NEWS ITEMS ON CAG/ AUDIT REPORTS (03.02.2023)

1. Why we don't tax agricultural income *(finshots.in)* Feb 3, 2023

Income begets taxation. Salary, capital gains, business profits, rental income and the interest on your savings bank account. You must pay a tax on this income.

But not all income is equal. And not all income is taxed. If you make money selling crops and renting agricultural land, then you may have to pay no tax at all. And if you're wondering why that is the case, well, you have to go back in time.

Go back to the time of the British Raj. The British administration officially began taxing income in 1860 as part of a formal drive to increase revenue. It was also the first time they presented a Budget to the British crown. And lo and behold, they taxed agriculture income. Between 1860 to 1863 and 1869 to 1873, they levied a tax on farmers when their annual revenue exceeded ₹600 a year.

But after a while, they began having second thoughts.

Remember the Zamindari system we learnt about in school?
The British appointed landlords and they controlled most farmland in India. They then sublet the land to small farmers and extracted a hefty rent, a tax and even appropriated produce when they felt like it. The British lined their coffers. The Zamindars made money. But the farmers simply toiled away in these lands for next to nothing. They were landless labourers.

Now imagine levying an income tax on top of all this. It would've been preposterous! Maybe the British felt that way too. And even though the Indian Taxation Enquiry Committee proposed to tax agricultural income in 1925, it never happened. They said there were possible administrative and political hurdles.

Anyway, by 1935, the power to determine agriculture tax went to princely states and provinces. They had to decide what to do with this contentious subject and they didn't do much either. Meanwhile, we claimed independence, kicked the British out and let states decide how to deal with agricultural income. And a few states did try taxing this income. The likes of Kerala, Assam, and Uttar Pradesh dabbled with this matter but eventually withdrew it claiming that it didn't work quite as well.

In short, things never changed.

But why?
Because even back in 1961, prominent economists such as Yogender Alagh were making a case for taxing agricultural income. And agriculture contributed 50% to our GDP. It was a primary source of income and for a young nation like India, this income would have come in very handy. But back then, most people were of the opinion that farmers would struggle with taxation matters.

And they also believed collecting and monitoring payments would have incurred an even bigger cost. It didn't seem worth the effort. There was also the fact that India had decided to impose land ceilings—meaning people couldn't simply buy a lot of land and sit on it. They had caps on what they could own. So authorities believed that most farmers wouldn't earn a lot of income anyway.

But times have changed. There's an improvement in yields. Prices have shot up. And income levels have risen across the board. We have even amended land ceiling acts. Now people and corporations own large swathes of agricultural land.

Maybe it's time to impose that tax!

But as soon as you make this argument, someone will tell you—"You'll hurt Indian farmers."

And while that argument seems appealing at first, it's not very sound when you consider everything. First of all, nobody is advocating for a tax on every farmer. Just like salaried individuals, you'll have thresholds. And you'll be exempt if you don't make a lot of money anyway. In fact, this will likely be applicable to most farmers.

Over 86% of agricultural households hold less than 2 hectares of land. And while "total acreage" doesn't equate to income directly, it's safe to assume that struggling farmers wouldn't end up footing a tax bill. Instead, the tax net can capture farmers whose income may add up to tens of lakhs or crores.

This sounds reasonable.

So why haven't we implemented it yet?

Well, some states have implemented taxes to varying degrees. But to extend a blanket tax regime on all agricultural income would require extraordinary political will.

Let us explain.

When someone filed a Right to Information (RTI) application a few years ago, they found something really interesting. The land under cultivation in India remained constant. The growth in agriculture as a sector—3–5%. But the kind of "agriculture income" people declared to tax authorities kept rising through the roof.

How's that even possible?

Okay, imagine you're someone who's trying to avoid taxes. You have a plot of agricultural land and you've built a farmhouse. You rent it out so people could have nice parties. You make money. Now you're not using the land for agriculture. So the income is actually subject to tax. But then, you use a small part of the land to grow vegetables or fruits. Claim that you're indulging in some farming. And then you club all this income together and claim a tax exemption. Maybe you'll also include income you're receiving elsewhere. It's a great scheme to avoid paying taxes.

It could happen, no?

We say that because when the government's audit team, the CAG, conducted an investigation in 2019, they actually found that exemptions on agricultural income were given without even verifying supporting documents such as crop information. They didn't even know if this income was genuine and a lot of people (including politicians who own large swathes of land) benefit from this.

So it's always been a challenge to introduce a tax on agricultural income. Can we plug the gaps some other way? Maybe. But for now, it still seems like a distant dream. https://finshots.in/archive/should-we-tax-agriculture-income/

2. Karnataka BJP files complaint with Lokayukta against Congress over graft charges *(indiatoday.in)* UPDATED: Feb 3, 2023

The ruling party has accused Congress and bureaucrats of dereliction of duty, cheating, misusing their power, faking documents and carrying out scams worth Rs 15,000 crore.

The ruling BJP has filed a complaint with the Lokayukta against former Karnataka Chief Minister Siddaramaiah and the Congress, alleging misuse of power and faking documents. The BJP has filed a complaint against KJ George (MLA from Sarvagna Nagar Constituency), Robert Vadra (businessman), BZ Zameer Ahmed Khan (MLA from Chamrajpet), Krishna Byre Gowda (MLA from Yatarayanapura), UT Khader (Congress MLA from Ullal constituency), MB Patil (Karnataka Congress campaign committee chairperson), six IAS, six IRS officers in Bengaluru.

The ruling party has accused them of dereliction of duty, cheating, misusing their power, faking documents and carrying out scams worth Rs 15,000 crore.

A total of ten complaints have been filed against the Congress leaders, IAS and IRS officers in connection with a street light installation scam, underground dustbin collection scam, Karnataka Aids Prevention Society scam, Suvarna Arogya Suraksha Trust scam and others.

In January, the BJP filed a complaint with the Lokayukta against former Karnataka Chief Minister Siddaramaiah and the Congress, alleging irregularities in 'TenderSURE' (Specifications for Urban Road Execution) projects back in 2013-14.

BJP SC Morcha president and MLC Chalavadi Narayanaswamy had said the Congress is making "40 per cent commission" charges without any proof and also carrying out a misinformation campaign against the BJP and the state government.

"We have lodged a complaint with the Lokayukta. We have proof for the allegations we are making, but they don't. They have not been able to produce any proof till now," Narayanaswamy had said.

He said in 'TenderSURE' projects in 2013-14, 53.86 per cent excess funds were released than what was actually tendered and the BJP has given certain documents to prove this. Earlier, Health Minister K Sudhakar quoting a CAG report said that there were financial irregularities to the tune of Rs 35,000 crore under the Siddaramaiah-led Congress government. https://www.indiatoday.in/india/story/karnataka-bjp-files-complaint-with-lokayukta-against-congress-over-graft-charges-2329815-2023-02-03

SELECTED NEWS ITEMS/ARTICLES FOR READING

3. Fuel subsidies are back: Oil companies to get Rs 30,000 cr for holding petrol, diesel prices *(auto.economictimes.indiatimes.com)* February 02, 2023

The Union Budget for 2023-24 will dole out Rs 30,000 crore to state-owned fuel retailers to make up for the massive losses they ran because of holding petrol and diesel prices despite rise in cost in a bid to help the government contain inflation. Finance Minister Nirmala Sitharaman has allocated the money under the head "capital support to oil marketing companies". It offered no explanation why the blue chip, cash rich oil PSUs should need capital support.

Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) haven't changed petrol and diesel prices since April 6, 2022, despite input crude oil prices rising from USD 102.97 per barrel that month to USD 116.01 per barrel in June and falling to USD 80.92 per barrel this month.

Holding prices when input cost was higher than retail selling prices led to the three firms posting net earnings loss. They posted a combined net loss of Rs 21,201.18 crore during April-September despite accounting for Rs 22,000 crore announced but not paid LPG subsidy for past two years.

That freeze had led to record high losses of Rs 17.4 per litre on petrol and Rs 27.7 a litre diesel for the week ended June 24, 2022. However subsequent softening led to losses on petrol being eliminated and diesel coming down to Rs 10-11 a litre. Retail rates havent been changed when oil prices well to help the oil companies recoup the massive Rs 50,000 crore under-recovery they ran for holding prices.

Sabyasachi Majumdar, Senior Vice President & Group Head - Corporate Ratings, ICRA Limited, said the budgetary allocation towards capital support to oil marketing companies (OMCs) is Rs 30,000 crore as against the industry's ask of Rs 50,000 crore to compensate for losses incurred on the sale of auto fuels and LPG.

"The Government of India in October 2022, approved a one-time grant of Rs 22,000 crore to PSU OMCs for losses incurred on the sale of LPG which only partially compensates for the losses incurred," he said.

International oil prices have been turbulent in the last couple of years. It dipped into the negative zone at the start of the pandemic in 2020 and swung wildly in 2022 -- climbing to a 14-year high of nearly USD 140 per barrel in March 2022 after Russia invaded Ukraine, before sliding on weaker demand from top importer China and worries of an economic contraction.

But for a nation that is 85 per cent dependent on imports, the spike meant adding to already firming inflation and derailing the economic recovery from the pandemic.

So, the three fuel retailers, who control roughly 90 per cent of the market, froze petrol and diesel prices for the longest duration in at least two decades. They stopped daily price revision in early November 2021 when rates across the country hit an all-time high, prompting the government to roll back a part of the excise duty hike it had effected during the pandemic to take advantage of low oil prices.

The freeze continued into 2022 but the war-led spike in international oil prices prompted a Rs 10 a litre hike in petrol and diesel prices from mid-March before another round of excise duty cut rolled back all of the Rs 13 a litre and Rs 16 per litre increase in taxes on petrol and diesel affected during the pandemic.

That followed the current price freeze that began on April 6 and still continues.

Majumdar said the budgetary allocation for DBT on LPG (domestic) sales is low at Rs 180 crore in ICRA's opinion, which would be a risk for public sector OMCs in case international crude oil or LPG prices rise.

The allocation to Indian Strategic Petroleum Reserves (ISPRL) is Rs 5,000 crore for the build-up of crude oil reserves. The increase in basic customs duty on Naphtha would be beneficial for the refiners as it would increase their sales realisations on domestic sales, he added. https://auto.economictimes.indiatimes.com/news/oil-and-lubes/fuel-subsidies-are-back-oil-companies-to-get-rs-30000-cr-for-holding-petrol-diesel-prices/97576317

4. System error: How automated notices under GST is leading to proliferation of disputes and litigations *(economictimes.indiatimes.com)* February 03, 2023

The Goods and Service Tax (GST) has been one of the most complex yet progressive indirect tax reforms implemented in the history of India. The reform involved the integration of the nation's diverse indirect tax horizon into a single indirect taxation code bringing about a massive responsibility of developing a robust, unified and interactive IT architecture to not just integrate the taxation platform of 36 States, Union Territories and the Union Government, but also to sculpt a single interface structure for all the taxpayers for compliances and reporting.

The Goods and Services Tax Network (GSTN) was entrusted with the complex and herculean task of building the platform to service the needs of diverse stakeholders, be it taxpayers, tax authorities or other governmental agencies, featuring interoperability with other systems such as that of Customs authorities. The responsibilities included the taxpayer migration from the erstwhile regime to GST, registrations, filings, tax remittance, refunds, validating appropriateness of Input Tax Credit (ITC), etc.

During the pre-GST regime, tax officers conducted audits/assessments to ascertain whether there are short payments of taxes, excess availment of tax credits, non-compliances, etc. After detailed analysis and discussions with the assessee, the officers issued notices to the assesses. However, under the GST regime, the notices are auto-triggered basis the intelligences, checks and balances, configurations, analytics and functionalities in-built in the technology platform, relying on data captured from the taxpayer returns/declarations.

This has resulted in a significant spurt in the issue of show-cause notices on taxpayers without any intervention of the tax officers, but solely basis information available on the GSTN, automatically. The issue of systemgenerated notices are on account of many reasons such as reconciliation of turnover reported in monthly return/declaration in Form-GSTR-1 and Form GSTR-3B or Annual Return in Form-GSTR-9, reconciliation of ITC as appearing in Form-GSTR-2A and ITC availed in Form GSTR-3B, difference tax payable and paid as per Form GSTR-9, the difference in E-way bill generated and Form GSTR-1, demand of interest on delayed filings, etc.

The auto-generated notices are sent to the taxpayers through e-mail on their registered email address, which is also hosted in the GSTN portal for download. Often, notices are issued basis analytics of the data reported by the taxpayer. These auto-prompted communications originating from the GSTN portal are without any pre-notice discussion or calling for clarifications from the taxpayer, but arise out of errors that cannot be resolved through machine intelligence. Often it is noticed that these merely proliferate the litigation ecosystem of GST, without any revenue implication.

There have been numerous interpretational issues under GST which have already led to a multiplication of litigations. Reply to these notices and representation before tax officers have resulted in a manifold increase in time, efforts and transaction costs at the taxpayers' end. This adds up to the additional data reporting by the taxpayer, especially after undertaking timeconsuming monthly/annual compliances. It is indeed disconcerting for an honest taxpayer to receive a notice demanding additional tax and/or submit fresh sets of data multiple times, especially in an environment that mandates periodic, multiple and voluminous reporting.

Technology is the backbone for the success of GST. The technology backbone and use of data analytics have significantly contributed to unearthing fraudulent transactions and collecting legitimate taxes. However, that cannot be a validated hardship to honest taxpayers and it calls for an urgent need to upscale the intelligence built-in the technology platform to reduce avoidable pain caused by auto-triggered notices.

The Government has initiated many actions to contain litigation and mitigate the grievances of the taxpayers as is apparent from the efforts in issuing clarifications on interpretational issues, the introduction of a new process to weed out reconciliation challenges in the ITC during the initial years of GST, waiver of fines/penalties for minor offences, etc. The system-generated notices are contributing to the proliferation and clogging of the appellate mechanism.

It is thus expected that a suitable approach to allow the taxpayer to participate in pre-notice dialogue, can assuage the concerns of honest taxpayers. Litigation is war and war usually inflicts heavy casualties on either side. https://economictimes.indiatimes.com/small-biz/gst/system-error-how-automated-notices-under-gst-is-leading-to-proliferation-of-disputes-and-litigations/articleshow/97571173.cms

5. India spends 57 paise to collect every Rs 100 of income tax *(deccanchronicle.com)* February 03, 2023

In what must come as a revelation, the cost to collect income-tax in India is the second lowest in the world. “We spend just 57 paise to collect every hundred rupees in income-tax,” said Shishir Agarwal, Chief Commissioner of Incom-Tax, Hyderabad, here on Thursday.

Addressing a seminar hosted by FTCCI, ‘Post Union Budget: Implication for trade and industries,’ in their Red Hills office, Agarwal said that the UK spendt 73 paise, Japan 174 paise, Germany 135, Canada 150 and France 111. “Only the USA spends less than us,” he said.

“I come from a department which people love to hate. No one wants us to visit them in our official capacity. But, we are doing really well. The numbers reflect our performance. For 2021-22, we have collected an all-time high tax. The net direct tax collections (income-tax and corporate tax) reached an all-time high of Rs 14.09 lakh crore. This year also has been good at

Rs 14.08 lakh crore from April to December, which is 24 per cent higher than the previous year."

The I-T commissioner said, “We are now quicker in providing refunds than ever before. Around 65 per cent of I-T returns that were filed were processed and refunded within 24 hours of filing.”

He said that the country had moved to a faceless tax process, which was a first in the world. "We understand tax payers’ aspirations and bring tailor-made initiatives for tax payers' benefit for a better tomorrow. India’s time has come now," Agarwal added.

Terming the Union Budget as ‘progressive’, Agarwal said that it was in tune with the Centre's policies and Vision 2047 and moving to a new tax regime that would be simple and more transparent.

In his address, D.P. Naidu, commissioner, Central tax, Secunderabad commissionerate, said it was a budget of openness. “There have been no surprises and shocks unlike in the past. When I joined the department 30 years back, more legislative changes were proposed in the Budget,” he said.

He said that the Union finance minister had made a sincere effort in simplifying indirect taxes compliance, encouraging exports and manufacture of green products. He said that a reduction in customs duty on lithium batteries, mobile phones components and others will boost their manufacture in a phased manner.

"Except for a few legislative changes, not many changes were made to GST. This will also help to have a stable revenue from GST, which now stands at Rs 1.5 lakh crore,” he added.

"It is not an election budget nor an annual budget but one that lays the foundation for the next 25 years," said Hari Govind Prasad, chairman, direct taxes committee of FTCCI. It is a neutral budget, said V.S. Sudhir, chairman, GST & Customs committee of FTCCI. The budget should not have been silent on setting up GST tribunals. The taxpayers were hopeful of its announcement in the budget, he said. https://www.deccanchronicle.com/nation/in-other-news/020223/india-spends-57-paise-to-collect-every-rs-100-of-income-tax.html

6. A nudge on income tax mustn’t become a shove *(livemint.com)* February 02, 2023

In a country long accustomed to state paternalism, as captured by the Indian phrase ‘mai baap sarkaar’, the use of its libertarian version, as proposed by nudge theory, is always a marvel. The proposition of this theory is that it is not just useful, but also ethical and at times even ideal to influence behaviour by nudging people in desirable ways without denying them their freedom of choice. India’s Union budget deployed a classic nudge this week by making its concessional income-tax regime the default option, a change that means opting for the old scheme will require us to act, and so the force of inertia could move taxpayers in the desired direction. Personal taxation shorn of a hoary jumble of exemptions is desirable as a matter of principle—for its simplicity. The easier it is for us to compute our tax liability, the better it is. The scope for confusion over law adherence must be kept minimal. This canon cannot be stretched too far, though. A flat rate applicable to all, for example, would be unfair to modest earners who must stretch their money to get by, just as filling up coffers with only indirect levies like GST would impose a lopsided burden on the rich and poor. But once this caveat is taken into account, we should go by this enduring advice of advertising mavens: Keep it simple, silly.

The concessional option has income slabs with marginal rates of tax that ascend less steeply, but offers no tax-free crannies to park money. This makes it harder to game. It suits those who cannot gather the documents needed to claim deductions and others who would rather keep clean-slate records of what they earn and pay a fuss-free fraction of it. While the old regime's tax-offs for insurance and investments can be regarded as policy nudges too, the concessional one is decidedly more libertarian in outlook. It is not loaded in favour of any normative lifestyle—say, with two school-going kids and an urban home on either rent or loan, the expenses on which could vary vastly. Rather than have us tick designated boxes for tax relief, it is conceptually designed to give us greater liberty on what we do with our salaries. All added up, a rise in discretionary income could do our economy a favour. Yet, concessional taxation found so few takers after its 2020-21 launch that it required bigger concessions as a sweetener. The budget for 2023-24 proposes to lift its basic exemption limit to ₹3 lakh, rejig tax slabs to ease the burden on most brackets, and hike the tax rebate limit to ₹7 lakh. The Centre will also reduce the new regime's burden on top-bracket earners drawing over ₹5 crore annually from an extortive rate of nearly 43% of inflows to 39%. These tweaks are expected to cost the exchequer around ₹37,000 crore in lost revenue next fiscal year, which can be viewed as a subsidy to simplify the state's fiscal contract with taxable earners. If it can attract taxpayers who have been sop-happy so far—heavy investors in approved schemes seem the likeliest to opt out—it would qualify as a notable tax reform.

Why not phase out India's old income tax regime? A bunch of state-run institutions which depend on its tax sops for a chunk of their business would protest, perhaps, but a good answer is that it would no longer be a nudge then. Were it to be forced upon us, it wouldn't be libertarian anymore. With choice on offer, it's a case study in behavioural economics. And unlike some other proposals, like a sharp hike in India's at-source levy on money sent abroad, it adheres creditably to basic canons of taxation. https://www.livemint.com/opinion/online-views/a-nudge-on-income-tax-mustn-t-become-a-shove-11675359401039.html

7. Modi govt moots plan to cut fertiliser use *(financialexpress.com)* February 03, 2023

The government is working out the modalities of the PM-Pranam, a programme aimed at cutting the subsidy bill and incentivising states for promoting a balanced use of chemical fertilisers by farmers, according to sources.

Finance minister Nirmala Sitharaman in her Budget speech on Wednesday had referred to the programme as PM-Pranam, called Prime Minister Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth.

An official with the department of fertilisers told FE, "The scheme is meant to involve states in reaching out to farmers to achieve balanced use of chemical fertilisers and promote alternative soil nutrients such as nano-urea and nano-di-ammonium phosphate (DAP) and natural nutrients, which would improve soil quality." The scheme also aimed at reducing the mounting subsidy burden through reduction in the use of chemical fertilisers by balanced use of soil nutrients by farmers.

Govt wants to eventually move to exemption-free I-T regime with lower taxes: Revenue Secy Sources said the incentives structure for states for promoting the use of alternative fertilisers and balanced social nutrients by farmers are being worked out. As per the revised estimates, the fertiliser subsidy for the current fiscal is estimated to be Rs 2.25 trillion, which is an increase of 39% than Rs 1.62 trillion in 2021-22.

Sources said the actual subsidy in the current fiscal will be around Rs 2.45 trillion. It is mainly attributed to a spike in global prices of fertilisers and as well LNG, a key ingredient in the manufacturing of urea. Imports account for a third of domestic soil nutrients consumption of around 60 million tonne (MT) annually. The government is stepping up production of nano-urea in liquid form as an alternative to conventional urea while nano-DAP will be launched soon.Sources said the use of nitrogen, phosphorus and potassium by farmers over the past a few years have deviated significantly from the ideal use ratio of 4:2:1. "This is because of wide variations in subsidies provided to social nutrients like urea, DAP, muriate of potash (MOP)," an official said. In case of urea, farmers pay a fixed price Rs 242 per bag (45 kg) against the production cost of around Rs 2,650 per bag. The balance is provided by the government as a subsidy to fertiliser units. The retail prices of phosphatic and potassic (P&K) fertiliser, including DAP were 'decontrolled' in 2020 with the introduction of a fixed-subsidy regime as part of the nutrient-based subsidy mechanism announced by the government twice in a year. In September, fertiliser ministry officials had shared the objective of the PM-Pranam with the state government at the National Conference on Agriculture for Rabi Campaign. https://www.financialexpress.com/budget/modi-govt-moots-plan-to-cut-fertiliser-use-2969924/

8. Government to spend Rs 927 crore for G-20 *(newindianexpress.com)* February 03, 2023

The national capital will be spruced up with an expenditure of Rs 927 crore in view of the G-20 summit that is slated to begin from March 1. The hefty sum will go into infrastructural development and hosting of various events in the run-up to the summit, including vintage car rally, electric car rally, golf tournament, film festival among others, a document seen by the newspaper showed.

The estimate of close to 10 billion has been given by 11 agencies and departments of Delhi gover nment, including Public Works Department (PWD), Municipal Corporation of Delhi (MCD), Delhi Metro Rail Corporation (DMRC), National Highway Authority of India (NHAI), among others, it said. The budget outlay was presented in a high-level review meeting of 26 departments that Delhi L-G VK Saxena chaired on Thursday to take stock of the G-20 preparations.

Barring Central Public Works Department (CPWD) and Railways, all other departments presented their action plans in the meeting. "CPWD and Railways have been instructed to submit their action plans by next week," an official present in the meeting said. Officials said that all ministers, including Delhi Chief Minister Arvind Kejriwal, were called to participate in the meeting but only Social Welfare Minister Raaj Kumar Anand attended the meet.

The officials said PWD, MCD and Railways representatives expressed the issue of unauthorized occupation in their area that is hampering bulk of their projects being undertaken for G-20 preparations. "The L-G has insisted that nobody should be removed in a callous and inhumane manner, without providing them the required rehabilitation and relocation assistance as provided by law," the senior official said. Meanwhile, agencies and departments were instructed to come-up with initiatives that will allow hassle-free services for the visitors who will be arriving in the city.

The tourism department was asked to come up with the detailed plan of action with regards to availability of hotel rooms, guest houses, etc. since around 1 lakh visitors are expected to visit during this time," the senior official said. Besides, focus will also be given on training of drivers employed with cab aggregators and making their payment portals compatible with debits through international credit cards since most visitors have access to Uber Apps and use credit cards," he added. https://www.newindianexpress.com/cities/delhi/2023/feb/03/government-to-spend-rs-927-crore-for-g-20-2543962.html

9. Govt budgets for 'green growth' but experts call it inadequate to tackle air pollution *(timesofindia.indiatimes.com)* Feb 02, 2023

Focusing on 'green growth' through multipronged approach in different sectors, the budget may have sent an overall positive signal for environment and climate change but it lacks a clear direction to deal with the problem of air pollution despite proposing higher allocation for the National Clean Air Programme (NCAP) that deals with the critical issue beyond Delhi-NCR.

The provision for the air pollution abatement measures, in fact, presents a mixed picture. Different provisions including clean energy push in power and transport sectors will help reduce pollutants, but the absence of dedicated attention to crop residue management or crop diversification will not help in resolving the issue during the peak pollution period in north-west India. The lack of focus will shift the responsibility of crop residue management from Centre to states - a proposition that does not appear to be encouraging for the cause.

The budget for the environment ministry at around Rs 3,079 crore saw an increase of over 24% compared to revised estimates (Rs 2,478 crore) of the current year, but it remains flat compared to the budget estimates of 2022-23.

The 'control of pollution' segment, conceptualised to provide financial assistance to pollution control boards/committees funding to NCAP, has, however, seen a consistent increase - from Rs 406 crore in 2021-22 to Rs 600 crore in 2022-23 and Rs 756 crore in 2023-24, a jump of 26% over current year. The money will go to different states for strengthening their air pollution monitoring system and taking other related measures to keep a tab on various pollutants round the year.

"Considering that the focus of the air quality management has to be on implementation now, it is necessary to see the trend in sectoral spending that has a bearing on air quality. From that perspective there are some positives in the transport sector. Doubling of subsidy budget for FAME II scheme and customs duty cut on lithium-ion batteries, along with fund allocation for replacement of old government vehicles, are an opportunity for fleet transformation," said Anumita Roychowdhury, executive director, Centre for Science and Environment (CSE).

"The increased funding for NCAP is welcome, but the lack of attention to crop residue management or crop diversification mean there is unlikely to be any substantial improvement in crop residue burning this winter," said Bhargav Krishna, fellow at New Delhi-based think tank, Centre for Policy Research (CPR).

The budget fine print shows that the central sector scheme on promotion of agricultural mechanisation for in-situ management of crop residue under the agriculture ministry has not got any separate allocation for the second year in a row for 2023-24 unlike 2021-22 when it was allocated Rs 691 crore. The sub-mission on crop residue management has, in fact, been merged with Rashtriya Krishi Vikas Yojna (RKVY) component - it means there is no dedicated fund for it.

“Coupled with the ongoing 15th Finance Commission grants to urban local bodies for air quality, there is greater momentum on addressing this issue at the city level. Greater scrutiny is needed, however, on how these monies are and how the incentive structures of the NCAP align with prioritising investment in untested techno-fixes such as smog towers and anti-smog guns," said the CPR. https://timesofindia.indiatimes.com/business/budget/govt-budgets-for-green-growth-but-experts-call-it-inadequate-to-tackle-air-pollution/articleshow/97559795.cms

10. Over 9.79 lakh vacancies across 78 depts: Centre *(millenniumpost.in)* February 02, 2023

Over 9.79 lakh vacancies exist in the central government across 78 ministries and departments, with railways accounting for 2.93 lakh, defence (civil) for 2.64 lakh and home affairs for 1.43 lakh vacancies, the Rajya Sabha was informed on Thursday.

In a written reply, Minister of State for Personnel Jitendra Singh said the ongoing 'Rozgar Mela' will act as a catalyst in employment and self-employment generation besides providing gainful service opportunities to 10 lakh youth over a period of one year or so. 'Rozgar Mela' events are being held across the country and new appointees are being inducted into various central ministries, departments, central public sector undertaking and autonomous bodies among others, he added.

He added that a National Recruitment Agency has been constituted and has done a detailed study of recruitment systems at the Centre as well as states in order to adopt best practices. https://www.millenniumpost.in/big-stories/adani-enterprises-to-be-dropped-from-dow-jones-sustainability-indices-507402?infinitescroll=1

11. India, U.S. keen to conclude $3 billion MQ-9B predator drone deal *(thehindu.com)* February 02, 2023

India and the United States are keen for an early conclusion of the 30 MQ-9B predator armed drones deal at a cost of over $3 billion, which will help New Delhi strengthen its overall surveillance apparatus along the Line of Actual Control (LAC) and the Indian Ocean.

In the works for more than five years, the “ball is now in India’s court”, officials familiar with the development said Wednesday, without explaining further.

The MQ-9B predator-armed drones — 10 each for three services — is seen to be a key part of India’s national security and defence needs.

The officials did not elaborate further but ruled out that there was any bureaucratic hurdle or regulatory issues involved.

“I have to take that back and check on that,” Assistant Secretary of State for Political Military Affairs Jessica Lewis told reporters here when asked for the delay in the deal, which was announced in the summer of 2017.

It has been pending for quite some time now, for reasons not known in the public. However, the issues are believed to have been discussed during the meetings that the visiting National Security Advisor Ajit K Doval has had with top American leadership, including his counterpart Jake Sullivan.

During the meetings, it is believed that both sides expressed their eagerness to see that the drone deal is fast tracked. India is eager that an early decision would help it get an early delivery of MQ-98 predator armed drones that would strengthen its national security and surveillance not only in the Indian Ocean, but also along the LAC.

The Biden administration is keen on inking this deal as soon as possible, which will create jobs and would be politically beneficial ahead of the next year's presidential elections, according to people familiar with the development.

“MQ-9B would enable its Indian military users to fly farther than anything else in this category, spend more time in the air and handle a greater diversity of missions than any other similar aircraft. The SkyGuardian and SeaGuardian can deliver full-motion video in virtually any conditions, day or night, as well as other kinds of detailed sensing with their onboard systems,” Vivek Lall, chief executive, General Atomics Global Corporation, told PTI.

“The aircraft also can carry a wide variety of specialist payloads if they must adapt to a specific mission. A SkyGuardian becomes a SeaGuardian, for example, when it carries a 360-degree maritime search radar that gives users a quality of maritime domain awareness they can’t achieve any other way,” he said.

Artificial intelligence, machine learning and other sophisticated technologies help unlock the rich feed of insight from these aircraft, analyse it and distribute it to those who need it to take quick decisions, Lall said.

“Other payloads include communications relays – so the aircraft can serve as a node connecting forces over land or sea – or other intelligence, surveillance or military systems. These aircraft can conduct search and rescue, help fight wildfires, support customs authorities, augment naval forces and take many other tasks,” he said.

“In short, MQ-9B is the premier multi-role, long endurance remotely piloted aircraft in the world today. It is in high demand. Japan, Belgium, Great Britain, and several other nations are flying or are on track to begin flying them,” Lall said.

Early in the day, Assistant Secretary of State for Political Military Affairs Lewis told reporters that the India-U.S. defense relationship has gained pace.

“When we look at the relationship with India and our security cooperation with India and the defense relationship with India over the past 10 years or even a little bit longer, we've really seen that grow and evolve and change…in very positive ways,” Lewis said in response to a question.

"I think all the discussions (during this week's iCET dialogue) are in that context," she said, a day after the two countries embarked upon the ambitious initiative in critical and emerging technologies.

"Everything from Indian procurement and or consideration of U.S. systems and India's competition, when they're having competitions for specific systems, to just the across-the-board relationship between our defense department, the Ministry of Defense. So we see this as a place where we want to continue to work closely," she said.

"Without getting into any of the details of the conversation, I think it's a very rich conversation right now. And one that we're deeply committed to not only continuing but to have growth," Lewis said.

Responding to a question, the State Department official said the U.S. is ready to help India diversify its defence needs.

"When it comes to India, I think there are a whole host of options. Obviously, we need to work those out with the Indian government, see what the needs are. But I think there are a whole host of options in terms of us being able to find additional systems, ways to cooperate. Obviously respecting India's own sort of rules of the game in terms of how that works. There's a lot more that we can do together and hope we can continue to work on that," Lewis said. https://www.thehindu.com/news/national/india-us-keen-to-conclude-3-billion-mq-9b-predator-drone-deal/article66461838.ece

12. DRAINING THE STATE EXCHEQUER | J&K spent Rs 55,254 Cr on power purchases from outside in 10 years *(greaterkashmir.com)* Feb 3, 2023

The J&K government has now set a target to double the Hydropower Generation Capacity in the next 3 years from the existing capacity of 3500 MW.

Srinagar: Power purchases continue to be a big drain for J&K's exchequer, as the union territory has spent a whopping Rs 55,254 crore on purchasing electricity from outside power companies in the last 10 years.

As per the official data accessed by Greater Kashmir power purchase bills from outside power discoms have reached Rs 55, 254 crores in the last ten years (2012-13 to 2021-22).

According to data, the J&K government spent Rs 8197 crore on 16207 million electricity units in 2021–2022 while while 14362 million units cost Rs 7047 crore in 2020–21.

In 2019-20, 13345 million units were purchased for a cost of Rs 6987 crore.

Similar to this, power purchases totalled Rs 6561 crore in 2018–19, Rs 4844 crore in 2017–18, Rs 4752 crore in 2016-17, Rs 4803 crore in 2015–16, Rs 4719 crore in 2014–15, Rs 3959 crore in 2013–14, and Rs 3382 crore in 2012–13.

Data also shows that there is an increase in the amount of money spent on purchasing power from outside of J&K.

"J&K pays the central government's power distribution corporations, and other utilities an average of Rs 7500 crore per year for electricity, while the government only receives a pitiful Rs 3200 crore in annual power tariff payments from citizens, businesses, etc. It means annual power purchase losses of a record Rs 4300 crore. The government is paying 12 to 18 percent interest on the liabilities owed on account of power purchases, which has grown over time to Rs 14200 crore," said a senior Power department official.

"It is primarily caused by substantial AT&C losses and power thefts, which are depleting government coffers while also denying legitimate customers access to the 24-hour power supply that the government sometimes promises," he said.

"For years, power theft mainly has resulted in over 56 per cent aggregate technical and commercial (AT&C) losses for both the power distributing companies of Jammu and Kashmir. AT&C losses for Jammu Power Distribution Corporation Limited (JPDCL) in 2019–20 were 50.57 percent, 52.17 percent, and 50 percent, respectively. A staggering 74.06 percent loss was experienced by Kashmir Power Distribution Corporation Limited (KPDCL) in 2019–20, followed by losses of 69.01 and 65 percent in 2020–21 and 2021–22," said a senior Power Department official.

The J&K government has now set a target to double the Hydropower Generation Capacity in the next 3 years from the existing capacity of 3500 MW.

"In this direction, 5 Mega Hydro-power projects viz Ratle (824 MW), Kirthai-II (930 MW) Sawalakote (1856 MW), Dulhasti-Stage II (258 MW) and Uri-I Stage-II (240 MW) having a total capacity of 4134 MW have been taken up for execution in collaboration with NHPC. The likely investment in these projects is Rs 34882 crore and on completion will make J&K power surplus. The delay in execution of the projects has been eliminated and the pace of execution accelerated," the official document of the J&K government mentions.

"Ongoing HEPs - Kiru (624 MW), Kawar (540 MW) and Pakaldul (1000 MW) are being developed through Joint ventures. By 2022-23, major civil and electro-mechanical works of these projects will be completed," it adds. https://www.greaterkashmir.com/todays-paper/front-page/draining-the-state-exchequer-jk-spent-rs-55254-cr-on-power-purchases-from-outside-in-10-years

13. Only 11% Kerala infrastructure investment fund board projects ready *(timesofindia.indiatimes.com)* Feb 3, 2023

THIRUVANANTHAPURAM: An analysis of the projects under Kerala infrastructure investment fund board (KIIFB) by the economic review shows that the work on only 11% of the projects approved under the board have been completed, work on 40% of the projects is in progress and 29% of the projects remain in the approved category.

As per the economic review, the KIIFB has completed only 101 out of 928 construction works sanctioned while 369 works are in progress. In FY 2021-22 (as of October 2022,) technical sanction has been issued for 16 works whereas 41 works have been awarded and 53 works have been tendered.

KIIFB fund's major share has been set aside for the roads and road transport sector, which is Rs 33,027.75 crore as of March 2022. It has accorded sanction for Rs 32,523.28 crore for various road projects. While projects under water resources (worth Rs 5,876 crore) and power (Rs 5,200 crore) sectors follow the sector in terms of share of allocation of funds, KIIFB has approved Rs 5,064 crore for health and family welfare, including projects in Ayush which forms 9.97% of the total projects approved by it.

KIIFB has also earmarked Rs 3,972 crore to the education sector, of which Rs 1,100 crore is for higher education sector. In 2021-22, the agency released Rs 8,459.47 crore for project funding compared to Rs 5,484.88 crore in the previous financial year. The total disbursement towards various KIIFB approved projects (including land acquisition) is Rs 20,454.63 crore as of March 2022.

KIIFB has also disbursed Rs 7,932.53 crore till March, 2022 exclusively on land acquisition projects which is over 33% of the total disbursement. The review says that the global rating agency Standard and Poor's (S&P) in September, 2022 has affirmed 'BB-/B' ratings on KIIFB, affirming that the outlook is stable. https://timesofindia.indiatimes.com/city/thiruvananthapuram/only-11-kerala-infrastructure-investment-fund-board-projects-ready/articleshow/97573312.cms

14. Sought Rs 1,178 crore, civic body receives Rs 7 crore from administration in Punjab *(timesofindia.indiatimes.com)* Feb 03, 2023

CHANDIGARH: The UT administration on Wednesday released Rs 7 crore under revised estimates to the municipal corporation (MC).

Out of the total amount, around Rs 2 crore will be used for waste management and related purposes, and the remaining Rs 5 crore for other expenditures.

The civic body had demanded Rs 1,178.02 crore from the administration under revised budget estimates under multiple segments, explaining to the local bodies department of the UT where it would spend the money.

Continuing its efforts to get annual finances according to the recommendations of the 4th Delhi Finance Commission (DFC), the civic body had raised the point before the UT while asking for Rs 957.38 crore under it. Besides, it had sought Rs 23.64 crore as “electricity duty” as part of the budget revised budget estimates while asking for finances for the remaining months of the current financial year. “Though both these issues are with the central government, the MC has been raising them as it is their right,” sources said. https://timesofindia.indiatimes.com/city/chandigarh/sought-1178cr-civic-body-receives-7cr-from-admn/articleshow/97567079.cms