



Public Finance

Centre to achieve 2023-24 fiscal deficit target, says DEA

The government is on track to meet its fiscal deficit target of 5.9% of GDP for this year, the Department of Economic Affairs (DEA) has said, noting that revenues are buoyant, and the “steep, rapid decline in oil prices” has addressed an important source of potential impact on public finances. *(The Hindu)*

Interim Budget may have to put India quickly back on fiscal glidepath if it derails

Budget 2024: India Ratings and Research warns that India's fiscal deficit could exceed the targeted 5.9% for FY24 due to increased expenses and lower nominal GDP. The interim budget measures will be crucial to stick to fiscal discipline, which is key for economic stability. India would require improved tax collections and has to meet divestment goals for fiscal prudence. *(The Economic Times)*

Don't misconstrue IMF's debt outlook, says Centre

The Union Finance Ministry on Friday sought to dispel “certain” factually incorrect “presumptions” being made about India's indebtedness levels from a scenario-based assessment by the International Monetary Fund (IMF) that warned government debt could hit 100% of GDP by 2027-28 under adverse circumstances. *(The Hindu)*

Focus on capex-led growth strategy to continue, FinMin Indicates

The Centre will continue to focus on a capex-led growth strategy to support economic growth as it goes about putting into effect a roadmap for transforming the country into a \$5-trillion economy. This was reflected in the 2023 year-ender for the Department of Economic Affairs in the Finance Ministry released on Wednesday. *(BusinessLine)*

Fiscal deficit at 6% to exceed government target in FY24: Ind-Ra

The government recently brought in one supplementary demand for grant of Rs 58,380 crore to cover higher spending on fertiliser subsidy and Mahatma Gandhi National Rural Employment Guarantee Programme. *(The Economic Times)*

Fiscal Deficit: India's budget gap for April-November at Rs 9.07 lakh crore, narrows to 50.7% of FY24 aim

Budget Gap: India's fiscal deficit for April to November, or the first eight months of this fiscal year, was at 9.07 lakh crore rupees, equivalent to 50.7% of annual estimates, marginally narrowing from the previous year's X%. The government aims to narrow the fiscal gap to 5.9% of GDP in this financial year from 6.4% a year earlier. *(The Economic Times)*

Indian economy to comfortably exceed 6.5 per cent GDP growth rate for FY24, says FinMin

On the inflation front, with the stable downward movement in core inflation and continuing deflation in fuel inflation, the headline inflation outlook is on a declining trend,

notwithstanding temporary disruptions from food prices. RBI has projected inflation to average at 5.4 per cent in FY24. *(The Economic Times)*



Taxation

Karnataka Bank facilitates direct tax payments for customers

Karnataka Bank has expanded its services by enabling customers to make payments for Direct Taxes, including Income Tax and Advance Tax. The bank, already facilitating online remittance for Customs Duty and Goods and Service Taxes Payments, has added Direct Taxes to its suite of offerings. *(BusinessLine)*

Centre releases additional tranche of tax devolution dues to States worth almost ₹73,000 cr.

In a bid to improve States' liquidity position ahead of the "forthcoming festivities and the New Year", the Union government said it had released an additional tranche of tax devolution dues of nearly ₹73,000 crore to State governments. The latest transfer of devolution dues amounting to ₹72,961.21 crore is in "addition to the tax devolution installment due to States on 10 January, 2024 and the installment of ₹72,961.21 crore already released on 11 December 2023", the Finance Ministry said in a statement. *(The Hindu)*

I-T Dept notifies ITR forms 1, 4 for AY'25

The Income Tax Department has notified ITR forms 1 and 4, which are filed by individuals and entities with annual total income of up to ₹50 lakh, for assessment year (AY) 2024-25. Individuals, besides Hindu Undivided Families (HUFs), firms having income up to ₹50 lakh and those having earnings from business and profession in the current fiscal (April 2023-March 2024) can start filing returns for the income earned this financial year. *(The Hindu)*



National Accounts and State of the Economy

Inflation clouded by volatile food prices, weather shocks: RBI Governor at MPC meeting

All six members of the monetary policy committee (MPC) flagged food inflation as a concern, prompting them to unanimously vote for continuing with the pause in policy repo rate at their last meeting, according to the minutes of the meeting released by RBI. The MPC has left the repo rate (the interest rate at which RBI provides funds to Banks to help them overcome short-term liquidity mismatches) unchanged at 6.50 per cent in the five meetings it held so far in FY24. The last meeting was held from December 6 to 8, 2023. *(BusinessLine)*

India likely to remain fastest growing major economy in 2024: ASSOCHAM

India is likely to remain the fastest-growing major economy in the world in 2024 on the back of strong consumer demand leading to a pick up in investment across sectors such

as construction, hospitality and infrastructure including railways and aviation, ASSOCHAM.
(The Economic Times)



Banking and Monetary Policy

Banks should avoid over-reliance on bulk deposits, enhanced NIMs may not sustain: RBI Deputy Gov

Excessive reliance on bulk deposits should be avoided as these are more sensitive to interest rate movements and perpetuate concentration risk while also eroding earnings, says RBI Deputy Governor Swaminathan J. Banks should proactively manage the pricing and duration of their deposits while trying to diversify the sources and avoid over reliance on bulk deposits. *.(BusinessLine)*

Growth being driven by investments, consumption demand weak: MPC's Shashanka Bhide

While India's GDP growth has been stronger-than-expected, it is largely being driven by investments even as consumption demand remains weak and the global economy is seeing a slowdown, said Shashanka Bhide, one of the six members of RBI's Monetary Policy Committee (MPC).

Low risk to India from any crude oil price spike in FY25: Chief Economic Advisor

Any spike in oil prices due to factors such as the global slowdown and geo-political conflicts, is unlikely to pose major downside risk to the Indian economy in FY25, said Chief Economic Advisor V Anantha Nageswaran. "The cooling of economic activity will happen first before a decline in global interest rates happens. *.(BusinessLine)*

Indian banks strong enough to face adverse macro and credit stress: RBI

The 28th Financial Stability Report from RBI highlighted that scheduled commercial banks have ample capital buffers, ensuring regulatory compliance even under severe stress scenarios. The report also underscored the need for suitable regulatory and supervisory measures to mitigate risks arising from the expanding use of technology and innovation in the financial system. *(The Economic Times)*

Large international banks ask many Indian HNIs to close accounts

Several affluent Indians are getting a cold shoulder from large international banks. A higher minimum balance insisted on by these banks for foreign clients, coupled with the restriction imposed by the Reserve Bank of India (RBI) on keeping idle funds abroad, is forcing them to close their overseas bank accounts. At least two large British banks, one Swiss lender and a leading Emirates financial institution have snapped their relationships with more than two dozen resident Indians. *(The Economic Times)*

RBI to NBFCs: Tighten governance standards

Non-banking financial companies (NBFC) must further strengthen governance and internal audit standards, in-line with the implementation of scale-based regulations, the Reserve Bank of India (RBI) said in its latest report on the trend and progress of banking in India. The co-lending framework for priority sector lending has also facilitated the flow of credit to the MSME segment. *(Financial Express)*

Indian banks report over 7-fold rise in card, digital frauds

Indian banks reported a total of 12,069 card and internet-related digital frauds during H1FY24 (April-September) amounting to Rupees 630 crore, up seven-fold from Rupees 87 crore of frauds in the corresponding period previous fiscal, the Reserve Bank of India's (RBI) trends and progress in banking 2023 report said. *(Financial Express)*

Majority prefer banks to park savings, 21 pc in gold: Survey

The Money9 annual personal finance pulse survey indicated a positive trend in insurance penetration, with over 27 per cent of households holding life insurance policies in 2023, higher from 19 per cent in the 2022 survey. *(The Economic Times)*



External Sector

Current account deficit falls sharply to 1% of GDP in Q2

India's current account deficit (CAD) narrowed sharply to 1 per cent of GDP in the second quarter (Q2) of FY24 against 3.8 per cent in the year-ago quarter due to lower merchandise trade deficit. Healthy receipts from services exports, decent growth in private transfer receipts (mainly remittances) and robust inflows in non-resident deposits also helped narrow the CAD. *(BusinessLine)*

India, South Korea explore joint projects in Sri Lanka, Bangladesh

India and South Korea are discussing joint development projects in neighbouring countries such as Sri Lanka and Bangladesh, according to persons aware of the matter. While talks are still in early stages, the development is significant as it reflects a renewed focus on bilateral relations between India and South Korea, with Seoul seen expanding its strategic interests beyond East Asia. *(Mint)*

Oil supplies to India increased to 40% since Ukraine war: Russia

Russia's deputy prime minister Alexander Novak Wednesday said Moscow has redirected most of its oil supplies from Europe to India and China after the Western countries enforced economic sanctions against it over the Ukraine war. *(Mint)*

India is on the moon, and Pakistanis struggling for a roti: Ex-Pak PM Nawaz Sharif

Pakistan's former Prime Minister Nawaz Sharif has praised India and acknowledged that while neighbouring countries have made great strides, Pakistan has lagged behind. Speaking to PML-N cadres in Islamabad, Sharif highlighted the dire economic situation in Pakistan. *(The Economic Times)*

Govt targeting \$500 bn exports from 10-11 sectors by 2030: Official

The government is working on boosting domestic manufacturing and increasing exports to USD 500 billion by 2030 from 10-11 sectors, including automobiles, pharma, textiles, medical devices and chemicals, a senior official said on Thursday. These issues were discussed during a meeting called by the Commerce and Industry Ministry on Thursday. *(The Economic Times)*

Working with RBI, other ministries on steps to promote e-comm exports: DGFT

The commerce ministry's arm DGFT is working with the RBI and concerned ministries, including the finance ministry, on several steps like providing flexibility in payment

realisation to promote exports through e-commerce medium, a senior government official said on Thursday. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said that huge export opportunities are there in the e-commerce sector. *(The Economic Times)*

India-Russia trade to exceed 50 bn USD this year: Denis Manturov

The discussions took place at the 'Russia' expo, held at Moscow's VDNKH complex, where 89 regions of Russia showcase their economic, scientific and investment potential. According to a Russian government statement, they addressed trade, investment, banking and logistics, along with energy and food security. "Special attention was paid to advancing priority projects in industrial cooperation," the note added. *(The Economic Times)*

Risk of oil price spike impacting FY25 growth is low: CEA V Anantha Nageswaran

Speaking at an SBI-organized economic conclave, Nageswaran expressed optimism, suggesting that a cooling off of economic activity would precede a decline in global interest rates. He emphasized that potential spikes in oil prices in 2024 would likely be countered by a decrease in economic activities. *(The Economic Times)*

India's forex reserves jump \$4.47 bn to \$620.44 bn for week ending on Dec 22

India's forex reserves increased by \$4.47 billion to \$620.44 billion for the week ending December 22, according to the Reserve Bank of India (RBI). Foreign currency assets expanded by \$4.69 billion to \$549.75 billion. Gold reserves decreased by \$102 million to \$47.47 billion. The RBI has been deploying the kitty to defend the rupee amid global pressures. *(The Economic Times)*



Agriculture and Rural Economy

Indian wheat acreage deficit narrows to 2% from 2022, but tops normal area

The area under wheat during the ongoing season has crossed the normal acreage of 307.32 lakh hectares (lh). It has also narrowed the deficit against last year's coverage with a gap dipping to less than 6 lh until Friday. The government is confident of a good harvest, even if not higher than last year. *(BusinessLine)*

Mustard production may top 13.1 million tonnes target

After registering a growth of nearly 40 per cent between 2019-20 and 2022-23, mustard production may miss a similar feat this year though the government's target of a modest 4 per cent rise in production during 2023-24 can be achieved. *(BusinessLine)*

Stockholm syndrome grips Indian agriculture

'Stockholm Syndrome', illustrates a paradox where captives express empathy and have positive feelings towards their captors. A parallel can be drawn between this syndrome and the relationship between farmers and arthiyas (commission agents) in States such as Punjab and Haryana. *(BusinessLine)*

India guzzled more cooking oils as imports surged, prices dipped

In 2023, the edible oil sector experienced a record increase in imports, a scenario of low import duties and reduction in domestic prices providing relief to consumers. India's import of edible oils reached an all-time high of 164.66 lakh tonnes (lt) during the oil year

2022-23 (November-October) against 140.29 lt in the corresponding period of 2021-22, registering a growth of 17.36 per cent. [\(BusinessLine\)](#)

Natural farming needs better prices, markets

One of the sustainable agriculture practice that is now gaining momentum is natural farming (NF) which is 'agriculture as per local ecology and hence also called as agroecology'. Farmers who have been practising NF do not get premium prices for their products, as differentiated markets, standards and protocols don't exist sufficiently. Many farmers confess that NF products are largely for home consumption. [\(BusinessLine\)](#)

Global rice prices up 7% in a month on low supplies

Rice prices in the global market have increased 7-8 per cent in the past month resulting in the rates soaring to a 15-year high on higher demand and low arrivals due to the season's end, traders and exporters have said. [\(BusinessLine\)](#)

As storage dips, rabi crops in South under threat

The water level in India's major 150 reservoirs declined for the 12th consecutive week with the storage dropping below 60 per cent in the northern region and heading to below 40 per cent in the southern region, data from the Central Water Commission (CWC) show. [\(BusinessLine\)](#)

Fertilizer subsidy under control on calibrated urea imports

Calibrated import and lower global price of urea has helped the government to contain fertilizer subsidy till now at 66 per cent of the Budget Allocation for the current fiscal. In contrast, there is a three per cent jump in urea imports. If the current situation continues, urea subsidy may be within the estimated ₹1.31-lakh crore budgeted for 2023-24. [\(BusinessLine\)](#)

India looking to create special farm sector indices to lift agri productivity and incomes

India is looking to create special farm sector indices as part of a wider plan focused on targeted policy interventions to lift agri productivity and incomes after efforts to introduce reforms in the sector, through the later recalled farm laws, failed to take off. [\(The Economic Times\)](#)

Tightened belts, half-filled shelves: The story of rural retail demand

As crop woes hit farm incomes, austerity defined the mood in India's villages, impacting small stores and FMCG giants alike. [\(Business Standard\)](#)



Industry, Manufacturing, Services and Technology

FIU slaps Binance, other crypto exchanges with show cause notices; central agency asks IT Ministry to block sites

The Financial Intelligence Unit (FIU) sent a notice to cryptocurrency exchange Binance for "operating illegally" in India through an offshore entity. Notices have been sent to the firm in Seychelles, Cayman Islands and Switzerland. The other cryptocurrency firms to which notices have been sent are Kucoin, Huobi, Kraken, Gate.io, Bittrex, Bitstamp, MEXC Global and Bitfinex. [\(The Hindu\)](#)

Is the Indian IT sector on the cusp of a dramatic transformation?

The Indian IT sector has had a tumultuous year. The sector transitioned from a double-digit growth phase that characterized its momentum a year ago due to global macroeconomic challenges. In this episode of the State of the Economy podcast, businessline's Haripriya Sureban talks to Vineet Nayar, Former CEO of HCL Technologies, to get a nuanced understanding of the Indian IT industry's performance this year. *(BusinessLine)*

India's \$60 billion man-made textile sector reels from Chinese imports glut

For almost a year now, India's major textile hubs of Ludhiana, Surat, and Erode have been fighting an almost insurmountable challenge: rising imports, or arguably large-scale dumping, of man-made fibre (MMF) fabrics that is affecting a sector valued at about \$60 billion. *(The Hindu)*

'Industry-academia connect make TN enviable for advanced manufacturing'

A skilled talent pool, strong collaboration between Industry and academia, and a good infrastructure ecosystem have made Tamil Nadu a sought-after state for advanced manufacturing, said industry experts at the Business Standard Tamil Nadu Round Table 2023. *(Business Standard)*

DPIIT working with 24 sub-sectors to promote manufacturing, cut imports

The department for promotion of industry and internal trade (DPIIT) is working with 24 sub-sectors, including furniture, aluminium, agrochemicals and textiles, to promote domestic manufacturing, boost exports and reduce imports, according to an official statement. The commerce and industry ministry on Tuesday said that since its launch, 'Make in India' has made "significant" achievements and is now focusing on 27 sectors under 'Make in India 2.0'. *(Business Standard)*

Apple in talks with Aequs, Rayprus to deepen manufacturing ops in India

In a bid to deepen its manufacturing operations in India, Apple is in talks with several component makers like Aequs Group and Rayprus Technologies, according to a report by The Economic Times (ET). It is also in preliminary discussions with Dixon Technologies as it looks away from China for manufacturing iPhones. *(Business Standard)*

India's key infra sectors' growth slows to 7.8% in Nov from 12.1% in Oct

In November, India's eight key infrastructure sectors witnessed a year-on-year growth of 7.8%, down from the previous month's 12.1%, according to the Ministry of Commerce & Industry. The Eight Core Industries (ICI) index had grown by 5.7% in November 2022. Positive growth was observed in coal, electricity, fertilizers, natural gas, refinery products, and steel. *(The Economic Times)*



News on Kerala

One-year lock-in period will apply for green tariff, says KSEB

A lock-in period of one year, during which cancellations will not be accepted, will be applicable to electricity consumers who opt for the new 'green tariff,' according to the Kerala State Electricity Board (KSEB). *(The Hindu)*

Kerala rejigs biodiversity conservation plan

Kerala's biodiversity management and conservation efforts are taking a new course with around 400 biodiversity management committees (BMC) coming forward to update their people's biodiversity registry (PBR). The PBR documents information on bio-resources, including plants and animals, and traditional knowledge of a local body besides the landscape details and demography of the area. *(The Hindu)*

Faced with staff shortage, Elder Line still in limbo

The functioning of Elder Line, the national helpline for the elderly (14567), remains partial in the State even as the year's end approaches. The helpline has been functioning with minimal staff following a communication from the National Institute of Social Defence (NISD) to the Social Justice department that runs the helpline in the State. *(The Hindu)*

KSDMA to tie up with WRI to implement heat action plan

Amid a rise in average day temperature in Kerala during summer, the State government has permitted the Kerala State Disaster Management Authority (KSDMA) to collaborate with the World Resources Institute (WRI), an NGO, on mainstreaming sustainable cooling practices across the State by implementing the recommendation of the Kerala State Heat Action Plan and India Cooling Action Plan. *(The Hindu)*

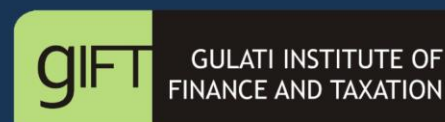
Draft final version of CZMP for 10 coastal districts likely by next month

The draft final version of the Coastal Zone Management Plan (CZMP) of the 10 coastal districts of the State is likely to be ready by January, 2024. A CZMP approved by the Union Ministry of Environment, Forest and Climate Change is required for the State to take advantage of the Coastal Regulation Zone (CRZ) Rules, 2019, which comes with a relaxed legal regime. *(The Hindu)*

Global science festival at Thonnakkal from Jan. 15

The Global Science Festival Kerala (GSFK), organised by the Kerala State Council for Science, Technology and Environment (KSCSTE) and Amuseum ArtScience, will be held at the Bio 360 Life Sciences Park, Thonnakkal, Thiruvananthapuram, from January 15 to February 15. Chief Minister Pinarayi Vijayan will inaugurate the festival, described as a curated event "that explores science through art" on January 15. It is a ticketed event open to the public. Entry fee concessions will be available to school students, the organisers said. *(The Hindu)*

GULATI INSTITUTE OF FINANCE AND TAXATION
GIFT Campus, Chavadimukku,
Sreekariyam, Thiruvananthapuram, Kerala - 695017
Phone : 0471 2596970, 2596980, 2590880, 2593960
Fax : 0471 2591490
Email : giftkerala@gmail.com



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