

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Is the Passport Office Enforcing DigiLocker via Voluntarily Mandatory Aadhaar? (*moneylife.in*) 03 August 2023

The regional passport office in Mumbai issued a press note that makes DigiLocker mandatory if the applicant submits an Aadhaar as proof of residential address or date of birth.

"From 5 August 2023, in case applicants choose to submit Aadhaar as proof of present residential address or date of birth, it is mandatory that applicants select the DigiLocker option at the time of filing up the online application. In case applicants do not exercise the option of DigiLocker for Aadhaar at the time of online submission of the passport application, Aadhaar shall not be accepted as a valid document for proof of present address or date of birth at passport seva kendra (PSK) or post office passport seva kendras (POPSKs)," it says.

The press note tries to amplify the 'convenience' of using voluntarily mandatory Aadhaar and, thus, DigiLocker. Interestingly, while you can open a DigiLocker account using a mobile number, everything here is linked with Aadhaar. Even the mobile number you use to register and receive a one-time passcode (OTP) must be the same as that you had linked with your Aadhaar. And if you want to make any changes in your DigiLocker account, like updating your mobile number or full name, you need first to update the data in your Aadhaar.

Earlier, without paying any heed to the Supreme Court's judgement, the Union government and everyone is trying to make voluntary Aadhaar mandatory for everything. Now, under the pretext of convenience, even the passport office appears to enforce DigiLocker on citizens.

Interestingly, in November last year, to curb any misuse, the Unique Identification Authority of India (UIDAI) said that before accepting an Aadhaar either in physical or electronic form for establishing identity of an individual, the entities concerned should verify it.

The UIDAI has requested the state governments to emphasise the need for verification before usage and has urged the states to give necessary direction so that whenever Aadhaar is submitted as proof of identity, authentication/ verification of the resident is performed by the concerned entity using Aadhaar as an identity document.

So, it is not clear if the passport office will verify Aadhaar submitted by applicants on its own or if it is trying to shift the responsibility to DigiLocker, which is an initiative of the ministry of electronics & IT (MeitY) under the Digital India programme. It is a cloud-based platform for storage, sharing and verification of documents and certificates.

In her budget speech in February 2023, finance minister (FM) Nirmala Sitharaman had announced a "one-stop solution for reconciliation and updating of identity and address of individuals maintained by various government agencies, regulators and regulated

entities will be established using DigiLocker service and Aadhaar as foundational identity."

Maybe the passport office is trying to toe the line and asking for exercising the DigiLocker option for every applicant submitting an Aadhaar as address proof or date of birth.

The only issue is UIDAI has provided an Aadhaar number to anyone who is a resident of India. Still, it has no idea about the genuineness of documents submitted by Aadhaar-holders to obtain the 12-digit number.

In response to a right to information (RTI) query in 2018, UIDAI admitted that it does not certify the identity, address, date of birth, resident status or existence of any individual or any Aadhaar number. The UIDAI has no idea about the identification documents used to assign an Aadhaar number to enrolment packets submitted by the enrolment agencies. This has damning repercussions for the genuineness of the entire Aadhaar database. In a previous RTI, the UIDAI had admitted that the Aadhaar database or the processes of reduplication had never been subject to verification or audit. Now, an admission that even the data about the documents submitted for enrolment are not known to the UIDAI.

Private agencies were paid for each enrolment packet they submitted. Private agencies also benefit by being able to use ghost identities that they may have created to claim subsidies, park black money, do benami transactions, and launder money. The RTI replies call to question the very basis of using the Aadhaar to identify anyone, to use it to establish age, resident status, address or even the existence of a person. It calls to question the use of Aadhaar in governance and financial systems.

No wonder, last year, even the comptroller and auditor general (CAG) pointed out several issues like faulty biometrics and unpaired documents in the UIDAI database.

In its performance audit report, the CAG says, "All Aadhaar numbers were not paired with the documents relating to personal information of their holders, and even after nearly ten years, the UIDAI could not identify the exact extent of mismatch. Though with the introduction of inline scanning in July 2016, the personal information documents were stored in the central identities data repository (CIDR), the existence of unpaired biometric data of earlier period indicated deficient data management."

The auditor-general also expressed doubt about the collection of documents from residents and their management. It says, "All the Aadhaar numbers stored in the UIDAI database were not supported with documents on the demographic information of the resident, causing doubts about the correctness and completeness of resident's data collected and stored by UIDAI before 2016." <https://www.moneylife.in/article/is-the-passport-office-enforcing-digilocker-via-voluntarily-mandatory-aadhaar/71573.html>

2. CBFC: समय पर मिले फिल्मों को प्रमाणन, शशि थरूर के नेतृत्व वाली संसदीय समिति ने कीं ये सिफारिशें (jansatta.com) August 4, 2023

संसद की एक समिति ने फिल्मों से जुड़े पक्षकारों द्वारा उठाई गई चिंताओं के आलोक में सरकार और केंद्रीय फिल्म प्रमाणन बोर्ड से फिल्मों की प्रमाणन प्रक्रिया के लिए निर्धारित समय सीमा का अक्षरशः पालन करने की सिफारिश की। केंद्रीय फिल्म प्रमाणन बोर्ड (सीबीएफसी) के कार्यक्रमण की समीक्षा विषय पर कांग्रेस सांसद शशि थरूर की अध्यक्षता वाली संसदीय समिति ने लोकसभा में पेश रपट में यह बात कही।

सभी फिल्में 68 दिन के भीतर प्रमाणित की जाती हैं

समिति ने इस बात का संज्ञान लिया कि चलचित्र प्रमाणन नियम 1983 फिल्म प्रमाण प्रक्रिया के लिए 68 दिन में आवेदन जमा करने से लेकर प्रमाण पत्र जारी करने तक की समय सीमा निर्धारित करता है। इस समय सीमा में आवेदन की समीक्षा, जांच समिति का गठन, इसकी रपट को अध्यक्ष को भेजना, आवेदक को आदेश पहुंचा ना, निर्माता द्वारा कटौती, जांच और प्रमाण पत्र जारी करने संबंधी प्रक्रियागत विषय शामिल होते हैं। समिति को बताया गया है कि सभी फिल्में 68 दिन के भीतर प्रमाणित की जाती हैं और सीबीएफसी के पास 1 महीने से अधिक समय का बैकलाग नहीं होता है।

ऑनलाइन प्रमाणन शुरू करने के बाद भी हफ्तों लग जाते हैं

रपट के अनुसार, हालांकि 'इंडियन मोशन पिक्चर प्रोजेक्ट्स एसोसिएशन' (आइएमपीपीए) के अध्यक्ष ने फिल्म प्रमाणन में देरी पर चिंता जताते हुए समिति को सूचित किया है फिल्म के पूर्वावलोकन में अत्यधिक देरी हो रही है। उसने कहा कि आनलाइन प्रमाणन शुरू करने के बाद भी निर्माताओं को पूर्वावलोकन के बारे में एसएमएस प्राप्त करने के लिए हफ्तों का इंतजार करना पड़ता है तथा फिल्म निर्माताओं को फोन पर या लिखित में कोई जानकारी नहीं दी जाती है।

इसके अनुसार, भारत के नियंत्रक और महालेखा परीक्षक (कैग) की रपट का संदर्भ देते हुए कहा कि सीबीएफसी द्वारा प्रमाण पत्र जारी करने में लगने वाला समय 3 से 491 दिनों के बीच होता है। समिति फिल्म निर्माताओं के इस कथन पर चिंता व्यक्त करती है कि बार-बार अनुरोध किए जाने के बावजूद 68 दिन की समय सीमा में कोई परिवर्तन नहीं किया गया।

समिति को प्राप्त एक अन्य सुझाव में प्रमाण पत्र जारी करने के लिए लगने वाले समय को घटाकर तीन से चार दिन करने के संबंध में मंत्रालय ने स्पष्ट किया कि चलचित्र नियम 1983 में उल्लिखित अधिकतम समय 68 दिन है। रिपोर्ट के अनुसार समिति इस बात की सराहना करती है कि कुल मिलाकर 68 दिनों में प्रमाणन करने संबंधी प्रक्रिया से जुड़ी समय सीमा का पालन किया जाता है, फिर भी पक्षकारों द्वारा उठाई गई चिंताओं के आलोक में समिति मंत्रालय और सीबीएफसी को प्रमाणन प्रक्रिया के लिए समय सीमा का अक्षरशः पालन करने की सिफारिश करती है।

सीबीएफसी के प्रतिनिधि ने समिति को बताया कि लगभग सभी फिल्में 20 से 25 दिनों के भीतर प्रमाणित की जाती हैं और सामान्य तौर पर 15 दिनों के भीतर यह काम किया जाता है। उन्होंनेनेन्होंने बताया कि जब फिल्मों को समितियों, यों उप समितियों और पुनरीक्षण समितियों के माध्यम से प्रमाणित किया जाता है तभी उसमें देरी होती है। उन्होंनेनेन्होंने नेयह भी बताया कि यह काम के बोझ पर निर्भर करता है लेकिन अधिकतम 68 दिनों का समय दिया जाता है।

<https://www.jansatta.com/entertainment/cbfc-certification-of-films-on-time-shashi-tharoor-led-parliamentary-committee-recommendations-cinema-certification/2945682/>

STATES NEWS ITEMS

3. Goa govt moves to recover revenue loss from casinos after CAG flags the issue (*digitalgoa.com*) AUGUST 03, 2023

Goa: Comptroller and Auditor General (CAG) report has estimated a short levy of about Rs 7.59 crores on non-renewal of licences, short levy of additional fee to casino's, short levy due to incorrect MRP etc. , CM Pramod Sawant told the House today. Excise revenue collection has been increased by 10.43 % this year, he added. He added money has been recovered from 5 of the 9 defaulting casinos with interest. However, 4 have raised objections to the interest. Money will be recovered from them too, he added. <https://digitalgoa.com/goa-govt-moves-to-recover-revenue-loss-from-casinos-after-cag-flags-the-issue/>

4. Bihar News: प्रश्न पत्र लीक के बाद अब BPSB में घोटाला! करोड़ों की गड़बड़ी आई सामने (*etvbharat.com*) AUGUST 04, 2023

बिहार लोक सेवा आयोग पिछले दिनों प्रश्नपत्र लीक के चलते चर्चा में रहा है लेकिन प्रश्न पत्र लीक के बाद अब करोड़ों रुपये के घोटाले का नया मामला सामने आया है. नियम कानून को ताक पर रखकर बीपीएससी ने पैसे खर्चकर डाले और सरकार को करोड़ रुपये का चूना लगा है. इस बाबत मंत्री ने कहा कि मामले की पूरी जानकारी ली जा रही है.

पटना: हाल के कुछ वर्षों में बीपीएससी ने बिहार सरकार की खूब फजीहत कराई है. शायद ही ऐसी कोई परीक्षा हुई होगी, जिसका प्रश्न पत्र लीक नहीं हुआ हो. प्रश्न पत्र लीक बिहार लोक सेवा आयोग की फितरत बन गई थी. प्रश्न पत्र लीक से इतर बीपीएससी में घोटाले का मामला भी प्रकाश में आया है. आरटीआई के जरिए करोड़ों रुपये का घोटाला प्रकाश में आया है. महालेखा परीक्षक ने जांच के दौरान कई तरह की अनियमितता पाई गई हैं.

एक करोड़ 58 लाख का घोटाला: जांच के दौरान यह तथ्य सामने आया कि एक करोड़ 58 लाख का घोटाला हो गया. साल 2019-20 और साल 2020-21 के दौरान विभिन्न परीक्षा केंद्रों को अग्रिम राशि के रूप में भुगतान किया गया था. वर्ष 2019-20 के दौरान कुल 4 करोड़ 44 लाख 38000 अग्रिम राशि के रूप में भुगतान किए गए. ठीक अगले साल 2020-21 में 6 करोड़ 17 लाख 51000 भुगतान कर दिए गए. एक वर्ष के अंदर पौने दो करोड़ की वृद्धि कैसे हो गई, यह सवाल भी उठाया गया. कुल मिलाकर 6 करोड़ 58 लाख का समायोजन नहीं किया गया.

एसी डीसी बिल का समायोजन नहीं हुआ: नियम के मुताबिक समायोजन उसी वित्तीय वर्ष में करना था. एक बड़ी गड़बड़ी पाई गई कि 2008-9 से 2020-21 तक एसी डीसी बिल का समायोजन नहीं किया जा सका है. समायोजन लगभग 12 वर्षों से लंबित है. कुल मिलाकर 6 करोड़ 6 लाख का समायोजन नहीं किया जा सका है. नियम के मुताबिक 6 महीने के अंदर बिल का समायोजन हो जाना चाहिए था. पहले बिल के समायोजन के बाद ही दूसरी निकासी की जानी चाहिए लेकिन आयोग ने ऐसा नहीं किया, जो घोटालेकी श्रेणी में आता है.

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सरकार को साढ़े 45 लाख का नुकसान: विज्ञापन मद में 45 लाख का घोटाला सामने आया है. आयोग को विज्ञापन मध्य में 3 करोड़ INSTA ALL से अतिरिक्त रकम का भुगतान CHANGE न करना था. भुगतान 15% काटकर कर दिया गया, जिससे सरकार को साढ़े 45 लाख का नुकसान हुआ.

दैनिक पारिश्रमिक मद में भी गड़बड़ी: वहीं, दैनिक पारिश्रमिक पर रखे गए सेवानिवृत्त कर्मियों के अनियमित भुगतान से इस सरकार को नुकसान हुआ है. बिहार सरकार के संकल्प संख्या 5940 के मुताबिक अनियमित रूप से कार्य कर रहे दैनिक वेतन भोगी नियुक्ति रद्द करनेको कहा गया था. सभी प्रकार के दैनिक वेतन भोगियों को दिनांक 16 जून 2006 से 1 माह के अंदर हटा दिए जानेका निर्देश दिया गया था. इसके बावजूद विभिन्न कार्यालयों में दैनिक वेतन भोगी कर्मियों के कार्य करनेकी सूचना सामने आ रही थी, बावजूद इसके दैनिक पारिश्रमिक मद में 63.18 लाख का भुगतान कर दिया गया.

सरकार को राजस्व की क्षति: प्रोग्रामर के पद पर अवैध रूप से रखेजानेके कारण सरकार को राजस्व की क्षति हुई और 26 लाख का घोटाला हुआ. इसके अलावा 1 लाख 31000 का पोस्टल आर्डर बर्बाद हो गया और समय रहते इसे जमा नहीं किया जा सका. सूचना के अधिकार के तहत पोस्टल आर्डर प्राप्त हुए थे.

मंत्री की मामलेकी जानकारी नहीं: आरटीआई एक्टि विस्ट श्री प्रकाश राय ने बताया कि बीपीएससी में करोड़ों रुपए का घोटाला हुआ है, सीएजी ने गड़बड़ी को पकड़ा है. बिहार लोक सेवा आयोग में बड़े पैमाने पर वित्तीय अनियमितता हुई है, जो घोटालेकी श्रेणी में आता है. 39 लाख रुपए की खरीदारी की गई लेकिन बिल प्रस्तुत नहीं किए गए. ऐसे दर्जनों मामलेहैं, जिससे बीपीएससी की कलाई खुलती दिखती है. श्री प्रकाश राय ने कहा कि करोड़ों रुपयेके इस घोटालेकी जांच सरकार को करानी चाहिए. वहीं, समाज कल्याण मंत्री मदन सहनी से जब घोटालेकी बात पूछी गई तो उन्होंने कहा कि मुझे इस बाबत कोई जानकारी नहीं है. अगर गड़बड़ी हुई होगी तो जांच कराई जाएगी.
<https://www.etvbharat.com/hindi/bihar/state/patna/scam-in-bpsc-irregularity-in-ac-dc-bill-payment-and-daily-wages-item/bh20230803212939525525782>

5. आदिवासी बच्चों के लिए भेजे गए केंद्र सरकार के 3 करोड़ रुपये चढ़े भ्रष्टाचार की भेंट (cgsandesh.com) AUGUST 03, 2023

कोरबा। आदिवासी बच्चों के उत्थान के लिए कोरबा जिले को केंद्र सरकार से मिले छह करोड़ रुपये में से तीन करोड़ रुपये के भ्रष्टाचार के भेंट चढ़ जाने की बात सामने आई है। भारत के नियंत्रक एवं महालेखापरीक्षक (सीएजी) की ऑडिट रिपोर्ट में बताया गया कि 126 छात्रावासों और आश्रमों के नवीनीकरण के लिए स्वीकृत यह राशि बिना टेंडर और काम कराए ठेका कंपनियों को दे दी गई।

दो अधिकारियों ने मिलकर की गड़बड़ी

ईडी द्वारा की जा रही कोयला परिवहन वसूली व मनी लॉड्रिंग की जांच में एक बड़ा खुलासा हुआ। आरोपित बनाए जाने के कारण जेल में बंद आइएएस अधिकारी एवं कोरबा की तत्कालीन कलेक्टर रानू साहू के कार्यकाल के दौरान इस गड़बड़ी में आदिवासी विकास विभाग की सहायक आयुक्त माया वॉरियर की मिलीभगत भी सामने आई है।

कैग रिपोर्ट के अनुसार काम के लिए निविदा निकालने, कार्यदिश और प्राक्कलन जैसी औपचारिकता भी नहीं पूरी की गई। कार्यालय में मापक पुस्तिका, देयक वाउचर, मूल नस्ती व अन्य लिखित विवरण भी नहीं मिले हैं। केंद्र सरकार ने संविधान के अनुच्छेद 275 (1) की विशेष सहायता व्यवस्था के तहत वित्तीय वर्ष 2021-22 में छह करोड़ 27 लाख 56 हजार रुपये आदिवासी जाति तथा अनुसूचित जाति विकास विभाग कोरबा को आदिवासियों के हित में कार्य करने के लिए दिए थे।

माया वॉरियर के प्रतिवेदन पर कलेक्टर ने भुगतान की स्वीकृति दी

आदिवासी विकास विभाग के सहायक आयुक्त माया वॉरियर ने 126 छात्रावासों व आश्रमों के नवीनीकरण के लिए 4.95 करोड़ रुपये का प्रस्ताव तैयार किया, जिसे तत्कालीन कलेक्टर रानू साहू ने स्वीकृति प्रदान कर दी। प्राथमिक जांच में यह बात सामने आई है कि माया वॉरियर के अलग-अलग प्रतिवेदन पर कलेक्टर रानू साहू ने भुगतान की स्वीकृति दी।

भ्रष्टाचार के मामले में माया वॉरियर के यहां भी करीब छह माह पहले ईडी की टीम ने दबिश दी थी। सीएजी की रिपोर्ट के अनुसार किसी भी आश्रम में कोई कार्य नहीं करवाया गया। दोनों अधिकारियों ने मिलीभगत कर तीन करोड़ रुपये की राशि का भुगतान कर दिया।

अपर कलेक्टर प्रदीप साहू की अध्यक्षता में बनी थी जांच टीम

कैग ने छत्तीसगढ़ सरकार को दोषियों के खिलाफ कार्रवाई करने की अनुशंसा भी की है। कोरबा के पूर्व कलेक्टर संजीव झा ने 22 मई 2023 को अपर कलेक्टर प्रदीप साहू की अध्यक्षता में एक जांच टीम बनाई थी। उन्होंने 15 दिन के अंदर जांच रिपोर्ट प्रस्तुत करने कहा था, पर 53 दिन बाद भी जांच शुरू नहीं हो पाई। इस बीच एक अगस्त को कलेक्टर झा का भी बिलासपुर स्थानांतरण हो गया।

प्रशासनिक कार्यों में व्यस्तता की वजह से गठित टीम के सदस्यों की बैठक नहीं ले सके हैं। एक सप्ताह के अंदर बैठक कर जांच की प्रक्रिया शुरू की जाएगी। प्रदीप साहू, जांच अधिकारी व अपर कलेक्टर। <https://cgsandesh.com/Home/NewsDetails/67671>

SELECTED NEWS ITEMS/ARTICLES FOR READING

6. Six years of GST: Compensation cess still needs to be sorted out (*livemint.com*) AUGUST 03, 2023

The flow of GST compensation reveals delayed auditing of state finances and reminds us to think about the future of the cess

On 1 July 2023, India's goods and services tax (GST) marked its sixth anniversary. I wrote a five-year review last year (Mint, 1 July 2022), commending its compliance simplification after a bad start. I also strongly proposed universal access to the Reverse Charge Mechanism (RCM) to help resurrect informal manufacturing and services. An explicitly permissible feature in the Central GST Act, a universal RCM was ruled out by notification soon thereafter, essentially destroying unregistered small-scale activity. My call has sadly gone unheeded.

The fifth anniversary last year also marked the end of the five years over which, under the GST Compensation Act of 2017, the Central government underwrote a 14% yearly increase in GST revenue for every state, starting from the yield in 2015-16 of state taxes replaced by the GST. I have written elsewhere on why guaranteeing a uniform 14% annual increase was not equitable across states, and will not deal with that issue here. There has been greater revenue vigilance by states post-compensation. Service providers with a presence in multiple states should have seen this coming, but apparently did not.

GST compensation was funded by a cess leviable on specified goods listed in a schedule to the 2017 Act—principally tobacco, coal-based solid fuels and fossil-fuelled motor vehicles (but open-ended to include “any other supplies”). It was quite an extraordinary statutory commitment to a revenue top-up that could not be projected with any accuracy. Then there was the pandemic, when the compensation required soared even as cess collections dived. That mismatch was resolved by the Centre undertaking special borrowing to cover the deficit.

My objective here is simply to take stock of the overall compensation payout over the statutory five years, as officially reported, and the overall cess collected.

Arriving at the flow of compensation paid was not easy. I pieced together responses to two Parliamentary questions dated 21 March 2022 (Lok Sabha) and 19 July 2022 (Rajya Sabha), and a finance ministry press release dated 31 May 2022 which listed arrears paid during the months of April and May 2022. The dues for the last month of the statutory period, June 2022, along with some further arrears of ₹0.16 trillion payable, were announced as recently as the 49th meeting of the GST Council on 18 February 2023.

Adding on all arrears including the most recent, states received ₹5.89 trillion in GST compensation for the five-year statutory period (average of ₹1.18 trillion per year). The average annual revenue from the cess over the same period (including April to June 2022) was ₹0.96 trillion, below the average annual compensation required. Even when cess collection over the full financial year 2022-23 is included, total cess revenue at ₹5.76 trillion (including imputed values for two covid months) is below the ₹5.89 trillion payout.

So it should not be surprising that arrears of ₹1.06 trillion got backloaded onto the end of the statutory period and beyond. But the cess deficiency was not uniform across all years. There was a cess surplus in the pre-pandemic year 2018-19, for example, despite which arrears of ₹0.15 trillion were not paid until the start of 2022-23. The most likely reason is delay in supply of audited figures of state revenues, possibly exacerbated by late cognisance at the Centre of (delayed) information supplied. The lack of timely auditing of the finances of (some if not all) state governments is among the serious structural defects in the Indian fiscal system.

So where does the cess go from here? In September 2021, at the 45th meeting of the GST Council, it was proposed that the cess be extended to March 2026 to cover repayment of the Centre’s special borrowing to cover compensation over the pandemic years. At its most recent meeting (50th) on 11 July 2023, the GST Council has recommended amending the Compensation Act rules to expand the definition of

vehicles taxable under the cess. Is the cess being visualized as a permanent supplement to the GST?

The GST Compensation Act does permit a surplus in the compensation fund to be split in a specified way between the Centre and states. But when its statutory function including repayment of debt is over, it needs to come under a separate rubric from the Compensation Act. The need of the hour is to think ahead on how to repurpose and rename the compensation cess on tobacco, coal and fossil-fuelled transportation, as a Pigouvian levy on goods which generate negative health or climate externalities. But the proceeds of such a (climate?) cess have to be put to the best uses as judged by the excellent scholars working in India on climate action. Also to be thought through now is the process by which the effectiveness of those critically needed expenditures can be tracked.

Total GST revenue as reported every month by the government includes revenue from the compensation cess, which has been remarkably stable at 7-8 % of the total. When the cess is removed and placed under another head, the GST revenue series will have to be re-generated with cess revenue excluded. In July 2023, total GST revenue was reported as ₹1.651 trillion. With the cess excluded, it stood at ₹1.533 trillion. <https://www.livemint.com/opinion/online-views/six-years-of-gst-compensation-cess-still-needs-to-be-sorted-out-11691078140370.html>

7. GST sees large number of cases being filed for input tax evasion: Finance Ministry (*fortuneindia.com*) AUGUST 04, 2023

₹2,68,537 crore worth of evasion of GST has been found between 2020-21 and 2022-23

Goods and Services Tax (GST) since its introduction in 2017-18 has been hit by tax evasion by traders and businessmen across the country. According to data released by the Union Finance Ministry, a total of ₹2,68,537 crore worth evasion of GST has been found between 2020-21 and 2022-23 (up to May).

Out of ₹2.69 lakh crore, only ₹76,333 crore has been recovered with the arrest of 1,020 persons, shows the data released by the ministry.

According to the senior officials of the finance ministry, the main issue with GST is the use of input tax credit (ITC).

In many cases the traders cheat the GST Commissionerate by using the ITC. Recently, the Central GST Commissionerate, Chennai region arrested two persons, considered to be the kingpin in the evasion of ₹33 crore.

"A former vice-president of a private bank and another person were involved in enabling a well organised racket with their contacts in the banking sector and trading communities," says CGST joint commissioner J Ilango.

Probe into the case revealed that at least 20 firms were created by the gang and fake GST invoices were sold to 315 existing and fake firms to the tune of ₹182 crore.

"The fake input tax credit generated in this manner is to the extent of ₹33 crore causing a loss to GST revenue. The final figure of GST evasion is likely to be higher as more investigation is going on," says Ilango.

"We were monitoring the trends and patterns in GST invoices and e-way bills issued during the Covid lockdown during which we came to know about a criminal gang," says Ilango.

Union finance ministry officials said that similar cases have been found across the country with regard to GST. Steps have been taken to prevent use of ITC to evade GST.

FORTUNE				
GST				
Year	No Of Cases	Detection (₹ Cr.)	Recovery (₹ Cr.)	Arrests
2020-21	12,596	49,384	12,235	460
2021-22	12,574	73,238	25,156	342
2022-23	15,562	1,31,613	33,226	190
2023-24 (up to May)	2,784	14,302	5,716	28

SOURCE: UNION FINANCE MINISTRY

fortuneindia.com

"Using robust data analytics and artificial intelligence to identify and track risky taxpayers and detect tax evasion; carrying out special all India drive to weed out fake/bogus registrations; Insertion of sub-rule (4A) in rule 8 of CGST Rules, 2017 to provide for biometric-based Aadhaar authentication of registration applicants who appear to be risky based on data analytics," says a finance ministry official.

The ministry has also amended Rule 9 of CGST Rules, 2017 to provide for physical verification in high-risk cases, even when Aadhaar has been authenticated. Rule 10 has also been amended to provide for requirement of bank account furnished as a part of registration process to be in the name of the registered person and obtained on PAN of the registered person and also linked with Aadhaar in case of a proprietorship firm, says the official.

In the GST Council's 50th meeting it has been recommended further amendment in rule 10A to provide that the details of bank account will be required to be furnished within 30 days of grant of registration or before filing of GSTR-1, whichever is earlier, the official says.

Restriction on availing of ITC to invoices and debit notes furnished by the supplier in their statement of outward supplies and sharing of data with partner law enforcement agencies for more targeted interventions has been included, the official said.

Other steps included reduction in threshold limit for issue of e-invoice for B2B transactions from ₹10 crore to ₹5 crore, restriction on generation of e-way bills by non-compliant taxpayers and making the beneficial owner liable for penal action and prosecution similar to that of actual supplier/recipient, in cases where a supply has been made without the issuance of an invoice, or invoice has been issued without supply, or excess ITC has been availed/distributed.

Under the Income Tax, the finance ministry released data for 5 years from 2018-19 to 2022-23. "A total of 3946 searches were conducted in the last 5 financial years and ₹6,662.52 crore worth assets (movable and immovable) as well as cash have been seized. The Income Tax department has filed 5,493 cases and 250 have been convicted in the last 5 years," says the official.

Year	Searches	Seizure (₹ Cr.)	Surveys
2018-19	966	1,567.07	15,401
2019-20	984	1,289.47	12,720
2020-21	569	880.83	426
2021-22	686	1,159.59	1046
2022-23	741	1,765.56	1245

SOURCE: UNION FINANCE MINISTRY

fortuneindia.com

The I-T department has also conducted surveys of various accounts in companies as well as individuals. In the last five years, a total of 30,846 surveys were conducted. "It is only based on the surveys' reports, decisions are taken to search a premises or not. Though media uses the word raid for searches conducted by the department, there is no mention of the word raid in the Income Tax Act," says the official.

"With the availability of information in electronic form, the Income Tax department has developed a wide range of non-intrusive methods for detecting tax evasion. Some of the important measures include-Computer Assisted Scrutiny Selection (CASS) for selection of cases for scrutiny; Non-Fileers Monitoring System (NMS) to prioritise action on non-filers; Income Tax Business Application (ITBA) to help in curbing tax evasion through putting in place end to end processes for all verticals of the department," says the official.

The department is also involved in extensive use of information technology and data analytics tools also helps in identification of high-risk cases, expeditious e-verification of suspect cases and enforcement actions in appropriate cases.

The department collects information on Specified Financial Transactions (SFT), above-notified thresholds, relating to cash deposits, credit card payments, purchase and sale of properties, purchase of shares and mutual funds etc. Such information is collected, collated and analysed for computer-aided scrutiny and risk profiling of taxpayers, identification of non-filers and stop filers etc.

Enactment of the Benami Transactions (Prohibition) Amendment Act, 2016 to amend the Benami Transactions (Prohibition) Act, 1988 with a view to enable confiscation of benami property and prosecution of benamidar and the beneficial owner.

"The government has brought in a large number of legislative provisions in the Income Tax Act, 1961 to effectively tackle the menace of black money by restricting cash transaction of ₹2 lakh or more, no deduction under Section 80G allowed if cash donation exceeds ₹2,000, and restriction imposed on donations of ₹2,000/- or more to political parties otherwise than by a bank account or through electoral bonds," says the official.

Under Customs Duty, the Central Board of Indirect Taxes and Customs (CBIC) has filed outright smuggling cases to the extent of 42,754 in the last four years from 2020-21 to 2023-24 (up to May). The total value is smuggling is ₹45,965 crore.

With regard to cases of commercial fraud, a total of 12,259 cases have been filed in the same period the total value is ₹82,989 crore and duty evasion to the extent of ₹21,224 crore.

The Central Board of Indirect Taxes and Customs (CBIC) through its customs field formations, along with DRI, is actively engaged in detecting and curbing import-export related commercial frauds.

"Data analysis-based risk management and intelligence development along with human intelligence are being employed by said formations to gather actionable intelligence, which has resulted in substantial detections of tax evasion in recent years," says the official.

On the basis of investigations conducted, alerts and modus operandi circulars are being issued from time to time to sensitise other customs field formations and risk management teams about potential risk parameters so that necessary vigil and safeguards may be put in place in a timely manner, he said. <https://www.fortuneindia.com/macro/gst-sees-large-number-of-cases-being-filed-for-input-tax-evasion-finance-ministry/113631>

8. Incongruent returns (*millenniumpost.in*) AUGUST 03, 2023

Owing to anomalies in the direct tax system, tax evasion by businesspersons, and loose incorporation of the informal sector, the state of public facilities remains unsatisfactory in India

In 2010, upon completing 150 years of collecting income tax, India celebrated its first Income Tax Day on July 24. Similarly, in 2023, the 162nd Income Tax Day was observed. On July 24, 1860, India witnessed its inaugural income tax collection. The year 1857 marked the first organised attempt by Indians to gain independence, causing substantial losses for the British rule, which were offset by the imposition of income tax.

Despite over seven decades having passed since the country gained independence, the number of income tax filers remains nominal. The number of income tax payers has only grown by 1.63 per cent over the past five years. Nevertheless, personal tax deposits have risen by 73 per cent. This accomplishment is attributed to technological advancements by the Income Tax Department. The implementation of technology ensures that both salaried and non-salaried individuals can no longer conceal interest income earned in banks.

Only 6.2 per cent of the less than 70 million taxpayers in India file income tax returns, and more than 5.5 per cent file zero tax returns. In contrast, around 60 per cent of the taxable population in the USA files income tax returns, while only 0.70 per cent of the taxable population in India pays income tax. In this country with a population of about 140 crores, the number of people who pay 30 per cent income tax is only 60.8 lakhs, that is, only so many people have an annual income of more than Rs 10 lakhs.

In India, 6.2 per cent of nearly 70 million individuals file income tax returns, while in the USA, 59.9 per cent do so. In Britain, the figure is 56 per cent, in France 58 per cent, and in China 9.8 per cent. Although the tax rate is significantly lower in India compared to developed countries, individuals here pay less tax. For instance, the tax rate is 54 per cent in Canada, 51.6 per cent in the USA, 49 per cent in France, 47 per cent in Italy, and 45 per cent in South Africa, China, Japan, and Germany. It stands at 40 per cent in the UK and 37 per cent in India.

In the financial year 2021-22, the number of taxpayers in the country paying more than Rs 1 lakh was 30,08,033. Taxpayers falling within the range of Rs 1 to 10 lakh constitute 27,93,463. Additionally, those paying income tax ranging from Rs 10 to Rs 50 lakh amount to 1,96,535, while individuals who paid tax between Rs 50 lakh and Rs 1 crore numbered 12,963. Lastly, those paying an income tax exceeding Rs 1 crore accounted for 5,072 individuals. As per the figures from the financial year 2021-22, individuals earning less than Rs 2.5 lakh constitute 57 per cent of the country's total, followed by those earning between Rs 2.5 to Rs 5 lakh at 18 per cent, and those earning Rs 5 to Rs 10 lakh at 17 per cent. Furthermore, earners in the range of Rs 10 to Rs 50 lakh comprise 7 per cent, while those surpassing 50 lakhs constitute 1 per cent.

Data available until August 2020 placed Uttar Pradesh at the forefront, contributing 18 per cent of income tax filers. Bihar stands at the second spot with a 10 per cent share, while Madhya Pradesh takes the third position with an 8 per cent share. Maharashtra and Rajasthan share the fourth position, both contributing 6 per cent. These statistics reveal that individuals from the BIMARU states show a more responsible approach towards depositing income tax compared to those from the developed states.

Salaried individuals in India carry the highest tax burden, whereas non-salaried individuals, including professionals like doctors, lawyers, chartered accountants, architects, and businessmen, have a comparatively lower tax liability. On average, non-salaried individuals in the country file an income tax return of Rs 31,500, while their salaried counterparts file returns exceeding Rs 90,000. Among non-salaried individuals, 96 per cent file income tax returns of less than Rs 10 lakh, whereas 88 per cent of salaried individuals file returns of less than Rs 5 lakh.

In our country, non-salaried individuals enjoy various exemptions in income tax, which results in reduced tax liability. Despite this, certain businessmen engage in tax evasion. Small businessmen with machinery in their factories benefit from a 0 per cent depreciation allowance on the machine's cost.

Several factors contribute to the low tax base, such as the informal economy prevalent in India. Another contributing factor is the limited participation of women in the workforce in India.

According to a World Bank report released in June 2022, the labour force participation of Indian women has steadily declined since 2005 and is projected to reach a low of 19 per cent in 2021. Additionally, a substantial portion of India's population relies on agriculture. As agricultural income is exempt from income tax, nearly 50 per cent of farmers do not file Income Tax Returns.

In both the old and new tax regimes, income tax is only required to be paid if one's income exceeds a certain threshold. Under the old tax system, individuals earning up to Rs 5 lakh are not required to pay any income tax. A significant portion of India's population falls within this income bracket and is thus exempt from income tax. Furthermore, those whose income is up to 5 lakhs also tend to abstain from filing income tax returns.

Clearly, incorporating informal businesses and workers into the tax framework will yield benefits for both the nation and the general populace. Hence, it is imperative to encourage businessmen to voluntarily register their enterprises with the government and adhere to tax regulations. The Goods and Services Tax (GST) system can play a pivotal role in achieving this objective. Consistent income tax deposits can lead to financial assistance from banks and grant access to government schemes. Through GST, the benefit of input tax credit can be availed, and significant buyers can derive advantages from continuous supply.

Identification of high earners can be facilitated through bank transactions, credit card records, property acquisitions, etc., thus effectively bringing them under the income tax ambit. While certain farmers possess incomes amounting to lakhs and crores of rupees, they often remain exempt from taxation. Broadening the tax net to include agricultural income can expand the tax base.

Applying tax collection at the source during the purchase of specific goods and services can aid in identifying potential taxpayers. Currently, Tax Collected at Source (TCS) is applicable to expensive motor vehicles, gold jewellery, overseas money transfers, etc. Nonetheless, this scope could be expanded to encompass consumer durables, domestic luxury travel, stays in upscale hotels, and similar transactions.

It is evident that our country's income tax system exhibits several anomalies. Salaried individuals dutifully pay taxes, yet some professionals and businessmen engage in tax evasion. Moreover, certain loopholes exist in the system. For instance, the government has struggled to collect taxes from businessmen operating within the informal sector. In addition, taxpayers who fulfil their tax obligations often find that the anticipated facilities are not forthcoming. Consequently, a sense of discontent prevails among them regarding the government's methods and systems. <https://www.millenniumpost.in/opinion/incongruent-returns-528018>

9. Parl Panel Flags Low-cost Norms Not Matching Market Needs under WDC-PMKSY 'Compromised' Project Quality (*news18.com*) AUGUST 04, 2023

Aparliamentary committee on rural development has asked the government to revise the cost norms to match those of the market, as per a third-party evaluation conducted by the NITI Aayog under the Watershed Development Component (WDC) of the flagship Pradhan Mantri Krishi Sinchayi Yojana (PMKSY) while observing that fixing a lower cost norm than the one recommended by it “compromised” with the quality and output of the project. The parliamentary standing committee on rural development headed by DMK lawmaker Kanimozhi in its report tabled in the House during the ongoing monsoon session stressed upon the need to link the cost norm to the current market condition.

WDC-PMKSY aims to develop watershed areas of degraded farmlands, works under which are carried out by the department of land resources under the union ministry of rural development (MoRD).

The panel recommended reviewing the adequacy of the current cost norms and increasing the cost norm for the plains as per the third-party evaluation conducted by the NITI Aayog.

“In this regard, the government has submitted in their action taken reply that under WDC-PMKSY 2.0, cost norm for plain areas at Rs 22,000/ha has been kept as per recommendations made by Revised Cost Committee constituted by the MoRD, the committee are of the view that the lower cost norm fixed will certainly compromise with the quality and timely output of the project,” the report stated.

It further said that the rationale behind the recommendation made by the NITI Aayog was to reflect the current market condition while revising the cost norm but the same was “compromised by fixing the cost norm below the recommended one”.

Also, the panel has raised concerns on the maintenance of structures made while recommending the government carry out an audit of assets created under the scheme instead of just “bypassing the responsibility” to the gram sabha.

“To enhance the efficacy of projects under WDC-PMKSY post-completion, the committee recommended to the department to do an audit of created assets and involve local/indigenous techniques for creating a longstanding structure. The department in

their reply have only stated that Watershed Committee (WC) is authorised to utilise/manage the Watershed Development Fund (WDF) for the stated purpose. From the reply, the committee is of the view that the department should not feel contended by merely by-passing the responsibility to Gram Sabha as per the scheme's guidelines but also address the crux of the recommendation made by the Committee in an effective way," the panel said.

It also pointed out that no specific reply has been given to the recommendation of the committee that trees should be planted alongside the boundaries of the completed projects to save them from any damage.

The second edition of WDC-PMKSY was approved by the union government on December 15, 2021, with a central share of Rs 8,134 crore for the development of rainfed and degraded lands for the period from 2021-22 to 2025-26.

The techniques used for receiving sustainable yield under watershed areas consist of growing drought-tolerant varieties, in-situ grafting, rootstock selection, planting techniques, application of organic matter, mulching, and other soil and water conservation practices. <https://www.news18.com/india/parl-panel-flags-low-cost-norms-not-matching-market-needs-under-wdc-pmksy-compromised-project-quality-8499679.html>

10. India's GDP to double by 2030, says S&P (*theweek.in*) 03 August 2023

India is set to double its GDP by 2030, according to S&P Global Research. Pegging India's GDP growth this financial year at 7.2 per cent, much higher than those predicted by the likes of World Bank and RBI, S&P says the country will have an average 6.7 per cent growth till 2030.

This will see India's GDP rising from \$3.4 trillion to \$6.7 trillion.

S&P says much of this growth will be spurred by the immense opportunity to increase its share of global manufacturing exports under changing geopolitical and economic scenarios after Covid. The slowdown in China and a global reconfiguration in looking for a 'China + 1', the agency says, is a golden opportunity for the country to capitalise on.

"With China slowing, alternatives are emerging," said a senior S&P analyst. While this will see opportunity veering to ASEAN nations, the significance is that "India which was never a player in this area is now emerging. India's share is now increasing."

The 'Make in India' and 'Atmanirbhar Bharat' initiatives of the government are seeking to raise manufacturing to 25 per cent of GDP by 2025. It is presently at 17.7 per cent.

While manufacturing is being given a push by the government through PLIs, other areas that would see rapid growth includes startup ecosystem, and energy sector among others. S&P says the share of venture capital flowing into Indian startups will also double by 2030, with verticals benefiting including electric mobility, space technology, artificial intelligence, drones, robotics and clean technology.

Amidst all the rose-tinged prophecies, S&P has also pointed out the dire need to upskill India's labour force to match up to the changing needs of technological advances and global markets. For example, real manufacturing value added per employed person in India is just above \$8,000, much lower than ASEAN countries like Malaysia and the Philippines. Malaysia's comparative productivity is more than four times that of India, at above \$34,000.

"India's ability to become a major global manufacturing hub will be a paramount test for its economic future. Developing a strong logistics framework will be key in transforming India from a services-dominated economy to a manufacturing-dominant one," said the S&P report which is aptly titled "Look Forward: India's Moment". The report adds that "Upskilling workers and increasing female participation in the workforce will be crucial for India to realise its demographic dividend." <https://www.theweek.in/news/biz-tech/2023/08/03/indias-gdp-to-double-by-2030-says-s-p.html>

11. Extreme heat has cost the global economy \$16 trillion on average, research shows (*businessinsider.in*) 04 August 2023

There's no question that the extreme heat blanketing the globe costs the economy, as dangerous conditions push workers to stay home or cut their days short and businesses temporarily close.

However, the total price tag is just starting to come into focus as emerging research shows the costs of scorching temperatures is far higher than previously understood.

"A lot of studies have examined the impacts of extreme heat on health and mortality risks, as well as on labor productivity in certain sectors, like agriculture and construction," Justin Mankin, an associate professor of geography at Dartmouth College, told Insider. Newly available economic data and more advanced climate models now make it possible to measure how extreme heat hurts the global economy.

Between 1992 and 2013, the world lost an estimated \$16 trillion, on average, because of extreme heat fueled by the climate crisis, a study Mankin coauthored last year found. The losses were much higher in poor tropical countries, accounting for up to 6.7% of GDP per capita in the regions. Wealthier regions saw a 1.5% hit to GDP per capita.

The findings underscored the unequal burdens of the climate crisis, especially because rich countries were the largest polluters, Mankin said. The economies in low-income countries tend to be more vulnerable to extreme heat and other disasters because they're agricultural-based, a large fraction of the workforce are outdoor laborers, and energy infrastructure isn't resilient to stress.

The study also highlighted the cost of inaction, he added.

"The economic costs of extreme heat do not encompass the totality of the economic costs of climate change," Mankin said. "So this implies that our economy, and our well-

being that we secure via our economy, is far more sensitive to the climate than we understood previously."

Headlines throughout the world proved this sensitivity, particularly as we lived through July, which is set to be the hottest month on record.

In the US, researchers found that reduced labor productivity alone during high heat cost the country \$100 billion annually. That figure could double by 2030 and amount to an estimated 0.5% of GDP, a study by the Adrienne Arsht-Rockefeller Foundation Resilience Center found. The costs are compounded by lower crop yields on farms and negative health effects to people.

Texas' gross state product could take a \$9.5 billion hit this year, equivalent to a 0.47% lower growth rate.

Extreme heat has also battered Southern Europe and North Africa this year in countries such as Italy, Spain, Greece, and Tunisia. The heat is hurting tourism, and in some cities, workers are walking off the job, CNN reported.

The European Union lost more than \$600 trillion between 1980 and 2021 because of extreme weather, and heat waves were responsible for 13% of the costs, the bloc's environmental agency found.

These losses could end up being larger, Mankin said.

"Average temperatures are rising, so statistically, we are going to have more extreme heat in more places," he said. "What's unique about the extreme heat right now is the number of people it's impacting. It's lasting longer and is spread out over larger regions. <https://www.businessinsider.in/finance/news/extreme-heat-has-cost-the-global-economy-16-trillion-on-average-research-shows/articleshow/102403550.cms>

12. How India can address the climate finance challenge (*thehindubusinessline.com*) 03 August 2023

Apart from prompting DFIs, banks and the corporate sector to contribute more, India can benefit from carbon credits obtained through the cap-and-trade system

Central to India's proposed approach at 28th Conference of the Parties (COP) is the recognition that adaptation and equity are cornerstones in the fight against climate change. Climate justice mandates that vulnerable countries receive the financial support and robust infrastructure needed to combat the far-reaching impacts of climate change.

Yet, the road ahead is not without its formidable financial challenges. The task of addressing the climate crisis demands massive financial commitments. Estimates reveal that the global transition to a low-carbon economy will require an annual investment of \$4-6 trillion until 2050. To achieve net-zero emissions targets by 2030, the renewable energy sector alone necessitates a yearly investment of at least \$4 trillion. Moreover, developing countries will require approximately \$6 trillion between 2022 and 2030 to successfully implement their climate action plans. To meet these staggering challenges,

at least 5 per cent of the global GDP must be channelled towards climate action each year.

As we approach 2030, reports indicate that external climate finance of \$1 trillion per year will be required, significantly exceeding the current mobilised amount of \$50-80 billion annually. Furthermore, in 2020, only \$83.3 billion was provided to developing and emerging economies, often in the form of concessional and non-concessional loans.

Significant initiative

India has embarked on significant initiatives to address the issue. Notably, the establishment of the National Adaptation Fund for Climate Change (NAFCC) and the National Clean Energy Fund serve as shining examples of India's commitment to promoting clean energy and supporting climate-resilient infrastructure. However, despite these commendable efforts, significant funding gaps persist.

The Climate Finance Working Group's estimation that ₹118 trillion will be needed to address climate change, with only ₹64 trillion currently available and ₹54 trillion rupees unrestricted, necessitates innovative financing solutions. In this regard, development financial institutions (DFIs) and commercial banks must play a pivotal role in raising domestic funds and channelling resources from abroad to effectively bridge this gap. Moreover, it is essential for Indian corporates to take a stride forward in bolstering the carbon market, consequently prompting the need for greater innovation.

Even within the bounds of the Paris Agreement, it remains crucial for India to implement and strengthen actions prescribed under Article 6.4. This involves establishing a Clean Development Mechanism. By doing so, India can benefit from carbon credits obtained through the cap-and-trade system, which has proven effective in mitigating sulphur pollution during the 1990s, thereby balancing the wheels of development with climate change.

As the curtain rises on COP28, the imperative for global collaboration on climate financing is clearer than ever before. India's proactive engagement, collaborative efforts with developed and emerging economies, and unwavering dedication to confronting climate challenges position the nation as an exemplary advocate for climate financing. Nevertheless, the fulfillment of financial commitments by developed countries and transformative changes in the international financial system are pivotal to delivering climate financing at the scale necessary to address the global climate crisis.

G20 leadership

As the G20 presidency, India can contribute to delivering a clear political framework and shaping the outcomes expected at COP28. With G20 countries responsible for over 80 per cent of global emissions, their policy decisions will undoubtedly play a pivotal role in driving the necessary transformation.

At COP28, the key areas of focus will revolve around mitigation, adaptation, loss and damages, and finance. Stronger emission reduction commitments are urgently required to combat the alarming trajectory of global warming. Climate finance remains a critical issue, necessitating the mobilisation of funds and reform of the global financial system to support climate action. In this transformation, private finance and the reform of multilateral development banks are indispensable components.

India, alongside other developing nations, is championing a new global climate finance target, acknowledging the mounting costs of addressing and adapting to climate change. India, in this context, should also take a lead in carbon pricing by setting a base price (reflective of the external costs of GHG emissions), as an effort towards mitigation and reduction of GHG emissions. The G20's leadership in driving change and scaling up climate finance is pivotal for achieving the progress needed by COP28. <https://www.thehindubusinessline.com/opinion/how-india-can-address-the-climate-finance-challenge/article67155108.ece>

13. Three years on, only 15% of Rs 1 lakh crore agri infrastructure fund disbursed (*downtoearth.org.in*) 03 August 2023

The scheme was launched in 2020 for the development of post-harvest infrastructure

Only 15 per cent of the Rs 1 lakh crore Agriculture Infrastructure Fund (AIF), launched in 2020 for the development of post-harvest infrastructure, has been disbursed in the first three years.

AIF was announced at the height of the pandemic on July 8, 2020, as a part of the special COVID-19 package under Aatmanirbhar Bharat initiative. Under this, Rs 1 lakh crore was to be provided as loans for creating post-harvest management infrastructure and community farming assets by financial year 2025-2026 and interest subvention and credit guarantee assistance till 2032-2033.

According to the information shared by Union agriculture minister Narendra Singh Tomar in Parliament on August 1, 2023, Rs 15,448 crore has been disbursed for 27,748 projects until now. And out of this, a total of 19,650 projects worth Rs 9,660 crore (9.66 per cent of the total allocation) have been completed.

In July 2021, the government extended the financing facility to the Agricultural Produce Marketing Committees (APMC) by allowing APMCs to avail loans from the fund.

However, Samyukt Kisan Morcha, an umbrella body of farmer unions which was at the forefront of the year-long protests against three farm laws passed in 2020, had expressed reservations against the government's intention and effectiveness of the fund, at a time when farm laws were brought, which they alleged will dismantle the APMC structure.

Among the 27 states and Union Territories, for which data was shared by Tomar, Madhya Pradesh (MP) utilised the maximum funding of Rs 2,707 crore for 3,909 completed projects. MP was followed by Maharashtra and Uttar Pradesh as distant second and third at Rs 901 crore with 2,424 completed projects and Rs 691 crore for 1,175 projects respectively.

The other states which were at the top were Punjab, Rajasthan, Telangana, Gujarat, Karnataka, Haryana and West Bengal. And some of the states which were lagging behind in fund utilisation were Tamil Nadu, Andhra Pradesh, Chhattisgarh, Odisha,

Kerala, Bihar, Jharkhand, Himachal Pradesh, Uttarakhand, Jammu and Kashmir, Delhi, Assam, Meghalaya and Manipur.

The government also said the Union Ministry of Agriculture and Farmers Welfare had proposed a sample study of completed projects by a third party to assess the impact created under the AIF at the ground level.

Projects under the scheme included primary processing centres, warehouses, custom hiring centres, logistics facilities, sorting and grading units, cold stores and cold chain, bio-stimulant production units and silos, among others.

The government, in its reply, said in order to disburse the remaining amount by the financial year 2025-2026 and to continue the interest subvention and credit guarantee assistance till the year 2032-2033, various types of programmes in physical and virtual modes with different stakeholders were being conducted at regular intervals.

“The ministry has been putting efforts to popularise the scheme in a big way by organising more state conclaves in the coming days involving large number of stakeholders,” the reply read.

Bank campaigns will be conducted at regular intervals and workshops with FPOs, primary agricultural credit societies, state officials, bank officials and other stakeholders will be organised at frequent intervals to identify and implement infrastructure projects that align with the needs of local farmers and promote collective development, it added.

Further, every bank has been advised by the ministry to nominate an AIF nodal officer in the head office for coordination and communication in order to take care of all aspects of AIF scheme, from submission of application to reimbursement of scheme benefits. <https://www.downtoearth.org.in/news/agriculture/three-years-on-only-15-of-rs-1-lakh-crore-agri-infrastructure-fund-disbursed-90981>

14. India’s semiconductor push needs some tweaks (*thehindubusinessline.com*) 03 August 2023

Incentives must be laid out after enunciating the long-term goals

The \$2.5-billion Micron project, finalised as part of a series of Indo-US technological initiatives, seems to have imparted a crucial momentum to India’s semi-conductor push. Many companies are keen on investing in various stages in the semi-conductor value chain. A key incentive at work here is the 50 per cent subsidy on offer for investing across a range of segments in this space. In the case of Micron, the Centre and States will together foot 70 per cent of the project cost. The recently held semi-conductor conference underscores India’s intent to be a big player in this space.

However, it is important at the take-off stage to be clear about long-term goals and then lay out incentives accordingly. As External Affairs Minister S Jaishankar observed recently, India’s semi-conductor push is not just about economics, but also about achieving strategic objectives. If the world is looking at India as a base for its China

plus one strategy to source critical goods, India too needs to ensure that its needs for defence as well as consumer goods are not choked by external shock. Therefore, the subsidies being promised (pegged at \$10 billion to be spent over the next few years) should be viewed against the idea of building a robust industrial, aerospace and defence ecosystem, rather than merely measuring jobs being created.

With this template, it is useful to examine the semi-conductor PLI announced last year. It offers a 50 per cent subsidy on the project cost for setting up semi-conductor fabs, display fabs, compound semi-conductors, silicon photonics and sensors fabs, among others. These are disparate products — if display fabs are for electronic screens with more consumer interface than strategic value, compound semi-conductors, silicon photonics and sensor fabs are useful for defence and high-end electronic applications. Therefore, it is a bit intriguing that the same incentive applies to products with varied uses. It may lead to a spraying of funds with less impact.

The semi-conductor ecosystem has three broad elements: design; manufacture and assembly, testing and packaging. The US, Japan, Taiwan, Korea and The Netherlands are dominant players. If the design of a unit entails an investment of half a billion dollars, manufacturing would require an investment of the order of \$20 billion, while the assembly and testing will need another \$2-3 billion. Micron's investment in the last leg should be supplemented by a big entry in the manufacturing space. India can, however, fare well in design and packaging, which are less resource-intensive and demand software skills. As India screens applications for big bang projects, it must be sure of the antecedents of the players. There should be greater transparency about the terms on which projects are sanctioned. In Micron's case, a quid pro quo such as an equity stake for the government or an R&D facility would be ideal. The question of whether the Chinese model of state-supported industrial parks are a better bet than firm-specific subsidies remains.

<https://www.thehindubusinessline.com/opinion/editorial/indias-semiconductor-push-needs-some-tweaks/article67154259.ece>