIR 1956 SC 35 |K. P. Varghese v. Income Tax Officer, Ernakulam, (1981) 4 SCC 173

Pepper (Inspector of Taxes) v. Hart, [1993] AC 593 (HL)

Dictionaries: Black's Law Dictionary, 11th ed. (2019), s.v. "cumulative“ | Oxford English Dictionary, s. v. "cumulative"

General Anti-Avoidance Rules (GAAR): Looking Beyond the Form of a Transaction

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Tax planning has always been recognised as a legitimate right of taxpayers. Businesses often organise their affairs to avail deductions, exemptions and incentives that are expressly provided under the Income-tax Act, 1961. However, there is a fine line between legitimate tax planning and arrangements created mainly to reduce tax without any real commercial purpose. The General Anti-Avoidance Rules (GAAR) were introduced to address such situations.

GAAR, contained in **Chapter X-A (Sections 95 to 102)** of the Income-tax Act, came into effect from **Assessment Year 2018-19**. Unlike the Specific Anti-Avoidance Rules (SAAR), which deal with particular transactions, GAAR is a broad anti-abuse provision. It enables the tax authorities to look beyond the legal form of a transaction and examine its real substance.

When can GAAR apply?

Under **Section 96**, an arrangement may be regarded as an **Impermissible Avoidance Arrangement (IAA)** if its main purpose, or one of its main purposes, is to obtain a tax benefit and it also satisfies at least one of the following conditions:

it creates rights or obligations that would not ordinarily exist between independent parties;

it results in the misuse or abuse of the provisions of the Act;

it lacks commercial substance; or

it is carried out in a manner not ordinarily employed for genuine business purposes.

If an arrangement falls within these conditions, the tax authorities may disregard or recharacterise the transaction to determine its actual tax consequences.

Commercial substance – the key test

The concept of **commercial substance** is central to GAAR. A transaction should have a genuine business purpose and real economic consequences apart from tax savings. Section 97 refers to situations such as round-trip financing, accommodating parties, offsetting arrangements and transactions that conceal the real ownership or source of funds as indicators that commercial substance may be lacking. For example, if an intermediary company is inserted into a transaction solely to obtain a treaty benefit without undertaking any meaningful business activity or assuming any commercial risk, the authorities may ignore that intermediary and examine the transaction based on its real substance.

Safeguards under GAAR

Since GAAR gives wide powers to the tax authorities, the law also provides important safeguards. Under **Section 144BA**, GAAR can be invoked only after following a prescribed approval process involving higher authorities and an Approving Panel.

Further, **Rule 10U** provides that GAAR will not apply where the aggregate tax benefit to all parties does not exceed **₹3 crore** in the relevant assessment year. Investments made before **1 April 2017** are also protected through grandfathering provisions.

Guidance from the Courts

The principles underlying GAAR have evolved through judicial decisions over the years. In **McDowell & Co. Ltd. v. CTO (1985)**, the Supreme Court observed that while legitimate tax planning is permissible, colourable devices cannot be part of tax planning.

Later, in **Union of India v. Azadi Bachao Andolan (2003)** and **Vodafone International Holdings BV v. Union of India (2012)**, the Supreme Court recognised that genuine commercial transactions and treaty benefits cannot be denied merely because they result in tax efficiency.

More recently, the **Bombay High Court** in **Bid Services Division (Mauritius) Ltd. (2023)** held that GAAR cannot be applied retrospectively to transactions undertaken before its introduction. In **Ayodhya Rami Reddy Alla v. PCIT (2024)**, the **Telangana High Court** upheld the initiation of GAAR proceedings where the Revenue alleged that transactions lacking commercial substance were undertaken primarily to generate artificial tax losses.

Conclusion

GAAR is not intended to discourage genuine business transactions or legitimate tax planning. Its objective is to ensure that tax benefits arise from real commercial activities rather than artificial arrangements created mainly to avoid tax.

For taxpayers and professionals, the takeaway is simple: every tax-efficient structure should be supported by a genuine commercial purpose, proper documentation and real economic substance. If these fundamentals are in place, the risk of GAAR is significantly reduced while ensuring compliance with both the letter and the spirit of the law.

RBI Monetary Policy & Economic Outlook
June2026 implications for MSMEs,businesses and households
-CA Padarabind Pradhan

5.25% **Repo rate maintained**	**6.6%** **FY27 GDP FORECAST**	**5.1%** **FY27 CPI inflation**	**$ 682.3B** **FX reserves**

Overall read: Cautiously optimistic. Growth remains resilient, while inflation and geopolitical developments warrant close monitoring.

Executive Summary

The RBI June 2026 policy reflects confidence in the resilience of the Indian economy while remaining vigilant about inflationary risks. Stable policy rates, sustained domestic demand, healthy investment activity and strong external buffers provide a solid foundation for continued expansion.

- Repo rate maintained at 5.25% with a neutral policy stance.
- GDP growth projected at 6.6% for FY 2026-27, supported by domestic consumption and investment.
- Inflation is expected to rise during the second half of FY27, with CPI inflation projected at 5.1% and a Q3 peak of 5.9%.
- Foreign exchange reserves and FDI trends strengthen India's external position.
- MSMEs benefit from stable rates and demand, but should protect margins and working capital.

Monetary Policy Snapshot

RBI's message is to support economic growth without compromising price stability, monitor inflationary pressures before considering policy action, and maintain financial stability amid global uncertainty.

Policy indicator	Status	Interpretation
Repo rate	5.25% (no change)	Stable rate environment for near-term planning
Policy stance	Neutral	Future action remains data dependent
SDF rate	5.00%	Lower bound for liquidity corridor
MSF / Bank rate	5.50%	Upper bound for liquidity corridor

Macroeconomic Outlook

Indicator	Outlook
FY 2025-26 GDP growth	7.6%
FY 2026-27 GDP forecast	6.6%
Manufacturing	Expansion continues
Services	Strong growth
Business confidence	Positive

Key growth drivers

- Strong private consumption
- Continued capital investment
- Robust manufacturing and services activity
- Stable employment conditions
- GST rationalisation
- Healthy merchandise and services exports

Inflation Outlook

Inflation is expected to rise gradually in FY 2026-27. Core inflation remains relatively stable, suggesting that underlying demand-driven inflation is contained, but supply-side risks require close monitoring.

Particular	FY 2026-27 outlook
CPI inflation	5.1%
Peak inflation (Q3)	5.9%
Core inflation	4.7%

Primary risk channels

- Higher crude oil prices
- West Asia conflict and related logistics disruption
- Global supply-chain stress
- Weak monsoon or El Nino conditions
- Food inflation pass-through

External Factor

Indicator	Position
Foreign exchange reserves	US$682.3 billion
Import cover	Approximately 11 months
FDI	Positive trend
FPI	Temporary equity outflows

Strong external buffers enhance macroeconomic stability and provide protection against global financial volatility. Continued FDI reflects long-term investor confidence.

Opportunities and Key Risks

Supportive environment	Beneficiary sectors
Strong domestic demand; stable borrowing costs; continued infrastructure and private investment; resilient exports; positive business sentiment	Manufacturing; construction and infrastructure; engineering; consumer goods; retail; hospitality; IT and business services; logistics

Risk	Potential impact
West Asia conflict	Higher oil and logistics costs
Supply-chain disruptions	Rising input costs
Weak monsoon / El Nino	Food inflation
Elevated energy prices	Margin pressure
Rising inflation	Reduced household purchasing power

Impact Assessment

MSMEs

Overall assessment: positive with moderate cost pressures. Stable interest rates improve business planning, strong consumption supports sales growth, investment momentum creates new opportunities, export demand remains resilient and credit conditions remain favourable.

- Higher raw material and transportation costs
- Pressure on operating margins
- Increased working-capital requirements
- Weather-related disruption for agriculture-linked businesses

Households

Overall assessment: stable income outlook with moderate inflationary pressure. Employment and income conditions remain supportive, lending rates are stable, and fixed-deposit returns remain attractive.

- Higher food and fuel prices
- Increased household expenditure
- Pressure on discretionary spending

Outlook for FY 2026-27

Parameter	Outlook
Economic growth	[illegible]
Inflation	Moderate risk
Employment	Positive
Business investment	Strong
Consumer demand	Resilient
External stability	Strong
Financial stability	Stable

Decision posture: Plan for growth, but protect margins, pricing power and working capital.

Conclusion

India's macroeconomic fundamentals remain strong. Stable policy rates, sustained domestic demand, healthy investment activity and a strong external sector create a constructive base for economic expansion. The practical watch-list remains inflation, energy prices, geopolitical risks and weather-related uncertainty.

MSME DAY

SWACHH BHARAT ABHIYAN AND WALKATHON

PLANTATION