

## SPECIAL ARTICLES

### Boosting Infrastructure

*Nitin Gadkari*

### Strengthening Federalism

*Dr Rajiv Kumar*

## LEAD ARTICLE

### A 'Balanced Budget' for the Times

*Dr TV Somanathan*

## FOCUS

### Tax Proposals

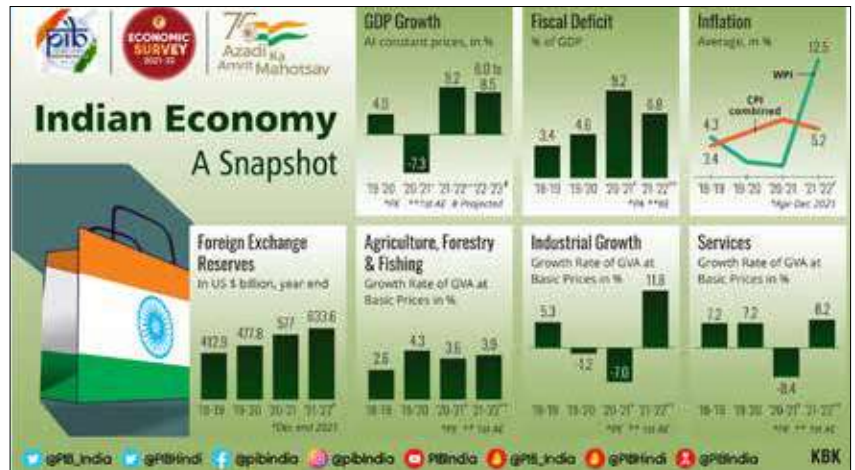
*Tarun Bajaj*



# Economic Survey 2021-22

## State of the Economy

- Indian economy is estimated to grow by 9.2 per cent in real terms in 2021-22 (as per first advanced estimates) subsequent to a contraction of 7.3 per cent in 2020-21.
- GDP is projected to grow by 8- 8.5 per cent in real terms in 2022-23.
- The year ahead is poised for a pickup in private sector investment with the financial system in a good position to provide support for the economy's revival.



- Projection is comparable with World Bank and Asian Development Bank's latest forecasts of real GDP growth of 8.7 per cent and 7.5 per cent respectively, for 2022-23.
- On the demand side, consumption is estimated to grow by 7.0 per cent, Gross Fixed Capital Formation (GFCF) by 15 per cent, exports by 16.5 per cent, and imports by 29.4 per cent in 2021-22.
- Macroeconomic stability indicators suggest that the Indian Economy is well placed to take on the challenges of 2022-23.
- A combination of high foreign exchange reserves, sustained foreign direct investment, and rising export earnings will provide an adequate buffer against possible global liquidity tapering in 2022-23.

## Fiscal Developments

- The revenue receipts from the Central Government (April to November 2021) have gone up by 67.2 per cent (YoY) as against the expected growth of 9.6 per cent in the 2021-22 Budget Estimates (over 2020-21 Provisional Actuals).
- Gross Tax Revenue registers a growth of over 50 per cent from April to November 2021 in YoY terms. This performance is strong compared to pre-pandemic levels of 2019-2020 also.
- During April-November 2021, capex has grown by 13.5 per cent (YoY) with a focus on infrastructure-intensive sectors.
- Sustained revenue collection and a targeted expenditure policy have contained the fiscal deficit for April to November 2021 at 46.2 per cent of BE.
- With the enhanced borrowings on account of Covid-19, the Central Government debt has gone up from 49.1 per cent of GDP in 2019-20 to 59.3 per

cent of GDP in 2020-21 but is expected to follow a declining trajectory with the recovery of the economy.

## External Sectors

- India's merchandise exports and imports rebounded strongly and surpassed pre-Covid levels during the current financial year.
- There was a significant pickup in net services with both receipts and payments crossing the pre-pandemic levels, despite weak tourism revenues.
- Net capital flows were higher at USD 65.6 billion in the first half of 2021-22, on account of continued inflow of foreign investment, revival in net external commercial borrowings, higher banking capital, and additional Special Drawing Rights (SDR) allocation.
- India's external debt rose to USD 593.1 billion at the end-September 2021, from USD 556.8 billion a year earlier, reflecting additional SDR allocation by IMF, coupled with higher commercial borrowings.
- Foreign Exchange Reserves crossed USD 600 billion in the first half of 2021-22 and touched USD 633.6 billion as of 31 December 2021.

## Prices and Inflation

- The average headline CPI-Combined (CPI-C) inflation moderated to 5.2 per cent in 2021-22 (April-December) from 6.6 per cent in the corresponding period of 2020-21.
- Food inflation averaged at a low of 2.9 per cent in 2021-22 (April to December) as against 9.1 per cent in the corresponding period last year.
- Wholesale inflation based on the Wholesale Price Index (WPI) rose to 12.5 per cent during 2021-22 (April to December).

*Continued on page 70...*



EDITOR  
SHUCHITA CHATURVEDIPRODUCTION OFFICER  
D K C HRUDHAINATHCOVER DESIGN  
BINDU VERMA

## OUR REPRESENTATIVES

Ahmedabad: Janhavi Patel, Bengaluru: BK Kiranmai, Bhubaneswar: Itishree Singh Rathaur, Chennai: Sanjay Ghosh, Guwahati: Maruf Alam, Hyderabad: Krishna Vandana P, Jalandhar: Gagandeep Kaur Devgan, Kolkata: Khurshid Mallick, Mumbai: Umesh Ujgare, Thiruvananthapuram: Roy Chacko.

Yojana (English): Room No. 647, Sochna Bhawan, CGO Complex, Lodhi Road, New Delhi-110 003.  
E-mail (Editorial): sec-yojanaeng-moib@gov.in

YOJANA, a development monthly published since 1957, is a theme-based journal providing in-depth analyses and views on socio-economic issues in the broader framework of government policies. Although published by the Ministry of Information and Broadcasting, Yojana is not restricted to expressing the official point of view.

## DISCLAIMER

- The views expressed in various articles are those of the authors and they do not necessarily reflect the views of the Government or the organisation/s they work for.
- Maps/flags used in the articles are only indicative and they do not reflect the political map or legal representation of the flag of India/any other country.
- The infographics/figures are provided by the authors through their reliable sources and Yojana claims no responsibility for the same.
- Images, graphics and illustrations, wherever used, are mostly sourced from government channels and are indicative in nature.
- Yojana does not own responsibility regarding the contents of the advertisements. The readers are requested to verify the claims made in the advertisements regarding courses, career-guidance books or institutions.
- Yojana doesn't endorse or promote any brands or private entities presented as case studies in any of the articles.

## SUBSCRIPTION/GRIEVANCES

Email: pdjucir@gmail.com  
Phone: 011-24367453

(Monday-Friday, 9:30 am- 6:00 pm)

Postal Address: Abhishek Chaturvedi, Editor, Journals Unit, Publications Division, Room No. 779, Sochna Bhawan, CGO Complex, Lodhi Road, New Delhi-110 003.

Please note that it will take at least eight weeks to start your subscription. Kindly raise your queries/grievances about non receipt of the journals only after this period.

SUBSCRIPTION-RELATED DETAILS : Page 69

Website: www.publicationsdivision.nic.in

@DPD\_India

@publicationsdivision

@dpd\_india

Let noble thoughts come to us from all sides.  
Rig Veda

## IN THIS ISSUE

## SPECIAL ARTICLES

## BOOSTING INFRASTRUCTURE

Nitin Gadkari..... 7

## STRENGTHENING FEDERALISM

Dr Rajiv Kumar, Ravindra Pratap Singh,  
Ranveer Nagaichh..... 11

## LEAD ARTICLE

A 'BALANCED BUDGET'  
FOR THE TIMES

Dr T V Somanathan..... 15



## FOCUS

## TAX PROPOSALS

Tarun Bajaj..... 19

ECONOMIC SURVEY 2021-22..... Cover II

## REGULARS

DO YOU KNOW?..... 54

OUR BOOKS..... 66



## HARNESSING MULTIPLIER EFFECT

Dr Sajjan Singh Yadav..... 25

## BRIDGING INDIA INC'S CREDIT GAP

Avinash Mishra, Priyanka Anand..... 29

BANKING AND  
DIGITAL CURRENCY

Shishir Sinha..... 33

## GLOBAL PERSPECTIVE

Poonam Gupta, Abhinav Tyagi..... 37

## DEMOGRAPHIC DIVIDEND

Jatinder Singh..... 43

EMPLOYMENT AND HUMAN  
RESOURCE

Arun Chawla..... 47

MODERN AND PROFITABLE  
AGRICULTURE

Dr Jagdeep Saxena..... 51

## INITIATIVES FOR RURAL WOMEN

Charanjit Singh..... 57

## GREEN ECONOMY

Dr S C Lahiry..... 63

## NEXT ISSUE - FINTECH



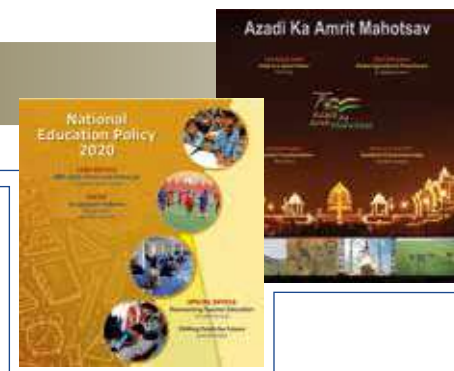
Number of pages: 72

Details of the Sales Outlets of the Publications Division on Page 10

YOJANA is published in Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Odia, Punjabi, Tamil, Telugu, and Urdu.



## Inbox



### India's Giant Leap

Dear Yojana team, I recently came across the magazine and I am really amazed to find such information about India. Yojana's special issue "Azadi ka Amrit Mahotsav" brings such an intellectual expression from the people's responsibility to the Society and Development goals with Self-Reliance through Giant Leap. It's a great issue.

– **M Harisankar**  
Bhubaneswar, Odisha

### Contributing to Nation-building

Being a reader of Yojana for several years, it makes me wait for the next issue. Although each article is worth reading, the two that caught my immediate attention were "Global Agricultural Powerhouse" by Dr Saxena who had very well highlighted India's progress as an exporter of agricultural produce from self-sufficiency. Secondly, "Role of Media" by Prof Dwivedi made an impact at a time when the general public is losing appetite for electronic media that carries information anointed with more rhetoric than reality, the way newspapers have made progress in India since 1780 before concluding with a challenge to Indian press to contribute to nation-building. Such articles make the magazine worth the money paid. My compliments to the entire editorial team.

– **Rajiv Magal**  
Karnataka

### Insightful and Informative

I have been reading Yojana since 2018 and I wait for every edition. I always read it in one go trying to get an insight of the articles. It always surprises me to know the information, occurrences in the country. It provides a new way of thinking about my country and its progress in all the fields. I love the articles and I always tell people in the reference that if you want to know the reality of our country, read it on a regular basis. It enhances my knowledge and my way of thinking towards the schemes which are ongoing in the country. Thank you, Yojana Team.

– **Ripu Daman Verma**  
Ambedkar Nagar, UP

### Growing Agricultural Sector

Thanks to Yojana and Dr Jagdeep Saxena for writing an article about agriculture which is important for everyone. This article recollected all the struggles that our nation had faced in the developmental stage of agriculture and also about various policies and institutions which were involved in making India into a food-surplus nation from a food-scarce nation.

– **Kunda Krishnamurthy**

### Azadi Ka Amrit Mahotsav

Dear Editor, as an aspiring Civil Servant, I have been following the Yojana for almost a year now. Each month, a new topic is dealt with thoroughly which is quite helpful for my UPSC preparation. The January 2022 special issue was likewise an enlightening one, highlighting the various advances we as a nation have made in the past 75 years of 'Azadi', in areas such as space technology, military prowess, caste challenges, infrastructure, agriculture, industries, etc. The issue was full of important and exclusive images, both inside the articles and the archive sections.

– **Soumyadeep Naskar**  
Kolkata, West Bengal

### National Education Policy 2020

Dear Sir/Madam, I am one of your regular readers. In February's edition, topics on education have been covered extensively that are thought-provoking and can provide guidelines for educators to improve the quality of education which is an urgent need of the hour. You are requested to give importance to issues on National Security regularly, as was done in January's edition which would help create awareness on national security issues and keep readers updated. Awareness and updated information on various aspects of our national security are needed. I would like to extend my best wishes for a successful journey as one of the most prestigious monthly magazines nationwide.

– **Ravi Bhushan**  
Kurukshetra, Haryana



## Budget in Challenging Times

The last two years have been difficult for the world economy on account of the pandemic. Repeated waves of infection, supply-chain disruptions, and more recently, global inflation have created particularly challenging times for policy-making. The Government of India, as mentioned in the Economic Survey 2021-22, opted for a strategy that provided a flower bed cushioning the impact on vulnerable sections of society and the business sector. It then pushed through a significant increase in capital expenditure on infrastructure to build back together demand, as well as aggressively implemented supply-side measures to prepare the economy for the sustained long-term expansion. This flexible and multi-layered approach is partly based on an 'agile' framework that used feedback-loops, and the monitoring of real-time data.

According to the Survey, the year ahead is well poised for a boost in private sector investment with the financial system in a good position to provide support to the revival of economy. Agriculture and allied sectors have been the least impacted by the pandemic and are expected to grow by 3.9 per cent in 2021-22 after growing by 3.6 per cent in the previous year. The industrial sector went through a sharp rebound from a contraction of 7 per cent in 2020-21 to an expansion of 11.8 per cent in this financial year. The manufacturing, construction and mining sub-sectors went through the same swing, although the utilities segment experienced a more muted cycle as basic services such as electricity and water supply were maintained even at the height of the national lockdown. The Survey states that the services sector has been hit the hardest by the pandemic. This sector is estimated to grow by 8.2 per cent this financial year following last year's 8.4 per cent contraction. The Survey points out that the financial sector is always a possible area of stress during turbulent times. However, India's capital markets have done exceptionally well and have allowed record mobilisation of risk capital of Indian companies. An important theme that has been discussed through the course of the Economic Survey is that of 'process reforms' that broadly relates to simplification and smoothening of the process for activities where the Government's presence as a facilitator or regulator is necessary.

The Union Budget 2022-23 focuses on the four pillars of PM GatiShakti, inclusive development, productivity enhancement and investment, sunrise opportunities, energy transition, and climate action financing of investments. PM GatiShakti is a transformative approach for economic growth and sustainable development driven by seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure. A new scheme, Prime Minister's Development Initiative for North East (PM-DeVINE), will be implemented through the North-Eastern Council to fund infrastructure. In agriculture, modern techniques like Kisan Drones and chemical-free Natural Farming will be promoted throughout the country. To keep pace with the New Education Policy vision, 'One Class-One Channel' programme of PM eVIDYA will be expanded from 12 to 200 TV channels and this will enable all States to provide supplementary education in regional languages for classes 1-12. Also, a Digital University will be established to provide access to students across the country for world-class quality universal education. In the health sector, under Ayushman Bharat Digital Mission, an open platform for the National Digital Health Ecosystem will be rolled out for universal access to health facilities. As the pandemic has accentuated mental health problems in people of all ages, a 'National Tele Mental Health Programme' will be launched for better access to quality mental health counselling and care services.

To augment financial inclusion in 2022, all the 1.5 lakh post offices will come on the core banking system. To mark 75 years of independence, the Government has proposed to set up 75 Digital Banking Units (DBUs) in 75 districts of the country by Scheduled Commercial Banks. It has proposed to introduce Digital Rupee, using blockchain and other technologies, to be issued by the Reserve Bank of India starting 2022-23. For the taxation of virtual digital assets, the Budget provides that any income transfer of any virtual digital asset shall be taxed at the rate of 30 per cent.

This Budget aims to be all-inclusive and welfare-focused with the promotion of digital economy and Fintech, technology enabled development, Energy Transition and Climate Action and reliance on private investment. □



Helpline: 708- 218- 97-97



CAREERWILL IAS



DOWNLOAD  
CAREERWILL APP



IAS

LIVE BATCH

**IAS ASPIRANTS!!**

**India's First Self Paced Course...**  
**learn at your own speed, time and convenience.**

## IAS FOUNDATION COURSE 2022-23

**Integrated CLASSROOM CUM MENTORSHIP Program**  
**Especially Designed for Freshers and Working Professionals**

### THE TEAM OF INDIA'S BEST EDUCATORS

**DR. MANJESH KUMAR**

INDIAN POLITY &  
CONSTITUTION

**RAHUL SWAROOP**

HISTORY (MODERN INDIA)  
AND ART & CULTURE

**RAJEEV CHAUHAN**

ECONOMY &  
ETHICS (PAPER-IV)

**MANOJ PATHAK**

GEOGRAPHY AND  
ECOLOGY & ENVIRONMENT

**S.P. SHARMA**

ANCIENT, MEDIEVAL &  
WORLD HISTORY

**DR. MANOJ CHHAPARIA**

INDIAN SOCIETY, SOCIAL  
JUSTICE & INTERNAL SECURITY

**ROHIT SINGH**

SCIENCE & TECHNOLOGY AND  
INTERNATIONAL RELATION

**KUMAR ANURAG**

SCIENCE & TECHNOLOGY AND  
GENERAL SCIENCE

**AMBUJ GAUTAM**

DISASTER & D.M., CURRENT  
AFFAIRS & EDITORIAL DISCUSSION

**VINEET K. SHARMA**

GOVERNANCE & IR & PIB, IMPORTANT  
NEWS & ARTICLE DISCUSSION

**NEW BATCH STARTS FROM  
14<sup>th</sup> OF EVERY MONTH**

**AVAILABLE OPTIONAL : POLITICAL SCIENCE, GEOGRAPHY AND SOCIOLOGY**

**FIRST OF ITS KIND IN IAS PREPARATION**

**We don't just claim to be the best, we indeed are, attend two free classes and decide for yourself**

#### FEATURES

- ✓ Permanent faculty and fixed schedule
- ✓ Integrated Coverage of PT-MAINS Syllabus
- ✓ Interactive Live Classes
- ✓ Conceptual Clarity Along with Factual Information
- ✓ Mentorship & Doubt clearance session
- ✓ Special focus on Answer Writing
- ✓ High Quality Updated Study Material (Pdf Format)
- ✓ Integration of Current Affairs

**FEE - ₹1,10,999/-**  
**₹20999/-**

**Course Duration**  
**12 Month**

**Course Validity**  
**15 Month**

**Call us : 9310934121, 9310998566**

YE-1786/2022



## Boosting Infrastructure

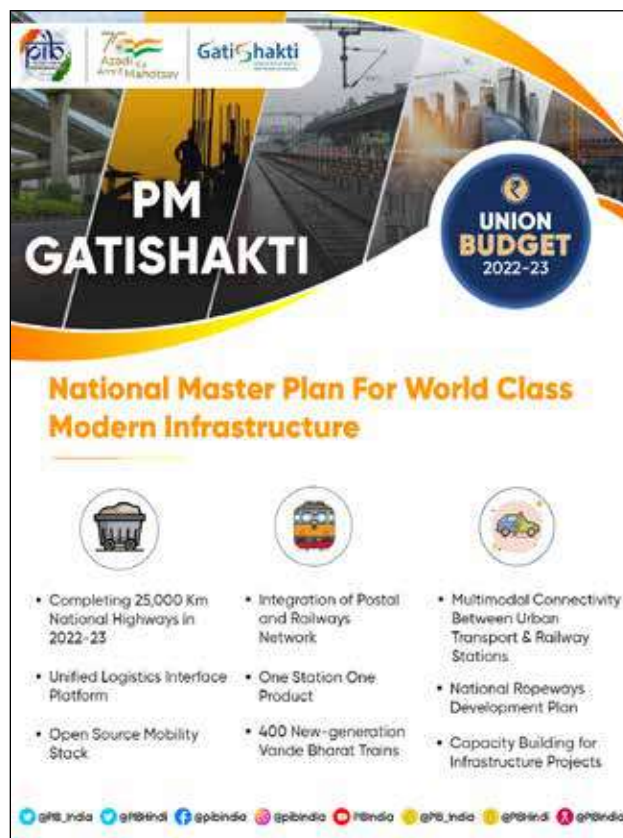
Nitin Gadkari

*The keystone of governance is to create economic growth and spread the benefits of growth to all. The benefits of growth are well recognised, ultimately leading to well-being of citizens and meeting their aspirations. A better quality of life and “ease of living” results from policies that aim to create right conditions for new economic opportunities. Higher economic growth leads to more funds being available for social development, finally taking us to a virtuous cycle of growth and development. The USD 5 trillion target for our GDP is an ambitious one, and strategy to achieve the same revolves around creating an ecosystem for growth, with its foundations on creation of infrastructure, and Atmanirbhar Bharat. As we celebrate 75 years of independence, Azadi Ka Amrit Mahotsav, we have embarked upon an ambitious development journey.*

Infrastructure development has been at the core of the government’s efforts since 2014 to fuel economic growth. The focus has not only been on physical infrastructure but also digital infrastructure. The digital infrastructure created through the UPI initiative has been a singular success. The ease of payment achieved by UPI could not have been visualised, and today one can buy a cup of tea from a street food vendor and make the payment electronically, utilising the UPI platform. The strength of the banking sector was in having a large branch network, but the robust digital infrastructure has led to accessible financial services to citizens without having to visit a bank. Similar digital initiatives like Bharat Net—providing broadband access to 2.5 lakh Gram Panchayats; Aadhaar; Ayushman Bharat Digital Health Mission, etc., are important parts of the digital infrastructure that enables financial and social inclusion, and people-centric governance.

The creation of physical infrastructure is equally important with its multiplier effect on economic growth. Good quality infrastructure improves productivity and for economic growth to be sustained, the growth has to be based on improving productivity. The government is pushing for investment in infrastructure, as it creates jobs, boosts private investment in core sectors, reduces logistic costs for the economy, improves the competitiveness of the manufacturing industry in domestic and global markets, enhances government tax revenues, and improves ease of living for citizens.

Considering the massive investment required to build infrastructure, it was decided to lay down a clear roadmap of all infra development projects that were to be taken up.



The author is the Union Minister, Ministry of Road Transport and Highways, GoI. Email: [nitin.gadkari@nic.in](mailto:nitin.gadkari@nic.in)

Hence, the National Infrastructure Pipeline (NIP) came into being, with projects requiring an investment of Rs 111 lakh crore. This was clear guidance to the markets about the ambition of the government, giving confidence to investors that a comprehensive approach had been adopted. To achieve the highest multiplier effect of investment in infrastructure, a piecemeal approach to planning and delays in implementation are two factors to be avoided. The NIP coupled with the recently launched GatiShakti programme will ensure a complete approach and timely delivery based on better coordination and planning.

PM GatiShakti National Master Plan– launched by the Ministry of Commerce & Industry– is a programme that includes 16 Ministries (including Railways & Roadways) for integrated planning and coordinated implementation of infrastructure connectivity projects. It leverages a dynamic Geographic Information System (GIS) based ERP (Enterprise Resource Planning) platform planned in collaboration with Bhaskaracharya National Institute for Space Applications and Geo-informatics (BISAG-N), wherein data on specific action plans of all the concerned Ministries/Departments, will be incorporated within a comprehensive database.

Developing infrastructure in a diverse country like ours requires detailed planning and facilitation. The process starts with a plan for the country and details into the entire network of roads & highways. The Bharatmala Pariyojana gave us the blueprint for highway development in an integrated manner. This blueprint could be used to initiate the preparatory work of detailed project reports, finalising alignments, land surveys, etc. Bharatmala Pariyojana is an umbrella programme for highway development that was envisaged to bridge critical infrastructure gaps across the country. The programme visualised construction of 34,800 km of National Highways to be implemented by three different agencies of the Ministry, i.e., NHAI (90%), MoRTH PWD (6%), and NHIDCL (4%). The programme

**The creation of physical infrastructure is equally important with its multiplier effect on economic growth. Good quality infrastructure improves productivity and for economic growth to be sustained, the growth has to be based on improving productivity.**

follows a corridor-based National Highway development, connecting 550+ districts of the country and catering to 70-80% of total freight on National Highways. Currently, out of the planned 34,800 km, projects of length 19,470 km representing a total capital cost of Rs 5.76 lakh crore have been awarded.

This programme represented a paradigm shift in terms of looking at the creation of expressways, as greenfield alignments. Brownfield expansion and improvement of highways serve

an important purpose, but the game-changer in terms of reducing logistic costs is building access controlled greenfield expressways connecting key cargo origin-destination centres. Consequently, 5 flagship expressways and 17 access-controlled corridors are being developed as part of Bharatmala Phase-I at a total capital cost of Rs 3.6 lakh crore. The 5 expressway projects– namely Delhi-Mumbai, Ahmedabad-Dholera, Bengaluru-Chennai, Delhi-Amritsar-Katra, and Kanpur-Lucknow– account for 2,485 km and a total capital cost of Rs 1.63 lakh crore. Additionally, the 17 access-controlled corridors of 5,924 kms (comprising of marquee projects such as Raipur-Vishakhapatnam, Ambala-Kotputli, Amritsar-Bhatinda-Jamnagar, etc.) are being developed at a total capital cost of Rs 1.97 lakh crore. About, 5,000 km out of 8,400 kms of these greenfield corridors have already been awarded and about 1,000 km will be completed and opened to traffic in the next few months.

For the government, spreading economic benefits to all is a keystone, and these expressways, passing through underserved and under-developed regions, open economic opportunities to the people of these regions, encourage private investment, and bring the fruits of development to the people. It is now time for us to launch Phase 2 of Bharatmala programme, and we have high levels of ambition considering the expectations of people across the country.

For a better perspective, it is useful to look at data on expansion in the overall network length and expansion.

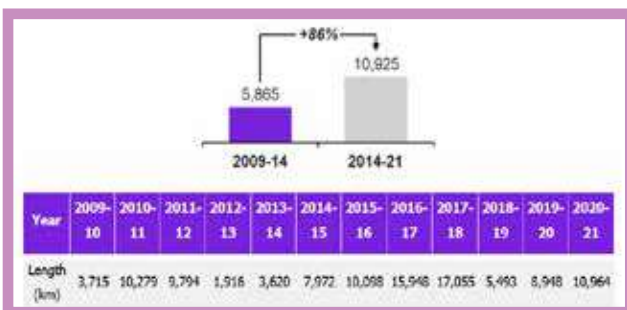


Figure 1: Trend of an average annual award from FY 2009-10 till FY 2020-21

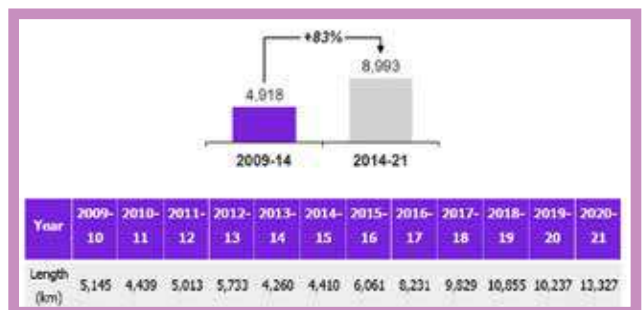


Figure 2: Trend of average annual construction from FY 2009-10 till FY 2020-21



The pace of award of works for National Highways has almost doubled from an average of ~5,900 km per annum between FY 2009-10 till FY 2013-14 to ~11,000 km per annum since FY 2014-15, as shown in Figure 1.

Similarly, the pace of annual construction has increased by 1.8 times to ~9,000 km per annum since FY 2014-15, as compared to ~4,900 km constructed per annum between FY 2009-10 till FY 2013-14, as shown in Figure 2.

Specifically, in the last financial year, the Ministry of Road Transport and Highways achieved a historical pace of National Highways construction of ~37 km/day (i.e., 13,327 km in the year).

Logistic costs must be reduced, and this happens to some extent by developing highways but that itself is not sufficient to maximise returns from the investment in highways. We need multi-modal logistic parks connected to highways, waterways, airports, and railways; to allow cargo to move seamlessly. Multi-Modal Logistics Parks (MMLPs) are critical enablers for ensuring integrated and efficient transportation as per the vision laid out in the PM GatiShakti National Master Plan. MMLPs enable seamless transfer of goods across modes and facilitate a hub and spoke model of freight movement with hub-to-hub line haul on more efficient modes such as rail/ocean/inland waterways or larger sized trucks and first mile/last mile movement on trucks. Ambitious plans to develop MMLPs have been drawn up. MMLPs shall also provide key services such as advanced storage infrastructure, first and last-mile connectivity to key nodes in freight networks, and value-added services such as customs clearance and provisions for late-stage processing activities. Therefore, MMLPs are expected to reduce logistics costs. MMLPs are being developed across the country in 35 strategic locations (such as Jogighopa, Nagpur, Chennai, Indore, Bengaluru, etc.) to address inefficiencies in the logistics

sector. These 35 MMLPs will cater to over 50% of the nation's road freight movement.

The development of highways in left-wing extremism impacted districts has also received special attention since 2014. For instance, a Greenfield corridor between Raipur and Visakhapatnam is being developed passing through backward districts of Chhattisgarh, Odisha, and Andhra Pradesh. The corridors identified for development in Phase I of Bharatmala Pariyojana will improve connectivity in districts affected by Left Wing Extremism and in aspirational districts. Further, there has been a focus on border areas and North-Eastern States too in the 34,800 km planned under Bharatmala Pariyojana, as indicated in Figure 3.

State	Length under Bharatmala (km)
Jammu & Kashmir (incl. Ladakh)	398
Nagaland	193
Mizoram	361
Meghalaya	128
Assam	512
Manipur	607
Tripura	75
<b>Total</b>	<b>2,274</b>

Figure 3: Length planned under Bharatmala Pariyojana – North-Eastern States + Border

At 14.96 km, the Zojila tunnel on the Srinagar-Leh road will be Asia's longest bi-directional tunnel. The tunnel will shorten the distance between Baltal (Sonamarg) and Minamarg in Ladakh from 40 km to 13 km, slashing travel time from three hours to 15 minutes.

The level of infrastructure development requires



Figure 4: Map of Zojila Tunnel on Srinagar-Leh Road



*Construction Activity at Zojila Tunnel*

investments at a mammoth scale. Giving advance guidance to the market of investment needs is a starting point. NIP is a step in that direction. Focus on timely completion and willingness of the government to step in when needed, helps in building investor confidence. GatiShakti is an initiative towards this end. Innovative methods of augmenting finance by understanding financial markets and offering diverse products is the other aspect of the solution. As part of the National Monetisation Pipeline (NMP), NHAI has launched its InvIT (Infrastructure Investment Trust) to monetise road projects. In view of the long-term nature of the assets, the units of InvIT were placed with international and domestic institutional investors. NHAI InvIT attracted two international pension funds, namely Canadian Pension Plan Investment Board and Ontario Teachers' Pension Plan Board, as anchor investors. The initial portfolio comprising of 5 roads raised Rs 8,000

**NIP coupled with the recently launched GatiShakti programme will ensure a complete approach and timely delivery based on better coordination and planning. PM GatiShakti National Master Plan is a programme for integrated planning and coordinated implementation of infrastructure connectivity projects.**

crore with 50% of investment from foreign investors. Further, more roads are expected to be added to the InvIT later. NHAI has demonstrated its strong ability to attract a wide variety of sophisticated investors for NMP.

Lastly and most importantly, protecting the environment while developing infrastructure is an efficient balancing act. My approach is to lean towards protecting the environment while faced with situations. Progress in the plantation of trees along highways is personally reviewed by me.

MoRTH realised the need and importance of developing green corridor and promulgated Green Highways (Plantations, Transplantations, Beautification, and Maintenance) Policy in September 2015 to develop green corridors along National Highways for sustainable environment growth. Consequently, NHAI has been undertaking plantation drives from time to time to develop eco-friendly National Highways and has constantly addressed ecological concerns by adopting environmental-friendly methods. In post-policy years from 2016- 17 to 2020-21, more than 2 crore plants have been planted. Till November 2021, over 63 lakh new plants have been planted by NHAI with avenue plantation accounting for 27.5 lakh, while median plantation accounting for 35.6 lakh new plants. Further, the plantation is closely monitored using the latest technology of drone videography and geo-tagging, along with the traditional methods of field inspections. □

## Sales Outlets of Publications Division

New Delhi	Soochna Bhawan, CGO Complex, Lodhi Road	110003	011-24365609 011-24365610
Navi Mumbai	701, B Wing, 7th Floor, Kendriya Sadan, Belapur	400614	022-27570686
Kolkata	08, Esplanade East	700069	033- 22486696
Chennai	'A' Wing, Rajaji Bhawan, Basant Nagar	600090	044-24917673
Thiruvananthapuram	Press Road, Near Government Press	695001	0471-2330650
Hyderabad	204, II Floor CGO Towers, Kavadiguda, Secunderabad	500080	040-27535383
Bengaluru	I Floor, 'F' Wing, Kendriya Sadan, Koramangala	560034	080-25537244
Patna	Bihar State Co-operative Building, Ashoka Rajpath	800004	0612-2675823
Lucknow	Hall No 1, II Floor, Kendriya Bhawan, Sector-H, Aliganj	226024	0522-2325455
Ahmedabad	4-C, Neptune Tower, 4th Floor, Nehru Bridge Corner, Ashram Road	380009	079-26588669
Guwahati	Assam Khadi and Village Industries Board, Ground Floor, MRD Road, Chandmari	781003	0361-2668237

# Strengthening Federalism

**Dr Rajiv Kumar**  
**Ravindra Pratap Singh**  
**Ranveer Nagaich**

*Central Government is committed to strengthening the hands of the States by enhancing their capital investment towards creating productive assets and generating remunerative employment. The Budget 2022-23 is a continuation of a series of reforms, policies and measures that have strengthened India's federal system. The increased capital expenditure on infrastructure will enhance economic activity across the nation.*

India is a country with continental proportions and draws upon her diversity as a strength. Federalism was the model adopted that would best suit an Independent India. In the wake of need for fast paced development of the nation as a whole, as well as the rising regional aspirations and quest for more share in the resources, the dynamics of Federalism in the country appear to be coming into attention more than ever before. To better serve the needs and aspirations of the people in the federal polity, in a major step moving away from centralised planning to a more decentralised and participative setup, the Planning Commission was replaced by the National Institution for Transforming India (NITI Aayog) on 1 January 2015. From a body like Planning Commission which imposed policies on States and tied allocation of funds with projects it approved, we moved to a thinktank which enables greater role for involvement of the States in policy making and offers expert guidance and policy advice through its state-of-the-art Resource Centre.

Cooperation and competition are the two sides of the same coin—'Federalism'. Both are essential to take the 'New India' march forward economically and socially. While on the one hand the States need to be assisted with resources and sound policy advice, on the other they need to be encouraged to improve their performance. NITI Aayog since its inception has been able to balance the two and provide necessary support to the States.

## Cooperative Federalism

NITI Aayog works towards a shared vision of national development priorities with the active involvement of States to foster cooperative federalism. NITI's



Dr Rajiv Kumar is Vice-Chairperson, NITI Aayog. Email: vch-niti@gov.in  
 Ravindra Pratap Singh is PS to Vice-Chairperson, NITI Aayog.  
 Ranveer Nagaich is Public Policy Consultant, NITI Aayog.



Governing Council, chaired by the Prime Minister, comprises of all the Chief Ministers and Lieutenant Governors of UTs as equal members and a selected Government of India ministers. The Governing Council meets annually to evolve a shared vision of country's economic development. In the 6<sup>th</sup> Governing Council Meeting held on 20 February 2021, a unique exercise took place where extensive workshops were held between NITI Aayog, Ministries and State Governments to finalise the agenda for the Governing Council's deliberations.

One of NITI Aayog's major initiative since its inception has been formulating the Strategy document in 2017 (*India@75*). Its preparation followed an extremely participative approach. Over 800 stakeholders from within the government—Central, State and District levels—and about 550 external experts were consulted during the preparation of the document. The overarching focus of the Strategy document was to further improve the policy environment in which private investors and other stakeholders can contribute their fullest towards achieving the goals set out for New India 2022 and propel India towards a USD 5 trillion economy.

A number of steps have been taken by NITI Aayog to foster cooperative federalism. These steps are showcased in the development blueprints prepared jointly with Governments of Uttar Pradesh, Tripura, and Madhya Pradesh. Regular sharing of best practices; policy support and capacity development of State/UT functionaries, etc., are other areas where NITI partners with State governments.

It has been observed that NITI's interaction with the States have resulted in many changes at the institutional level with many States reimagining the roles of their planning and finance departments. The 17 goals and 169 targets

---

**The Aspirational Districts Programme (ADP) of NITI Aayog launched in January 2018 focuses on 112 of India's most developmentally challenged districts across sectors such as health and nutrition; education; agriculture and water resources; basic infrastructure; and financial inclusion and skill development.**

---

under the SDGs are interdependent and inter-connected, and require concerted and coordinated action within the various departments. This inherent nature of the goals has forced States to dissolve silo-based functioning prevalent in government institutions. Such collaboration paves the way for convergence of developmental schemes with programmatic or beneficiary overlapping, better utilisation of resources and greater achievement of outcomes. Thus, new structures are laid for novel and goal-driven partnerships at State and sub-State levels. States and

UTs have explored and innovated different ways for such institutional development.

### **Competitive Federalism**

NITI Aayog attempts to promote competitive federalism by means of facilitating improved performance of States/UTs. It stimulates healthy competition among States through developing indicator frameworks and transparent rankings in various sectors, review mechanisms and capacity-building with a hand-holding approach. States are ranked through various indices measuring ease of doing business to Sustainable Development Goals. The ranking on social indicators based on quantitative objective criteria encourages States (and districts) to improve their performance.

As one of its major transformative initiatives, NITI Aayog also releases rankings in the monthly changes in the performance of Aspirational Districts. The Aspirational Districts Programme (ADP) of NITI Aayog launched in January 2018 focuses on 112 of India's most developmentally challenged districts across sectors such as health and nutrition; education; agriculture and water resources; basic infrastructure; and financial inclusion and skill development. The aim of these rankings is to promote immediate improvement through greater efficiency and convergence in governance and measuring progress by ranking districts on a monthly basis. Districts are challenged and encouraged first to catch up with the best district in their State, and then aspire to become one of the best in the nation, by competing and learning from others in the competitive and cooperative spirit of federalism. Promoting the spirit of competitive and cooperative federalism, the districts are supplied supplementary funding from the Government of India to focus on key projects in their districts. Top ranked aspirational district gets Rs 10 crore, second best receives Rs 5 crore and sector wise best gets Rs 3 crore each.

Some of the indices launched by NITI Aayog are Composite Water Management Index, India Innovation Index, Export Competitiveness Index, School Education



Quality Index, State Health Index and Sustainable Development Goals Index.

### **Fostering Localisation of SDGs**

Starting in 2018, NITI defined the contours of the national progress monitoring on SDGs based on key national development priorities in its first ever framework for monitoring the country's progress on the SDGs— SDG India Index and Dashboard. Since then, this framework has been continuously revised with feedback from States/UTs and consultations with ministries to broaden the scope for the SDG-based monitoring framework. The latest version of the SDG India Index contains 100+ indicators. Now in its fourth year, it has been institutionalised and established as the country's principal and official policy tool on benchmarking national and sub-national progress and has simultaneously fostered competition among the States.

Most recently, as a part of its localisation efforts, NITI published the first regional index – The North-Eastern Region District SDG Index. The Index measures the performance of all the 100+ districts of the eight States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura on the SDGs and their corresponding targets. Taking the successful SDG localisation model further to the level of urban areas, NITI Aayog developed and released the SDG Urban Index & Dashboard (2021-22) in November 2022. It ranked 56 urban areas on 77 SDG indicators and highlighted the strengths and gaps in ULB-level data, monitoring, and reporting systems. This interactive tool is aimed at strengthening SDG localisation at the city level and fostering the creation of an ecosystem in which all stakeholders are equipped to adopt and implement data-driven decision making. The process of localisation involves more than a mere local application of high-level agendas. Rather, SDG localisation encompasses a host of factors such as local agenda setting, decision-making and process monitoring with locally adapted indicators, which together generate the ownership necessary for successful SDG implementation on a local scale. It is thus critical that the apparatus of sustainable development focuses on being more responsive and relevant to local needs and aspirations. NITI Aayog has created strong partnership with States to achieve SDG-oriented development agenda. This enables it to foster cooperative federalism with the convergence in the vision for development between States and the Union.

### **Strengthening Fiscal Federalism**

Fiscal federalism has also seen substantial strengthening since 2014. The successive Finance Commissions have raised the share of States in tax revenues from 29.5% between 2000-05

to 42% currently. This has greatly expanded the fiscal space afforded to State governments to pursue their development priorities. This increase in devolution has been accompanied by the abolition of formal economic plans, and the dissolution of the Planning Commission. Centralised policy and decision making has now given way to a decentralised system, with more flexibility and financial autonomy for State Governments.

The State Governments have frequently raised the issue of getting more unconditional transfers relative to the conditional transfers. These conditional transfers are generally in the form of Centrally Sponsored Schemes (CSCs). The share of general-purpose transfers, which are unconditional in nature and come with no strings attached, in total central transfers increased from 64.8% in 2011-12 to 74.2% in 2019-20, while that of specific purpose transfers, which are conditional in nature, have declined from 35.2% to 25.7% during this period. Among the key fiscal support measures by Centre to States to fight Covid-19 and support economic growth, it is important to highlight that the Centre increased the borrowing limits of States from 3.0% of GSDP to 5.0% for 2020-21, providing the States extra resources of Rs 4.3 lakh crore.

As highlighted in Budget 2022-23, GST has been “a landmark reform of independent India showcasing the spirit of cooperative federalism”. Goods and Services Tax (GST) is governed by the GST Council, where States are equal partners. Despite the nationwide surge in Covid-19 cases, gross GST collections for the month of January 2022 were recorded at Rs 1,40,986 crore, which is the highest since the inception of GST. Total GST collections are estimated to grow 23% in 2021-22, as per revised estimates in the Budget. GST has played a major role in the formalisation of the Indian economy. The introduction of GST has eliminated transactions which were not recorded earlier in the books of accounts and were outside the tax net. The seamless flow of information facilitated by GST would eventually augment not only the Indirect Tax collections but also Direct Tax collections. It has enabled to keep a check on the fraud related to payment of tax (tax evasion) through stricter tax compliances and transparency.

---

**The Union Budget also stated that in 2022-23, in accordance with the recommendations of the 15th Finance Commission, States will be allowed a fiscal deficit of 4.0% of GSDP of which 0.5% will be tied to power sector reforms.**

---

Reflecting the true spirit of cooperative federalism, the Central Government is committed to strengthening the hands of the States by enhancing their capital investment towards creating productive assets and generating remunerative employment. In her Budget speech, the Finance Minister pointed out that the ‘Scheme for Financial Assistance to States for Capital Investment’ has been extremely well received by the States. In accordance

with the requests received during her meetings with Chief Ministers and State Finance Ministers, the outlay for this scheme was enhanced from Rs 10,000 crore to Rs 15,000 crore in 2021-22. For 2022-23, an allocation of Rs 1 lakh crore (10 times the initial outlay of 2021-22) has been made to assist the States in catalysing overall investments in the economy. These 50-year interest free loans are over and above the normal borrowings allowed to the States. The Union Budget also stated that in 2022-23, in accordance with the recommendations of the 15<sup>th</sup> Finance Commission, States will be allowed a fiscal deficit of 4.0% of GSDP of which 0.5% will be tied to power sector reforms.

The Budget seeks to provide an equal treatment to Central & State Government employees with an increased tax deduction limit from 10% to 14% on the employer's contribution to the NPS (National Pension System) account of the State Government employees. The Budget also focuses on providing urban planning support to States. For urban capacity building, the Central Government will support States in implementing Modernisation of building



bylaws, Town Planning Schemes (TPS), and Transit Oriented Development (TOD). The Central Government's financial support for mass transit projects and AMRUT scheme will be leveraged for formulation of action plans and their implementation for facilitating TOD and TPS by the States.

Among other key measures, a new scheme, the Prime Minister's Development Initiative for North East (PM-DevINE) was announced to be launched with an initial allocation of Rs 1,500 crore. The Scheme will fund infrastructure, in the spirit of PM GatiShakti, and social development projects based on felt needs of the northeast.

The Budget 2022-23 is a continuation of a series of reforms, policies and measures that have strengthened India's federal system. The increased capital expenditure on infrastructure will enhance economic activity across the nation. Fiscal federalism, combined with cooperative and competitive federalism will lead India into the post-pandemic era of rapid and equitable growth, improvement in the peoples' ease of living and environmental sustainability. □

## Our New Publications

Wide range of Books on Gandhian Literature, Indian History, Personalities & Biographies, Speeches and Writings, Builders of Modern India, Art & Culture, Children's Literature

**e-Version of selected books available on Amazon and Google Play**

**To buy online visit: [www.bharatkosh.gov.in](http://www.bharatkosh.gov.in)**

For placing orders, please contact: Ph : 011-24365609, e-mail: [businesswng@gmail.com](mailto:businesswng@gmail.com)

**website: [www.publicationsdivision.nic.in](http://www.publicationsdivision.nic.in)**

**Publications Division**  
Ministry of Information & Broadcasting  
Government of India  
Soochna Bhawan, CGO Complex,  
Lodhi Road New Delhi-110003



# A 'Balanced Budget' for the Times

Dr T V Somanathan

*Budgets in a parliamentary democracy serve several purposes. Partly, they are an annual financial statement, a function which is routine but crucial; but they are also statements of policy intent. Unlike the private sector, governments cannot choose their customers— they must serve all. They have not the luxury of concentrating on “core competencies”— they have to do everything the Parliament expects. They provide many things free— so demand is much higher than any feasible supply or affordability. They extract taxes— which are as unpopular as they are inevitable. For all these reasons, budget-making is a hugely complex balancing act.*

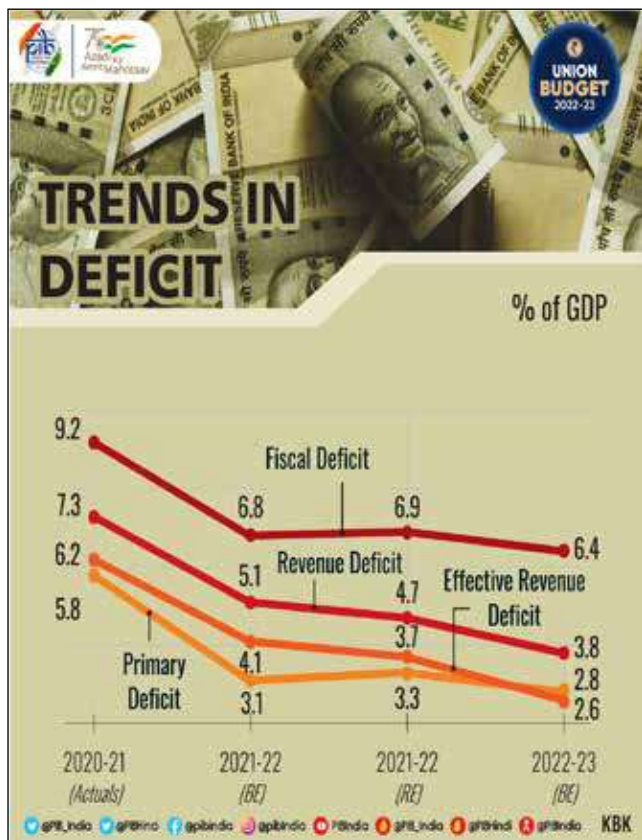
**T**he Budget 2022-23 is a budget for these peculiar times. Its biggest theme is boosting growth and employment through a large increase in public investment for the second year running, while continuing support for agriculture, health, education, and welfare programmes. The budget for capital expenditure has been increased by over 35%. The PM GatiShakti programme aims at not merely quantitative expansion in infrastructure, but also a qualitative leap through meticulous planning. Too often, we have had poor coordination between road and rail, rail and metro, port and road, etc. Integrated planning and execution can considerably increase domestic productivity and export competitiveness.

Another priority is the generation of gainful employment. The capital expenditure boost in itself will generate millions of jobs directly and indirectly (through its multiplier effect on other sectors). A special feature is the unprecedented helping hand to States for their capital expenditure through a provision of Rs 1 lakh crores of interest-free 50-year loans, additional to their normal borrowing ceiling. The credit guarantee scheme for MSMEs is being revamped to provide a massive Rs 2 lakh crores of new lending. Additional credit to hospitality, tourism, and related (pandemic-affected) sectors is being provided through the highly successful Emergency Credit Line Guarantee Scheme (ECLGS). The outlay for the PM Gram Sadak Yojana has been increased by 27%. Moreover, supplemental funding will be provided to States to meet their share in respect of certain priority sections.

Adequate provisions have been made to support agriculture, including fertiliser subsidies, and grain procurement. Apart from the ongoing National Health Mission and AYUSH programmes, the new PM Atmanirbhar Bharat Health Infrastructure Mission will permanently upgrade India's health capacity. A new, flexible, need-based “PM's Development Initiative for the North-East” (PM DevINE) has been started for projects which may not fit into the parameters of standard schemes. In line with Finance Commission recommendations, 130 Centrally Sponsored Schemes



The author is the Finance Secretary of India. Email: secyexp@nic.in



**ACCELERATING GROWTH OF MSME**

- Interlinking Udyam, E-Shram, NCS, ASEEM Portals
- Extending ECLGS with focus on Hospitality & Related Enterprises
- Revamping CGTMSE with additional credit of 2 lakh crore
- Rolling out of RAMP Programme: Raising & Accelerating MSME Performance with outlay of 6000 crore over 5 years

Source: PIB India, Ministry of MSME, Government of India.

have been revamped and restructured into 65, enabling greater flexibility and impact.

While handling the financial predicaments of today, the Budget lays a foundation for solving the policy problems of tomorrow. It contains a wide, carefully conceived, range of fund allocations, and policy initiatives for the India of 2047 including world-class indigenous railway technology, ‘kisan drones’ for agriculture, ‘drones as a service’, digital health information, telemedicine, electronic passports, digital currency, clean public transport, battery swapping, green hydrogen, coal gasification, and universal optic fibre access. A clarity in taxation of crypto-instruments, plugging of loopholes, and modernisation of Customs administration of SEZs are important features of the Budget.

In his poem “Bharata Desam”, the visionary Subramania Bharathi dreamt of using the excess water flowing to Bengal to grow crops in central India. He passed away in 1921. A hundred years later, the first river-linking project is beginning, through the Ken-Betwa project.

All of this is combined with a careful fiscal policy to preserve macroeconomic stability. In spite of pandemic-related spending and disinvestment shortfalls, high revenue growth, and tight expenditure control have enabled the fiscal deficit for 2021-22 to remain at 6.9% of GDP, close to its budgeted level. This is the biggest ever single-year reduction in the fiscal deficit. Next year, the deficit is expected to be 6.4 % of GDP. It is noteworthy that the fiscal deficit is effectively only 6.0% excluding the special transfers to States for capital expenditure. The revenue deficit is estimated to decline even more sharply from 4.7 to 3.8%. Without levying new taxes, the Budget adheres to the consolidation trajectory announced in the last budget of reaching 4.5% of GDP by 2025-26, starting from the 2020-21

figure of 9.2%.

In economics, a balanced budget is one where expenditure is equal to revenue. The 2022-23 Budget is a balanced budget in a different sense: balancing action in the present with a vision for the future, ambition in attitude with prudence in practice. □

# CRASH COURSE

## FOR UPSC PRELIMS 2022



AIR-2



UPSC CSE 2020

JAGRATI AWASTHI

AIR-5



UPSC CSE 2018

SRUSHTI DESHMUKH

AIR-13



UPSC CSE 2019

RAUNAK AGARWAL

AIR-17



UPSC CSE 2019

SWATI SHARMA

AIR-39



UPSC CSE 2019

RUCHI BINDAL

AIR-46



UPSC CSE 2020

JUBIN MOHAPATRA



**Complete Static Syllabus**



**12 week Current Affairs course**



**Complete Current Affairs from  
1 January 2021 onwards**



**28 Tests comprising HLTs,  
FLTs, Static and Current Affairs**

**Register Now**



1800-890-3043



sleepy.classes@gmail.com



# UPSC is not about Running Fast, It is about Running in the **Right Direction**



The Syllabus is vast, stay focused. Give your UPSC preparation the Right Direction with Disha's philosophy :

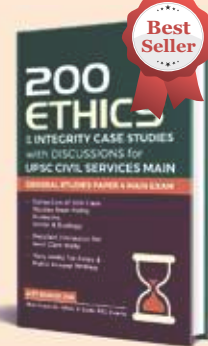
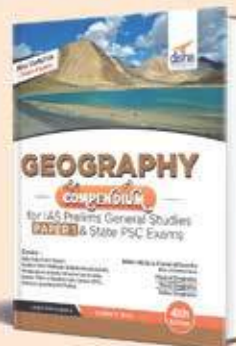
## न कम न ज्यादा ये है हमारा वादा

### Solved Papers



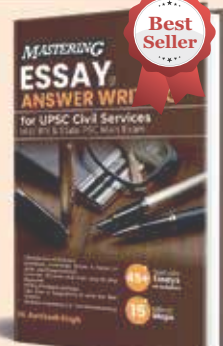
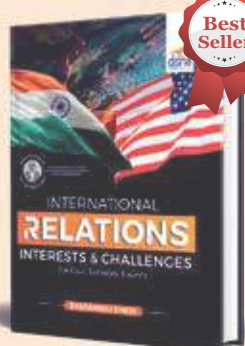
Year-wise & Topic-wise Solved Papers for Prelims, Mains & State PSCs

### Preparatory Books



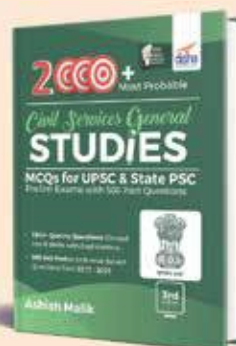
Crisp Study Materials designed for Success in Prelims, Mains & State PSCs

### Text Books



To-The-Point TEXTBOOKS for Prelims, Mains & State PSCs

### Revision & Practice Books



Practice Question Banks & Mock Papers for Prelims, Mains & State PSCs



**150+ Books 20+ Authors**  
**40+ BESTSELLERS**

Scan or Visit :  
<https://bit.ly/upsc-disha>



Available at : [dishapublication.com](http://dishapublication.com) | [amazon.in](http://amazon.in) | [flipkart.com](http://flipkart.com) | Leading Bookshops

# Tax Proposals

Tarun Bajaj

*In line with the broader vision of the Budget, the tax proposals for this year aim to make Indian Taxation System act as a facilitator and enabler in the country's march towards prosperity. It has been felt that the time available to a taxpayer to submit or further update his particulars of income in the form of a return for an assessment year was not adequate. The big data analytics is the way forward to ensure an effective and non-intrusive tax administration.*

**B**ertrand Russell had written once, “Those who passed through that valley of darkness emerge at last into a country of unearthly beauty...”. The crippling shadow of the Covid pandemic is receding and India is back on the high-growth trajectory of estimated 9.2% growth in the current financial year, which is the highest among all the large economies. India will continue to be the fastest-growing economy amongst the world's major economies in the coming years.

In line with the broader vision of the Budget, the tax proposals for this year aim to make the Indian taxation system act as a facilitator and enabler in the country's march towards prosperity. Further, reforms have been introduced to establish a trustworthy tax regime by simplifying the tax system, promoting voluntary compliance by the taxpayers and reducing litigations. Some of the important proposals on direct taxes and their rationale is as detailed below.

## DIRECT TAXES

### Updated Return

Revenue collection is a sovereign function of the state which casts a responsibility on the taxpayer to file a return of income up to the due date as per the Income-tax Act, 1961, if their income is above a certain exemption limit. The Act further allows the taxpayers, who could not file their return within the due date, to file a belated return of income up to three months prior to the end of the relevant assessment year. The original return, filed within due date as well as the belated return of income can be revised any number of times up to three months prior to the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.

It has been felt that the time available to a taxpayer to submit or further update his particulars of income in the form of a return for an assessment year was not adequate. This inadequacy of time for filing or correcting the return becomes a significant concern in the face of the robust data collection and data sharing mechanism of the department. The lesson learned is that big data analytics is the way forward to ensure an effective and non-intrusive tax administration, which has resulted in the proposal for an updated return over and above the existing return by a

**Indirect Tax Proposals**

- IT-Driven Customs Administration in Special Economic Zones.
- Phasing Out Concessional Rates in Capital Goods and Project Imports Gradually and Apply Moderate Tariff of 7.5%
- Unblended fuel to attract additional differential excise duty
- Customs Duty Rates Calibrated to Provide Graded Rate Structure to Facilitate Domestic Electronics Manufacturing

gri\_india griindia gpbindia gpbindia fbindia gpi\_india gpiindia gpiindia

The author is the Revenue Secretary of India. Email: rsecy@nic.in



taxpayer. This will enable the department to ‘nudge’ the taxpayer to “voluntarily” comply with tax laws.

In addition to the above, it has been felt that a taxpayer who failed to furnish a return of income within the due date or furnish a belated or revised return of income or furnished inaccurate particulars of income due to an oversight, had to undergo the process of scrutiny assessments, a long, tedious and expensive appeal process as well as the possible rigors of penalty and prosecution.

Hence, the Finance Bill, 2022 has proposed that such taxpayers can file an updated return of income from the last date of filing a revised return up to two years from the end of the relevant assessment year. As an example, as per the Act, the revised return for AY 2022-23 can be filed up to the 31 December 2022, and the updated return can be filed from 1 January 2023 to 31 March 2025. This is perhaps the most significant effort in voluntary compliance.

An updated return can also be filed by a taxpayer who has not filed a return within the due date or a belated or revised return. A taxpayer willing to furnish an updated return of income has to pay additional income tax on the part of income that has not been included in his earlier returns for the assessment year. This additional tax shall be 25% of the total tax on such new income and interest if the updated return is filed

within 12 months from the end of the assessment year and 50% of the total of tax on such new income and interest if the updated return is furnished after 12 months. An updated return can be furnished only once for an assessment year and also provides immunity from prosecution under the Act on failure to file the return of income.

However, the intent of this provision is not to provide amnesty to taxpayers who are involved in tax-evading practices. A person in whose case there has been a search or requisition or survey cannot furnish an updated return for such assessment year. Similarly, if there have been any assessment or reassessment proceedings in the case of a person for the relevant assessment year, an updated return for such assessment year cannot be furnished. The updated return also cannot be furnished by a person against whom there is information of serious offences under the Black Money Act, Prevention of Money-Laundering Act, 2002, etc. Other criteria of ineligibility have also been given in the provision.

It is expected that the proposal will advance the goal of voluntary tax compliance and create an atmosphere of transparency, trust, and understanding between the taxpayers and revenue.

### Startups and New Manufacturing Units

In our quest towards Atmanirbharta by promoting the growth of startups and the establishment of new manufacturing industries, the Government has provided for certain income tax deductions and concessional tax rates to such entities. However, due to the pandemic, these entities could not start their operations in time to avail such benefits. In order to lend a supporting hand to them, the Government has extended the required time period for the establishment of their businesses to enable them to avail these benefits. The tax regime for such entities is extremely friendly and provides a rate of 15% corporate tax.

### Concessions to IFSC

The Government is committed to making the International Financial Services Centre (IFSC) in GIFT City a globally competitive financial hub by providing a multitude of incentives. The principal logic of incentivising the GIFT City is that we need to provide a tax-neutral avenue for relocation of financial services from the other hubs across the globe. As a result, the GIFT City is fast becoming a hub of financial activity with a large number of entities and funds relocating to the IFSC.

Taking forward our efforts to further promote the IFSC, measures have been proposed in this Budget

**Big data analytics is the way forward to ensure an effective and non-intrusive tax administration, which has resulted in the proposal for an updated return over and above the existing return by a taxpayer. Taxpayers can file an updated return of income from the last date of filing a revised return up to two years from the end of the relevant assessment year.**



to allow the income of a non-resident from offshore derivative instruments or over the counter derivatives issued by an offshore banking unit, income from royalty, and interest on account of lease of ship and income received from portfolio management services in IFSC to be exempt from tax subject to specified conditions.

### Taxation of Virtual Digital Assets

The digitisation of the economy all over the world has posed several new challenges before the governing authorities in terms of their monitoring, regulation and their taxation. The phenomenal increase in transactions in virtual digital assets by investors, which are in the nature of speculative and risky investments and result in inordinate gains or losses has been noticed by the Government. The sheer magnitude and frequency of these transactions have made it imperative to provide for a specific tax regime to prevent any revenue leakage. Accordingly, for the taxation of virtual digital assets, it has been proposed that any income from the transfer of any virtual digital asset shall be taxed at the rate of 30%. A Tax Deducted at Source (TDS) at the rate of 1% on the payment made in relation to the sale of a virtual digital asset above a prescribed monetary threshold has also been provided. This taxation regime does not in any manner provide that legitimacy has been granted to cryptos. For that, a separate exercise is underway. But during the interim period, the taxation certainty has been brought in.

**Measures have been proposed in this Budget to allow the income of a non-resident from offshore derivative instruments or over the counter derivatives issued by an offshore banking unit, income from royalty, and interest on account of lease of ship and income received from portfolio management services in IFSC to be exempt from tax subject to specified conditions.**

### Provisions to Avoid Repeated Litigation

Over the past few years, it has been acknowledged that excessive litigation is a barrier to economic development. Revenue locked in tax litigation on the one hand reduces budgetary collections and on the other, tax litigations overburdens the courts. Protracted tax litigation often creates an atmosphere of uncertainty in the tax administration regime and discourages creation of a favourable economic climate.

With a view to managing the litigation and tax disputes in direct tax matters, a number of measures

have already been taken up over the years which inter-alia include increasing the monetary limit for appeal filing, creation of Dispute Resolution Panel (DRP) vide the Finance Act, 2016, resolution mechanisms provided through the Advance Pricing Agreements (APAs), Double Taxation Avoidance Agreement (DTAAs) and Safe Harbour Rules, etc.

In this Finance Bill, to reduce repeated litigation, it has been provided that if an issue in the case of a taxpayer involves a certain question of interpretation of the law which is identical to any other similar issue, which is pending in appeal before the jurisdictional High Court or the Supreme Court in the case of any other assessee, the filing of further appeal in the case of that taxpayer shall be deferred till such issue is decided by the jurisdictional High Court or the Supreme Court.

### Classification of Cess

The ambiguity in the interpretation of inclusion of 'Health and Education cess' as part of the income for the purpose of taxation has been a cause of a few litigations. A few courts have allowed 'Health and Education cess' as business expenditure, which is against the legislative intent. It cannot be a case that Income Tax cess or surcharge become an expenditure in the P&L account of the corporates. These court rulings have led to unintended interpretations of the provisions. Also, assessees in some cases are trying to avail of this unintended benefit by filing additional grounds in appeal. Therefore, in order to reiterate the legislative intent, it has been clarified that any surcharge or cess on income and profits is not allowable as business expenditure and should be included in the income to be taxed.

### Expansion of Bonus & Dividend Stripping Provisions

The Budget proposes to make the provisions of bonus stripping applicable to securities (including stocks and shares). Bonus stripping refers to a scenario where a

**Indirect Tax Proposals**

- Rationalisation of Exemptions on Implements & Tools for Agricultural Sector Manufactured
- Extension of Customs Duty Exemption to Steel Scrap
- Reduction of Duty on Certain Inputs Required for Shrimp Aquaculture
- Review of Customs Exemptions & Tariff Simplification

[@pib\\_india](#)
[@piband](#)
[@pibindia](#)
[@pibindia](#)
[@pibindia](#)
[@pib\\_india](#)
[@pibind](#)
[@pibindia](#)

taxpayer purchases securities prior to the record date, i.e., the date on which the company has announced to allot bonus securities. On the record date, the taxpayer is allotted bonus securities for no consideration. As a result of the allotment of bonus securities, there is a fall in the price of securities, both originally acquired and bonus securities. If the taxpayer transfers the original securities purchased within a short time after the allotment of bonus securities, he will incur a loss. Such loss may be set off against other taxable income. This was earlier being used as a tax planning tool.

Similarly, dividend stripping refers to a similar situation where a person buys securities shortly before the record date fixed for declaration of dividends and sells the same shortly after the record date. Since the cum-dividend price at which the securities are purchased would normally be higher than the ex-dividend price at which they are sold, such transactions would result in a loss that could be set off against other income of the year. The net result would be the creation of a tax loss. The same applies in the case of interest stripping wherein interest on unit may be tax exempted and they also can be brought before the declaration of interest and sold after that.

Provisions already exist to prevent bonus and dividend stripping in the case of units of mutual funds. This is now

**The phenomenal increase in transactions in virtual digital assets by investors, which are in the nature of speculative and risky investments and result in inordinate gains or losses has been noticed by the Government. The sheer magnitude and frequency of these transactions have made it imperative to provide for a specific tax regime to prevent any revenue leakage.**

proposed to be amended by the Budget 2022 to include a broader variety of units namely, units of Infrastructure Investment Trust (InvIT) or Real Estate Investment Trust (REIT) or Alternative Investment Funds (AIFs) apart from securities, i.e., debt and equity.

### **Provisions Relating to Charitable Trusts**

The social purpose served by the charitable trusts is noteworthy. Their contribution is acknowledged in the form of tax exemptions granted to them for their meaningful activities. However, a rise in litigations in their

cases has been observed due to ambiguity in certain existing provisions. Amendments have been proposed in the Budget to bring certainty and clarity to the relevant provisions. Basically, the two sets of provisions in Section 10(23C) and Section 11&12 which govern the regimes related to trusts and charitable institutions have been broadly aligned.

### **‘Benefits’ being given in the course of business**

A rising trend of receiving benefits/perquisites in the course of business and not reporting them while filing income tax returns has been noticed by the government. As a result, a new provision of TDS on payment of such benefits/perquisites above the value of Rs 20,000/- has been introduced.

## **INDIRECT TAXES**

### **Review of Customs Duty Exemptions**

A comprehensive review of more than 400 existing customs duty exemptions was undertaken. Suggestions in this regard were also crowdsourced from the public using the digital MyGov platform. Consultations were also held with various Ministries and industry associations. Upon review, exemptions are being withdrawn for items for which sufficient domestic capacity exists; which required omission on merit eg- no or very few imports have been made in certain products in the past few years; which have outlived their utility; and that have become redundant like floppy disks, pagers, etc.

### **Simpler Customs Tariff Regime**

Customs duty structure is prescribed through Customs Tariff Schedule; however, a lower rate could be prescribed through a notification. Numerous exemptions of various kinds have complicated the Tariff. Further, anyone studying the customs tariff of India is misled to conclude that the Indian customs tariff is high. To simplify the Customs Tariff structure, a number of

**Tax Proposals**

- Allowing Taxpayers to File Updated Return within 2 Years for Correcting Errors
- Increasing Tax Deduction Limit on Employer's Contribution to NPS Account of State Govt Employees
- Tax Relief to Persons with Disability
- Reducing Alternate Minimum Tax Rate & Surcharge for Cooperatives

[@pti\\_india](#) [@ptiindia](#) [@ptiindia](#) [@ptiindia](#) [@ptiindia](#) [@pti\\_india](#) [@ptiindia](#) [@ptiindia](#)

entries operating through stand-alone notifications would now be operated from the tariff w.e.f 1 May 2022. It is anticipated that this would pave way for a further simple Customs Tariff Regime.

### Customs Duty Rate Changes

The Basic Customs Duty (BCD) has been reduced in respect of some goods to decrease input costs, simplify the rate structure, correct the inverted duty structure, and promote ease of doing business so as to incentivise the domestic value addition in sectors like agriculture, textiles, gems & jewellery, metals, and capital goods.

BCD has been increased in respect of some goods in order to promote domestic value addition and create a level playing field for the benefit of the farmers, MSME sector, Renewable Energy sector, and the Electronics Sector.

### Changes related to the Capital Goods Sector

Customs duty rates on capital goods and project imports have been calibrated. More than 42 Customs duty exemptions extended to Capital Goods and Project Imports are being phased out in a gradual manner in order to encourage domestic manufacturing and to achieve the objective of 'Atmanirbhar Bharat'. Post-rationalisation of exemptions, a moderate customs duty rate of 7.5% shall apply to most of the capital goods which in our view is not likely to raise the costs.

### Duty-free Imports

Bonafide exporters of items like handicrafts, apparel, leather goods may be required to import certain items like embellishments, buttons, motifs, zipper, leather, lining, fitting, etc., which at times are as per the specification of the exporter. Under a new mechanism, these exporters shall be allowed to import specified goods for use in export goods.

## SECTORIAL HIGHLIGHTS

### Electronics Sector

A graded import duty structure has been prescribed under Phased Manufacturing Programmes (PMPs), in order to promote domestic manufacturing of Wearable devices (smartwatches), Hearable devices (wireless earphones/headphones, portable bluetooth speakers), and Smart meters.

In order to encourage domestic manufacturing and remove inversion in customs duty rates on key sub-parts of electronic items such as camera lenses for the manufacture of the camera module of cellular

mobile and transformers for use in the manufacture of chargers/adapters, etc., has been reduced.

### Textile Sector

There has been a significant tariff simplification in textiles. Duty rates in textiles shall now completely operate through customs tariff. Effective tariff on upholstery and other than upholstery fabrics has been made equal. The customs duty structure in textile apparel has been simplified with specific rate being eliminated in a number of items.

### Excise Duty Rate Change

To promote the blending of petrol with ethanol and diesel with biodiesel in the country, an additional excise duty of Rs 2 per litre on unblended petrol and diesel is being levied with effect from 1 October 2022.

As India marches on the path of progress, the Government is committed to give necessary support and encouragement to the taxpayers in their efforts to make India achieve a distinct position on the economic map of the world. The tax proposals in the Union Budget are a blueprint of this vision. Besides, it also expects our tax payers to join hands with the Government towards its social commitments by coming forward voluntarily for tax compliance. □


**FORM IV**

Statement about ownership and other particulars about Journal Yojana (English) to be published in the first issue every year after the last day of February.

1	Place of publication	New Delhi
2	Periodicity of its publication	Monthly
3	Printer's Name, Nationality & Address	Ms Monideepa Mukerjee Indian Publications Division Soochna Bhawan, CGO Complex New Delhi-110003
4	Publisher's Name, Nationality & Address	Ms Monideepa Mukerjee Indian Publications Division Soochna Bhawan, CGO Complex New Delhi-110003
5	Editor's Name, Nationality & Address	Ms Shuchita Chaturvedi Indian Publications Division Room No. 647 Soochna Bhawan, CGO Complex New Delhi- 110003
6	Name and addresses of individuals who own the newspaper and partners or shareholders holding more than one per cent of the total capital	Wholly owned by Ministry of I&B Government of India, New Delhi- 110001

I, Monideepa Mukerjee, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date: 28/01/22

  
Monideepa Mukerjee  
(Signature of Publisher)



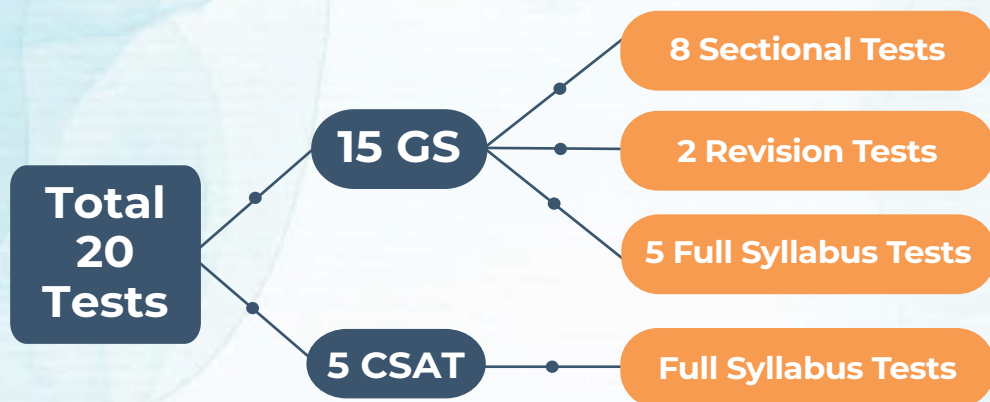
>>>>



Think **IAS**. Think **Drishti**.

# IAS PRELIMS TEST SERIES 2022

## Admission Open



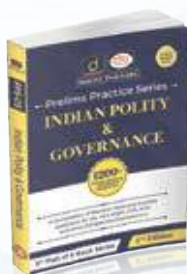
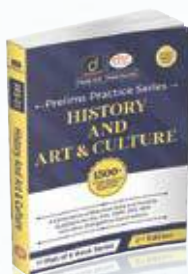
Available in English & Hindi Medium

Offline & Online Mode

**Books by Drishti Publications**



At [www.drishtiias.com](http://www.drishtiias.com)  
or call 8448485520



Drishti IAS: English



@drishtieng



drishtiiasenglish



@drishtiiaseng

YE-1785/2022

## Harnessing Multiplier Effect

Dr Sajjan Singh Yadav

*In the Union Budget 2022-23, the Finance Minister Nirmala Sitharaman unveiled a transformative approach to invigorate demand and accelerate economic growth. The approach relies on boosting capital expenditure, both by the public and the private sector. Capital expenditure is non-recurring, long-term expenditure on creation and acquisition of capital assets. Why is capital expenditure so critical? Studies say that capital expenditure has a multiplier effect of 2.45 in the short run and 4.8 in the long term.<sup>1</sup> Simply put, this means that Rs 1 crore spent on capital is likely to add Rs 2.45 crore to the Gross Domestic Product (GDP) in the short term. Cumulative impact of this investment on GDP in the long term is likely to be Rs 4.8 crore. What is behind this multiplier effect?*

**C**apital expenditure leads to income augmentation, creates employment opportunities, expands ancillary industries and services, enhances the future productive capacity of the economy, and stimulates demand. Public capital expenditure also kicks off a virtuous cycle by crowding in private investment. Moreover, it enhances confidence in the economy and attracts foreign investment.<sup>2</sup>

In the Union Budget 2022-23, the Finance Minister has proposed a sharp increase of 35.4 per cent in the centre's capital expenditure outlay from Rs 5.54 lakh crore in 2021-22 to Rs 7.50 lakh crore in 2022-23.<sup>3</sup> The outlay proposed for 2022-23 is 2.2 times the outlay for capital expenditure in 2019-20. In addition, the States will also get grants for the creation of capital assets through various Centrally Sponsored Schemes. If this amount is added, the Central Government's effective capital expenditure in 2022-23 will jump to Rs 10.68 lakh crore.<sup>3</sup>

A massive capex support of Rs 1 lakh crore to States through the scheme of special assistance to States for capital investment is one of the key highlights of the Finance Minister's Budget Speech 2022-23.<sup>4</sup>

### Bolstering Capital Expenditure in States

When the Covid-19 had struck in March 2020, both the Central and the State Governments faced a difficult fiscal environment due to a shortfall in tax revenues. Simultaneously, the demand for financial resources had soared, both on account of activities to fight the pandemic

and to provide relief to the affected people.

Many of the commitments of State Governments like salaries, pensions, and interest payments were fixed in nature and could not be reduced in the short



The author is Additional Secretary, Department of Expenditure, Ministry of Finance, GoI. Email: sajjan95@gmail.com

run. Consequently, there was a strong likelihood of postponement of capital expenditure. Therefore, despite immense pressure on the central finances, the Union Government decided to extend a special Scheme of assistance to the State Governments in respect of capital expenditure during the financial year 2020-21. The Scheme was named “Special Assistance to States for Capital Expenditure” and an amount of Rs 12,000 crore was set aside for this purpose.

Funds were provided under the Scheme in the form of a fifty-year interest-free loan. This loan was above the normal borrowing allowed to the States. The States could use the funds provided under the Scheme both for new and ongoing capital projects. They were also allowed to use the Scheme funds for settling pending bills in ongoing projects. The Scheme design was kept simple and the States were given full flexibility to choose projects. Moreover, the information on proposed projects was obtained in a simple format without insisting on the submission of Detailed Project Reports (DPRs).

The scheme was very well received by the States. All States except Tamil Nadu availed funds under the scheme. Considering repeated requests of the States, the second version of the scheme was launched in the Financial Year 2021-22 with an outlay of Rs 10,000 crore. This is proposed to be enhanced in the revised estimates by 50 per cent to Rs 15,000 crore. Tamil Nadu has also embraced the scheme in 2021-22. Again, in the pre-budget consultations for 2022-23, Chief Ministers and Finance Ministers of States requested the Union Finance Minister for continuation and enlargement of the scheme.<sup>3</sup>

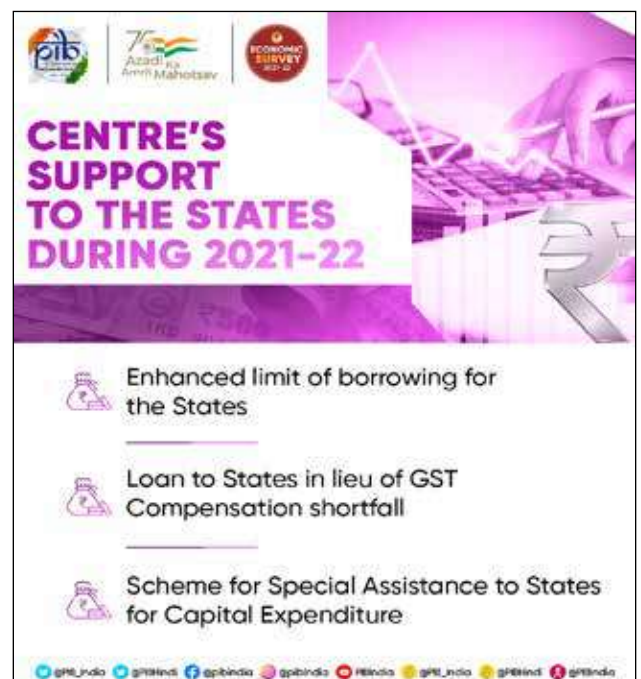
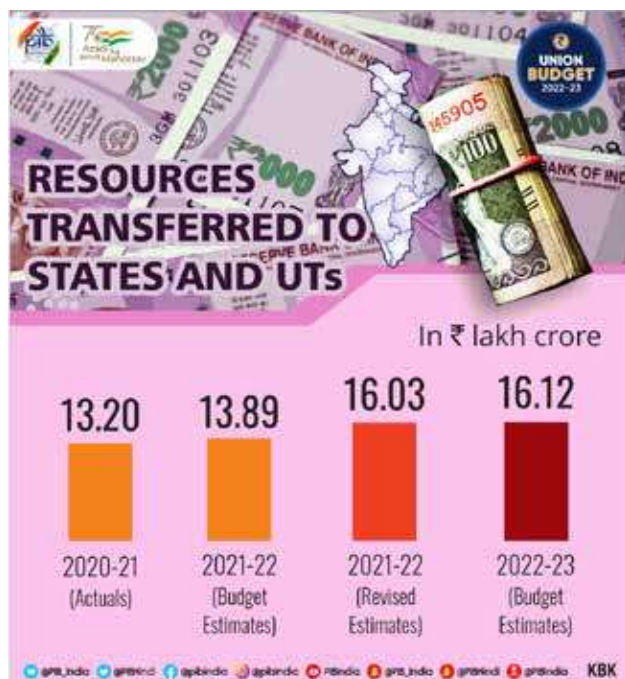
Considering the demand of the States, and embodying the true spirit of cooperative federalism, the Union

Finance Minister made a path-breaking announcement in her Budget Speech of 2022-23. She has not only declared that the Scheme for Financial Assistance to States for Capital Expenditure will continue in the financial year 2022-23, she also announced a tenfold increase in the outlay of the scheme as compared to the Budget Estimates of 2021-22.<sup>3</sup> The proposed allocation of Rs 1 lakh crore will greatly bolster the hands of the States in catalysing overall investment in the economy.

The Finance Minister also announced in her Budget Speech 2022-23 that this allocation will be used for PM GatiShakti-related and other productive capital investment of the states.<sup>3</sup> In addition, the allocation under the scheme is also proposed to be used for supplemental funding for priority segments of the Pradhan Mantri Gram Sadak Yojana (PMGSY), including support for the states’ share. Moreover, the Scheme will also be leveraged to motivate States to undertake reforms in the areas like digitisation of the economy, including digital payments and completion of OFC network; and reforms related to town planning schemes, transit-oriented development, building bylaws, and transferable development rights.<sup>3</sup>

### Scheme for Special Assistance to States for Capital Expenditure, Version-1.0

The inaugural version of the scheme had three parts. The first part covered the eight North Eastern and two Hilly States. In this part, while Uttarakhand and Himachal Pradesh were allocated Rs 450 crore each, Assam was allocated Rs 400 crore. The remaining seven North Eastern States got Rs 200 crore each. Part-II of the scheme covered all other States who were assigned a total amount of Rs 7,500 crore. This kitty was divided amongst them in proportion to their share of Central Taxes as per the interim award of the 15<sup>th</sup> Finance Commission for





the year 2020-21. Under Part-III of the scheme, Rs 2,000 crore was set aside to provide an incentive to those States who complete the reforms stipulated by the Ministry of Finance in at least three out of the four identified citizen-centric areas.

#### **Scheme for Special Assistance to States for Capital Expenditure, Version-2.0**

The second version of the scheme also has three Parts. Part-I focuses on the North Eastern and Hill States. The former, except Assam were allocated Rs 200 crore each while outlay for Assam, Himachal Pradesh, and Uttarakhand was Rs 400 crore each. The rest of the States got Rs 7,400 crore, divided amongst them in proportion to their share of Central Taxes as per the award of the 15<sup>th</sup> Finance Commission. Part-III of the scheme focuses on providing incentives to States for privatisation/disinvestment of the State Public Sector Enterprises (SPSEs) and monetisation of government assets.

#### **Stimulating Reforms in States**

The Schemes for Special Assistance to States for Capital Expenditure 2020-21 and 2021-22 have not only focussed on enhancing the capacity of states to increase capital expenditure but have also stimulated reforms in the States.

#### **Reforms in Identified Citizen-Centric Areas**

In view of the serious negative impact of Covid-19 on resources of the States, and seeing the requirement of States for additional resources to fight the pandemic and maintain the standard of service delivery to the public, the Ministry of Finance had decided to provide an additional borrowing limit of up to 2 per cent of Gross State Domestic Product (GSDP) to the States in the year 2020-21. Detailed guidelines in this regard were issued by the Department of Expenditure on 17 May 2020. However, to ensure long-term debt sustainability, and to increase future GSDP growth, future revenue augmentation, and reduce unproductive future expenditure, half of the additional borrowing was linked to the States completing reforms in four citizen-centric areas. The areas identified for reforms were implementation of One Nation One-Ration Card System; Ease of Doing Business reforms; Urban Local Body/Utility reforms; and Power Sector reforms.

<b>Table-1: Allocation and Release of Funds Under SASCE</b>					
<i>Rs in Crore</i>					
<b>Sl. No.</b>	<b>Name of State</b>	<b>2021-22</b>		<b>2020-21</b>	
		<b>Allocation</b>	<b>Release</b>	<b>Allocation</b>	<b>Release</b>
1	Andhra Pradesh	335.00	0.00	688	688
2	Arunachal Pradesh	200.00	0.00	232.97	232.97
3	Assam	400.00	200.00	450	450
4	Bihar	831.00	831.00	843	843
5	Chhattisgarh	282.00	282.00	286	286
6	Goa	33.00	33.00	97.66	97.66
7	Gujarat	288.00	144.00	285	285
8	Haryana	90.00	45.00	91	91
9	Himachal Pradesh	400.00	200.00	533	533
10	Jharkhand	273.00	109.50	277	277
11	Karnataka	301.00	150.50	305	305
12	Kerala	159.00	0.00	163	81.5
13	Madhya Pradesh	649.00	908.09	1320	1320
14	Maharashtra	522.00	249.73	514	514
15	Manipur	200.00	18.62	317.16	317.16
16	Meghalaya	200.00	81.20	200	200
17	Mizoram	200.00	100.00	200	200
18	Nagaland	200.00	95.00	200	200
19	Odisha	374.00	143.12	471.5	471.5
20	Punjab	149.00	74.50	296.5	296.5
21	Rajasthan	498.00	443.41	1002	1002
22	Sikkim	200.00	100.00	200	200
23	Tamil Nadu	337.00	0.00	0.00	0.00
24	Telangana	174.00	40.20	358	358
25	Tripura	200.00	0.00	300	300
26	Uttar Pradesh	1483.00	741.50	976	976
27	Uttarakhand	400.00	0.00	675	675
28	West Bengal	622.00	311.00	630	630

One Nation-One Ration Card system was aimed at enabling people, especially migrant workers to draw their quota of food grains under the National Food Security Act from any fair price shop in the country. Ease of Doing Business reforms was aimed at promoting a business-friendly climate in the country to enable faster future growth of the economy. Reforms to strengthen local bodies were aimed at augmenting the financial resources of urban local bodies to enable them to provide good civic infrastructure and services to people. Power sector reforms targeted reduction of Aggregate Technical

**Table-2: Reforms in Citizen-Centric Areas by States**

Citizen-centric area	Number of States that completed stipulated reforms
One Nation One Ration Card System	17
Ease of Doing Business Reforms	20
Urban Local Body/Utility Reforms	11
Power Sector Reforms (fully or partially)	17
Reduction in AT&C Losses	5
Reduction in ACS-ARR Gap	7
DBT of power subsidy to farmers	15

and Commercial (AT&C) losses, reduction in the gap between Average Cost of Supply and Average Revenue Realized (ACS-ARR gap), and introduction of Direct Benefit Transfer to farmers in lieu of free electricity.

It was decided to give a further push to these reforms by providing incentives of upto Rs 2,000 crore under the Scheme for Special Assistance to States for Capital Expenditure, 2020-21 for carrying out reforms in at least three out of the four identified citizen-centric areas by 31 December 2020.

### Disinvestment and Monetisation

In the financial year 2021-22, the Scheme for Special Assistance to States for Capital Expenditure focussed on improving efficiency and mobilising financial resources by States through privatisation/disinvestment of State Public Sector Enterprises SPSEs and monetisation/recycling of States' assets. An amount of Rs 5,000 crore was up for grab by the States on a "First-come First-served" basis.

In the case of disinvestment of a minority stake in SPSEs, financial incentive equivalent to 50% of the amount realised from disinvestment was available. However, in the case of strategic disinvestment of SPSEs, the States are entitled to get additional allocation equivalent to 100% of the amount realised. Strategic disinvestment means the sale of 50% or more Government shareholding in SPSEs along with the transfer of management control.

Asset monetisation/recycling of government assets was another focus area. Monetisation of assets unlocks their value, eliminates their holding cost, and enables scarce public funds to be deployed to new projects. The incentive for State Governments to monetise assets was additional allocation under the scheme equivalent to 33 per cent of the realised value of assets. It was also stipulated that the amount realised due to asset monetisation/recycling by the State will be utilised only for capital expenditure.

### Performance of the Scheme

The Scheme for Special Assistance to States for Capital Expenditure has been a success. In the Financial Year 2020-21, against a total allocation of

Rs 12,000 crore, approvals were granted to States for capital projects costing Rs 11,912 crore and an amount of Rs 11,830 crore was released to the States. In the financial year 2021-22, against the Budget Estimate of Rs 10,000 crore, capital projects costing Rs 9,115 crore were approved till 3 February 2022, and a total amount of Rs 5,301 crore was released to the States. This provided a major relief to the States to achieve progress in a large number of capital projects which would have otherwise stopped due to financial constraints. State-wise allocation and release of funds under the Scheme is depicted in Table-1.

The Scheme has been successful not only in boosting capital investment and completion of capital projects, it has also stimulated reforms. The first version of the scheme led to reforms in various citizen-centric areas as depicted in Table-2. While 17 States completed One Nation–One Ration Card reforms, 20 States completed Ease of Doing Business reforms. Local Body Reforms were completed by 11 States and Power Sector Reforms were partially or fully completed by 17 States. Completion of the reform process by the States was certified by the Ministries concerned.

Twenty-three States carried out reforms in at least one of the four identified areas. Two States, Kerala and Uttarakhand completed reforms in all the four identified areas. Eleven states (Andhra Pradesh, Goa, Madhya Pradesh, Punjab, Rajasthan, Tripura, Himachal Pradesh, Karnataka, Manipur, Odisha, and Telangana) completed reforms in three or more areas.

The Scheme for Special Assistance to States for Capital Expenditure, 2021-22 also enticed States to take up the stipulated reforms. An amount of Rs 518.17 crores was approved under this part of the Scheme for disinvestment of SPSEs and monetisation of assets by Madhya Pradesh.

It is expected that with a massive allocation of Rs 1 lakh crore, the third and drastically improved version of the Scheme for Special Assistance to States for Capital Expenditure 2022-23, will not only spur capital investment and economic growth but will also accelerate the movement of States on the reform path outlined by the Finance Minister in her budget speech. □

### References

1. Bose S. and Bhanumurthy N.R. Fiscal Multipliers for India. NIFPM <https://www.nipfp.org.in/publications/one-pagers/fiscal-multipliers-india/>
2. Bahal G, Raissi M, Tulin V. Crowding-out or crowding-in? Public and private investment in India. World Development. 2018 Sep 1;109:323-33.
3. Budget speech 2022-23. Available at [https://www.indiabudget.gov.in/doc/budget\\_speech.pdf](https://www.indiabudget.gov.in/doc/budget_speech.pdf)
4. Rs. 1 lakh crore allocated to assist States in catalysing overall investment in 2022-23. PIB Press Releases. February 1, 2022. <https://pib.gov.in/PressReleasePage.aspx?PRID=1794144>

## Bridging India Inc's Credit Gap

**Avinash Mishra**  
**Priyanka Anand**

*The Indian financial markets have grown substantially over the years in terms of trading volumes, market capitalisation, turnover, and number of listed stocks. The phenomenal growth can be attributed to a number of reforms introduced in the 1990s, such as, establishment of the capital markets regulator, anonymous electronic trading system, clearing corporation for efficient risk management, derivatives trading, and setting up of depositories. These have enhanced transparency and efficiency in financial markets and led to significant decline in transaction costs. A diversified pool of financial instruments has also broadened investors' base and helped corporates mobilise capital for large-scale investments and employment generation in the country.*



part from equity markets, commercial banks play an important role in ensuring the availability of adequate credit to Indian corporates. However, there has been a gradual shift towards market sources of debt like corporate bonds, debentures, and commercial paper in recent years. Corporate bonds and Commercial Papers worth Rs 32.5 lakh crores and Rs 3.4 lakh crores, respectively, were outstanding at the end of the Financial Year 2019- 20<sup>1</sup>. Trading volumes have also gone up significantly over the years with corporate bonds worth Rs 19 lakh crores traded at Bombay Stock Exchange and National Stock Exchange in 2020-21<sup>2</sup>. Also, companies raised Rs 7.8 lakh crores through the corporate bond market in 2020-21<sup>3</sup> on account of lower interest rates and lower spreads.

The uptick in the corporate bond market can be attributed to several measures taken by the government like enhancement in Foreign Portfolio Investment (FPI) limit in corporate bonds from 9% to 15%, setting up of corporate bond reporting, and trading platforms for corporate debt transactions executed on stock exchanges in the country, provision of clearing & settlement facilities for corporate bonds, the introduction of repos on corporate bonds and the launch of 'Tri-Party Repo Market' platforms in debt segments of BSE and NSE to facilitate the repurchase of corporate debt securities. Further, to enhance transparency in the private placement of corporate debt, an Electronic Book Mechanism (EBM) was operationalised by stock exchanges to facilitate all private placements of debt securities in the primary market with an issue size of Rs 500 crores and above. Several other initiatives like simplification of the debt listing agreement, mandating 25% borrowing via corporate bonds for large companies, lowering of minimum credit rating requirements for investment by pension funds, the introduction of RFQ platform by stock exchanges for transparency in secondary market trading in corporate bonds, provision of a legal framework for bilateral netting of qualified financial contracts, and reduction in minimum lot size for retail investment have been taken.

Despite a number of enabling provisions, the corporate bond market accounts for a minuscule percentage of the entire Indian financial system. The corporate debt market penetration in India is only 17% as compared to 123% in the United States, 74% in South Korea, and 34% in Singapore<sup>4</sup>. A number of structural impediments have hampered the growth of a vibrant bond market in the country. Private placement of debt currently dominates corporate bond issuance due to minimum disclosures, low cost of issuance, and availability of customised contracts. Around 98% of funds were mobilised through the private placement in 2019-20, while only a minuscule amount was raised through public issue<sup>5</sup>. Also, high-rated bonds attract a significant amount of funds than low-rated bonds. AAA, AA, and A-rated bonds accounted for 74%, 13%, and 2.5%,

Avinash Mishra is Adviser, NITI Aayog. Email: amishra-pc@gov.in

Priyanka Anand is Young Professional, NITI Aayog. Email: priyankanand.23@gmail.com





respectively, of the total issuances in 2019-20<sup>5</sup>.

Banks are also reluctant to invest in corporate bonds as the latter are marked to market. Bonds purchased for the purpose of investment are classified into either ‘Available for Sale (AFS)’, ‘Held Till Maturity’, or ‘Trading’ categories. In case of AFS and Trading categories, loss or gain on corporate bond holdings has to be booked by banks, which affects their profitability. Also, bond covenants are standardised as compared to loan contracts, wherein banks can add clauses to ensure some protection against loss of credit quality of the client. In case of a credit downgrade also, bonds lose value much faster, which is not the case with corporate loans.

Prudential norms restrict investment by financial institutions as their respective regulators mandate only a specific level of investment in corporate bonds. The methodology for valuation of corporate bonds in the country is also not uniform which affects secondary market trading. In addition, reissuance of corporate bonds has also not picked up due to repayment of stamp duty on re-issue and bunching of repayment liabilities on maturity dates.

However, well-developed debt markets offer a plethora of advantages to a developing economy like India. The National Infrastructure Pipeline

(NIP) has envisaged Rs 111 lakh crore of investments between fiscals 2020 and 2025, an amount more than twice the infrastructure investments of Rs 51 lakh crore seen between fiscals 2014 and 2019<sup>5</sup>. Given the high level of non-performing assets, excessive dependence on banks for infrastructure finance is not feasible in the long run. Robust bond markets can fill the much-needed investment gap for the infrastructure sector and reduce the burden on the banking system.

External Commercial Borrowings (ECBs) also constitute a significant source of finance for companies; however, these can become a source of external shocks for the country as witnessed by the decline in ECBs post the subprime crisis in 2007 and depreciation of the Indian currency against the US Dollar in 2013. Hence, it is crucial that a number of policy measures are taken to develop a full-fledged corporate bond market in India.

Most importantly, attempts should be made to reduce time and cost for public issuance of debt. Disclosure and listing requirements for listed companies should be substantially reduced and they may be required to make only incremental disclosures for successive debt issues. However, the amount of corporate debt raised through public issue is now increasing with an

**Well-developed debt markets offer a plethora of advantages to a developing economy like India.**

**The National Infrastructure Pipeline (NIP) has envisaged Rs 111 lakh crore of investments between fiscals 2020 and 2025, an amount more than twice the infrastructure investments of Rs 51 lakh crore seen between fiscals 2014 and 2019.**

amount of Rs 9,000 crores raised in Apr-Nov 2021 as compared to Rs 4,000 crores in Apr-Nov 2020<sup>6</sup>. To generate accurate public announcements about defaults, bond issuers should pay interest and redemption amounts to the concerned depositories who can then pass them on to investors. Credit rating agencies should publish the credit rating transition matrix more frequently so that market participants are aware of the credit risk in the instruments they are trading. Credit Information Companies (Regulation) Act also may be amended to enable credit rating companies to take up membership of credit information companies so that the former can access the relevant credit database.

A well-functioning credit default swap market is also one of the pre-requisites for a vibrant corporate bond market. The recently introduced 'Reserve Bank of India (Credit Derivatives) Directions (CDS), 2021' allows banks, NBFCs, insurers, pension funds, mutual funds, alternate investment funds, and foreign portfolio investors to write credit default swaps. CDS reduce fire-sale risk and provide liquidity in the bond market. These will also enable retail users to hedge their credit risk and encourage investors to put money in low-rated bonds. Any new issue should preferably be a reissue to create secondary market liquidity for the already issued bonds.

Retail investors currently account for only 3% of the total outstanding corporate bond issuances<sup>7</sup> in the country. Capital gains tax on debt products should be reduced and

---

**The recently introduced  
'Reserve Bank of India  
(Credit Derivatives) Directions  
(CDS), 2021' allows banks,  
NBFCs, insurers, pension  
funds, mutual funds, alternate  
investment funds, and foreign  
portfolio investors to write  
credit default swaps.**

---

brought at par with equity products to increase retail investments in debt schemes. Tax incentives may also be extended to Foreign Portfolio Investors as only 20% of the existing investment limit has been utilised<sup>8</sup> by them. Regulatory restrictions on investment by pension funds and insurance companies in corporate bonds should also be eased.

Currently, India Infrastructure Finance Company Limited provides a partial credit guarantee to infrastructure bonds with a minimum rating of AA to the extent of 20 per cent of total project cost<sup>9</sup>. However, the credit guarantee limit needs to be increased and extended to lower-rated bonds to improve credit rating. RBI may also accept corporate bonds as collateral under its Liquidity Adjustment Facility. Attempts may also be made to develop a market for securitised bonds and interest rate derivatives to boost liquidity in corporate bond markets.

RBI and SEBI have come up with a number of suggestions to create a well-developed debt market in the country. SEBI is proposing to create a set of market makers for strengthening the corporate bond market. These entities will provide both buy and sell quotes in the market, help absorb temporary supply and demand mismatch, and reduce the impact of shocks on market volatility. The capital market regulator is also looking to create a platform that automatically does order matching similar to stocks and government securities to ensure guaranteed settlement of trades. Consultations on designing a suitable debt market index are also going on with various stakeholders. RBI has also suggested that corporate bonds be included in 'Held To Maturity', wherein bond holdings are not marked to market.

A well-developed corporate bond market can pave the way for a sustainable green bond market in India. As per the 'India Energy Outlook 2021' Report, India would need a whopping USD 1.4 trillion for investments into clean energy technologies over the next two decades. The number of green bond issuances by Indian companies has increased significantly over the years with an amount of USD 16.3 billion<sup>10</sup> outstanding in sustainable bonds. However, green bond issuance as a percentage of total corporate bond issuance in the country is minuscule and hence, a number of enabling measures are required to increase green investments.

Mechanisms for certification and standardisation of green bonds should be established to prevent greenwashing and ensure transparency in raising funds. The Climate Bonds Initiative has developed the 'Climate Bond Standard' for certification of climate bonds, while the International

**MONETARY MANAGEMENT AND FINANCIAL INTERMEDIATION**

**In April-Nov 2021**

- Rs 89,066 cr was raised via 75 IPO issues
- Indian markets outperformed their peers

**Economic survey points to the need for the standardised framework for cross-border insolvency for increased access, recognition, cooperation & coordination**

Logos: @rbi\_india, @rbindia, @pbindia, @fbindia, @gre\_india, @greind, @grbindia

Capital Market Association has introduced the 'Green Bond Principles', which comprise a set of voluntary guidelines for issuance of green bonds. Adherence to green bonds' standards and principles can boost the confidence of investors. Availability of adequate hedging products can also help minimise exchange rate risk in green bonds. Also, Environmental, Social & Governance (ESG) profiling of Indian companies would go a long way in providing thrust to green finance in the country.

A vibrant corporate debt market plays an important role in maintaining systemic financial stability in an economy. It is estimated that outstanding corporate bond issuances could more than double from 33 lakh crores to Rs 65-70 lakh crore while demand would lag at Rs 60-65 lakh crores by the end of fiscal 2025<sup>11</sup>. In view of this, it is imperative that necessary policy and regulatory measures are implemented to bridge this gap to ensure provision of timely and adequate credit to the industry. Also, coordination and co-operation among different regulators, that is, SEBI, RBI, and Ministry of Corporate Affairs, is of paramount significance for smooth functioning of a well-developed bond market. In addition, efficient public debt management can contribute significantly towards creating a robust corporate debt market in India. Foreign investment in India's bond market is also projected to increase significantly post inclusion of Indian bonds in the

Emerging Markets Bond Index (EMBI).

Against this backdrop, efforts to develop the Indian corporate bond market should be stepped up, especially in the wake of the pandemic when the production and supply chains across the world have been disrupted. This is an opportune moment for Indian companies to increase their manufacturing capabilities and enhance their scale of investment provided cheaper and adequate credit is made available. Efficient bond markets can effectively fulfill this objective. □

*Views expressed are personal.*

## References

1. CRISIL Yearbook on the Indian Debt Market 2021
2. SEBI | Details of trading in Corporate Bonds - Archive - New
3. Bonding together - The Hindu Business Line
4. India's Corporate Bond Market: Issues in Market Microstructure
5. CRISIL Yearbook on the Indian Debt Market 2021
6. Economic Survey 2021-22
7. India's Corporate Bond Market: Issues in Market Microstructure
8. Debt Utilisation Status of FPI Investment (nsdl.co.in)
9. (or 40 per cent of total project cost with backstop guarantor), subject to a maximum of 50 per cent of the total amount of project bonds
10. Green Finance in India: Progress & Challenges
11. CRISIL Yearbook on the Indian Debt Market 2021.



## Explore the Right Perspective on India


**indiastat**

India's most comprehensive e-resource of socio-economic data  
(Approved by the e-ShodhSindhu Consortium and ICSSR for Library Subscription)


**indiastatdistricts**

Get insights about India's socio-economic data at district level.

To subscribe, please contact your Librarian or write to us at: support@indiastat.com,  
support@indiastatdistricts.com or log on to: www.indiastat.com, www.indiastatdistricts.com

Empowering students, faculties, professionals and  
socio-economic research fraternity in India and abroad since 2000

---

INDIASTAT INITIATIVES

 indiastat
 indiastatelections
 indiastatdistricts
 indiastatpublications
 indiastatmedia

Datanet India Pvt. Ltd., D-100, First Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020 (India), ☎ +91-11-43580781-84

YE-1772/2022



# Banking and Digital Currency

Shishir Sinha

*The Finance Minister made a provision of a Special Incentive Scheme in the General Budget for the Financial Year 2021-22 with a view of boosting up digital transactions. It was felt that the virtual digital assets need to be regulated. India is one of the most efficient payment markets in the world. An efficient digital transaction ecosystem will give a boost to research, development, and innovation in Fintech space.*

**B**efore the General Budget, the Reserve Bank of India informed that the Digital Payment Index (RBI-DPI) touched 304.06 in September 2021 which was at 270.59 in March 2021 and was at 173.49 in September 2019. Calculation of this index is done keeping in mind the five parameters, namely: Payment Enablers, Payment– demand-side factors, Payment Infrastructure– supply-side factors, Payment Performance, and Consumer Centricity. The current level of this index shows a massive increase in transactions made through digital platforms and also reflects that the basic system to enable digital transactions has also improved.

The Finance Minister made five major announcements in the General Budget for the FY 2022-23:

1. Continuous financial support to digital payments
2. Digital Banking Unit
3. Core Banking System in Post Offices
4. New Taxation System for Virtual Digital Assets like Cryptocurrency
5. Central Bank Digital Currency

### Continuous Financial Support to Digital Payments

The Finance Minister made a provision of a Special Incentive Scheme in the General Budget for the Financial Year 2021-22 with the view of boosting up digital transactions. It has now been pointed out in the current Budget that this scheme would continue during the Financial Year 2022-23 as well.

Under this Scheme, transactions through RuPay Debit Card and of lower amount (up to Rs 2000) through BHIM UPI (Person to Management or P2M) will be encouraged.

This Scheme was approved by the Union Cabinet in December 2021 under which certain banks will be given incentives in form of a percentage of the amount transacted through RuPay Debit Cards and lower value transactions by BHIM UPI. A provision of Rs 1300 crore has been made to meet the expenditure under this scheme which was launched on 1 April 2021. But it has not yet been decided as to how much amount will be spent in FY 2022-23.

According to the Finance Ministry, this Scheme would provide help to the banks in building a strong digital payment ecosystem and in promoting RuPay Debit Card and BHIM UPI digital transactions in all areas and

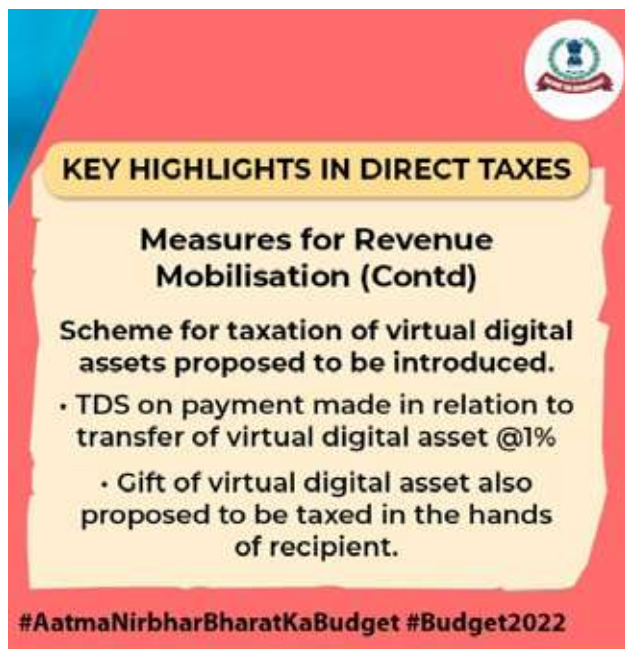
**CENTRAL BANK DIGITAL CURRENCY**

**UNION BUDGET 2022-23**

- ₹ RBI to introduce Digital Rupee using Blockchain and other technologies starting 2022-23
- ₹ This will lead to more efficient and cheaper currency management system
- ₹ It will also give boost to digital economy

gpi\_india gpiindia fb gpiindia gpiindia pindia gpi\_india gpiindia gpiindia

The author is a financial journalist. Email: hblshishir@gmail.com



in further strengthening the digital transactions across the country. Besides, this Scheme will help in building simpler modes of making payments for those who are not covered under formal banking and those who are marginalised.

India is one of the most efficient payment markets in the world. This has been made possible because of innovation in the field of digital transaction ecosystems. This will give a bigger boost to research, development, and innovation in the Fintech space.

### Digital Banking Unit

There is no doubt that transactions through mobile applications or net banking have increased manifold but a large number of people still have to visit the bank branch, stand in a queue to get their work done. Not only this, there are some people who despite having a knowledge of internet do not feel comfortable using an app or net banking facility. On the other hand, a need is felt to make use of technology and to provide efficient banking facilities in rural and semi-urban areas. Hopefully, Digital Banking Unit (DBU) will be an important step in this direction.

The formal shape of DBU has not yet come to the fore, yet it can be assumed that this will transform the traditional banking format. Banks will no more require brick and mortar to be able to offer services. They would be able to provide better and personalised banking services through technology. Those associated with Fintech say, DBU will provide an opportunity to offer newer services in rural areas

**DBU will provide an opportunity to offer newer services in rural areas and will boost transactions through digital platforms. It will help in starting online e-billing service. This will be a paperless and end-to-end encrypted service enabling businesses to make transactions instantly.**

and will boost transactions through digital platforms. It will help in starting online e-billing service. This will be a paperless and end-to-end encrypted service enabling businesses to make transactions instantly without incurring extra expenses. Often, doubts are raised regarding the security in digital transactions. Experts are keeping hope in this system and with better awareness, DBU can be a game changer.

Besides, DBU can prove effective in financial inclusion. It is important to note that under the Pradhan Mantri Jan-Dhan Yojana, 44.58 crore bank accounts have been opened wherein an amount of more than Rs 1.57 lakh crore has been deposited. Life insurance cover and accident insurance security cover are also being provided through Jan Dhan at a very low premium. This financial inclusion can be taken to next level through DBU.

### Core Banking Solution in Post Offices

The concept of financial adjustment, financial literacy, and financial diversity would be incomplete without the post offices. But, this is also true that the post offices did not lag behind any financial institutions during the rapidly changing times. Keeping that in mind, the Finance Minister announced the facility of “Savings in Post Office at any time and at any place”.

In 2022, core banking system will get started in all 1.5 lakh post offices which will enable financial inclusion and one would be able to open an account through internet, mobile banking facility, ATM facility, and online money transfer from a post office account to a bank account. This will help in providing interoperability and financial inclusion facility to farmers and senior citizens residing in rural areas.

CBS is a facility wherein all branches of a bank, a financial institution or any similar organisation gets connected through the internet. The customer is thus not required to make transactions from any defined point or at fixed working hours. Besides, the customer can get connected with other facilities of the financial system. Let us take an example of a PSU Bank or a private bank. Today, one can withdraw or deposit money from any place and one can look at his/her account details through internet banking at ease. Money can easily be transferred from other banks as well. Making payments has also become hassle-free. Now, similar facilities are proposed to be provided through post offices as well.

The Government stated in the Lok Sabha that there are a total of 1,56,434 post offices in the country out of which 1,41,055 are located in rural areas. The Government also informed that every

village in the country now is covered under a post office. CBS facility has been made available in 25,006 post offices of the country and 25,109 departmental post offices are fully computerised. Besides, 1,29,238 branch post offices have been functioning with “Handheld Point of Sales Machines” based on Subscribers Identity Module (SIM).

Thus, it is quite clear that modernisation has been done on a massive scale yet there is a need to take it to the next stage. Bringing all post offices under CBS cover in 2022 is a big step in this direction. This will result in removing the gap between the post offices in rural areas and the bank branches located in cities.

This will also facilitate withdrawal and deposit facilities in schemes like National Savings Certificate (NSC), Public Provident Fund (PPF), Kisan Vikas Patra (KVP), Sukanya Samridhi Yojana, and Post Office Monthly Income Scheme (MIS).

### Taxation of Virtual Digital Assets

While providing all sorts of facilities for financial management, it is also necessary to protect people from platforms that have a high-risk factor, do not have any accountability, do not have any basic assets, and less is known about their source of origin. Despite repeated alert messages from the Government and the RBI during recent years, people have invested large amounts in cryptocurrency however there is no system to regulate such investments at all.

Although it is called Cryptocurrency, it cannot be termed a “currency” because each nation of the world has its unique currency and despite being in different forms,

these currencies are valid and acceptable and are issued by the Central Bank of the respective country. They have legal support and promise from the government of that country. The Finance Minister termed Cryptocurrency as a “Virtual Digital Asset (VDA)” and made three proposals:

- Income on all VDA will be taxed at the rate of 30%. There will be no permission for loss adjustment.
- TDS (Tax Deducted at Source) at the rate of 1% on VDA transactions will apply so as to facilitate such transactions.
- If VDA is received as a gift, then the one receiving the gift will be taxed at market value.

The Finance Ministry has clarified that levying a tax does not naturally make VDA valid or legal. Discussions on declaring VDA as legal or illegal or for making regulations in this regard are going on and a law will be framed after these discussions are completed.

### Central Bank Digital Currency

VDAs like Cryptocurrency are based on blockchain. The Government

has said on many occasions that it does not have any objection to blockchain technology and it supports its meaningful use. This is the very basis of Central Bank Digital Currency. In this regard, the Finance Minister said: “Introduction of Central Bank Digital Currency (CBDC) will give a big boost to digital economy. Digital currency will also lead to a more efficient and cheaper currency management system. It is, therefore, proposed to introduce Digital Rupee, using blockchain and other technologies, to be issued by the Reserve Bank of India starting 2022-23”.

For CBDC, a provision to bring an amendment in the Reserve Bank Act, 1934 by introducing a Finance Bill has been made. Once this Act is framed, RBI will issue banknotes in any form— physical or digital. Digital notes issued by the RBI will be acceptable as a fiat currency just like paper notes or metal coins and these will have legal support. It is worth noting that CBDC is just merely another form of legal currency and not a new currency.

CBDC is presently valid in Nigeria and eight Caribbean countries. On the other hand, 87 countries (that account for 90% of the world’s GDP) are in the process of exploring possibilities of launching CBDC. Pilot projects are underway in 14 countries including China and South Korea.

According to the Finance Ministry, CBDC in India will be in two forms –CBDC-W and CBDC-R. The first form will be for wholesale trade and bigger transactions, while the other will be used for retail purposes. There are indications that the CBDC-W will be issued first. □

**CBS is a facility wherein all branches of a bank, a financial institution or any similar organisation gets connected through the internet. The customer is thus not required to make transactions from any defined point or at fixed working hours.**

**KEY HIGHLIGHTS IN DIRECT TAXES**

**Measures for Revenue Mobilisation.**

**Scheme for taxation of virtual digital assets proposed to be introduced.**

- Transfer of virtual digital asset shall be taxed at the rate of 30% without any reduction (other than cost of acquisition), allowance or set off of losses.
- Loss from transfer of virtual digital asset not to be set off from any other income and not be carried forward to subsequent years.

#AatmaNirbharBharatKaBudget #Budget2022





# Comprehensive Classroom & Online Courses

## For IAS & IFS 2023 & 2024

**Courses which have produced 1900+ results of IAS & IFS, including 9 All India Toppers & 100+ ranks in Top-10 lists**

### How we groom you to be a Topper

- Not just teaching but 360-degree strategic planning for success
- Personal attention by ensuring optimal batch size
- All courses conducted by experienced subject experts known for accurate insight into the trends of the examination, in-depth command over the subject and commitment to help you excel
- Study-material 100% in tune with the actual demands of the IAS & IFS examinations
- Well planned courses with timely completion and streamlined coverage
- Structured guidance for answer writing and Regular Tests for a high score
- Regular interaction with recently selected Civil Servants

### Classroom Programme

**SUMMER BATCH STARTING FROM:**

**JUNE 10, 2022**

Admission opens on 1<sup>st</sup> March 2022.

**Reserve your seat today.**

- Top-notch faculty drawn from Premier Universities known to produce results consistently
- Quality study material (in Printed form) matching the expected standards and covering the entire prescribed syllabus for both IAS & IFS Examinations
- Class tests and detailed feedback
- Time bound coverage & revision plans

### Online Learning Programme

- **Video Courses** and **Live Online Courses** by our lead faculty, covering all the vital areas of the UPSC IAS & IFS syllabus
- Lecture Handouts (in PDF form) and Material covering the entire prescribed syllabus for both IAS & IFS Examinations with the required depth and organization expected by the UPSC. Study material is based on all the authoritative and current sources.
- Practice questions and test papers for ample practice
- Email / Live-online / Forum based doubt resolution

**Integrated Comprehensive Courses, General Studies, Botany, Zoology, Agriculture, Forestry, Geology**

**Evolution Educare Pvt. Ltd.**

B-11, 2<sup>nd</sup> Floor, Commercial Complex  
Main Road, Dr. Mukherjee Nagar, DELHI - 9



**09810 975 937**  
**011-4709 2329**



**www.evolution.co.in**

## Global Perspective

Poonam Gupta  
Abhinav Tyagi

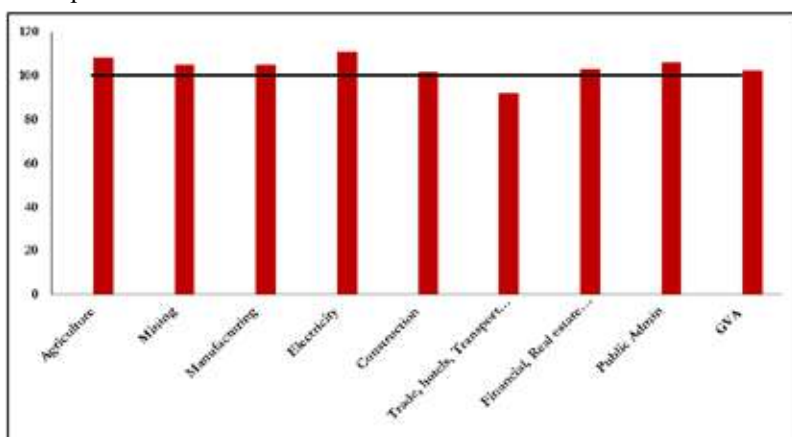
*India is the world's sixth-largest economy. It often also boasts of being the fastest-growing large economy. However, given its per capita income level of about USD 2000 a year, it is still considered a low middle-income country. Hence, economic growth remains an utmost priority for the country. The measures announced in the Budget and the direction in which they steer the nation should help India become much more competitive globally.*

**T**he Union Budget for 2022-23 is focused on strengthening the economic foundations of the country to help it attain India's growth potential. It provides continuity in terms of adhering to the policy pathway that has been laid out in the last few years. This pathway consists of an accelerated build-up of infrastructure, improvement in logistics to ensure competitiveness in Indian manufacturing, and leapfrogging development by leveraging digital opportunities. All these priorities have been taken into account through both the fiscal support as well as the broader policy framework in the Budget.

The overarching ambition seems to be to set the country on a virtuous path of enhanced competitiveness, and the public sector facilitating growth in the private sector both through the provision of public goods such as infrastructure and an enabling framework, leading to a higher, real, and nominal GDP growth and buoyant tax revenues. It seems to be the expectation that these actions would generate a sufficient growth dividend and resources to make the fiscal measures undertaken in the Budget viable.

India's Union Budget for 2022 has sought to balance two different imperatives. First, it has been prepared against a challenging backdrop wherein the Covid-19 has shaken the global economy like never before for almost two years now, and the third wave of

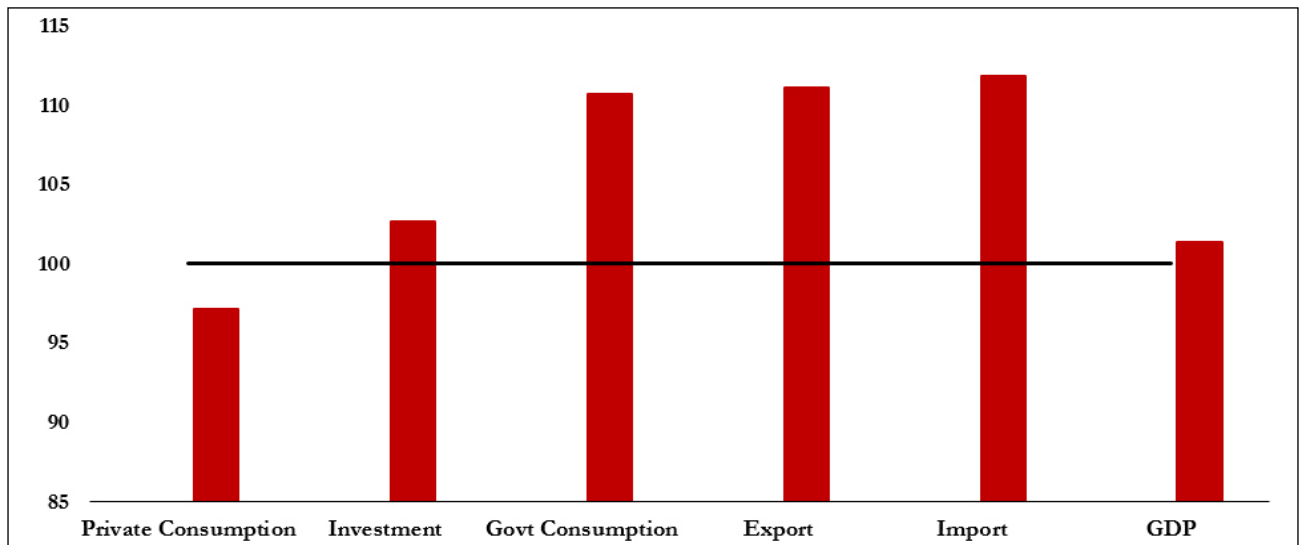
infections, which was more contagious than the other waves before it, even if less virulent, continues to cause disruptions. This means that the Covid-related challenges could not have been ignored as the vulnerable populations needed to be supported. For India, particularly, consumption is still 3 per cent below the level seen in 2019-20 and specific sectors have not yet revived fully. The contact-intensive trade, hotel, transport, and communication sector is still nearly 10 per cent below the level seen in 2019-20 (Figure 1). On the other hand, most of the demand-side and supply-side components have rebounded and crossed the 2019-20 levels (Figures 1 and 2). For instance, exports and government consumption are almost 11 per cent above the level achieved in 2019-20.



Source: CSO/MoSPI, Note: Index 2019-20=100

Figure 1: Gross Value Added Supply-side Components

Poonam Gupta is Director General, NCAER. Email: [pgupta@ncaer.org](mailto:pgupta@ncaer.org)  
Abhinav Tyagi is a Research Associate, NCAER. Email: [abhinav@ncaer.org](mailto:abhinav@ncaer.org)



Source: CSO/MoSPI., Note: Index 2019-20 = 100.

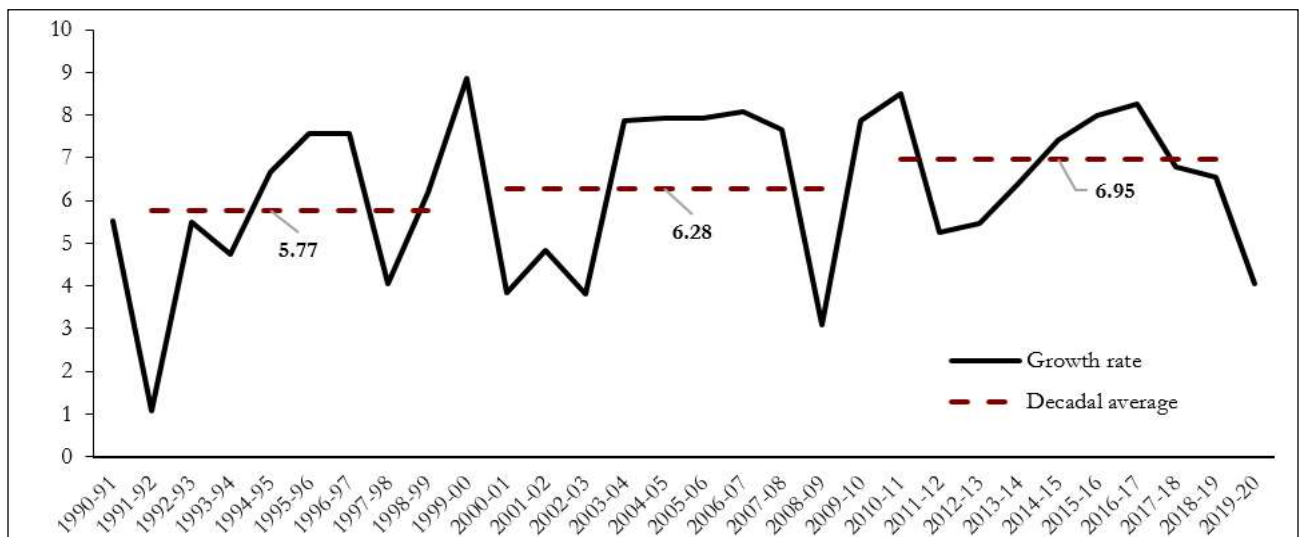
Figure 2: Gross Domestic Product Demand-side Components

A second imperative is to put the economy firmly back on a sustained growth path of 7 per cent and subsequently a higher level. Despite it being one of the fastest-growing large economies, India's growth had slowed down even prior to Covid, to 4 per cent in 2019-20, and in general, it has been unable to break out of a 7 per cent average growth rate in recent years (Figure 3).

The Budget has given a large push to the manufacturing sector through its focus on public investments to modernise infrastructure by adopting a multi-modal approach. Further, in order to utilise inter-ministerial synergies in infrastructure projects, the Government has launched the 'PM GatiShakti Master Plan'. The Budget has also announced other measures in this area, including an additional allocation of Rs 19,500 crore for Production

Linked Incentives (PLI) for solar manufacturing, digital integration of post offices with the core banking system to further deepen the financial inclusion process, extension of the Emergency Credit Linked Guarantee Scheme (ECLGS) to Micro, Small and Medium Enterprises (MSME) by one year, and provision of an additional cover of Rs 50,000 crore to hospitality and related enterprises. Further, the creation of a Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) has been flagged in the Budget to promote skill development.

The Budget has also balanced the need to revive the economy against the prevalent fiscal constraints, primarily by focusing on the quality of spending. The fiscal deficit of the federal government and the State governments was already elevated before Covid (Figures 4 and 5), and has



Source: National Accounts Statistics, downloaded from the CEIC database.

Note: Decadal averages (dashed lines) have been presented for the periods 1991-2000, 2001-2010, and 2011-2019.

Figure 3: Real GDP Growth



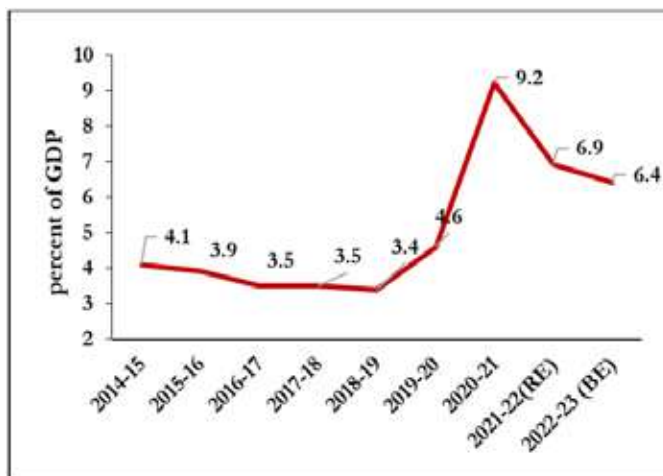
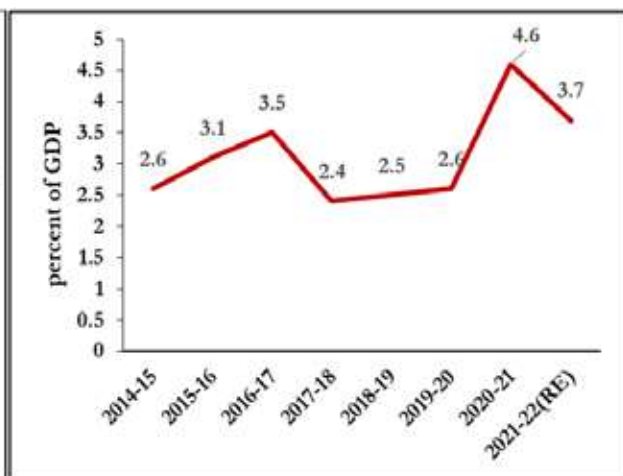


Figure 4: Centre's Fiscal Deficit,



Source: Union Budget Documents.

Figure 5: State Govt. Gross Deficit

increased further during the pandemic.

Keeping the twin objectives of a broad-based recovery from the pandemic and fiscal consolidation in mind, the Government has revised its fiscal deficit from 6.8 per cent budgeted to 6.9 per cent for the current fiscal year and made a small reduction to 6.4 per cent for the next fiscal, with a gradual reduction thereafter to 4.5 per cent by the fiscal year 2026 (Figure 4).

The Budget has created incentives for State governments to increase capital expenditure by allowing a higher fiscal deficit of 4 per cent of the Gross State Domestic Product (GSDP) instead of the 3 per cent mandated by the Fiscal Responsibility and Budget Management Act (FRBM). It has also provided assistance to States to fund capex by keeping a provision for disbursing long-term interest-free loans.

Overall, the Budget has incorporated fiscal rectitude. It has budgeted for only a modest increase in the nominal

expenditure of the Government (a proposed increase of only 4.5 per cent in 2022-23 over the Revised Estimate for 2021-22); a flat revenue expenditure; and a sharp increase in capital expenditure (Figures 6 and 7), reflecting an increase of 24 per cent over the Revised Estimate for 2021-22. Politically tricky subsidies are slated to decline significantly, while the revenue projections seem highly conservative, i.e., a 9.5 per cent increase in tax revenue and a 14 per cent decline in non-tax revenue.

In the years ahead, the following three issues will need further articulation as a part of the broader policy framework of the country.

First, though a sharp fiscal consolidation is not warranted at this time, it would be useful to envision the fiscal roadmap that the Government would adhere to in the medium term. Even if the Government's tolerance and the philosophy around the fiscal paradigm may have shifted, as some of the recent Economic Surveys have hinted, it

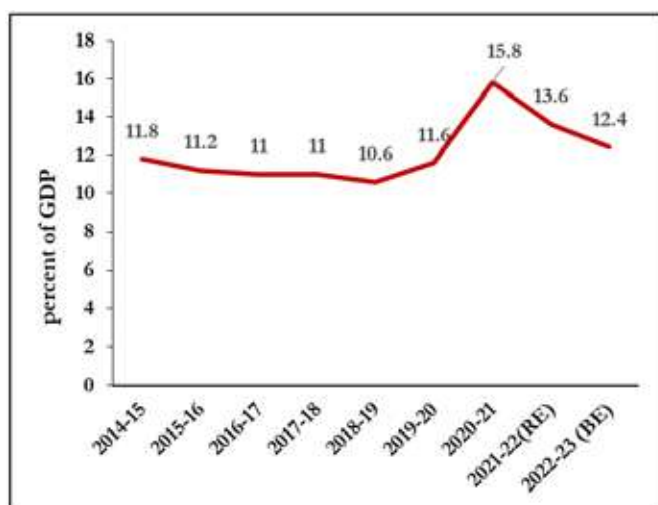
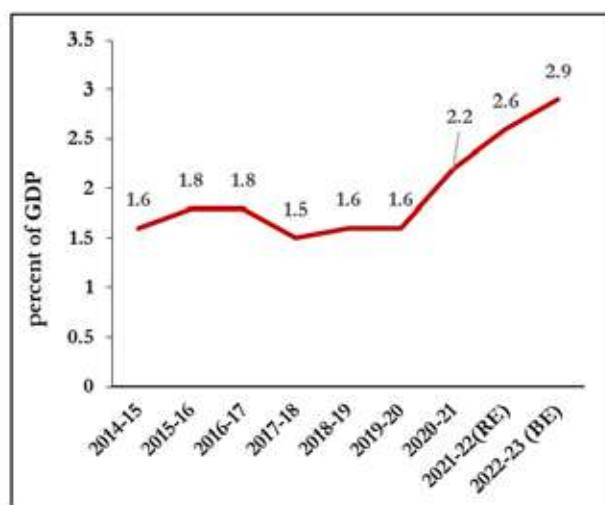


Figure 6: Current Expenditure



Source: Union Budget Documents (Expenditure Profile).

Figure 7: Capital Expenditure

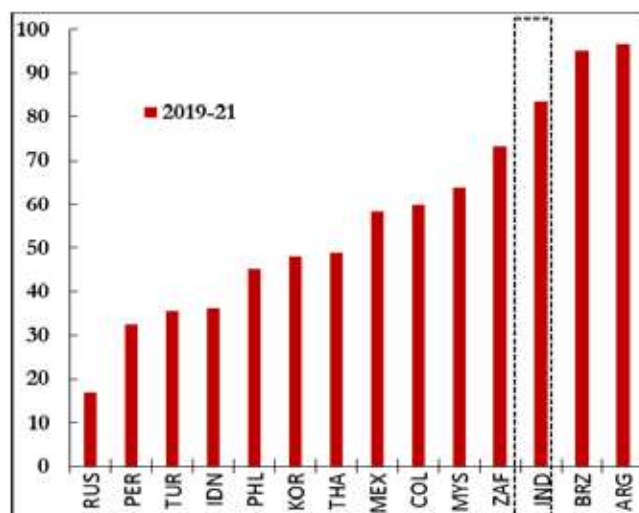


Figure 8: General Government Debt (Gross), per cent of GDP

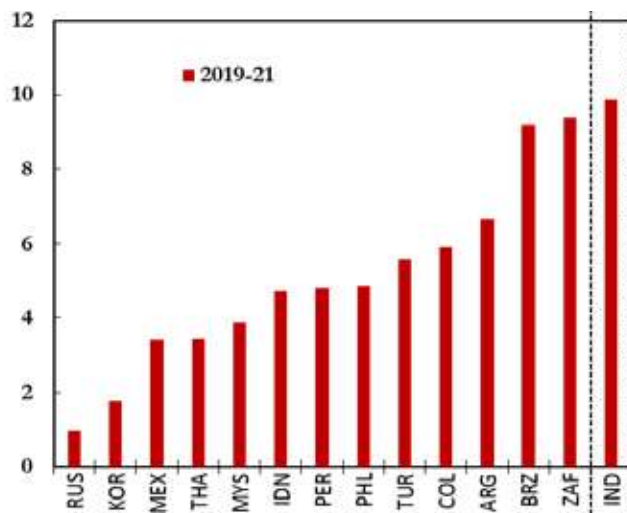


Figure 9: General Government Budget Deficit, per cent of GDP

would have been helpful to provide some details of this roadmap in the Budget.

Even as India's economic fundamentals are strong, its debt situation paints a mixed picture when compared to other countries. The general government debt and deficit as shares of GDP are high by international standards. The country's debt-to-GDP ratio in the last decade (averaging 68 per cent) and fiscal deficit-to-GDP ratio (averaging around 7 per cent) were high among comparators. Tax revenues as a share of GDP have been stagnant or have risen only slowly. The tax effort so measured has been below the corresponding average figures of other countries at similar income levels; direct tax collection has been particularly low. Recurrent expenditure (committed, non-discretionary, or revenue expenditure) accounts for a majority of the general government expenditure, while capital spending on infrastructure is only about 3.5 per cent of GDP in the past.<sup>1</sup> Covid-19 has further widened the budget deficit and increased the debt. Even though the government debt is held mainly at home and denominated in rupees, its level ought to be brought down in due course.

Second, in order to foster growth at rates much higher than in the past, we need the vision to integrate India into global value chains. The global market is collectively 30 times the size of the Indian economy. Albeit India has grown, on average, at 7 per cent a year in the last decade, based on the strength of its domestic markets, when the global trade volumes were highly subdued. However, to take the economy to the next level by achieving a growth rate of 8-10 per cent or higher would depend crucially on the ability and opportunity to tap into global markets. While India has done well this fiscal year in leveraging the buoyancy seen in global markets, it is still an incremental change compared to what is feasible. We currently account for only 1.5 per cent of the goods supplied to the global market and 3.5 per cent of the global market for services.

The aim should be to head forward, doubling these market shares.

A 2005 report by the United Nations Conference on Trade and Development (UNCTAD), drawing from the successful experiences of the Asian economies, suggests that both foreign market access and the domestic supply capacity matter for attaining faster exports growth. Countries that have exported successfully have more diverse and differentiated portfolios of goods on offer while indulging in intra-firm and intra-industry trade. The domestic capacity, in turn, is determined by the transport infrastructure, macroeconomic and institutional environments, and the FDI received. The other factors that matter include businesses having the flexibility and the means to adjust capacity and reallocate resources as required by the global demand dynamics, a competitive exchange rate, and the availability of working capital, which is determined by the pace of tax refunds, easier credit flows, and a competitive exchange rate.

The aim should be to head forward, doubling these market shares. The measures announced in the Budget and the direction in which they steer the nation should help India become much more competitive globally. □

## Reference

See Barry Eichengreen, Poonam Gupta, and Rishabh Choudhary (2021), "The Taper This Time", *NCAER Working Paper No. WP 121*, November.

## Footnote for Figure 8 & 9

2019-21 is average over 2019, 2020 and 2021. General government budget deficit is net borrowing (as mentioned in IMF WEO). A (-) ratio denotes net borrowings while a (+) ratio denotes net lending. 2021 are IMF WEO April 2021 estimates while for ARG, COL, MYS, PER, RUS, KOR estimates start after 2019. 2019-21 is average over 2019, 2020 and 2021. ARG average is until 2020 as 2021 data is not available. Acronyms are Argentina (ARG), Colombia (COL), Malaysia (MYS), Peru (PER), Russia (RUS), Korea (KOR), Thailand (THA), Brazil (BRZ), Turkey (TUR), South Africa (ZAF), Philippines (PHL), Indonesia (IDN), Mexico (MEX), and India (IND).



**PERFECTION  
IAS**

**An Institute for  
UPSC & BPSC**

# **69 SELECTIONS IN BPSC 65th**

## **OUR TOPPERS IN TOP 100**



**RAGHVENDRA PRATAP**  
**RANK 15**  
BIHAR ADMINISTRATIVE  
SERVICE (BAS)



**KESHAV RAJ**  
**RANK 31**  
SUB REGISTRAR/  
JOINT SUB REGISTRAR



**ALOK KUMAR**  
**RANK 32**  
BIHAR POLICE SERVICE  
(Dy SP)



**SWETA PRIYADARSHI**  
**RANK 33**  
BIHAR ADMINISTRATIVE  
SERVICE (BAS)



**NIPUN KUMARI**  
**RANK 39**  
BIHAR ADMINISTRATIVE  
SERVICE (BAS)



**KUMAR SUBHAM**  
**RANK 59**  
DISTRICT COMMANDANT



**RAVI KR. ROUSHAN**  
**RANK 69**  
BIHAR EDUCATION  
SERVICE



**RISHU RAJ SINGH**  
**RANK 73**  
BIHAR EDUCATION  
SERVICE



**KUNDAN KUMAR**  
**RANK 74**  
BIHAR EDUCATION  
SERVICE



**RAVI RAJ**  
**RANK 75**  
RURAL DEVELOPMENT  
OFFICER



**PARAS KUMAR**  
**RANK 78**  
BIHAR EDUCATION  
SERVICE



**MANI BHUSHAN**  
**RANK 91**  
BIHAR EDUCATION  
SERVICE

*and many more*

📍 103, KUMAR TOWER, BORING RD. CROSSING, PATNA

☎ 9155090871/72/73

f /Perfection IAS

✓ Perfection IAS(Official)

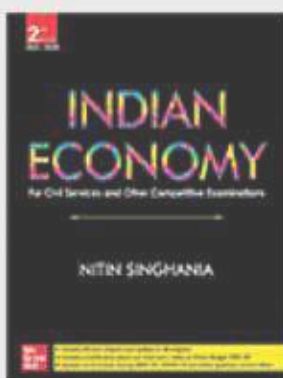
🌐 www.perfectionias.com

YE-1781/2022



# Civil Services Examination

Latest edition of Books for your preparation



ISBN: 9789390727865

INR 675



ISBN: 9789390727421

INR 740



ISBN: 9789355320414

INR 285



ISBN: 9789355320025

INR 335

Scan QR  
code to buy



## Demographic Dividend

*Jatinder Singh*

*Youth has a potential and power to change the world for the better. Harnessing the potential of youth for burgeoning economic opportunities is the role of key stakeholders. At the same time, instilling values of integrity and humility is significant in this journey. Youth is often associated with innovative spirit, entrepreneurship, technological prowess, and sports that bring laurels to the nation. Unleashing their latent potential and innovativeness can bring the desired change and prosperity for all. Indian youth is known for resilience and innovation. India has the largest youth population in the world; it becomes a dire need to focus on their development in this 75<sup>th</sup> year of India's independence. It is imperative to create an ecosystem to make them partners in growth and development of nation.*

India's 1.38 billion people with a median age of 28 are one of the youngest populations in the world. China and the US that are much more developed and economically stable, are growing older faster than India. Currently, our country is home to a fifth of the world's youth population advantage. We are in the midst of a demographic dividend. United Nations Population Fund defines this phase as economic growth that results from a shift in population's age structure—the phase when the working age population is more than the number of dependents. Our young population is a valuable asset to economic growth; they will play a critical role in achieving the ambitious target to become a global powerhouse and achieve the target of USD 5 trillion economy by 2024-25. India does not have a lot of time. We have only 20 years left for reaping the advantage of demographic dividend.

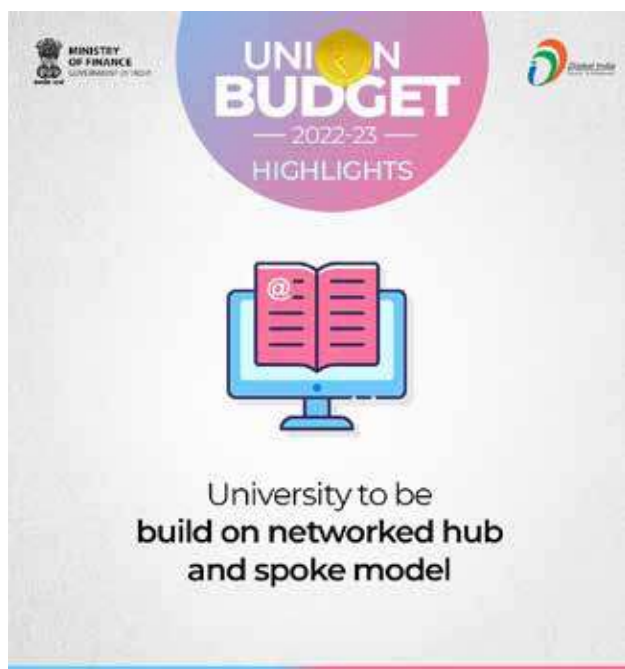
### Enabling Entrepreneurial Potential

The national income of any country increases if the workforce is educated and has employable skills. Access to the internet and social media has created a digitally savvy population. Our youth are digital natives with high literacy rate. Our nation has opportunities for job creation with a novel entrepreneurial culture. Disruptive technologies have developed startup ecosystem that is providing services in areas like healthcare, education, e-commerce, agribusiness and many more. Fuelled by aspirations and quality of life, our youth is at the forefront

of new age technologies such as artificial intelligence, machine learning, data science and Industry 4.0. Our youth is a rising consumer class; companies are making products and services with pricing models targeted towards them. Digital payments, e-wallets, low interest loans and credit facilities further fuel the entrepreneurial aspirations of young population. As their spending power



The author is Assistant Secretary-General, PHD Chamber of Commerce and Industry, New Delhi. Email: [jatinder@phdcci.in](mailto:jatinder@phdcci.in)



is increasing, the market is set to grow, resulting in higher economic activity. Our young population is also an attractive proposition for investments, locally as well as globally. India has become an investment hub for its entrepreneurial young population.

Many private and public sector interventions are imparting skills to the country's youth. National Skill Development Mission is a game changer that is empowering youth with employable skill sets across multiple sectors and also improving productivity and efficiency. The Government of India initiatives such as Startup India, Digital India and Pradhan Mantri MUDRA Yojana (PMMY) have further enabled entrepreneurship and increased employment opportunities. Inclusive growth can only be realised if there is a focus on women empowerment. The Government's stress on the importance of Nari Shakti is one of the key pillars of inclusive growth. This will also make inroads to grow and strengthen the women-led enterprises.

### **Budgetary Outlay**

The Budget 2022-23 provides impetus for growth as it lays a blueprint for the Amrit Kaal, which is futuristic and inclusive, and it holds a promising future ahead for education, up-skilling and employment. The Budget has profoundly increased the outlay for the education sector by 11.86%, which signals the intentions towards uplifting and empowering the youth. The

---

**The Budget has profoundly increased the outlay for the education sector by 11.86%, which signals the intentions towards uplifting and empowering the youth. In the post-Covid era, education has taken a new track, which is technology-based blended learning. The budget opens vistas to make educational tools available and accessible aiming at inclusive education opportunities.**

---

budgetary outlay will have positive cascading effect on our youth, women and farmers.

The GatiShakti is a progressive model for economic growth and sustainable development; this will result in productivity enhancement and investments. This model is driven by seven engines, viz. roads, railways, airports, ports, mass transport, waterways and logistics infrastructure. This will spur economic growth by furthering the efforts of the public and private sector, leading to enormous job and entrepreneurial opportunities for the youth. This is a big push for public investment for infrastructure, readying India for a 100% educated population.

In the post-Covid era, education has taken a new track, which is technology-based blended learning. The budget opens vistas to make educational tools available and accessible, thus aiming at inclusive education opportunities. There is a proposal of developing high quality e-content in all spoken languages which will be delivered via internet, mobile phone, TV and radio through digital teachers. This will democratise access to education and empower youth in rural areas with access to education, facilitating continuous learning. The motive is to make education more accessible and affordable, furthering entrepreneurship and skill development of burgeoning youth population. Another significant highlight of the budget is permitting foreign universities and institutions under GIFT IFSC (International Financial Services Centre) to offer courses on Fintech and STEM (Science, Technology, Engineering and Mathematics). This move is projected to bring foreign institutions to India, who are exploring to have synergies with Indian Institutions, but were not able to do so in the past due to regulatory challenges. This step will have a huge multiplier effect on the country's economic growth. PM's Development Initiative for North East (PM-DevINE) with allocation

of Rs 1,500 crore for development initiatives in the North Eastern Region (NER) will enable livelihood activities of youth in NER.

### **Startups**

The Budget 2022-23 has provided significant stimulus to the startup and digital ecosystem that is driving innovation. There is an increased thrust on artificial intelligence, geospatial systems, drones, semiconductor ecosystem, genomics, green energy, clean mobility systems and pharmaceuticals. This will be the engine of economic and social growth for the youth-led New India. Apart from creating employment opportunities for youth, this will also make



industry efficient and competitive. For unleashing the power of youth, the Government's commitment to technology and innovation is laudable. Futuristic technology such as the introduction of digital currency, rollout of 5G, e-passports using embedded chips are steps to make our nation futuristic and modern.

The launch of Digital Ecosystem for Skilling and Livelihood— DESH-Stack e-portal will motivate young population to learn and sharpen their skillsets apart from creating entrepreneurial opportunities. This will enable them to skill, re-skill and up-skill through online training. With the quest to promote critical thinking skills and instil creative thinking, 750 virtual labs in science and mathematics along with 75 skilling e-labs for simulated learning will also be set up. The extension of PM eVIDYA programme from 12 to 200 TV channels will improve learning outcomes of young students.

The major challenge of our youth is the lack of employability skills, this needs to be in sync with the changing industrial demands. The launch of digital university will increase the reach of quality education even in remote areas with the public universities and institutions working in hub and spoke format.

The Budget also recommended the creation of an AVGC (Animation, Visual effects, Gaming and Comics) task force that will suggest ways to realise potential of

---

**The Budget lays down decent initiatives on the tax front, with extension of tax benefits for one more year and promoting ease of doing business. Meeting working capital requirements during initial years of operations is tough for startups. Thus, tax exemption extended by one more year is a strategic move to support young entrepreneurs.**

---

this sector and build domestic capacity serving national as well as global demands. This will act as a stimulus to our tech savvy young population for gaining skills in this field.

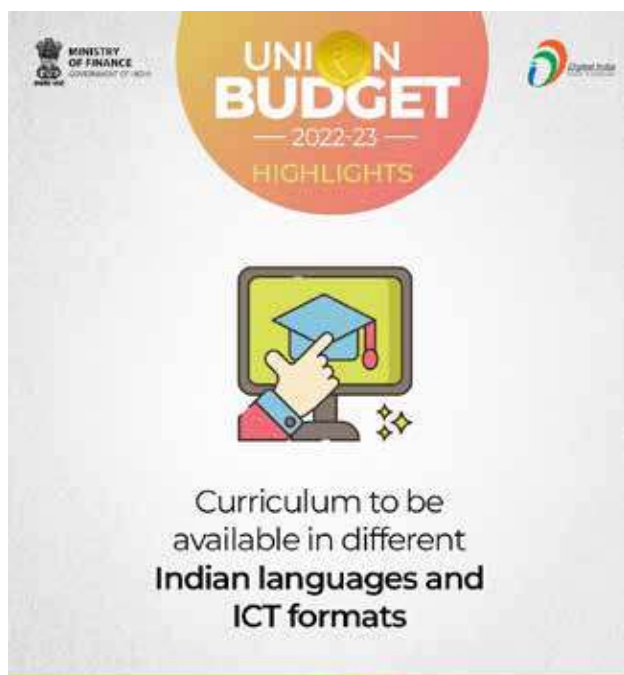
### **Youth Entrepreneurship**

India has a strong startup ecosystem. As on 7 February 2022, there were 63,103 startups registered by Department for Promotion of Industry and Internal Trade (DPIIT). Indian youth are the torchbearers for creating world class startups. The unicorns waved in 2021-22 despite Covid-19, showing the strength of our youth. More than 50 unicorns were

formed during the pandemic. With proactive policies for startups as announced in the Budget, India has the potential to drive innovation and entrepreneurial temper to create numerous employment opportunities. The Budget lays down decent initiatives on the tax front, with extension of tax benefits for one more year and promoting Ease of Doing Business. Meeting working capital requirements during initial years of operations is tough for startups. Thus, tax exemption extended by one more year is a strategic move to support young entrepreneurs. This will also be additional support to the startups to reboot from the hardships faced during the pandemic. Ease of Doing Business 2.0 will boost entrepreneurs and foster entrepreneurship significantly. The productivity-linked incentive scheme in 14 sectors with the potential to create 60 lakh new jobs will be a fountainhead for Indian youth which is a much-needed requirement for the growth of these sectors.

The Budget outcomes will support young entrepreneurs who are brimming with innovative and creative ideas. The surge in the young working population presents unique possibilities for India's future with respect to socio-economic growth. If given right opportunity at right time, our nation will be able to harness the potential of youth. Undoubtedly, the Government is rolling out best possible policies and schemes for holistic development of the youth, but more can be done in the upcoming years. Innovative and radical systems need to be developed in the field of education and skill development so that the youth grows academically and cognitively to gain competency for running our nation as future leaders.

Swami Vivekananda said, "Arise, awake and stop not till the goal is achieved." This is a wakeup call for all the stakeholders to create an enabling ecosystem paving way for ample of opportunities for our youth to innovate, create and transcend the shores of their power for economic and social well-being of our country. □





# GUIDANCE IAS

MORE THAN A COACHING

## GENERAL STUDIES PROGRAMMES 2022-23

- ✓ General Studies Foundation Course 2022-23 (Prelims and Mains Examination)
- ✓ General Studies PT & Mains Test Series
- ✓ Interview Guidance Programme 2022

Subscribe US:

Telegram: @himgu

Youtube: <https://youtube.com/c/GuidanceIASInstitute>

## ✓ GEOGRAPHY (OPT.) CLASSROOM PROGRAMME

Preparatory Course (NCERTs) Apr-2022

MAIN Course: June-2022

by **HIMANSHU SIR**

## ✓ GEOGRAPHY (OPT) 500+ Program (Offline): June- 2022

### More than 40+ Successful Students of CSE-2020

 Aditya (AIR-92)	 Rishabh Rewar (AIR-104)	 Daljeet Kumar (AIR-114)	 Md. Manzoor Hussain (AIR-125)	 Laxmi Soujanya (AIR-127)	 Malini S (AIR-135)	 Devi P (AIR-143)	 Ashish Gangwar (AIR-188)
 Arjun K (AIR-257)	 Siddharth Dhapola (AIR-294)	 Alfred OV (AIR-310)	 Suhas Gade (AIR-349)	 Nitin Yadav (AIR-363)	 Himanshu Nigam (AIR-370)	 Nikhil Yadav (AIR-396)	 Shivam Siddharth (AIR-461)

### 45+ Successful Students of CSE-2019

 AJAY JAIN RANK 12	 GUNJAN SINGH RANK 16
 SHUBHAM BANSAL RANK 43	 SAURABH PANDEY RANK 66

### 40+ Successful Students of CSE-2018

 Junaid Ahmad AIR 3	 MOHD ABDUL AIR 57
	 GIRDHAR AIR 61

### 25+ Successful Students of CSE-2017

 PRATHAM KAUSHIK AIR 5	 SAAD MIYA KHAN AIR 25
	 DHRUV MISHRA AIR 109

Office Address: 3-B, Fourth Floor, Croma Building, Pusa Road,  
Metro Pillar No. 108, Karol Bagh Metro St., New Delhi - 05.  
[www.guidanceias.com](http://www.guidanceias.com)



**1800-257-9972**  
**011-45586829**

**DOWNLOAD OUR APP:** <https://play.google.com/store/apps/details?id=xyz.penpencil.guidanceias>

YE-1792/2022

# Employment and Human Resource

*Arun Chawla*

*The Covid-19 pandemic has severely impacted the population globally in their economic well-being and long-term livelihoods. While the crisis has taken a toll on all socio-economic sections, the disadvantaged sections stand more vulnerable due to the augmented risk of informal sector jobs, uncertain incomes, meagre savings, and low accessibility to resources, including technology. Skill development is a crucial sector relevant to economic growth and reaping India's demographic dividend. While most developed nations are experiencing an ageing population, India has the opportunity to produce skilled human resources and become the world's skill capital.*

**T**he pandemic has accelerated the adoption of technology, demanded constant innovation, and has changed work environments. Modern technologies like AI, Big Data, IoT, Block Chain, 3D Printing & Design, AR/VR, Robotics, Data Sciences, Quantum Computing, and Cyber Security are a few transforming existing businesses. This has led to the creation of jobs that did not exist in the past and would create numerous unforeseen job roles in times to come. Now, more than ever, existing and new workforce would have to be more agile, adaptable, and would need to constantly upskill their knowledge and skills. The concept of education has transformed from university degrees to life-long learning.

Even before the pandemic, in many G20 countries, the composition of employment had started shifting towards jobs that required high-level cognitive and socio-emotional skills or were characterised by non-standardised tasks, while jobs with a high routine content were being automated or off-shored to varying degrees. The trend is expected to continue post-Covid as well. As per FICCI Future Skills Report 2020, the five key skills required in the post-Covid era for the manufacturing sector are 'Data Literacy', 'Digital and Coding', 'Critical thinking', 'Creativity & innovation', and 'Technology knowhow'.

The dynamic needs of the industry have been recognised in this Budget, and initiatives are being taken to strengthen our potential workforce with 21<sup>st</sup>-century skills. The Union Budget 2022-23 announced skilling programmes and partnerships with the industry to be reoriented to promote continuous skilling avenues, sustainability, and employability. It also highlights the alignment of the National Skill Qualifications Framework (NSQF) with dynamic industry needs. This is a vital step towards enhancing employability that remains sustainable over a period of time. Some of the new-age skills where the efforts are bound to be focused on are geospatial technologies, drones (UAV/UAS/RPAS) pilot, clean mobility, green



The author is the Director-General, FICCI. Email: [arun.chawla@ficci.com](mailto:arun.chawla@ficci.com)



energy, genomics, etc., as it aligns with the industry needs. These sunrise sectors will offer tremendous employment opportunities to the skilled workforce in relevant areas.

NSQF was developed before the pandemic, and it is an opportune time to upgrade it as per the industry's requirements. Industry participation may extend beyond designing curriculum and giving their inputs on the National Occupational Standards of the NSQF. This can include preparing the trainers with the industry experience by partnering with training institutions to run periodic training capacity enhancement programmes, especially in trades and technology of relevance and interest to the employer. The youth will also get opportunities to skill themselves in Industry 4.0 relevant skills and find the right employment opportunities.

The need of the hour is to understand the big picture with regards to the evolution of technology and what the megatrends could mean for the 'world of work'. With the rapidly changing industry environment, learners today need to be equipped with employability skills that are transferable

**The Union Budget 2022-23 announced skilling programmes and partnerships with the industry to be reoriented to promote continuous skilling avenues, sustainability, and employability. It also highlights the alignment of the National Skill Qualifications Framework (NSQF) with dynamic industry needs.**

across a broad range of job opportunities and help them modify their approach to solving business problems in dynamic industry environments. Learners should plan for an automated world and acquire the right skills beyond mere technical competence. Emotional intelligence, learning agility, creativity, relationship building, and leadership skills will be much in demand in the times to come to keep pace with the disruption impacting all spheres of our lives.

### Employment

It is estimated that 62 per cent of India's population falls in the working-age group and roughly 10 million new job seekers are added each year. The country's current labour force participation rate is around 49 per cent, meaning that only about half the people of working age engage in paid work. To keep up with the growing global pace, India needs to create at least 90 million non-farm jobs between 2020 and 2030.

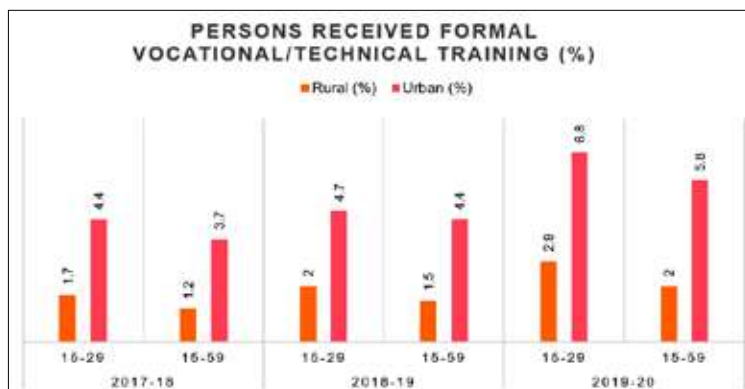
Technology is making rapid strides, decreasing the dependence on manual labour. However, the 'employment landscape' is also witnessing a growing dearth of skilled workforce. Technology and automation will result in a massive reclassification and rebalancing of work. Those workers who perform tasks that cannot be automated will be highly valued, and that means creativity, innovation, imagination, and design skills will figure high up on the employers' priority agenda. While automation and smart machines are said to replace over 20 million jobs globally by 2030, it is estimated that more than 133 million new jobs will be created as early as 2022.

An important phenomenon witnessed amidst pandemic is the increase in demand for remote work that will have a significant long-term impact on the labour market. Globally, one is witnessing four times the number of jobs that offer remote work since March 2020. This trend is also seen from job seekers: the volume of job searches using the "Remote" filter on LinkedIn has increased 60% since the beginning of March 2020. The advent of remote work and an increasingly virtual world seems to have reduced barriers for people to connect and build their networks.

With the rise of remote work, one of the most exciting trends that one is going to see is a democratisation of opportunity and movement of skills all around the globe. Companies may be able to source diverse talent more easily, especially from groups that are underrepresented in their area, or for skills that are locally less available, through remote-work options.

The 'Digital India' initiative announced in 2015 was a big move to push forward the agenda of getting the workforce 'digitally' skilled and through information technology, empowering citizens, bridging the rural-urban





Source: Economic Survey 2021-22

managing it most efficiently. The urban human resource, through its effective contribution to industrial growth, would play a pivotal role in ensuring the quantum leap in our GDP. It is estimated that by 2047 when India celebrates 100 years of its independence, nearly half of its population will live in urban areas<sup>1</sup>. To facilitate this transition, we have to face twin challenges; i) orderly planning of our cities, and ii) developing our human resources to harness the demographic dividend<sup>2</sup> by engaging our youth towards societal, economic growth.

divide, thus improving the government services. As a next step in this direction, the Union Budget 2022-23, has proposed the launch of the Digital Ecosystem for Skilling and Livelihood – the DESH-Stack e-portal. This portal shall aim to empower citizens to skill, reskill or upskill through online training. It will also provide API-based trusted skill credentials, payment, and discovery layers to find relevant jobs and entrepreneurial opportunities. Harnessing the digital revolution could be the key to reducing India's skill gap and actualising the government's vision of a high-growth, high-productivity, and middle-income nation.

The interlinking of Udyam (a self-declaration portal for entrepreneurs created by MSME), e-SHRAM (a centralised database of unorganised workers created by MoLE), NCS (a portal to connect job seekers, job providers, skill providers, career counsellors created by MoLE), and ASEEM (a portal to facilitate the supply of skilled workforce with the market demand created by MSDE) has come at an opportune time. They will now perform as portals with live, organic databases, providing G2C, B2C, and B2B services. These services will relate to credit facilitation, skilling, and recruitment to formalise the economy further and enhance entrepreneurial opportunities for all.

### Human Resource Development

Human resource acts as the driving force in the growth of a nation. The skillsets, competencies, knowledge, and attitude are some of the key attributes that help find affordable solutions to complex socio-economic problems. According to the 'OECD Future of Education and Skills Project 2030', "We need to replace old education standards with an educational framework that combines knowledge with the 21<sup>st</sup> century skills of creativity, critical thinking, communication and collaboration." This won't be achieved by simply moving classes from the chalkboard to the virtual mode, but by radically transforming the way we teach and learn science and technology skills, from one-way content dissemination and memorisation to personalised, self-directed learning.

India's vision of becoming a USD 5-trillion economy is intricately linked with developing the human capital and

Though literacy rate is higher in urban India (close to 88%), however formal vocational/technical training amongst youth (15-29 years) and working-age population (15-59 years) is found to be low as shown in the graph.

There is a need to involve employers in the delivery of education and designing the Education, Skilling, Employment, and Entrepreneurship (ESEE) ecosystem. This approach needs to be applied to the entire life cycle of the learners, right from the elementary stage to the higher education level and going up till the employment stage. We have to enhance our ESEE system further so that our youth are equipped with a multi-disciplinary approach to pave the socio-economic progress of the cities as well as the upcoming rural settlements.

The National Education Policy (NEP) 2020 has highlighted to create an enabling framework that helps in doing away with "rote-learning" and facilitates acculturation of an enquiry-based, project-led ecosystem of education that not only enhances the learning outcomes but also helps in rendering a more rounded and holistic development of individuals. The NEP while highlighting the need for a multidisciplinary approach, also focused on the significance of liberal arts education that helps in developing all capacities of human beings in an integrated manner, viz. intellectual, aesthetic, social, physical, emotional, and moral.

In the current situation, there are a few fundamental questions before the education community with regards to human resource development. How can we make students more resilient? How can we prepare them for jobs that have not yet been created? How can we equip them to thrive in an interconnected world where they need to understand and appreciate different perspectives and worldviews, interact respectfully with others, and take responsible action towards sustainability and collective well-being? The future, by definition is unpredictable, but by being attuned to some of the trends now sweeping across the world- we can learn– and help students learn– to adapt to, thrive in, and even shape whatever the future holds. □

### References

1. Economic Survey 2021-22.
2. Economic Survey 2018-19, Chapter-7.

# Success Saga Continues CSE 2020

UNDER MENTORSHIP OF  
**VIKASH RANJAN**

## Triumph IAS

An Institute for Civil Services Examination & Expert Guidance for IAS  
*Innovating Knowledge, Inspiring Success*

www.triumphias.com



**JAGRITI AWASTHI, IAS**  
(AIR 2, CSE 2020)  
(SOCIOLOGY FOR IAS)



**PRADEEP SINGH, IAS**  
(AIR 26, CSE 2019)  
(SOCIOLOGY FOR IAS)



**VINAYAK CHAMADIA, IAS**  
(AIR 47, CSE 2020)  
(SOCIOLOGY FOR IAS)



**NAMRATA JAIN, IAS**  
(AIR 12, CSE 2018)  
(SOCIOLOGY FOR IAS)



**NANDINI KR, IAS**  
(AIR 01, CSE 2016)  
(ESSAY FOR IAS)



**KANISHAK KATARIA, IAS**  
(AIR 01, CSE 2018)  
(ESSAY FOR IAS)

**UPSC CSE  
TOPPERS**  
Under Mentorship of  
**Vikash Ranjan sir**



KARNATI VARUNREDDY, IAS



SAMEER SAURABH, IAS



DILEEP P. SINGH, IAS



G.R. RAGHAVENDRA, IPS



VARUN NEGI & SURAJ PATEL, IAS



AKASH BANSAL, IAS



ADITYA BANSAL, IPS



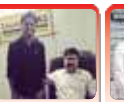
HIMANDREE KAUSHIK, IPS



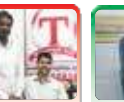
MANIAK GHOSH, IAS



ANAND K. SHARMA, IAS



SHUBHAM ARYA, IPS



RAUSHAN KUMAR, IPS



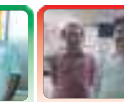
KRISHAN K. SINGH, IAS



SUMIT KR. SINGH, IPS



SHASHANK SINGH, IPS



SURJEET SINGH, IPS



INDERVEER SINGH, IPS



ABHILASHA ABHINAV, IAS

KOYA SHREE HARSHA, IAS

And Many More..

# SOCIOLOGY ESSAY for IAS

## MENTORSHIP for IAS GENERAL STUDIES & INTERVIEW

CSE 2023-24



**7840888102, 7678628820**

Subscribe Now | [triumphias/facebook.com](https://t.me/VikashRanjanSociology)

@triumphias | <https://t.me/VikashRanjanSociology>



23-B, 3rd Floor Pusa Road, Old Rajender Nagar, New Delhi-110060



YE-1794/2022



# Modern and Profitable Agriculture

Dr Jagdeep Saxena

*In India, agriculture is the foremost sector that remained positive and robust amid an unprecedented crisis of the pandemic. It maintained a seamless supply chain of essential food items across the country and also successfully met the increased global food demands. Backed by good monsoon and timely interventions by the Government, the agriculture sector registered a growth of 3.6 per cent in 2020-21, which improved to 3.9 per cent in 2021-22. As the largest employer of workforce, this sector contributed a sizeable 18.8 per cent in (2021-22) in Gross Value Added (GVA) of the country. Simultaneous buoyant growth in allied sectors, namely animal husbandry, dairying, and fisheries also helped the agriculture sector perform well.*

**P**ost-pandemic, agriculture has emerged as the lead player in the recovery process of the national economy. In the Union Budget (2022-23), the agriculture sector has been given a major boost to make it more profitable, sustainable, and modern with the welfare of farmers at the core. Presenting the Budget, the Finance Minister underlined the importance of agriculture by announcing a series of new provisions under the broad category of 'Inclusive Development.'

## Stepping-up Allocations

The budget allocation for the Ministry of Agriculture and Farmers Welfare has been raised by 4.5 per cent to Rs 1,32,513 crore for 2022-23 fiscal. If we look into budget allocation for major schemes, Rashtriya Krishi Vikas Yojana (RKVY) got the steepest hike to Rs 10,433 crore (2022-23) from previous Rs 2,000 crore (2021-22, RE). The Government has reintroduced Krishi Unnati Yojana (KUY) this year with a different set of 10 schemes and a budgetary allocation of Rs 7,183 crore. About 26 per cent of these funds are for the development horticulture sector, whereas 21 per cent of KUY funds are allocated to palm, edible oil, and oilseeds. The ambitious welfare Scheme PM-KISAN continues with an allocation of Rs 6,75,000 crore, whereas PM-Fasal Bima Yojana (PMFBY) has been allocated Rs 15,500 crore. The Government has renewed its thrust on providing better prices to farmers for their produce by allocating 1,500 crore for Market Intervention Scheme.

Recognising the pivotal role of allied sectors in doubling farmers' income, the Government has increased budget allocation for the Ministry of Fisheries, Animal Husbandry and Dairying by 44 per cent. In the total



**AGRICULTURE AND FOOD MANAGEMENT 1/2**

**RECOMMENDATIONS:-**

- ✓ Increase in agriculture R&D needed to improve productivity in crop and allied sectors
- ✓ Promote use of alternative fertilizers like nano urea and organic fertilizers
- ✓ Focus on new technology including drones and AI-based decision support system
- ✓ Support start-ups for innovations

Logos: pib, Azadi Ka Amrit Mahotsav, ECONOMIC SURVEY

Social media handles: @PIB\_India, @PIBIndia, @PIBIndia, @PIBIndia, @PIBIndia, @PIBIndia, @PIBIndia, @PIBIndia

The author is Former Chief Editor, Indian Council of Agricultural Research, New Delhi. Email: jagdeepsaxena@yahoo.com



(Minimum Support Price) scheme for procurement of crops. The Finance Minister announced, 'the procurement of wheat in rabi (2021-22) and the estimated procurement of paddy in kharif (2021-22) will cover 1208 lakh metric tonnes of wheat and paddy from 163 lakh farmers.' 'Rs 2.37 lakh crore will be the direct payment of MSP value to their accounts', she added. Through MSP operations, the Government ensures remunerative prices to farmers by procuring produce directly from growers at a pre-determined price. Since 2018-19, the Government is keeping MSP at the level of one and half times the cost of production. Currently, MSPs are fixed and announced for 22 mandated crops that include 14 kharif crops, 6 rabi crops and two commercial crops. The Food Corporation of India (FCI) and designated state agencies procure food grains from farmers and manage storage and distribution for supply to more than 80 crore beneficiaries at a highly subsidised rate. Such agencies also maintain buffer stocks of food grains for dealing with exigencies.

In the Budget proposals, the Government has also raised the farm credit target to Rs 18 lakh crore for 2022-23 from Rs 16.50 lakh crore during the last fiscal. Under Atmanirbhar Bharat Abhiyaan, 2.70 crore eligible farmers have already been issued Kisan Credit Cards (KCC) to avail concessional credit, and in addition, over 14 lakh fresh KCCs have been sanctioned for animal husbandry and dairying farmers.

### Towards High-tech Revolution

Aiming high-tech revolution to increase efficiency and productivity, the Finance Minister announced a slew of measures for promoting technology usage in farming systems. Regarding the use of drones (UAV-Unmanned Aerial Vehicle), she said, 'use of 'Kisan Drones' will be promoted for crop assessment, digitisation of land records, spraying of insecticides, and nutrients.' Various studies and experiences have shown that agriculture drones empower farmers to adapt to the specific environment and make judicious choices accordingly. The field data so gathered helps regulate crop health, crop treatment, crop scouting, irrigation, soil analysis, and crop damage assessments.

allocation of Rs 6407.31 crore, the budget for livestock has been increased by 40 per cent and for central sector schemes have been increased by 48 per cent. An increase of 20 per cent in the budget for Rashtriya Gokul Mission and National Programme for Dairy Development will increase the productivity of the indigenous bovine population and quality milk production, benefitting more than eight crore dairy farmers. Almost 60 per cent enhancement in fund allocation for Livestock Health and Disease Control will ensure healthier livestock and healthier India.

Food processing is another sunrise sector holding promise to increase farmers' income substantially. Hence, the Finance Minister announced the provision of a comprehensive package to help farmers select suitable varieties of fruits and vegetables and to use appropriate production and harvesting techniques. The Budget also proposed an allocation of Rs 2941.99 crore, which is 2.25 times or 126 per cent higher than last year. The Government has earlier released the draft National Food Processing Policy to increase investment in this sector and promote international competitiveness.

In Budget proposals, the Government has reiterated its commitment to continue with the MSP

**Food processing is another sunrise sector holding promise to increase farmers' income substantially. Hence, the Finance Minister announced the provision of a comprehensive package to help farmers select suitable varieties of fruits and vegetables and to use appropriate production and harvesting techniques.**

The ultimate outcome of drone usage translates into higher crop yields with minimisation of time, labour, and expenses. The Government's 'DigitalSky Platform' is facilitating use of drones in various sectors, including agriculture, by providing single-window online clearances for the operation of drones. Recently, the Ministry of Agriculture and Farmers Welfare has issued funding guidelines to make drone technology affordable by assisting in the purchase, hiring, and demonstration of agriculture drones. Under a Centrally

Sponsored Scheme, there is a provision for granting upto 100 per cent or Rs 10 lakh as funding for the purchase of drones by ICAR (Indian Council of Agricultural Research) institutions, KVKs (Krishi Vigyan Kendras), and State Agricultural Universities. The Scheme also provisions 75 per cent funding for drone purchase to FPOs (Farmer Producer Organisations); and 40 per cent or upto Rs 4 lakhs for specified Custom Hiring Centres. Considering constraints in the proliferation of technologies at the ground level, the Government has proposed to launch a new scheme in PPP mode under which farmers will be provided with digital and hi-tech services. At the implementation level, public sector research and extension institutions will be engaged along with private agritech players and stakeholders of the agricultural value chain. Further, to promote startup ecosystem in agriculture, a fund with blended capital will be facilitated through NABARD under the co-investment model. This is to

**The Government has also raised the farm credit target to Rs 18 lakh crore for 2022-23 from Rs 16.50 lakh crore during the last fiscal. Under Atmanirbhar Bharat Abhiyaan, 2.70 crore eligible farmers have already been issued Kisan Credit Cards (KCC) to avail concessional credit, and in addition, over 14 lakh fresh KCCs have been sanctioned for animal husbandry and dairying farmers.**

finance startups for agriculture and rural enterprises relevant for the farm produce value chain. Elaborating on the role of startups, the Finance Minister said that, 'the activities for these startups will include, inter alia, support for FPOs, machinery for farmers on rental basis at farm level, and technology including IT-based support.' This will strengthen the ongoing startup development programmes of the Government being implemented through Ministries of Agriculture; Fisheries, Animal Husbandry and Dairying; and Science and Technology.

Along with technology push, the Government is also keen to develop competent human resources to meet the future needs of technology-driven agriculture. As per the Budget Statement, 'states will be encouraged to revise syllabi of agricultural universities to meet the needs of natural, zero budget and organic agriculture, modern-day agriculture, value-addition, and management.' Meanwhile, ICAR has taken the lead by initiating the process to develop a curriculum to include zero-budget natural farming in the syllabus at both undergraduate and post-graduate levels. The Agriculture Skill Council of India is also helping transform Indian agriculture through developing the skills of country manpower in frontier and emerging areas of agriculture and allied sectors.

The Government is promoting natural farming for quite some time now to make agriculture free from chemical fertilisers and pesticides usage. In the budget proposal, the Finance Minister made a big announcement, 'chemical-free natural farming will be promoted throughout the country, with a focus on farmers' lands in 5 km wide corridors along river Ganga at the first stage.' Natural farming systems restore soil fertility and soil organic matter which makes agricultural production sustainable, climate-friendly and cost-effective. The Government is supporting and promoting natural farming through a dedicated scheme of 'Bhartiya Prakritik Krishi Paddhati Programme' (BPKP) which calls for eco-friendly processes in farms. The Scheme also provides financial assistance of Rs 1,22,00 per hectare for three years for cluster formation, capacity building, and continuous handholding by trained personnel, certification, and residue analysis.

Contrary to record production of foodgrains (308.65 millions tonnes, 4<sup>th</sup> advance estimates for 2020-21), vegetable oil production in the country is lagging behind in its consumption. The situation has necessitated the import of edible oils to meet increasing domestic demand. It's an area of major concern for the Government due to heavy import bills. 'To reduce our dependence on import of oilseeds,

**AGRICULTURE AND FOOD PROCESSING**  
RESILIENT GROWTH DESPITE PANDEMIC

**UNION BUDGET 2022-23**

- Record Foodgrains Production and Enhanced procurement
- 2.37 lakh crore direct payment of MSP to 163 lakh farmers
- Promoting chemical free natural farming
- Promoting post harvest value addition, consumption and branding of millet products
- Delivery of Digital and Hi-Tech services to farmers in PPP mode
- Use of Kisan Drones to aid farmers
- Launching fund with blended capital to finance agriculture start ups
- Ken Betwa Link Project to benefit 9.1 lakh hectare farm land

@PIB\_india @PIBindia @pibindia @pibindia @PIBIndia @PIB\_india @PIBInd @PIBIndia



a rationalized and comprehensive scheme to increase domestic production of oilseeds will be implemented,' announced Finance Minister in the budget proposals. However, the Government is already on a mission to increase the production and productivity of oilseeds since 2018-19. The National Food Security Mission-Oilseeds is supporting oilseeds growers across the country through critical interventions such as production and distribution of foundation and certified seeds, and distribution of seed mini-kits of the latest high-yielding varieties. Further, a National Mission on Edible Oils-Oil Palm was launched in August 2021 aiming for enhancement in the area of oil palm through price incentives. Oil Palm is a high potential crop that produces 10 to 46 times more oil per hectare compared to other oilseeds crops. The newly proposed comprehensive scheme is likely to make a paradigm shift in oilseed production in the country.

Despite best efforts, the share of net irrigated area accounts only for about 49 per cent of the net sown area in the country. Considering the potential of river-linking projects in the augmentation of irrigated areas, the Finance Minister

said, 'implementation of the Ken-Betwa Link Project, at an estimated cost of Rs 44,605 crore will be taken up.' Its aim is to provide irrigation benefits to 9.08 lakh hectares of agricultural land. It will also provide drinking water supply for 62 lakh people in addition to 103 MW of hydro, and 27 MW of solar projects. She added that allocations of Rs 4,300 crore in RE 2021-22 and Rs 1400 crore in 2022-23 have been made for this project. She further announced that the draft DPRs of five rivers links (Damanganga-Pinjal, Par-Tapi-Narmada, Godavari-Krishna, Krishna-Pennar and Pennar-Cauvery) have been finalised. The Centre will provide support for implementation after the consensus among beneficiary states.

Agriculture and allied sectors are one of the main pillars of the national economy with far-reaching impacts on various other economic sectors. Budget proposals would go a long way in ensuring that agriculture continues to contribute significantly to India's growth story. The present Budget is a right step in realising the ultimate goal of 'Atmanirbhar Bharat' with higher agricultural growth and enhanced income for farmers. □

## DO YOU KNOW?

### International Year of Millets – 2023

Millets, popularly called coarse grains, are a collective group of small-seeded annual grasses that are mainly grown as food crops. These high-nutritive value crops are rich in proteins, fibres, vitamins, minerals, and many important micronutrients. Cultivated in over 130 countries, millets are climate-resilient nutri-cereals suitable for harsh weather conditions and can flourish in resource-poor situations. Despite these virtues, millets remained in oblivion due to many socio-economic and cultural factors. But, due to the recent spurt in health-awareness worldwide, the demand for millets and millet-based food/snack products is rising globally. This is an excellent business opportunity in India with the potential to raise farmers' income at low investments. To place millets on world-map, the Government of India moved a resolution in UN General Assembly to declare 2023 as the International Year of Millets. Supported by 70 countries, the proposal got unanimous approval from all the 193 members of the UN General Assembly in April 2021. The resolution is intended to increase public awareness of the health benefits of millets and their suitability for cultivation under tough conditions.

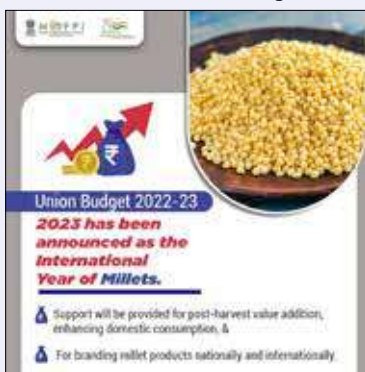
In the above context, the Finance Minister in the recent budget proposal announced that 'support will

be provided for post-harvest value addition, enhancing domestic consumption, and for branding millet products nationally and internationally.'

In India, a variety of millets (sorghum, pearl millet, finger millet, and small millets) are grown mainly under rainfed/dryland conditions and struggle with issues of lower productivity. The ICAR-Indian Institute of Millets

Research at Hyderabad is the key R&D institution of the Government of India addressing critical issues in production and product development technologies. Apart from developing high-yielding varieties and an improved package of practices, the Institute is pursuing the mission to create markets for the long-term economic sustainability of millet production systems. Studies indicate their significant role in the conservation of biodiversity, human and animal nutrition, industrial uses, and

therapeutic diets in the form of functional foods. These nutri-cereals can usher in food, feed, fodder, nutritional and livelihood security to all in dryland ecosystems. The announcement of a comprehensive scheme to boost branding, value addition, and processing of millets will go a long way in enhancing local consumption and exports to meet the global demand. 'Vocal for Local' can change the fortune of millions of small farmers engaged in millet production. □





# IAS GS



[www.iasgs.com](http://www.iasgs.com)

## A comprehensive ecosystem for mastering General Studies

Free Online Courses | Premium Online Courses | Study Material | Aspirants' Community



### Free Online Courses

High-quality courses at no cost. Just sign-up and start preparing.



### Premium Courses

Comprehensive solution to a GS Module or the entire GS syllabus. You'll need nothing else.



### Study material

Crisp and focused notes to speed-up your preparation.



### Aspirants' Community

A great online space to interact, learn, practice and contribute. Absolutely FREE.

## Courses Available



### Comprehensive Courses

360° solution to all your General Studies requirements.

Starting from the basics, to everything that you will need to score high in the Prelim and Main Examinations. Combined with crisp material, study plan, self-study advice and meaningful tests.



### Modular Courses

Small but powerful.

Same great teaching and material but meeting your very specific GS requirements.

Currently available for Prelims Current Affairs, Indian Economy, Science & Technology and Environmental Ecology. Many more coming soon.



Launch your preparation to a higher orbit. Start your journey for FREE at

[www.iasgs.com](http://www.iasgs.com)

**ENROLL NOW**

**LUKMAAN IAS**

*Presents*

**Online Scholarship Test For CSE Preparation 2023-24**

**THE 400 DREAMS**

UPSC CSE 2020

**The First candidate from "The 400 Dreams" Scholarship Program 2019 (GS FOUNDATION BATCH)**

**AIR 268**

**Nitish Rajora**

**EXAM DATE 27TH MARCH 2022**

**LAST DATE 20TH MARCH 2022**

**ADMISSION OPEN 04TH APRIL 2022**

**REGISTRATION OPEN 07TH FEBRUARY 2022**

**RESULT ANNOUNCEMENT 31ST MARCH 2022**

**BATCH STARTS 09TH MAY 2022**

**TOP 10 RANKERS WILL GET 11 MONTHS GS FOUNDATION COURSE ABSOLUTELY FREE AND REST 390 RANKERS' SCHOLARSHIP WILL BE EQUAL TO THEIR PERFORMANCE PERCENTAGE IN THE TEST.**

**ETHICS FOUNDATION**

**REGULAR BATCH 2022**

**8:00AM TO 10:30AM**

**WITH S. ANSARI**

**Admission Open**

**Enroll Now**

**www.lukmanias.com**

**THE COURSE FEATURES**

Duration: 60 Days Program  
Timing: 8:00 AM to 10:30 AM (2:30 hrs per class)  
Total No. of Classes/Videos: 46  
Validity of Videos: 75 days  
The Faculty: S. ANSARI  
Theory Classes: 38  
Case Studies Classes: 8 (With 180+ Case Studies)  
Tests: 3 Tests with evaluation, discussion videos and Model Answers

**Teaching Pedagogy:** Building precise conceptual understanding, ethical & philosophical orientation, how to relate concept with suitable examples, philosophy/philosophers and make answers look like ethics paper rather than GS 1, 2 & 3.

**Aims & Objectives:** To create one more understanding in your mind, known as ethical understanding on the topics of the syllabus, so that, you should start thinking from ethics perspective and develop ability to logic, reason and apply things ethically.

**FEE Only ₹26,000/-**

**(((LIVE))) ONLINE CLASSES AS EFFECTIVE AS OFFLINE CLASSES**

**Address: 60/17, 2nd Floor (Above Subway Restaurant) Old Rajinder Nagar, New Delhi-110060**

**enquiries@lukmanias.com | www.lukmanias.com**

**9654034293 | 8506099919 | @lukmanias | @lukmanias**

**online** **LUKMAAN IAS** **offline**

**GS FOUNDATION 2022 (PRE-CUM-MAINS)**

**KNOWLEDGE | UNDERSTANDING | PERSPECTIVE**

**ADMISSION OPEN | TIME: 11:00 AM TO 1:30 PM**

**GS-II & GS-IV BY S. ANSARI AND GS-I & GS-III BY A TEAM OF EXPERTS**

**THE COURSE FEATURES**

- A 10 Months Pre-cum-Mains Batch
- 26 Pre-Foundation NCERT Recorded Videos
- 22 Pre-cum-Mains Assessment Tests
- 29 Mentoring based PT Tests
- Every Sunday Current Affairs (ED) Class
- 50 Current based Mains Writing Practice
- Quality Printed Course Materials
- Essay & Interview Guidance

**TOP GS MARKS (2016 TO 2020)**

NAME	YEAR	MARKS	AIR
SATYAM GANDHI	2020	422	10
PRATYUSH PANDEY	2019	431	21
NAMRATA JAIN	2018	464	12
SAUMYA SHARMA	2017	496	09
ANAND VARDHAN	2016	470	07

**Fee Only**

**₹1,18,000/-**

**₹94,000/-**

**PT PERSPECTIVE COURSE 2022**

**ONLINE INTERACTIVE TESTS**

**90 DAYS PROGRAM**

**FEE Only ₹11,000/-**

**Admission Open**

**Enroll Now**

**www.lukmanias.com**

**ONLINE PT TEST SERIES**

- 64 PRELIMS FOCUSED GS CLASSES (RECORDED LECTURES)
- 22 CSAT CLASSES
- WEEKLY GUIDANCE SESSION
- DAILY TESTS: 20 MCQS WITH EXPLANATION
- ONLINE TEST IN THE MORNING
- TEST DISCUSSION IN THE EVENING
- WEEKLY REVISION TESTS (100 MCQS) WITH DOUBT CLEARANCE SESSION
- AS PER LATEST UPSC PATTERN, INCLUDING NEW TRENDS ON LAW/RULES/POLICY BASED QUESTIONS.

**PT PERSPECTIVE TEST SERIES 2022**

**ONLINE INTERACTIVE TESTS**

**Admission Open**

**Enroll Now**

**www.lukmanias.com**

**THE COURSE FEATURES**

- Weekly Guidance Session
- Daily Tests: 20 MCQs with Explanation
- Online Test in the Morning
- Test Discussion in the Evening
- Weekly Revision Tests (100 MCQs) with Doubt Clearance Session

**FEE Only ₹7,500/-**

**Free Resources Complementary**

- DAILY 05 MCQS (ONLINE).
- DAILY CURRENT AFFAIRS BOOKLET.
- ONE-YEAR CURRENT AFFAIRS.
- SPECIAL CLASSES ON BUDGET, ECONOMIC SURVEY AND INDIA.
- GOVERNMENT SCHEMES/REPORTS.
- DAILY WSDP.

**OUR TOP RANKERS (2011 TO 2020)**

**Excelling with Consistency**

**YOU CAN BE THE NEXT**

AIR YEAR	03	08	17	02	05	07	07	01	09
2011	PRINCE DHAWAN	JT VARGHESE	AJAY KR. DWIVEDI	ATHAR AMIR	ABHILASH MISHRA	AYUSH SINHA	K. VARUN REDDY	PRADEEP SINGH	APALA MISHRA



# Initiatives for Rural Women

Charanjit Singh

*"Women are also being linked with Self-Help Groups and rural organisations across the country through the Deendayal Antyodaya Yojana. I consider the sisters of women's Self-Help Groups to be the champions of the Atmanirbhar Bharat campaign. These Self-Help Groups are actually national help groups. Therefore, the assistance given under the National Rural Livelihoods Mission has increased by almost 13 times in the last seven years in contrast to five years before 2014. Where earlier every Self-Help Group used to get loans upto Rs 10 lakh without guarantee, now this limit has also been doubled to Rs 20 lakh." – The Prime Minister, 21 December 2021*

**D**eendayal Antyodaya Yojana: National Rural Livelihoods Mission (DAY-NRLM) a centrally sponsored programme that aims at eliminating rural poverty through promotion of multiple livelihoods for each rural poor household, is proving to be the game-changer. Launched in 2011, DAY-NRLM aims to reach out to 9-10 crore rural poor households by 2023-24. The Mission provides long-term support to the community institutions and its members in such a way that they diversify their livelihoods improving their incomes and quality of life.

## Key Principles

The Mission believes that organising poor rural women into their institutions, supporting a basket of livelihood activities and facilitating access to credit can bring remarkable transformation in their lives.

The design of DAY-NRLM is based on the following key principles:

- i. Poor have a strong desire to come out of poverty, and they have innate capabilities to do so. Social mobilisation and building strong institutions of the poor is critical for giving voice to the voiceless;
- ii. Long-term and continuous financial and livelihood support is required for the rural poor households to

come out of poverty;

- iii. Capacity building and nurturing of the poor is most effective and sustainable when it is done by the poor themselves, and
- iv. Sustainable development of the poor requires promotion of multiple livelihoods– asset as well as skill-based livelihoods in farm as well as non-farm sectors.

## Components

### Institution Building and Capacity Building:

Promotion of community institutions and their capacity building is one of the core components of DAY-NRLM. The Mission aims to mobilise one woman member from



The author is Joint Secretary (Rural Livelihood), Ministry of Rural Development. Email: js-skills@ddugky.gov.in



*Banking correspondents from Simdega, Jharkhand*

each rural poor household into Self-Help Group (SHG). There are 10 to 15 members in each Group. These Groups are federated into Village Organizations (VOs) at the village level. Further, 10 to 15 VOs are federated into Cluster Level Forum (CLF). These community institutions provide a collective platform for the rural poor to overcome poverty through access of financial, technical and marketing resources. These institutions require continuous and intensive capacity building and training. The Mission provides funds to these community institutions in the form of Revolving Fund (RF) and Community Investment Fund (CIF) etc., to strengthen their financial base and help them leverage additional funds. The Mission has, cumulatively, provided Rs 16,189 crores as Community Investment Support (Revolving Fund + Community Investment Fund) so far.

DAY-NRLM is currently being implemented in 6,782 blocks and 706 districts across all States and Union Territories (except Delhi and Chandigarh). The Mission has so far mobilised 8.09 crore rural women into 73.93 lakh SHGs. These SHGs have

been federated into 4.28 lakh VOs and 32,899 CLFs. This shows the widespread reach of the programme across the country.

As an integral approach to capacity building, the Mission is ensuring training of the persons from the community itself, so that they provide 24x7 hand holding support to the SHG members. Accordingly, the Mission has trained and deployed more than 3.5 lakh Community Resource Persons (CRPs) in various fields, viz. Banking, agriculture, livestock, fisheries and forest sectors, etc.

---

**It works on both demand and supply sides of financial inclusion by promoting financial literacy among the poor and providing catalytic capital to the SHGs and their federations on the demand side and coordinating with the financial sector and encouraging use of digital financial technologies, business correspondents and community facilitators on the supply side.**

---

**Financial Inclusion:** DAY-NRLM facilitates universal access to the affordable, cost-effective, reliable financial services to the poor. It works on both demand and supply sides of financial inclusion by promoting financial literacy among the poor and providing catalytic capital to the SHGs and their federations on the demand side and coordinating with the financial sector and encouraging use of digital financial technologies, business correspondents and community facilitators on the supply side. Financial inclusion is primarily being facilitated by enabling SHGs to

be linked to Banks and to access all financial services including loans.

In terms of SHG-Bank credit linkage, more than 32 lakh SHGs have been credited with more than Rs 82,092 crores in the ongoing FY 21-22, whereas cumulatively, the volume of Bank credit leveraged by the SHGs amounts to Rs 4.61 lakh crore as of December 2021. In addition to this humongous credit linkage, the power of the working of the SHGs is reflected in the incredible figure of Non-Performing Asset (NPA) which stands at 2.34%. Further, all efforts are being made by SHGs to reduce this further. Considering the stellar performance of SHGs, the Government has doubled the limit for guarantee free loan for every Self-Help Group from Rs 10 lakhs to Rs 20 lakhs.

DAY-NRLM has also been instrumental in providing last mile delivery of financial services in remote rural areas where people do not have much access to Banking services. This is being facilitated through promotion of digital finance and deployment of SHG Women as Business Correspondent Sakhi with the support of Banks and Common Service Centres. Presently, more than 68000 women members of SHGs have been identified, trained and deployed as BC Sakhis. The BC Sakhis (Business Correspondent/BC Point) provide last-mile financial services including deposits, credit, remittance, disbursement of pensions & scholarships, MGNREGA wages and enrollment under insurance and pension schemes. These BC Sakhis have recorded 215 lakh transactions of worth Rs 10,001 crores till December 2021 during the FY 21-22. Their contribution in providing financial services

**DAY-NRLM has also been instrumental in providing last mile delivery of financial services in remote rural areas where people do not have much access to Banking services. This is being facilitated through promotion of digital finance and deployment of SHG Women as Business Correspondent Sakhi with the support of Banks and Common Service Centres.**

during the current pandemic has been appreciated widely.

### Interest Subvention

In order to reduce the effective cost of Bank credit to women SHGs, DAY-NRLM provides interest subvention and additional interest subvention to SHGs. All women SHGs whose members are from the DAY-NRLM target group, are eligible for receiving interest subvention equal to the difference between the borrowing rate of interest and 7%. In addition, in 250 districts, all women SHGs can avail loans up to Rs 3.0 lakh each at

7 % rate of interest per annum, with an additional interest subvention of 3% on repayment of loan in time, reducing the effective interest rate to 4%.

**Livelihoods Promotion:** In addition to facilitating loans for various activities through financial inclusion as detailed above, the specific initiatives in farm and non-farm sectors are being taken up for the SHG members under DAY-NRLM.

### Mahila Kisan Sashaktikaran Pariyojana (MKSP)

As part of the livelihood intervention, MKSP was initiated as a sub-component of DAY-NRLM in 2011. The primary objective of the MKSP is to empower women by making systematic investments to enhance their participation and productivity, as also create sustainable livelihoods of rural women. The programme is implemented in project mode. The key objectives of the sub-scheme are-

- To enhance the productive participation of women in agriculture;
- To create sustainable agricultural livelihood opportunities for women in agriculture;
- To improve the skills and capabilities of women in agriculture to support farm and non-farm-based activities;
- To ensure food and nutrition security at the household and the community level;
- To enable women to have better access to inputs and services of the government and other agencies; and
- To enhance the managerial capacities of women in agriculture for better management of biodiversity.

In the unfolding scenario of climate change, MKSP is poised to play a critical role in ensuring sustainable agriculture.





The Scheme supports development of a pool of community resource persons to enable the community institutions to manage their activities. Three broad focus programmatic areas of MKSP are (i) Sustainable Agriculture (ii) Non-Timber Forest Produce (NTFP) and (iii) Value Chain Development. Livestock interventions are integrated with both Sustainable Agriculture and NTFP projects. About 1.47 crore women farmers have been covered under this approach so far.

To make available various agricultural equipments to women farmers at reasonable rates, the Custom Hiring Centres (CHCs) are also being established. This not only reduces drudgery of women farmers but also ensures easy access of equipments to small and marginal farmers. More than 22,800 CHCs have been established so far.

Establishment of Agri Nutri gardens in SHG households is another critical activity which is ensuring nutritious food all round the year to SHG members. Further, the members are also able to earn extra income for the household with some sale of these produces. So far, 80.44 lakh Agri Nutri gardens have been established in SHG Households.

This strengthening of livelihoods by interventions in agro-ecological practices logically leads to next stage, i.e., natural farming and organic farming. However, formation of Local Groups and organic certification is spread over a longer period. Even then, 2,41,961 farmers have been covered under organic certification so far.

It has been observed that the collectives have better resources to leverage the markets properly. Accordingly, the Ministry of Rural Development under DAY-NRLM facilitates promotion of women owned Producers Collectives, i.e., Producers Enterprises/Farmer Producers Organisations and Producers Groups to support women members to access better market for their produce through interventions like aggregation, value addition and marketing. The idea is to develop a complete business model to provide primary producers with end-to-end solutions from creating producer organisations to building marketing linkages.

In addition, to build the technical expertise, so as to support development of projects for promotion of large size Producer Enterprises, “Foundation for Development of Rural Value Chain (FDRVC)” has been established with the support of TATA Trusts. It supports the State units of DAY-NRLM to develop and implement value chain projects through promotion of large sized Producer Enterprises.

---

**The SarasCollection covering an exclusive exquisitely handcrafted collection has been launched on Government e-Marketplace (GeM). This unique initiative between GeM and NRLM showcases daily utility products made by rural SHGs and aims to provide SHGs in rural areas with market access to Government buyers.**

---

So far, 183 Producer Enterprises with 3.86 lakh women members and 1.22 lakh Producer Groups with 14.06 lakh women members have been supported under DAY-NRLM.

#### **Start-up Village Entrepreneurship Programme (SVEP)**

SVEP, the sub-scheme under DAY-NRLM develops an ecosystem for supporting small businesses in rural areas. The eco-system has components for providing business support services, mentorship, seed capital, training & capacity building

on business and technical aspects and marketing support. SVEP saturates a block with these services for supporting small business. A total of 1,86,576 enterprises across 23 States/UTs have been supported so far.

#### **Aajeevika Grameen Express Yojana (AGEY)**

AGEY is a sub-scheme under DAY-NRLM to provide safe, affordable and community-monitored transport services to rural areas. The vehicles are owned and operated by members of SHG networks. It connects remote villages with services and amenities including access to markets, education and health besides providing livelihood opportunities to SHG members. The Scheme was launched in the year 2017 and till December 2021, a total of 1811 vehicles were operational in 23 States.

#### **E-Marketing**

Considering increasing footprints of e-marketing in the country, various steps are being taken to extend benefits of this to the SHG members. The Saras Collection covering an exclusive exquisitely handcrafted collection has been launched on Government e-Marketplace (GeM). This unique initiative between GeM and NRLM showcases daily utility products made by rural SHGs and aims to provide SHGs in rural areas with market access to Government buyers.

Many States, e.g., Assam, Bihar, Madhya Pradesh, Sikkim and Kerala, etc., have also taken steps in e-marketing of their SHG products. The Ministry is also taking steps to develop its own portal where products from various SHGs across the country will be uploaded.

#### **Partnership/Convergence for Livelihood promotion**

DAY-NRLM recognises that an enormous effort is required to extend the benefits to all the members of the SHGs. Accordingly, it places a very high emphasis on convergence with other programmes of the Ministry of Rural Development and other Central Ministries, and programmes of State Governments for developing synergies directly and through the institutions of the poor.

Convergence between following Departments/ Ministries and DAY-NRLM has been ensured -

- Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare
- Department of Rural Development regarding Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- Department of Animal Husbandry & Dairying (DAHD) and Fisheries
- TRIFED, Ministry of Tribal Affairs
- Ministry of Food Processing Industries (MoFPI)
- Ministry of Micro, Small and Medium Enterprises (MSME)
- Ministry of Social Justice and Empowerment (MoSJE), and
- Ministry of Health and Family Welfare (MoHFW)
- To give single instance of the way this convergence creates win-win situation for both the Ministries is the Seed Capital distribution under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) of the MoFPI by the State Rural Livelihood Missions of the Rural Development Department of the States. A total of 86,000 beneficiaries have been mobilised for an assistance of over Rs 256 crores with in a short span of six months in this financial

year. In fact, DAY-NRLM has made available a strong platform for various Ministries to deepen their scheme's implementation.

**Response to Covid-19 pandemic:** The SHG members have been actively involved in every scenario faced by the country. As the pandemic struck the country, these SHGs have been involved in promoting awareness on Covid-19 preventive measures and vaccination among rural households through the SHG networks.

The contributions made by SHG members in supporting communities during Covid-19 pandemic have been much appreciated across the country. They have produced 16,89,27,854 masks, 5,29,741 Protective Equipment, 5,13,059 Litres of Sanitizer and managed 1,22,682 Community Kitchens for providing food to Covid-19-affected community members and migrants. Further, the cascading patterns of trainings were organised by developing standardised models. Accordingly, more than 5.5 crore SHG members were trained on Covid-19 prevention & adoption of Covid-19 appropriate behaviour and mobilisation for vaccination in a structured way.

In the 75<sup>th</sup> year of India's Independence which is also being celebrated as 'Azadi Ka Amrit Mahotsav', India has taken a number of steps through DAY NRLM programme to empower women in the rural areas of the country. However, there are miles to go before we can rest. □



**Dreams do come true.**  
Fulfill your dreams with  
**SBI Education Loan.**



- 📈 Attractive interest rate
- 🚫 No processing fee
- 🏛️ Tax benefit under section 80(E)
- 📅 Repayment up to 15 years
- 🏛️ GOI interest subsidy benefit available as per eligibility

T&C Apply.

For more details, visit [www.vidyalakshmi.co.in](http://www.vidyalakshmi.co.in)







# OJAANK IAS ACADEMY

SECURE STUDY    SECURE FUTURE  
    ↘      ↙  
**JOIN ONLINE**

**Download**



(ANYTIME LEARNING APP) from

Google Play

**CONCEPTOR**

2 Years Prog.

**NCERT Special Batch**

4 Months

**CSAT / 3 Months**

**UPSC Prelims Batch**  
100 days

**OJAANK ENGLISH  
ACADEMY**

**PCS/RAS**

**And Many More**

**MEDIUM:- हिन्दी/English**

**Our Youtube Channel**  **IAS With Ojaank Sir**



## OJAANK TEST PRACTICE

**Free & Paid  
Products**



**Download**



(Ojaank Test Practice) from

Google Play

**Head Office (Delhi) - Gate No- 1, GTB Nagar, 69- 3rd Floor (8750711100)**

**Udaipur Centre - Near Rudrakh Vatika, above Cobb Showroom, 100Ft. Road, Shobhagpura, Udaipur (8824634311)**

**Gorakhpur Centre - 431A, 1st Floor opposite - Jubilee Inter Collage, Buxipur, Gorakhpur Call - 0551-3563985 / 9129341958**

**Our Website :- [www.ojaank.com](http://www.ojaank.com)**

YE-1796/2022



## Green Economy

*Dr S C Lahiry*

*The Finance Minister in her Budget 2022-23 speech, stressed that Climate Change was being one of the highest external negativities facing the country and the Government was committed to a strategy of low carbon footprint. Implementation of clean air policy was undertaken considering the challenge posed due to growing air pollution reported in the large cities.*

**T**his year's budget announcements underlined the importance accorded to sustainability and decarbonisation goals by the Government. Implementation of clean air policy was undertaken considering the challenge posed due to growing air pollution reported in the large cities. This would enable emission levels under check through an effective monitoring mechanism in place. However, despite three years into the launch of NCAP in 2019, analysis of pollution levels shows there has been a marginal decrease in pollution levels in targeted cities. It also shows an insufficient expenditure of funds by the States to ensure air pollution reduction. The institutions engaged in regulatory functioning both at the Central Govt and States' level need to be strengthened in maintaining environmental-regulation standards in large cities/urban centres. To a large extent, an effective regulation system will reduce pollution at various levels.

### Budgetary Allocation

Apart from estimates of expenditure and revenue, the annual budget exercise provides directions to the economic policy measures and articulates major initiatives of the incumbent government. In 2022-23, the Ministry of Environment, Forests and Climate Change (MoEFCC) has been allocated Rs 3030 crore, which is an annual increase of 5.6% over the budget allocation in 2021-22. In 2021-22, the Ministry was allocated Rs 2869 crore, which is decreased by Rs 349 crore (12%) at the revised estimates stage. This includes a reduction in the budget towards (i) Environment, Forestry, and Wildlife (reduced by Rs 96 crore), (ii) Establishment Expenditure of the Centre (reduced by Rs 71.5 crore), and (iii) Control of Pollution (reduced by Rs 80 crore), among others. This may be due to a change in the spending priorities of the government over

the year considering the pandemic situation. For Climate Change Action Plan, an outlay of Rs 30 crore has been made, which is the same as in the current fiscal whereas Rs 460 crore was allotted to Control of Pollution as against Rs 470 crore in the last budget. The Scheme-Control of Pollution has been conceptualised to provide financial assistance to Pollution control Boards/Committees and financing to National Clean Air Programme (NCAP). There is no mention of budget allocation earmarked for NCAP in the expenditure budget. However, the budget allocation for 'Hazardous Substances Management' reduced to Rs 4.5 crore from already a meagre Rs 6 crore while R&D for conservation and development scheme also reduced to Rs 4.75 crore. Allocation for the Central Pollution



The author is associated with the erstwhile Planning Commission for over 25 years and served in different capacities in sectors like Industries & Minerals, Agriculture & Animal Husbandry. Email: sclahiry@gmail.com



Control Board (CPCB), responsible for tackling pollution around the country, remained static at Rs 100 crore. The allocation for National Mission for a Green India, a Centrally Sponsored Scheme (CSS), has been raised from Rs 290 crore (in this fiscal) to Rs 361 crore. In the wildlife arena, the government-initiated projects — Project Tiger and Project Elephant saw some changes with the former getting reduced by Rs 30 crore and the other being reduced by Rs 1 crore. The allocation in this fiscal of Rs 250 crore for Project Tiger, an initiative for conserving the wildcat (reduced to Rs 220 crore) is enhanced to Rs 300 crore in 2022-23. Allocation of Rs 33 crore for Project Elephant has been made (in 2021-22), which was launched to conserve jumbos across the country, is raised to Rs 35 crore. The budget allocation for the National Tiger Conservation Authority (NTCA), a statutory body under the Ministry of MoEFCC responsible for tiger census and conservation of wild cats, is Rs 10 crore which remains the same as in the current fiscal. The allocation for the National Coastal Mission has been made Rs 195 crore in the year 2022-23 compared to Rs 200 crore in the current fiscal. Under the National Coastal Mission, MoEFCC is responsible to ensure livelihood security of coastal communities including fisher folks to conserve, protect the coastal stretches, and to promote sustainable development based on scientific principles.

### Policy Initiatives

The Finance Minister allocated Rs 1950 crore for Production Link Initiative for the manufacture of high-efficiency modules with primary to

**The Finance Minister allocated Rs 1950 crore for Production Link Initiative for the manufacture of high-efficiency modules with primary to fully integrated manufacturing units from polysilicon to solar PV modules that infrastructure is needed to make EVs mainstream and improve their use case especially in the public transport and goods delivery segments.**

fully integrated manufacturing units from polysilicon to solar PV modules. Calling the green economy a ‘sunrise economy’, she said ‘the circular economy transition will help productivity enhancement and job creation.’ She announced that the Government would introduce a policy for battery swapping. This would give a boost to the domestic EV industry especially on the public transport front as it would provide an affordable solution to the issue of charging anxiety. Having more EVs on the roads is an important part of the Government’s plan to reduce carbon emissions from transport. It is pointed out that infrastructure is needed to make EVs mainstream and improve their use case especially in the public transport and goods delivery segments.

The FM further announced that unblended fuel shall attract an additional differential excise duty of Rs 2 per litre. Petrol not blended with ethanol will be costlier from October 2022. The blending of fuel is a priority of the Govt. The average blending ratio for petrol sold by State-run companies is currently 8% and is targeted to rise to 20% by 2025. However, it is observed that ethanol availability is not uniform and States far away from production centres are likely to have lower average blending ratios.

Other initiatives in the Budget announced include: 5% to 7% biomass pellets will be co-fired in thermal power plants resulting in CO<sub>2</sub> savings of 38 MMT annually. This will also help avoid stubble burning in the northern States. Additionally, energy efficiency and savings measures will

That the circular economy transition is expected to help in productivity enhancement in a sustainable manner. The action plans for ten sectors such as electronic waste, end-of-life vehicles, used-oil waste, and toxic and hazardous industrial waste are in pipeline.

Taking up R&D, recruitment of professionals having domain knowledge, and provisioning of infrastructure is

prescribed standards was earlier announced by the FM, but Budget 2022-2023 didn't mention anything on the closure of inefficient fossil fuel plants. India pledged in Paris to generate 40% of India's power capacity from non-fossil fuel sources and create an additional 'carbon sink' of 2.5-3 billion tonnes of carbon dioxide equivalent by 2030. According to Central Electricity Authority (CEA), as of 31 December 2021, the share of non-fossil sources in the installed capacity of electricity generation was 40.20%. The report of IFSR 2021, points out that forest cover has been increasing in India. However, the country has lost more than 1600 sq km of natural forests in this period. But some of the loss has been compensated by an improvement of the health in some of the protected areas and reserve forests while a large part of the increase is due to more areas coming from under the plantations which experts argue are no substitute for natural forests when it comes to providing critical ecological services. The reported loss of 1000 sq km of natural forests in the northeastern States should cause concern. GIM has to be aggressively and effectively implemented throughout the States with quality planting materials. The research activities into restoring biodiversity, conserving landscapes, and preserving the natural balance biodiversity pan India will have to be encouraged. □

1. Ministry of Finance, GOI, Annual Budget 22-23: Budget highlights
2. Ministry of Finance, Economic Survey, 2021-22
3. PIB, GOI, Salient features of Union Budget 2022-23
4. Ministry of Environment, Forest & Climate Change, GOI, Annual Report, 2021
5. Esha Roy, Tracking NCAP: Marginal dip in pollution levels, Indian Express, 1/2/22
6. Team ET, Battery-Swap policy to push EV, Economic Times, 1/2/22
7. Team ET, Additional Excise Duty to promote ethanol blending, Economic Times, 1/2/22
8. Ministry of Environment, Forest and Climate Change, GOI, Indian Forest Survey Report, 2021
9. Amish Mehta, A Green Turn Towards Net Zero Target, Economic Times, 5/2/22
10. Laveesh Bhandari, We need wardens in our eco parks. Economic Times. 4/2/22





## LOOKING FOR GANDHI IN OUR TIMES

by Varsha Das

Looking for Gandhi in Our Times by Varsha Das, who is a prominent Gandhian, throws light upon how Mahatma Gandhi guided the masses to inculcate their belief systems into their lifestyles. He motivated humans to live and apply the change as they wish to see in the world, and this is aptly conveyed. The book engages in making us believe that ‘Gandhiji is timeless’, and does so, successfully.

The book acknowledges the importance of Gandhiji’s *Hind Swaraj*, which carries ‘his dream and vision of a liberated India.’ It delves deep into answering whether we really know Gandhiji in his absoluteness. His idea of collective struggle, and process of creative metamorphosis, led to his philosophy of Satyagraha, which required immense willpower.

It analyses the humanistic aspects of Gandhiji, how the Father of our Nation was not devoid of making mistakes. By talking about his eleven vows, it illustrates Gandhiji’s journey of continuous inner change. He saw godliness in every human being, which represents his acceptance and adherence towards people from diverse cultures. His keen perception of society allowed him to comprehend the economic motive behind most human actions, ultimately leading to violence and corruption.

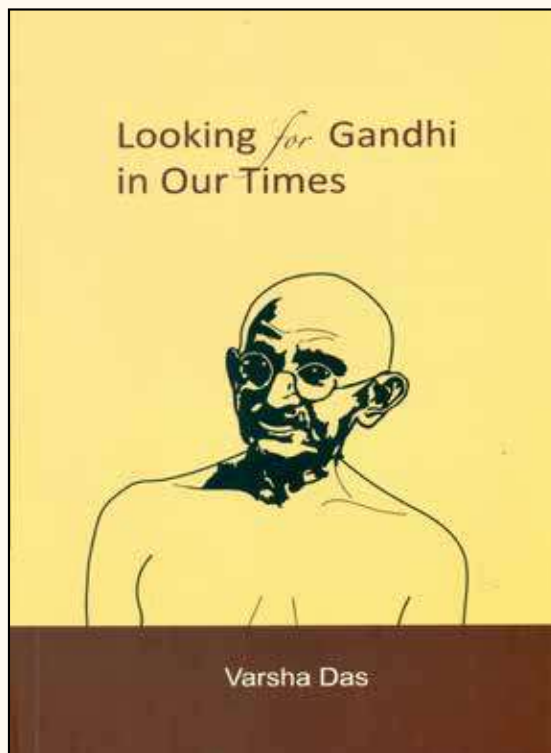
Gandhiji attained spiritual connection and courage through *Ram Naam*, right from his early days. This book recalls his last words ‘Hey Ram’, expressing Ram’s existence as a ‘metaphor for a fearless spiritual way of life.’



No. of Pages: 145

Price: Rs. 300

He also revered teachings in *Srimad Bhagvad Gita*, which emphasised a solitary way of life by practicing self-sustenance, without an expectation for companionship.



The latter part of the book talks about the first group of women Satyagrahis, how Gandhiji praised these women’s ‘indomitable will’ defining their actual strength. He also appreciated the spirit of non-violence or Ahimsa in women, as he believed that they have an infinite capacity to love, even while suffering.

Gandhiji propagated spirituality as fearlessness, requiring ‘un-measurable strength.’ He believed in experiential learning being a positive influence on education; and considered material wealth as transient, vulnerable, and relative happiness. The book unveils Gandhian philosophy, helping us find true happiness in our everyday lives. It can be beneficial for Bapu’s followers, as well as helpful in teaching ways of life. □

For more books on Azadi ka Amrit Mahotsav, visit: [www.publicationsdivision.nic.in](http://www.publicationsdivision.nic.in)

**10 IN TOP 10 SELECTIONS IN CSE 2020**

*Heartiest Congratulations*

from various programs of VISION IAS

to all candidates selected in CSE 2020

**1**  
AIR



**SHUBHAM KUMAR**

- GS CLASSROOM FOUNDATION COURSE 2018
- GS TEST SERIES 2019
- ESSAY TEST SERIES 2019 & 2020
- ABHYAAS TEST SERIES 2019, 2020

**2**  
AIR



**JAGRATI AWASTHI**

**3**  
AIR



**ANKITA JAIN**

**4**  
AIR



**YASH JALUKA**

**5**  
AIR



**MAMTA YADAV**



**YOU CAN BE NEXT**

**LIVE/ONLINE CUM OFFLINE CLASSES**

## NEVER MISS A CLASS



+ Access **recorded classes, resources** & track your performance through Student Portal

## PT 365



Connect through online classes to cover **one year's current affairs** in just 60 hours

**Starting: 22<sup>nd</sup> Mar | 5 PM**

## PERSONALITY TEST PROGRAMME



» Mock Interviews Sessions with Ex-Bureaucrats/Educationists

**Starting: 15<sup>th</sup> Feb**

**100+CITIES**

## ABHYAAS 2022

**ALL INDIA PRELIMS (GS+CSAT) TEST SERIES**

**17<sup>th</sup> April | 1<sup>st</sup>, 15<sup>th</sup> May**



Register at: [www.visionias.in/abhyaas](http://www.visionias.in/abhyaas)

## FOUNDATION COURSE GS 2023 PRELIMS CUM MAINS



Comprehensive coverage of the **UPSC General Studies syllabus**

**DELHI:**

**9 Mar | 1 PM | 1 Mar | 9 AM**

**HYDERABAD | JAIPUR | LUCKNOW  
PUNE | CHANDIGARH | AHMEDABAD**

## PRACTICE IS THE KEY



**VisionIAS Test Series** - Opted by every **2 out of 3** successful candidates

- + » General Studies
- » Philosophy
- » Sociology
- » Essay
- » PS & IR

## READ BY ALL. RECOMMENDED BY ALL



Vision IAS **Monthly Current Affairs** magazine

**DELHI**

• 1st Floor, Apsara Arcade, Near Metro Gate 6, 1/8 B, Pusa Road, Karol Bagh  
• **Contact : 8468022022, 9019066066**

**JAIPUR**

9001949244

**PUNE**

8007500096

**HYDERABAD**

9000104133

**LUCKNOW**

8468022022

**AHMEDABAD**

9909447040

**CHANDIGARH**

8468022022

**GUWAHATI**

8468022022





# UPSC CSE (PRE + MAINS)

One Subscription

JUST LAUNCHED

TARGET  
**PRELIMS**  
2022

**GS**  
FOUNDATION

EDUCATION IS ABOUT TRUST, AND  
MORE THAN 1 CRORE PEOPLE TRUST US TODAY

WHAT DOES OUR COURSE OFFER?

## TARGET PRELIMS 2022 CRASH COURSE

- Maximizing score through specially curated content in 300 hours.
- PPP+ MPPs throughout the course.
- Live doubt sessions and mentorship provided.
- Important tips and tricks that give an edge over others.
- PPG Discussions to give familiarity with the changing trend of UPSC and edge out preposition accordingly.
- CSAT classes/Quizzes/Tests by the best mentors for beginners to advanced level.
- Special strategy talks with the course.

### SCHEDULE

MORNING SHIFT		EVENING SHIFT	
SUBJECT	TIMELINE	SUBJECT	TIMELINE
GSUT	2 Jan - 6 Feb	GSUT & PPG	2 Jan - 6 Feb
ECONOMICS	6 Feb - 4 Apr	ECOSYSTEM	6 Feb - 4 Apr
MODERN HISTORY	4 Apr - 27 May	ENVIRONMENT	4 Apr - 27 May
ART & CULTURE	27 May - 6 Jun	CURRENT AFFAIRS	6 Jun - 8 Aug

Full length test - 1st April  
Full length test - 1st April

Full length test - 1st April  
Full length test - 1st April

## GS FOUNDATION (PRE+MAINS) COURSE

### Complete General Studies course

- General Studies Prelims + Mains complete course
- Special focus on Current Affairs
- Continuous updation of the course

### What makes us unique?

- UPSC+ MPPs given in a structured manner
- UPSC+ topics, ecology and subject wise MPPs
- Complete study material for Prelims, Mains, CSAT and PPGs with every edition
- High quality content in English, Hindi, and Bengali
- Available videos for better learning
- Daily and weekly Prelims Current Affairs
- Daily Mains Current Affairs
- UPSC monthly magazine compilation
- Mains Current Affairs for last minute revision
- Strategy sessions by senior officers
- Publication of Mains Answer Writing
- Doubt solving by Experts

- Test series/series of tests in UPSC, PPG, PPG
- Test + Video Series/series of PPG, PPG, PPG, PPG
- Open to all
- Prelims + Mains PPG discussion
- Special series on Current Affairs, PPGs, PPGs, PPGs
- Special series on Current Affairs, PPGs, PPGs, PPGs
- Special series on Current Affairs, PPGs, PPGs, PPGs
- Special series on Current Affairs, PPGs, PPGs, PPGs
- Special series on Current Affairs, PPGs, PPGs, PPGs
- Special series on Current Affairs, PPGs, PPGs, PPGs

### Optional Courses offered:

- History + Geography + Sociology
- Public Administration + Psychology
- Political Science and International Relations
- Management + Philosophy

Use coupon code: Price:

35% **YOJANA35** **Rs 20000**

95-8004-8004



SCAN THE QR CODE  
TO DOWNLOAD THE APP

Visit [studyiq.com](http://studyiq.com) or Download the app







## OUR JOURNALS

**YOJANA**  
A Development Monthly  
(English, Hindi, Urdu & 10 other Indian languages)

**KURUKSHETRA**  
Monthly on Rural Development  
(English & Hindi)

**AJKAL**  
A Literary & Cultural Monthly  
(Hindi & Urdu)

**BAL BHARTI**  
Children's Monthly  
(Hindi)

**EMPLOYMENT NEWS**  
A Comprehensive Career & Jobs Weekly  
(English, Hindi & Urdu)

**Subscribing to our Journals is simply a click away...**

Just login to the following link of Bharat Kosh and make payment digitally for the journal of your choice-  
<https://bharatkosh.gov.in/Product/Product>

### Subscription Rates (In Indian Rupees)

PLAN	Yojana or Kurukshetra or Ajkal (All languages)	Bal Bharti	Employment News		The Subscription amount includes registered postage charges. In the wake of the Covid-19 pandemic, now all Journals, except 'Employment News' will be sent to the NEW SUBSCRIBERS by the <b>Registered Post only</b> . The OLD SUBSCRIBERS will continue to get journals as per subscription plan they have opted for.
Year	Registered Post	Registered Post	Print Version (Ordinary Post)	e-Version	
1	434	364	530	400	
2	838	708	1000	750	
3	1222	1032	1400	1050	

Apart from online payment, you can also send Demand Draft, Postal Order or Money Order of the requisite amount as per subscription plan by post. These should be made in favour of **'Additional Director General, Publications Division, Ministry of Information and Broadcasting'** payable in **New Delhi**.

Plan for 6 months' subscription of Employment News is also available, Print Edition Rs. 265, e-Edition Rs. 200/-, For online payment, please visit the link <https://eneversion.nic.in/membership/login>. Demand Draft should be made in favour of **'Employment News'** payable in New Delhi.

Send your Demand Draft, Postal Order or Money Order with duly filled **'Subscription Coupon'** or its photo copy to - Editor, Journals Unit, Publications Division, Room no. 779, Soochna Bhawan, CGO Complex, Lodhi Road, New Delhi-110003.

For more information, please email us on- [pdjucir@gmail.com](mailto:pdjucir@gmail.com)

You may also contact us on Phone No.- **011-24367453**, (Monday to Friday from 9.30 am to 6 pm on all working days)

**PLEASE NOTE THAT IT WILL TAKE ATLEAST EIGHT WEEKS TO START YOUR SUBSCRIPTION. KINDLY RAISE YOUR QUERIES/GRIEVANCES ABOUT NON RECEIPT OF THE JOURNALS ONLY AFTER THIS PERIOD.**

### SUBSCRIPTION COUPON (New Membership/Renewal/Change in Address)

Please send me \_\_\_\_\_ (Journal's Name & Language) for 1 yr./ 2 yrs./ 3 yrs.

Name (in BLOCK LETTERS) \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ District \_\_\_\_\_ PIN \_\_\_\_\_

Email \_\_\_\_\_ Mobile \_\_\_\_\_

DD/IPO/MO No. \_\_\_\_\_ date \_\_\_\_\_ Subscription No. (if already a subscriber) \_\_\_\_\_

Continued from page cover II...

## Sustainable Development and Climate Change

- India's overall score on the NITI Aayog SDG India Index and Dashboard improved to 66 in 2020-21 from 60 in 2019-20 and 57 in 2018-19.
- In North-East India, 64 districts were Front Runners and 39 districts were Performers in the NITI Aayog North-Eastern Region District SDG Index 2021-22.

## Agriculture and Food Management

- The Agriculture sector experienced buoyant growth in the past two years, accounting for a sizeable 18.8% (2021-22) in Gross Value Added (GVA) of the country registering a growth of 3.6% in 2020-21 and 3.9% in 2021-22.
- Minimum Support Price (MSP) policy is being used to promote crop diversification.
- Net receipts from crop production have increased by 22.6% in the latest Situation Assessment Survey (SAS) compared to SAS Report of 2014.
- Allied sectors including animal husbandry, dairying, and fisheries are steadily emerging to be high growth sectors and major drivers of overall growth in the agriculture sector.

## Industry and Infrastructure

- Index of Industrial Production (IIP) grew at 17.4 per cent (YoY) during April-November 2021 as compared to (-)15.3 per cent in April-November 2020.
- Capital expenditure for the Indian railways has increased to Rs. 155,181 crores in 2020-21 from an average annual of Rs. 45,980 crores during 2009-14 and it has been budgeted to further increase to Rs. 215,058 crores in 2021-22 – a five times increase in comparison to the 2014 level.
- The extent of road construction per day increased substantially in 2020-21 to 36.5 kms per day from 28 kms per day in 2019-20 – a rise of 30.4 per cent.
- Net profit to sales ratio of large corporates reached an all-time high of 10.6 per cent in the July-September quarter of 2021-22 despite the pandemic (RBI Study).

Introduction of Production Linked Incentive (PLI) scheme, the major boost provided to infrastructure-both physical as well as digital, along with measures to reduce transaction costs and improve ease of doing business, would support the pace of recovery.

## Services

- GVA of services crossed pre-pandemic level in July-September quarter of 2021-22; however, GVA of contact intensive sectors like trade, transport, etc. still remain below pre-pandemic level.
- Overall service Sector GVA is expected to grow by 8.2 per cent in 2021-22.
- During April-December 2021, rail freight crossed its pre-pandemic level while air freight and port traffic almost reached their pre-pandemic levels, domestic air and rail passenger traffic are increasing gradually – shows the impact of the second wave was much more muted as compared to during the first wave.
- Services exports surpassed pre-pandemic level in the January-March quarter of 2020-21 and grew by 21.6 per cent in the first half of 2021-22– strengthened by global demand for software and IT services exports.

## Social Infrastructure and Employment

- With the revival of the economy, employment indicators bounced back to pre-pandemic levels during the last quarter of 2020-21.
- As per the quarterly Periodic Labour Force Survey (PFLS) data up to March 2021, employment in the urban sector affected by pandemic has recovered almost to the pre-pandemic level.
- Expenditure on social services (health, education, and others) by Centre and States as a proportion of GDP increased from 6.2 % in 2014-15 to 8.6% in 2021-22 (BE)
- Increased allotment of funds to Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) to provide a buffer for unorganised labour in rural areas during the pandemic. □

### India Projected as Fastest Growing Major Economy in World GDP Projected to Grow by 8.0-8.5% in 2022-23

- World Bank's projection of India's GDP: **8.7%**
- Asian Development Bank's projection of India's GDP: **7.5%**
- World Economic Outlook's projection of India's GDP: **9%**

[@iti\\_india](#) [@itindia](#) [@spibindia](#) [@spibindia](#) [@itindia](#) [@iti\\_india](#) [@itindia](#) [@iti\\_india](#)

### Factors to support growth in 2022-23

- Widespread vaccine coverage
- Gains from supply-side reforms
- Easing of regulations
- Robust export growth
- Ramped-up capital spending

[@iti\\_india](#) [@itindia](#) [@spibindia](#) [@spibindia](#) [@itindia](#) [@iti\\_india](#) [@itindia](#) [@iti\\_india](#)



**PrepLadder**

By Unacademy

# STOP PREPARING FOR UPSC

...the ordinary way



Scan this QR code to download the PrepLadder app, an extraordinary platform with India's best UPSC faculty.

Use code to unlock one subject in the app, absolutely free\*

## UPSCPL

Includes Everything You Need to Ace UPSC

▶ **Video Lectures**

📄 **Class Notes**

📰 **Current Affairs Magazine**

❓ **MCQ Bank**

✓ **Mock Exams**

☰ **NCERT Notes**



**Hemant Jha**  
History



**M Puri**  
Polity



**Vivek Singh**  
Economics



**Himanshu Sharma**  
Geography



**Atul Garg**  
Ethics

\*Limited Period Offer. T&C Apply.



[www.prepladder.com](http://www.prepladder.com)



[@prepladder.upsc](https://www.instagram.com/prepladder.upsc)



[@prepladder.upsc](https://www.facebook.com/prepladder.upsc)



[@prepladder.upsc](https://www.telegram.com/prepladder.upsc)



[PrepLadderUPSC](https://www.youtube.com/PrepLadderUPSC)



No. of pages 72  
Published on 23 February, 2022  
Posted on 25 & 26 February, 2022



Regd. No. RNI 949/57  
Licenced U(DN)-56/2021-23 to post without  
pre-payment at RMS, Delhi (Delhi Post  
Postal Regd.) DL(S)-05/3230/2021-23

**Just Released**

**Exam. Oriented Series-7**

**PRATIYOGITA  
DARPAN**

**EXTRA ISSUE**

**REVISED &  
ENLARGED EDITION**

**{ Published in  
January 2022 }**

# Current Events ROUND-UP

**2022**

**Vol.  
1**

**National**

**International**

**Micro News**

**Economy**

**Science**

**Space and Technology**

**Environment**

**Defence/Security**

**Sports**

**and**

**Much More**

**Most Updated Package for  
UPSC, State Civil Services and  
Other Competitive Exams.**

**A Series,  
Most Appreciated by the **TOPPERS**,  
for the Last Many Years**



**Code No. 819 ₹ 140.00**

**Hindi Edition : Code No. 809 ₹ 130.00**

**PRATIYOGITA DARPAN** || 1, State Bank Colony, Khandari, Agra-Mathura Bye pass, Agra-282 005  
Ph. : (0562) 2530966, 2531101 • E-mail : care@pdgroup.in • Website : www.pdgroup.in  
• New Delhi 23251844, 43259035 • Hyderabad 24557283 • Patna 2303340 • Haldwani M. 07060421008

Printed & Published by Monideepa Mukerjee, Director General, Publications Division, Soochna Bhawan, C.G.O. Complex, Lodhi Road, New Delhi-110003. Printed at J.K. Offset, B-278, Okhla Indl. Area, Phase-I, New Delhi. Editor: Shuchita Chaturvedi

YE-1774/2022