

ECONOMY & FISCAL DEVELOPMENTS

5TH LARGEST ECONOMY

- \$ 3.5 trillion
- overtaken UK (2022) (IMF)
- after USA, China, Japan & Germany
- a decade back India was 11th
- 3rd largest in PPP terms

FWIN DEFICIT

- FD & CAD
- ISSUES
 - Fall in govt revenues
 - trade deficit
- steps
 - rationalise revenue exp
 - boost to exports

TAX TO GDP

- 11.7% (2022-23)
- higher tax to GDP
 - more invst in physical & social infra
- Tax elasticity
- Tax buoyancy

WINDFALL TAX

- unanticipated spike in earnings of an entity resulting from an exogenous event
- Taxing of these windfall gains
 - to meet fiscal needs
 - for redistributive justice

ANGEL TAX

- started in 2012
- Start ups fundraise from angel investors could be taxed if the funding happened at a valuation higher than fair market value of shares
- the premium paid is treated as income
- the exemption for foreign investors removed in the Budget 2023-24