



Public Finance

Budget 2024: India's economy eyes Budget boost to keep shining for the dull world

India Budget expectations: India has emerged as the fastest growing major economy and is harboring plans to become the third largest in the world by 2030. India's growth and prospects on several aspects ranging from local manufacturing and export push have outshined the dull developments of the world. The Budget should thus be another elixir for it to further cement the economic progress. *(The Economic Times)*

Underspending by key ministries may help govt achieve FY24 deficit target

Underspending by as many as 15 central government departments where expenditures are less than one-third of the budgeted amount during the initial eight months of the current financial year (FY24) may help the government achieve the fiscal deficit target of 5.9 per cent of gross domestic product for FY24, experts said. According to latest data released by the Controller General of Accounts (CGA), the 15 departments have cumulatively spent only 17.8 per cent of the Rs 1.45 trillion allocated in the Budget. *(Business Standard)*

Govt sanctions Rs 1,170 crore for road projects in Ladakh: Union Minister Nitin Gadkari

Union Minister Nitin Gadkari said the government has sanctioned Rs 1,170.16 crore for 29 road projects in Ladakh. In a post on social media platform X, Gadkari said Rs 1,170.16 crore has been sanctioned for 29 road projects, encompassing state highways and other major roads in the Union Territory. *(The Economic Times)*

Pessimism about India's public debt is overdone

A strong pick-up in private investment is yet to materialise, and the desirable overall investment rate of 35% is still "some distance away", says TT Ram Mohan, member, Prime Minister's Economic Advisory Council. In an interview with Priyansh Verma, Mohan says that India's economy in FY25 will grow at a slower rate than the projected 7% in the current fiscal. "It may be appealing to talk of taking our growth rate to 8% but such talk will not take us anywhere," he notes. On RBI's monetary policy, Mohan says that India is not in a position to sacrifice growth in order to reach the 4% inflation target in the short-term. *(Financial Express)*



Taxation

Windfall levy on domestically produced crude raised, lowered on export-bound diesel, ATF

The Finance Ministry has raised the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically produced crude, to ₹2300 per tonne from ₹1300. However, such levy on export-bound diesel and jet fuel reduced to NIL. To date, windfall

levies on diesel and jet fuel (Aviation Turbine Fuel or ATF) were ₹0.50 and ₹1. All the changes are coming into effect from Tuesday. Such a levy on export-bound petrol will continue at NIL. *(BusinessLine)*

GST collections touch ₹1.65-lakh crore in December

Goods and Services Tax (GST) collections in December 2023 came in at ₹1,64,882 crore, reflecting a 10.28 cent increase over collections level of ₹1,49,507 crore in same month last year. December marks the seventh month so far this fiscal when average GST collections surpassed the ₹1.6-lakh crore level. In November 2023, GST collections stood at ₹1,67,929 crore. *(BusinessLine)*

Direct tax collection set to triple, exceeding ₹19 lakh crore in Modi's 10-year tenure

Personal income and corporate tax collections are likely to rise to more than ₹19 lakh crore in 10 years of Prime Minister Narendra Modi-led government, providing more leeway to come out with people-friendly tax measures. Driven by the increasing income of individuals, net direct tax collections after adjusting for refunds increased from ₹6.38 lakh crore in FY 2013-14 to ₹16.61 lakh crore in FY 2022-23. *(BusinessLine)*

India will have to eventually move to lower customs duty regime, says DPIIT Secy Rajesh Kumar Singh

India will have to eventually move to a lower customs duty regime and cannot continue to protect domestic manufacturers by citing infant industry argument, a senior government official said on Thursday. Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Rajesh Kumar Singh said that tariffs are not really considered a revenue source. *(The Economic Times)*



National Accounts and State of the Economy

GDP growth to 'comfortably' cross 6.5% in FY24: Govt

India's economy is expected to "comfortably" achieve a growth rate upwards of 6.5% in FY24 despite risks emanating from external factors, the finance ministry said in its half-yearly economic review 2023-24 report on Friday. The Reserve Bank of India has recently projected India's economic growth at 7% in the current fiscal year, up from 6.5% earlier. *(Financial Express)*

Indian economy outperforming peers, projected to grow at 6.2% in 2024: UN

India is projected to grow at 6.2 per cent in 2024, supported by robust domestic demand and strong growth in the manufacturing and services sectors, the United Nations has said. The UN World Economic Situation and Prospects (WESP) 2024 report, launched here on Thursday, said that gross domestic product in South Asia is projected to increase by 5.2 per cent in 2024, driven by a robust expansion in India, which remains the fastest-growing large economy in the world. *(Business Standard)*

India likely to project higher GDP growth estimates of 7% FY24: Report

India is likely to project higher economic growth estimates of around 7% for the 2023/24 fiscal year ending in March, compared with earlier government forecasts when the National Statistical Office releases its first advance GDP estimates on Friday. *(Business Standard)*

Underspending by key ministries may help govt achieve FY24 deficit target

Underspending by as many as 15 central government departments where expenditures are less than one-third of the budgeted amount during the initial eight months of the current financial year (FY24) may help the government achieve the fiscal deficit target of 5.9 per cent of gross domestic product for FY24, experts said. *(Business Standard)*



Banking and Monetary Policy

Gold-loan NBFCs maintain market share despite competition from banks: CRISIL

Gold-loan focussed non-banking financial companies (NBFCs) have maintained a reasonably resilient market share despite intense competition from banks, CRISIL Ratings said. Steady market share, support from strong capitalisation, sharp focus on risk management and healthy profitability has meant their credit profiles remain stable, according to a report by the credit rating agency *(BusinessLine)*

More than 97% of ₹2,000 notes returned: RBI

“The total value of ₹2,000 banknotes in circulation, which amounted to ₹3.56 lakh crore as at the close of business on May 19, 2023, when the withdrawal of ₹2000 bank notes was announced, has declined to ₹0.10 lakh crore as at the close of business on October 31, 2023. Thus, more than 97% of the ₹2,000 bank notes in circulation as on May 19, 2023, has since been returned,” the RBI said. *(The Hindu)*

Customers' complaints against credit information companies increasing: RBI

The Reserve Bank on Tuesday said there has been a rise in customer complaints against credit information companies (CICs). The central bank has also found "some concerns" on the conduct of CICs in its supervisory assessment, an official statement said without specifying the concerns. The statement, released after a meeting between Deputy Governor Swaminathan J and managing directors and chief executives of CICs earlier in the day, also mentioned the specific areas where CICs need to focus on. *(Business Standard)*

RBI proposes new dividend payment rule for banks, lenders with lower NPAs may offer higher dividends

The Reserve Bank of India said that banks with net non-performing assets (NPA) ratio less than 6% and capital adequacy above the minimum regulatory thresholds for the past three financial years should be eligible to declare dividends. *(The Economic Times)*

Banks' pass through of rate hikes fastest of past three cycles: RBI

“Monetary policy transmission to bank lending and deposit rates has been stronger in this cycle compared to previous cycles” the Reserve Bank of India said In its latest Financial Stability Report. Banks have passed on higher interest rates affected by the RBI the quickest in the last three rate increase cycles, data from the central bank shows. This is largely due to the regulator mandating the linking of lending rates to external benchmarks *(The Economic Times)*

RBI issues guidelines on bank classification of unclaimed deposits

The Reserve Bank of India on Monday released comprehensive guidelines on the measures to be put in place by banks while classifying accounts and deposits as inoperative accounts and unclaimed deposits. *(Mint)*

Interest rates on two small savings schemes hiked for Jan-Mar 2024

The central government has raised the interest on two small savings schemes for January-March 2024 by 10-20 basis points. While the interest rate on three-year time deposit has been increased by 10 basis points to 7.1 per cent from 7.0 per cent, the interest on the Sukanya Samridhi Account Scheme has been hiked by 20 basis points to 8.2 per cent for January-March 2024. *(BusinessLine)*



External Sector

New Indian envoy to Sri Lanka calls on PM Gunawardena to discuss multidimensional bilateral ties

India's new High Commissioner to Sri Lanka Santosh Jha on Friday called on Prime Minister Dinesh Gunawardena and discussed a wide range of topics related to the multidimensional bilateral ties and facilitating more Indian investments in the island nation. *(The Hindu)*

Chinese daily hails India's foreign policy led by PM Modi, says 'moving towards great power'

The Global Times, a state-controlled media outlet in China, has commended India's economic strategies and diplomatic accomplishments during the last four years under Prime Minister Modi's leadership. This positive assessment was articulated in an article titled "Bharat Narrative," highlighting New Delhi's strategic thinking in "foreign policy has evolved, moving towards a great power strategy." *(Mint)*

India, UAE set stage for joint military exercise 'Desert Cyclone' in Rajasthan

The collaborative military exercise 'Desert Cyclone 2024' involving India and the UAE is scheduled to take place in Rajasthan from January 2 to January 15. As reported by ANI, the joint manoeuvres during 'Desert Cyclone 2024' aim to boost interoperability through the exchange of knowledge and best practices in urban operations. *(Mint)*

EAM S Jaishankar stresses developing international relations with 'Indian characteristics'

External Affairs Minister S Jaishankar on Thursday emphasized the need to shape international relations with Indian characteristics. He highlighted that his "major preoccupation" is to dedicate more time to exploring India's reservoir of culture and knowledge. *(Mint)*

India announces NPR 1000 cr aid to support earthquake-affected Nepal

External Affairs Minister S Jaishankar announced that the Indian government will provide a financial assistance package of approximately NPR 1000 crores to Nepal to provide further support following the recent earthquake in Jajarkot, Indian embassy in Kathmandu said in a press statement. *(Business Standard)*

India, Sri Lanka agree to expedite action on projects to boost relations

India's High Commissioner to Sri Lanka, Santosh Jha met Sri Lankan Minister of Foreign Affairs, Ali Sabry and agreed to expedite various projects that will provide positive momentum to the India-Sri Lanka partnership. *(Business Standard)*

Nepal inks long-term power deal with India, to sell 10,000 MW electricity

Kathmandu and New Delhi on Thursday inked a long-term agreement on electricity trade, as part of which Nepal will export 10,000 megawatts of electricity to India over the next ten years. The agreement was signed in the presence of Nepal's Minister for Energy, Water Resources and Irrigation, Shakti Bahadur Basnet. *(Business Standard)*

India likely to resist Pakistan's bid to be a full-fledged member of Brics

India is likely to resist Pakistan's bid to be a full-fledged member of Brics (Brazil, Russia, India, China, South Africa) because it wants to keep it a grouping for emerging market economies. Pakistan has sought Russia's help to become a member during its Brics presidency, which began on Monday with the motto "Strengthening Multilateralism for Equitable Global Development and Security". *(Business Standard)*

British PM Rishi Sunak keen to clinch FTA with India by April: Report

British Prime Minister Rishi Sunak is keen to clinch a free trade agreement (FTA) with India in time for Easter, which falls at the end of March 2024, according to a UK media report. The India-UK FTA talks began in January last year, aimed at significantly enhancing the GBP 36-billion bilateral trading partnership. A new round of negotiations, expected to be the last, is set to start early in the new year after the thirteenth round concluded on December 15. *(Business Standard)*

India has the potential to become the world's largest gems and jewellery exporter, says Piyush Goyal

India has the potential to become the world's largest gems and jewellery exporter, commerce and industry minister Piyush Goyal said at the inaugural event of the five-day India International Jewellery Show on Thursday. The country can be a proficient lab-grown diamond maker, impeccable design centre and technologically advanced machinery manufacturer, he said. *(The Economic Times)*

Govt to come up with 65 quality control orders to stop imports of sub-standard goods

The government will issue 65 quality control orders (QCOs) covering over 500 products to contain imports of sub-standard goods and boost domestic manufacturing, a senior government official said on Thursday. Joint Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Sanjiv said these orders are promoting safe products to consumers. Under these orders, items cannot be produced, sold, traded, imported and stocked unless they bear the Bureau of Indian Standards (BIS) mark. *(The Economic Times)*

India plans to import coking coal from Russia to help steel companies: Sources

India plans to form a consortium of state-owned companies to facilitate coking coal imports to help domestic steel companies tide over shortages, two government sources said. Stung by lower supplies and higher prices of coking coal, leading Indian steel companies have petitioned the government to help boost supplies of the key steel-making raw material. Indian steel companies consume around 70 million metric tons of coking coal annually, and imports constitute around 85% of the country's total requirement. *(The Economic Times)*

Barclays: 12% exports growth target by 2030 more realistic

Barclays on Wednesday said as against India's exports target of \$2 trillion or 15% growth by 2030, a "more realistic expectation" would be about 12% growth to \$1.6 trillion from \$0.75 trillion currently, which would result in a global share of about 4%. The London-headquartered bank cautioned that weak global growth in the medium term, further fractures in global supply chains and increasing protectionism could challenge the strategy by limiting the potential for trade expansion. *(The Economic Times)*

Govt bans screw imports priced less than Rs 129 per kg

In a move to promote local manufacturing of screws, the government on Wednesday prohibited the imports of certain kinds of screws- priced lower than Rs 129 per kg. "The import policy of screws...is revised from free to prohibited. However, import shall be free if CIF (cost, insurance, freight) value is Rs 129 or above per kg," the Directorate General of Foreign Trade (DGFT) said in a notification. The ban is imposed on coach screws, machine screws, wood screws, hook screws, and self-tapping screws. *(The Economic Times)*

India dials Saudi as Russian oil purchases hit 11-month low in December

India increased imports of Saudi oil in December as payment problems drove its Russian oil buys to an 11-month low, with at least five cargoes of the sweet Sokol variant heading to other locations, data from vessel tracking agencies showed. Indian Oil Corp, which was set to get the Sokol oil, had to withdraw from its inventory and buy from the Middle East to make up the shortfall, sources told Reuters last month. *(The Economic Times)*

Onion export ban may be lifted as prices drop, supplies rise

The Centre is planning to lift the ban on onion exports as the price of the vegetable has dropped significantly in the main producing regions, said a senior official. India, one of the biggest exporters of onions, banned shipments of the bulb vegetable on December 8, after domestic prices more than doubled in three months following a drop in production. *(The Economic Times)*

High import duties; resisting pressure to open agri sector imp to ensure India's food security: GTRI

Maintaining high import duties on sensitive agri commodities like rice and resisting pressure to open up the domestic sector to low tariffs will be crucial for preserving India's self-sufficiency and ensuring food security for its population, a report said on Monday. Economic think tank GTRI (Global Trade Research Initiative) in its report said that India needs to cut its reliance on imported vegetable oils to promote better health outcomes and also reduce the import bill. *(The Economic Times)*

Indo-Australia trade deal boosts engineering exports, despite import surge

One year after the India-Australia Economic and Trade Cooperation Agreement (ETCA) came into effect, engineering exports to Australia reached USD 944 million in April-November 2023-24, a 3 per cent increase. However, imports from Australia also saw a significant 30 per cent upswing during the same period. India's engineering imports from Australia reached USD 355.02 million during April to October 2023-24. *(The Economic Times)*

India-UAE ties transcend to multilateral level in 2023

The already strong India-UAE ties transcended to a truly multilateral level in 2023 with the announcement of the strategically important India-Middle East Economic Corridor

and the expansion of the BRICS grouping to include the key Gulf nation. The bilateral ties have witnessed qualitative and quantitative progress with Prime Minister Narendra Modi giving top priority to enhance India's relations with the UAE and its top leadership. (*The Economic Times*)



Agriculture and Rural Economy

Wheat sowing up 1% in top 4 States

The area under wheat during the on-going rabi season has been reported higher at 239.79 lakh hectares (lh) in top four producing States — Uttar Pradesh, Madhya Pradesh, Punjab and Haryana until Friday in the on-going season against 237.37 lh in the year-ago period, up by 1 per cent. These four States together share 75 per cent of the country's total wheat acreage. (*BusinessLine*)

Private trade to wait and watch before buying new wheat crop

Though the government claimed wheat production increased in 2022-23 to over 110 million tonnes (mt) up from 107.74 mt in 2021-22, the private trade has put it at not more than 105 mt. The Agriculture Ministry has fixed the wheat production target at 114 mt for 2023-24. (*BusinessLine*)

Rice procurement continues to trail, likely to miss target

Rice procurement by the Food Corporation of India (FCI) for the Centre's buffer stocks in the first three months since the season began on October 1 dropped 14 per cent to 299.33 lakh tonnes (lt) from 347.87 lt in the year-ago period. (*BusinessLine*)

Financial inclusion of farmers — the digital way

Digital financial services appear to have impacted financial inclusion progress as reported by the Reserve Bank of India's Financial Inclusion (FI) Index. It is worth noting that digital financial inclusion in payments has contributed to the FI index score more compared to credit, insurance, and investment services. (*BusinessLine*)

FCI wheat stock may dip to 16-year low

The Food Ministry is banking on the feedback of the Agriculture Ministry that is optimistic of a record wheat production this year to replenish its official reserves. Known as buffer stocks, official reserves will likely be the lowest in the last 16 years but around the mandatory buffer norm as of April 1. (*BusinessLine*)

High prices lift coffee exports to record \$1.16 b in 2023

The shipments were up 4.50 per cent to hit a record \$1.16 billion during 2023 over previous year's \$1.11 billion. In rupee terms, the growth was 9.81 per cent at ₹9,578 crore over the previous year's ₹8,722 crore. The per unit value realised by the Indian exporters was up 16.5 per cent on bullish global prices. (*BusinessLine*)



Railway Subsystems in the mobility space mirrors India's new age manufacturing opportunity

Some years ago, the Government sought to highlight India's tourist potential by showcasing India in all its incredible avatars. The current dispensation also sought to usher in a manufacturing revolution in India through the 'make in India' program. Today, the new incredible India is the India which finds itself in a sweet spot economically where geopolitics, policy priorities, and increased economic aspirations have all aligned to ensure the inevitability of the manufacturing revolution which India is on the cusp of. *(Financial Express)*

HUL receives GST demand, penalties of ₹447.5 crore from authorities of five States

Leading FMCG maker Hindustan Unilever Limited has received GST demand and penalties totalling ₹447.5 crore from authorities of five States. *(The Hindu)*

India's manufacturing PMI falls to 18-month low in December as output, orders cool

According to the HSBC India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, India's manufacturing PMI fell to 54.9 in December from 56 in November and 55.5 in October. *(Mint)*

India's textile sector stories | A package

The textile and apparel sector in Tamil Nadu contributes more than 50% of installed renewable energy capacity in the State. Here is a package of stories on the sector. *(The Hindu)*

Warehouses to draw large investments on manufacturing demand

Large international investors are expected to lead the increase in investments in the industrial industry this year as they acquire ready-made and greenfield warehouse sites with the expectation of earning higher returns. A \$0.64 billion influx of investments was recorded in the L&I category between January and September 2023, accounting for 17% of the total capital. *(The Economic Times)*

Govt bans imports of cheap screws to support domestic manufacturing

The government on Wednesday imposed a ban on imports of certain kinds of screws priced lower than Rs 129 per kg, a move which would help promote domestic manufacturing. "The import policy of screws...is revised from free to prohibited. However, import shall be free if CIF (cost, insurance, freight) value is Rs 129 or above per kg," the Directorate General of Foreign Trade (DGFT) said in a notification. *(Business Standard)*



At -24%, 2023 one of the driest years in terms of rain for State

Though the monsoon season will officially come to an end on Sunday, with the State receiving an enhanced rainfall during the northeast monsoon, the overall rainfall in Kerala in 2023 was not a promising one. It was one of the recent driest years for the State in terms of annual rainfall. Kerala received a cumulative annual rainfall of 2,202.3 mm in 2023 (from January 1 to December 30) against the long period average of 2,889.9 mm, a drop of around 24%. There was a drop of 28% in winter rain (from January 1 to February 28). During the pre-monsoon period as well (from March 1 to May 31), the State witnessed a shortage of 34% rainfall. *(The Hindu)*

Kerala Tourism takes to the skies with 'helitaxi' adventures

In a bid to enhance tourist experiences, the Kerala Tourism Department is launching a Helitaxi project, allowing visitors to swiftly explore the picturesque landscapes of the southern state by air. State Tourism Minister P A Mohammed Riyas said the initiative aims to boost 'heli tourism' activities by collaborating with stakeholders and helicopter operators. *(The Economic Times)*

Woes continue for rubber growers in Kerala

After a year marked by low returns and hollow promises of support, there is still no end in sight to the woes of the rubber growers in Kerala. The Rubber Price Incentive Scheme (RPIS), launched by the Kerala government to support the rubber farmers, appears to be going off the track with hundreds of thousands of farmers unable to file their applications. With the website ebt.kerala.gov.in suspending its operation on December 6, Rubber Board has instructed Rubber Producers' Societies (RPSs) to cease uploading on the website until further notice. *(The Hindu)*

After 33 years, Meghamalai Hills present a new winged beauty

Hugged by clouds and nestling in the Western Ghats, the pristine hills of the Meghamalai in Tamil Nadu have thrown up a new species of 'silverline' butterflies. Lepidopterists from Tamil Nadu and Kerala stumbled upon the new species, *Cigaritis meghamalaiensis*, from the biodiversity-rich hills of the Periyar landscape during an expedition conducted in 2021. It has become the first butterfly species to be described from the Western Ghats in 33 years. The researchers from the Thiruvananthapuram-based Travancore Nature History Society (TNHS) and Vanam Trust, Theni, had first come across the distinct species belonging to the *Cigaritis* genus in the high elevations of Periyar in Idukki in 2018. *(The Hindu)*

Southern Railway expresses inability to spare its land for SilverLine project

The report submitted by the Southern Railway on issues related to the SilverLine project of Kerala has put a question mark on the viability of the 530-km Thiruvananthapuram-Kasaragod semi-high-speed-rail project proposed by the Kerala Rail Development Corporation Limited (K-Rail). The Railway Board had earlier directed the Southern Railway to hold discussions with K-Rail on issues related to the project and submit a report at the earliest. *(The Hindu)*

'Kaval' brings down reoffending rate among children to 3.8%

The State Women and Child Development (WCD) department's flagship initiative to provide psycho-social care to children in conflict with law and aid their community-based rehabilitation is paying dividends — it has brought down reoffending rates among juveniles to less than 3.8%. A study in 2015 found 25% recidivism, that is repeat offending, among children in conflict with law in the State, which led to the piloting of the programme 'Kaval' with the support of the National Institute of Mental Health and Neurosciences (NIMHANS), Bengaluru. *(The Hindu)*

Kerala achieves nearly 100% enrolment for Aadhaar-based MGNREGS payment system.

Kerala achieved close to 100% enrolment in the Aadhaar-based payment system (ABPS) for wage payment to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) workers as the deadline ended on January 1, but around 1,100 people, most of them in far-flung tribal settlements, still remain outside the system due to connectivity issues. *(The Hindu)*

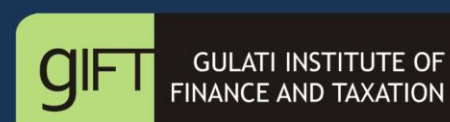
Yet to be named variety of pineapple gives fresh hope to farmers in Kerala

Farmers are looking at the potential of a pineapple variety, which is yet to be named locally and touted as "very sweet", suitable for mechanised processing and possibly with shelf life longer than the conventional Mauritius variety widely cultivated in the State. What has drawn the attention of farmers to the new variety is the possibility of mechanised processing for value addition and export. The Mauritius variety cannot easily be processed. The loss from processing can be as high as 35% to 40%, said a pineapple researcher. *(The Hindu)*

State needs high-quality economic growth: NITI Aayog Vice-Chairman

While Kerala has performed remarkably well on human development indicators, the State needs to ensure high-quality economic growth to sustain the hard-earned gains, NITI Aayog Vice Chairman Suman Bery has said. Mr. Bery, who took over as the Vice Chairman in May 2022, was speaking on 'Indian States in Viksit Bharat: Some Implications of India's G20 Presidency' at the Centre for Development Studies (CDS) here. *(The Hindu)*

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