

# Centre looks to cut Budget deficit on global headwinds

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The central government wants to narrow its budget deficit by at least 50 basis points, according to people familiar with the matter, as authorities balance global investor scrutiny with the need for higher spending as the nation enters an election year.

Finance Minister Nirmala Sitharaman will seek to shrink the shortfall to less than 6 per cent of gross domestic product

(GDP) in the year starting April 1, the people said. Her presentation due February 1 will be the final full-year budget before citizens elect their new prime minister in the summer of 2024.

What complicates matters for Sitharaman is that her food and energy bills are inflated by the war in Ukraine and given the country runs a current-account deficit as well, the rupee has been weakening to successive record lows. Subsidies on food, fertilizer and fuel will cost at least \$67 billion in the year ending March 2023 — or



## Rationalisation of long-term capital gains' tax structure on the cards

The finance ministry is looking at rationalising long-term capital gains tax structure by bringing parity between similar asset classes and revising the base year for computing indexation benefit to make it more relevant, an official said on Friday.

PTI

2.1 per cent of GDP — against the budget estimate of ₹3.2 trillion (\$39.2 billion).

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