



Public Finance

Mop up from divestment, asset sale beats FY24 RE of Rs 30,000 crore

In FY24, government's capital receipts surpassed Rs 30,000 crore from disinvestment and asset monetisation. The budget combined targets under miscellaneous receipts. CPSE dividend collections reached a new peak of Rs 63,749 crore in 2023-24. *(The Economic Times)*

Centre paid Rs 147.82 crore in interest subsidy on loans under PM SVANidhi

The central government has paid Rs 147.82 crore in interest subsidy to street vendors under PM SVANidhi scheme since it began in 2020 and till March 31, the Ministry of Housing Affairs informed. *(The Economic Times)*



Taxation

Direct tax collections exceed estimates in FY24; jump 18% to ₹19.58 lakh crore

The country's net direct tax collections surged by 17.7 per cent y-o-y to ₹19.58 crore in the fiscal year ended March 2024, surpassing even revised estimates by a wide margin, the tax department said on Sunday. Net collections of income and corporate taxes, which make up for most of the direct taxes, in the 2023-24 financial year exceeded budget estimates by ₹1.35 lakh crore (7.40 per cent) and the revised estimates by ₹13,000 crore. *(BusinessLine)*

"Redistribution of wealth in interest of people-not super rich" says Sam Pitroda, advocates inheritance tax like law in India

Emphasizing the need for policy towards wealth redistribution, Pitroda elaborated on the concept of inheritance tax prevailing in America. "In America, there is an inheritance tax. If one has 100 million USD worth of wealth and when he dies he can only transfer probably 45 per cent to his children, 55 per cent is grabbed by the government. That's an interesting law. It says you in your generation, made wealth and you are leaving now, you must leave your wealth for the public, not all of it, half of it, which to me sounds fair," Pitroda said. *(BusinessLine)*

Yet to ratify protocol amending treaty with India: Mauritius

The Mauritius Revenue Authority (MRA) said last week that the protocol amending the Mauritius-India Double Taxation Avoidance Agreement (DTAA) to comply with the base erosion and profit shifting minimum standards, is yet to be ratified. The clarification comes days after the Indian income tax authorities said in a post on social media platform X that the protocol is yet to be ratified and notified under Section 90 of the Income Tax Act. The MRA said the protocol will amend the DTAA once it is ratified and notified by both countries. *(BusinessLine)*

Individuals get relief from income tax demand for short deduction of TDS due to inoperative PAN of deductee

The Central Board of Direct Taxes (CBDT) has given a relief to those taxpayers who have received tax demand notices because they had deducted less TDS from taxpayers whose PAN had become inoperative. Several deductors and collectors of TDS, TCS respectively, had received income tax demand notices asking them to deposit the short deduction in TDS/TCS. The deductors/collectors had deducted TDS/TCS at the normal rate instead of the higher penal rate of TDS/TCS applicable to deductees/collectees whose PAN had become inoperative due to non-linkage with Aadhaar. *(The Economic Times)*



National Accounts and State of the Economy

NIPFP projects India's FY25 GDP growth at 7.1 pc

Economic think-tank National Institute of Public Finance and Policy (NIPFP) on Friday said it has estimated India's GDP growth at 7.1 per cent for the current fiscal, using high-frequency models. NIPFP, in a series of tweets, said the Centre is on a fiscal consolidation path through buoyancy in taxes and revenue expenditure compression. *(The Economic Times)*

Extreme weather conditions, crude pose inflation risk: RBI Bulletin

Retail inflation — the main yardstick for the central bank's policymaking — is 'finally' in sight of hitting the 4 percent target, but extreme weather events, along with a spike in international crude oil prices due to geopolitical uncertainties, pose an inflation risk, the Reserve Bank of India's (RBI's) State of the Economy report said. The report, authored by RBI staffers including Deputy Governor Michael Patra, says that the country must grow by 8-10 percent for the next three decades to reap the advantage of demographic dividends, which will last until 2055. *(Business Standard)*

Unemployment biggest worry in India, world's fastest growing economy: Poll

The biggest economic challenge for the government after the ongoing election is unemployment, according to economists polled by Reuters, who expected the world's most populous country to grow by 6.5 percent this fiscal year. Despite growing at the fastest pace among major peers, the economy has failed to generate enough jobs for its large and expanding young population, a key issue among citizens in the midst of electing the next government. *(Business Standard)*

Sustained growth of 7% feasible for India: RBI MPC member Shashanka Bhide

Sustaining the economic growth momentum of 7 percent in 2024-25 and beyond is feasible on the back of favorable monsoon, higher farm productivity, and improved global trade, RBI Monetary Policy Committee (MPC) member Shashanka Bhide said on Monday. During 2023-24, the economy is likely to record a growth rate of near 8 percent on account of good performance of manufacturing and infrastructure sectors. *(Business Standard)*

India's GDP growth can average 7.5% till 2030: Nomura

India's GDP growth can average at least 7.5% per annum for this decade if the economy witnesses a faster-than-expected revival of private investment, Nomura said in a report.

The Tokyo-headquartered investment banking firm said India's GDP growth is likely to average 7% from 2024-25 to 2029-30. *(The Economic Times)*

Morgan Stanley forecasts strong Indian GDP growth amid robust domestic demand

Morgan Stanley, a global investment banking firm, has expressed optimism about India's economic growth prospects, citing robust domestic demand. The firm remains positive about the growth outlook, expecting India's GDP to grow at 6.8% in the current financial year 2024-25 and 6.5% in 2025-26.

(The Economic Times)

India must grow at 8-10% every year to reap demographic dividend: RBI bulletin

The Indian economy needs to grow at a rate of 8-10 percent per annum over the next decade to reap the demographic dividend, the Reserve Bank of India said in its monthly bulletin released on Tuesday. "In order to achieve its developmental aspirations over the next three decades, the Indian economy must grow at a rate of 8-10 per annum over the next decade to reap the demographic dividend that started accruing from 2018 and, as calculations show, will last till 2055," the central bank said. *(The Economic Times)*

As India develops, problem of high food inflation will get less severe: RBI MPC member Ashima Goyal

Stressing that the share of food in the household budget is high in India, RBI Monetary Policy Committee (MPC) member Ashima Goyal said policy needs to focus on increasing agricultural productivity, since stable agricultural prices are important for non-inflationary growth. *(The Economic Times)*



Banking and Monetary Policy

Interest rates may stay higher than expected in 2024-25: World Bank report

World Bank predicts high interest rates in 2024 and 2025 due to stable commodity prices. Geopolitical tensions and US rates influence RBI decisions. Commodity-price spikes pose inflation risks, challenging progress made in reducing inflation over the past two years. *(The Economic Times)*

RBI bars Kotak Bank from adding customers digitally

The Reserve Bank of India (RBI) has imposed strict restrictions on Kotak Mahindra Bank, a third-most valued private bank in India, for failing to fix its IT systems over the past two years. The bank was asked to stop functions cited "with immediate effect" and assured customers that there would be no interruption to services. Kotak Mahindra Bank has taken measures to strengthen its IT systems and will continue to work with the RBI to resolve balance issues at the earliest. *(The Economic Times)*

NARCL raises ₹670 cr in fresh equity from existing shareholders

The government-promoted National Asset Reconstruction Company (NARCL) raised ₹670 crore equity from existing shareholders and is in the process of raising ₹3,200 crore debt, people aware of the development told ET. However, the bond issuance hit a roadblock due to the difference in pricing. Existing shareholders expected to invest in the bond are seeking a higher coupon, while the NARCL board is offering rates lower than those offered by government bonds. *(The Economic Times)*

RBI tells online payments firms to track fishy transactions amid Lok Sabha elections

The Reserve Bank of India has directed all regulated payment companies to track high-value or suspicious transactions during the course of general elections, according to multiple senior executives in the know. In a letter dated April 15, the RBI asked payment system operators (PSOs) to prevent any potential misuse of electronic fund transfer mechanisms to influence voters or indirectly fund poll candidates. *(The Economic Times)*

Bank credit surges 16% in fiscal year, marks fastest growth in a decade

Bank credit during the fiscal year gone by grew by 16%, the fastest in the last 10 years reflecting their higher appetite for lending backed by stronger financial metrics with the systemic cleansing of their balancesheets. The economic recovery from the pandemic years as well as higher and sustained retail demand for loans supported banks' higher credit growth print. *(The Economic Times)*

RBI issues Master Direction for Asset Reconstruction Companies

The Reserve Bank of India (RBI) issues Master Direction to Asset Reconstruction Companies (ARCs), critical for resolving stressed financial assets and improving the health of the financial system. The directive outlines requirements for ARCs, including minimum net owned fund, registration, investment limitations, capital adequacy, leadership tenure, and reporting of irregularities. *(The Economic Times)*

Not activating counter-cyclical capital buffer, says RBI

The Reserve Bank on Tuesday said it has decided against activating the countercyclical capital buffer (CCyB), as it is not needed in the present circumstances. The framework on the countercyclical capital buffer (CCyB) was put in place by the Reserve Bank of India (RBI) in terms of guidelines in February 2015, wherein, it was advised that the CCyB would be activated as and when the circumstances warranted and that the decision would normally be pre-announced. *(The Economic Times)*

MPC keen to keep lid on inflation, show minutes

"The gains in disinflation achieved over the past two years have to be preserved and taken forward toward aligning the headline inflation to the 4% target on a durable basis," Reserve Bank of India (RBI) Governor Shaktikanta Das said in the minutes of the rate-setting panel's last review meeting. *(The Economic Times)*

MPC stresses need for aligning to the 4 per cent target on a durable basis

Aligning inflation to the 4 percent target on a durable basis is the prime concern for the monetary policy committee (MPC) members. Even though inflation is reined in, concerns over food inflation are not abated and at the same time strong growth indicators give a policy space to pause rates for some more time. Except for external member Jayanth Varma who voted for a change in stance from withdrawal of accommodation to neutral, all voted for a pause in policy rate to 6.5 percent and continued with the stance of ` withdrawal of accommodation. *(The Economic Times)*

MPC Minutes: Food inflation risks elevated, conditions not in place for let-up in restrictive policy stance, says RBI Dy Guv Patra

Members of the Reserve Bank of India's rate setting panel expressed confidence in the current policy stance but remained wary of factors like food inflation, external contingencies disrupting the disinflationary process, as per the Minutes of the latest Monetary Policy Committee meeting released Friday. "Recent inflation prints and high

frequency data on salient food prices indicate that food inflation risks remain elevated. A relatively shallow and short-lived winter trough is giving way to a build-up of price momentum as summer sets in, with forecasts of rising temperatures up to May 2024," noted Michael Debabrata Patra. (*The Economic Times*)



External Sector

Net FDI in India dips to \$14.55 billion in April 2023-February 2024

The net foreign direct investment (FDI) in India, inflows minus the outflows, dropped sharply by 45.5 percent in the 11 months of Financial Year 2024 (April 2023 to February 2024), when compared with the same period a year ago due to a rise in repatriation of capital. The net FDI stood at \$14.55 billion in April-2023-February 2024 period, down from \$26.71 billion in the same period a year ago. (*Business Standard*)

From Russian funds with love: Plan mooted to tap rupee balance in special accounts

Russian financial institutions have been negotiating with the Reserve Bank of India (RBI) to use the rupees in special accounts in India for investment in stocks and securities. Currently, 10 Russian institutions, including its largest lender, have registered as foreign portfolio investors (FPIs) with SEBI. However, they have made little investments due to US sanctions in the wake of Russia's war with Ukraine. (*The Economic Times*)

'Cut-diamond exports slide 28% on slack demand'

India's cut and polished diamond exports in 2023-24 plunged 27.5% from a year ago to \$15.97 billion due to sluggish demand from the United States, China and the United Arab Emirates, a leading trade body said on Monday. The fall in exports forced the world's biggest diamond polisher to reduce imports of rough diamonds by 18% from a year ago to \$14.27 billion in the financial year ended March 31, the Gem and Jewellery Export Promotion Council (GJEPC) said. (*The Hindu*).

APEDA plans sea protocol to boost fresh produce exports

Plans are afoot to send trial shipments of mangoes through the sea route this summer to the UK, Russia and Japan and also carry out a trial static run for shipping the fruit to the US. This is part of the government's recent efforts to develop sea protocols for increasing exports of fresh produce at lower costs to distant markets, sources have said. (*BusinessLine*)

Auto sector sees no impact due to Iran-Israel conflict

There is not much impact on the shipments of automobile products to overseas markets due to the Iran-Israel conflict, as companies have already been taking other routes since the Red Sea crisis, industry experts told businessline. (*BusinessLine*)

Cashew kernel exports dip to a 7-year low at \$339 m in FY24

India's cashew exports in value terms touched a seven-year low at \$339.21 million for the financial year 2023-24, a decline of around 4.8 per cent over the previous year's \$356.32 million. In rupee terms, the cashew exports were ₹2,808.80 crore during 2023-24 over the previous year's ₹2,868.86 crore, a decline of 2.09 per cent. In volume terms, the cashew kernel exports stood at 60,222 tonnes during April-Feb 2023-24, over the same period last year's 5,5114 tonnes. (*BusinessLine*)

Export buying pushes up orthodox leaf prices in Coonoor tea auctions

Export buying has lifted orthodox leaf prices at Coonoor auctions with Iraq emerging as a major buyer for the brew. According to traders, Iraq is one of the major buyers of medium quality orthodox teas from South Indian auctions. The primary whole leaf grades were dearer by ₹4-5 and more at times in line with quality in sale 16. The broken also had fair demand and sold dearer by ₹2-3 and more at times. *(BusinessLine)*

Farm exports in April-Feb 2023-24 decline 8.8% to \$43.7 b

India's agriculture exports in the April-Feb 2023-24 period declined 8.8 per cent to \$43.7 billion, hit by geopolitical factors such as the Red Sea crisis and the continuing Russia-Ukraine war but the decline was largely across regulated commodities such as rice, wheat, sugar, and onions, according to Commerce Ministry data. *(BusinessLine)*

Gem, jewellery exports shrink 14% to \$32 b on weak demand

Export of gems and jewellery last fiscal declined 14 per cent to \$32.28 billion against \$37.74 billion logged in the same period last year due to weak demand. However, gold jewellery exports increased 17 per cent to \$11.23 billion against \$9.62 billion in the previous year. Thanks to the free trade agreement, plain gold jewellery exports to UAE more than doubled to \$4.53 billion in FY24 against \$2.18 billion in the previous year. *(BusinessLine)*

Pharma exports rise 10% to \$28 b in FY24

The country's drugs and pharmaceuticals exports increased 9.67 per cent year-o-year to \$27.9 billion in 2023-24, even as the total exports dipped 3 per cent in the last fiscal. According to the Commerce Ministry data, pharma exports in March grew 12.73 per cent to \$2.8 billion. In 2022-23, the exports stood at \$25.4 billion. The top five export markets, for the sector during the last fiscal, were the US, the UK, the Netherlands, the UK, South Africa and Brazil. The US accounts for over 31 per cent of India's total pharma exports, followed by the UK and Netherlands (about 3 per cent each). *(BusinessLine)*

Textile exports from TN dip a tad to \$7.1b in FY24

Textile exports from Tamil Nadu — India's top textile exporting State — saw a slight drop to \$7.1 billion in FY24 as against \$7.9 billion in the previous fiscal. Share of exports from Tamil Nadu to the overall textile export value too marginally dropped to 20.78 per cent against 22.58 per cent in the previous year, according to government data. *(BusinessLine)*



Agriculture and Rural Economy

Food prices to ease post-June as above normal monsoon predicted in India

The Indian government anticipates a decrease in food prices following forecasts of above-normal monsoon rains by the India Meteorological Department (IMD), as stated in the finance ministry's recent monthly economic review. The report highlights expectations of increased crop production due to favorable rainfall. *(The Economic Times)*

Diversion of B Heavy Molasses will release Rs 2300 crore for the distilleries; says NFCSF

The decision of the central government to allow use of the 7 lakh tonnes of B Heavy Molasses for ethanol production will help the sugar industry get a revenue of Rs 2300 crores, said National Federation of Cooperative Sugar Factories (NFCSF), which represents the cooperative sugar mills of the country. *(The Economic Times)*

Govt nudges 3 states to produce pulses, offers MSP with no bar

The Indian government is collaborating with farmers in Bihar, Jharkhand, and Uttar Pradesh to sow kharif pulses like tur, urad, and moong before sowing for the season starts. The aim is to increase pulse cultivation and reduce import dependence. The government has not set a production target yet. The National Co-operative Consumers' Federation of India Ltd. (NCCF) has been appointed as the chief nodal agency for the programme. *(The Economic Times)*

Rice prices at three-month low on shrinking demand, ample supplies

Top exporter India's rice export prices fell to their lowest level in more than three months this week on subdued demand and ample supplies, while Thailand's prices remained largely flat. India's 5 per cent broken parboiled variety was quoted at \$528-\$536 per ton this week, down from last week's \$538-\$546. Prices hit a record high of \$560 last month. *(Business Standard)*

Govt extends approval for use of drones for spraying pesticides for 1 year

The government has extended the interim approval given to plant protection companies for use of drones for spraying specified pesticides. The approval has been extended for one more year starting from April 18, 2024 *(Business Standard)*

Govt allows exports of specified quantity of white onion via three ports

Easing export ban, the government on Thursday permitted overseas shipments of a specified quantity of white onion from three ports. The Directorate General of Foreign Trade (DGFT) in a notification said that the exporter shall have to get the certificate from the Horticulture Commissioner, Government of Gujarat, certifying the item and quantity of white onion to be exported. *(Business Standard)*

Western Rajasthan sees large scale production of pomegranates, potatoes

Pomegranates and potatoes amid dunes? An idea that may appear just a mirage has been brought to fruition by farmers of Rajasthan. In the state's several western desert areas where only dunes dotted the landscape until a few years ago, pomegranates and potatoes are now being produced on a large scale. *(Business Standard)*



Industry, Manufacturing, Services and Technology

Injuries at SpaceX exceed industry average for second year

Injury rates at SpaceX facilities continued to exceed an industry average in 2023, according to a review of safety data reported to U.S. regulators by the space venture controlled by billionaire Elon Musk. The 2023 records, newly disclosed by the Occupational Safety and Health Administration (OSHA), also show that injury rates at

some SpaceX facilities grew worse than those the company had reported in 2022. (*The Hindu*).

GST, China imports emerge as major poll issues among lock industry traders

High GST rates, pandemic effect and Chinese locks the triple whammy undercutting the livelihoods of thousands of workers and traders in Uttar Pradesh's famed Tala Nagri' has emerged as a major concern this election and voters are looking for a candidate who will pull the lock industry out of the slump. The Rs 4,000 crore industry of Aligarh, where lock making is likened to an art dating back to the Mughals, is not so robust anymore with shifting global market dynamics taking their toll. (*Business Standard*)

STEER World to Exhibit Breakthrough Innovation in Industrial Recycling at 2024 KPLEX in Bengaluru

Bengaluru (Karnataka) [India], April 22: STEER World, a global leader in engineering innovation, specializing in materials transformation, today announced that it will participate in the 2024 KPLEX at BIEC in Bengaluru from April 26th to 29th 2024. STEER World will showcase path-breaking, first-of-its-kind industrial recycling with 100% value recovery, capable of transforming the way industries approach waste, turning a perennial problem into a portfolio of opportunities. (*Business Standard*)

Govt aims to make India attractive for manufacturing, services: Sitharaman

"Policies have been made to attract investments. We want manufacturers and investors to come and produce not just for India but also for exports. We will try to attract manufacturers and investors through policies," she told reporters. (*Business Standard*)

Chinese EV manufacturers may be excluded from India's policy concessions

Concessions outlined in India's electric vehicle (EV) policy, aimed at attracting global players like Tesla Inc, may not extend to Chinese companies. An unnamed senior government official told MoneyControl that Chinese and China-linked companies are likely to be excluded from these benefits due to national security concerns associated with foreign direct investments (FDIs) linked to Beijing. (*Business Standard*)

FY25 to be "good year" for India's paper industry as domestic market is intact, says association

Although there could be some global disruptions to demand and supply, India's paper industry, which is strongly based on the domestic market, is expected to witness a good growth next fiscal, according to Indian Pulp and Paper Technical Association (IPPTA) secretary general MK Goyal. The size of the industry is currently estimated to be around ₹80,000 crore. It is estimated that the total paper production in the country is more than 25 million tonnes per annum. (*BusinessLine*)

Spices Board holds talks with industry on recall of spice mixes by Hong Kong, Singapore

The Spices Board held consultations with the industry today on recall by Hong Kong and Singapore of certain spice mixes sold by Everest and MDH due to concerns of potential Ethylene Oxide (ETO) contamination and examine possible corrective measures, sources said. "Officials from Spices Board met industry representatives to discuss what corrective measures can be taken to reduce the risk of contamination from ETO, a sterilising agent used in food materials," a source told businessline. (*BusinessLine*)

Japan's Sharp plans to set up \$3-5 billion display fab semiconductor unit in India

Japanese company Sharp is reportedly planning to invest \$3-5 billion to set up a display fab semiconductor factory in India. The display fabs are used for making televisions and other digital screens. According to a report in the Times of India, top officials from Sharp met communications minister Ashwini Vaishnaw this week in this regard. (*The Economic Times*)

Indian auto industry poised to reach USD 300 Billion by 2026; Revving up for innovation and expansion

India's rapidly growing auto market is poised to hit a milestone, with projections indicating it will reach USD 300 billion by 2026. This growth is fueled by various factors, including rising income levels, urbanization, and a burgeoning middle class with increasing purchasing power. In March 2024, the Indian auto industry produced a total of 2,325,959 units, covering Passenger Vehicles, Three-wheelers, Two-wheelers, and Quadricycles. (*The Economic Times*)



News on Kerala

High-temperature warning for 10 districts in Kerala

Keralalite will continue to reel under the scorching summer as the maximum temperature is expected to cross 35 degrees Celsius in all districts except Idukki and Wayanad. The India Meteorological Department on Saturday sounded a high-temperature warning for 10 districts - Palakkad, Alappuzha, Kollam, Pathanamthitta, Thrissur, Kozhikode, Kannur, Kottayam, Ernakulam and Malappuram (*Onmanorama*).

Kerala formulates motor vehicle aggregator policy

The Kerala government has readied a State Motor Vehicle Aggregator Policy, based on Motor Vehicle Aggregator Guidelines 2020 of the Union Ministry of Road Transport and Highways, to streamline operation of public transport vehicles, especially long-distance buses (*The Hindu*).

HC stays govt's notification on land acquisition for Sabarimala airport

The Kerala High Court on Thursday issued an order staying the Kerala government's notification expediting steps to acquire land for the proposed greenfield Sabarimala airport. A bench headed by Justice Viju Abraham stayed the order while considering a plea submitted by Ayana Charitable Trust (formerly known as Gospel for Asia) (*Onmanorama*).

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