

Follow us on:

AMID RBI ACTION ON PFBL

Paytm to move nodal accounts to other banks

EXPRESS NEWS SERVICE
MUMBAI, FEBRUARY 2

RBI By the Reserve Bank's decision to terminate the nodal accounts of Paytm after February 29, One97 Communications Ltd (OCL)—which owns Paytm—on Thursday indicated that the company will stop its dependency on Paytm Payments Bank Ltd and its nodal accounts and QR codes will be moved to other banks.

Paytm shares fell 20 per cent to Rs 608.80 on Thursday amid reports that the RBI action will disrupt the services of the company.

OCL and PFBL are already in the process of moving nodal accounts to other banks and maintaining business services are not affected due to these decisions. OCL Chairman and CEO Vijay Shekhar Sharma said in a conference call.

"OCL already works with various banks and Paytm Payments Bank was one of the key banks. From here on, we are clear we will work with various other banks and not PFBL," he said.

"In offline version, where you see our AI in one QR, powered by Paytm Payments Bank... now that QR will need to be changed to any other sponsored bank. This will be a large exercise, the new acquisition will start in a week or two," Paytm President and COO Bhavish Gupta said.

Nodal account in a special purpose account created for receiving money from participating banks and remitting to specific merchants. The nodal account acts as a temporary vault to store and distribute money to relevant parties.

The RBI had prescribed a nodal account in 2009 in order to safeguard interests of the customers and ensure that pay-

ments made by them using electronic modes are duly accounted for. As per RBI mandate, the intermediaries receiving online payments need to collect the money in a nodal account, payments to the seller happen from this account without any delay.

In a big blow to Paytm's operations, the RBI on Wednesday turned Paytm Payments Bank from accepting deposits or transfers in any of its key products—customer accounts, prepaid instruments, wallets, FASTags and National Common Mobility Card (NCMC), among others—after February 29 in the wake of "persistent non-compliance and material supervisory concerns".

"This is an important moment for all of us, we have seen the updates from the RBI. The important thing is that we have been given directions and we are taking immediate steps to comply," Sharma said.

Depending on the nature of the resolution, the company expects the RBI action to have a worst-case impact of Rs 300 crore to 500 crore on its annual EBITDA (earnings before interest, tax, depreciation and amortisation) going forward.

"Two years ago, embargo was placed on boarding new customers; we had already started to work with banks and we will continue to decline and decrease dependency on PFBL," he said. "This is more of a speed bump but we believe in partnerships of the banks and we will be able to see to the same in the next few days," he said. "There are no details sent to us (Paytm) separately by the RBI. The key word here is that this is a discussion between Paytm Payments Bank and the central bank."

"With respect to operations, going forward, we will work with larger banks who also provide these services to other consumer companies," Sharma said.

Vacancies mounting, secretary-level rejig at Centre likely soon

JATIN ANAND
NEW DELHI, FEBRUARY 1

THE CENTRAL government is likely to effect a significant bureaucratic reshuffle on a dozen posts at the secretary level across ministries in the coming days, sources said.

The exercise has been initiated owing to vacancies on at least six significant secretary-level posts, including health and family welfare and women and child development ministries and superannuation of several senior IAS officers across ministries in the coming months, said the sources. Given the sensitive and significant nature of the posts, vacancies are soon to be vacated, the sources said. The Centre is likely to order the transfers "very soon".

For instance, Gyanesh Kumar, a 1988-batch IAS officer of the Kerala cadre, posted as secretary in the Ministry of Cooperation is superannuating on January 31 and three senior IAS officers are scheduled to retire at the end of the next month, said the sources.

Secretary (Labour and Employment), Anil Ahuja, an Odisha cadre IAS officer of the 1990 batch, Director General of the National Mission for Clean Ganga, Alok Kumar, a Telangana cadre officer of the 1991 batch, and Secretary (Women and Child Development) Indira Pandey, a West Bengal cadre officer of the 1988 batch, are scheduled to superannuate by the end of February.

Leaving another significant post vacant, Pandey was, on Wednesday evening, appointed a technical member in the National Company Law Appellate Tribunal for a period of four years.

Similarly, Rohit K Singh, a Rajasthan cadre IAS officer of the 1989 batch, posted as secretary in the Ministry of Consumer Affairs, is retiring in March.

The post of secretary in the Ministry of Health has been lying vacant since the appointment of 1981-batch IAS officer Sudhesh Pant as the Rajasthan chief secretary on December 31, 2023.

Secretary-level posts are waiting to be filled in the departments of border management, defence production, ex-servicemen welfare and pension and personnel welfare as well. Also vacant is the post of chairman of the India Waterways Authority of India.

Both sides aware of traditional grazing areas: MEA after shepherd video
New Delhi: Days after a video emerged of some Indian shepherds being confronted by Chinese soldiers near the line of Actual Control (LAC) in eastern Ladakh, the Ministry of External Affairs (MEA) on Thursday said the two sides are aware of traditional grazing areas and any incident of friction is dealt with under existing mechanisms. The shepherds were reportedly stopped by Chinese soldiers in an area south of Chushul in eastern Ladakh last month. "The two sides are aware of the traditional grazing areas in the border areas. Any incident of friction is dealt with traditional mechanisms as appropriate," MEA spokesperson Rishabh Jaiswal said on Thursday. **END**

Three years after Myanmar coup: India calls for full cessation of violence

New Delhi: As Myanmar marked three years of military coup, India on Thursday called for complete cessation of violence in the country and its transition towards inclusive federal democracy. The Ministry of External Affairs' official spokesperson Randeep Jaiswal said, "We are concerned over the deteriorating situation in Myanmar which has deep implications for us." "As a neighbouring country and friend of Myanmar, India has long been advocating for complete cessation of violence and Myanmar's transition towards inclusive federal democracy," he said, while responding to questions on Myanmar. **END**

FROM PAGE ONE

FULL REPORTS ON
WWW.INDIANEXPRESS.COM

Interim Budget: No poll vault, measured step looking ahead

percentage point to 6.1 in 2024-25, she also told the markets the government would borrow less, so that the private sector can get the required credit at lower interest rates.

Presenting her sixth straight Budget, Sitharaman said the government had overcome every challenge of the post-2014 era and placed India on a resolute path of sustained high growth. She sounded certain the BJP would return to power in 2024. "In the full Budget in July, our Government will present a detailed roadmap for our pursuit of 'Viksit Bharat'," she said.

While Sitharaman did not announce anything about welfare programmes, she said the government will launch a scheme for the middle class "living in rented houses, on the fringes of cities and in un-

dered colonies" to buy or to build their own houses. Depending on the state of the scheme, it has the potential to give a fillip to the construction sector, which not only provides jobs, but boosts domestic demand for capital goods, steel, cement, etc.

The Finance Minister expects the nominal GDP growth rate to be 10.5% (Rs 3.27 lakh crore or \$394 billion assuming 1 USD = 83.13 in absolute terms) in 2024-25. Even if inflation is assumed to be 4%, this would mean a real GDP growth rate of 6.5% next year compared with 3.3% in 2023-24. In its review of the economy earlier this week, the Finance Ministry had expected the economy to clock at least 7% growth over the next few years.

After the Budget presentation, Prime Minister Narendra Modi

said, "This Budget will empower all pillars of developed India—the youth, the poor, women, and farmers. It carries the paradigm of strengthening the foundation of Viksit Bharat by 2047." Given the fast population growth and demographic changes, the Finance Minister said a high-powered centralised committee will be formed for stakeholder consultations, and then make recommendations towards achieving the goal of Viksit Bharat.

Given that spending would slow down in the short term as the Model Code of Conduct kicks in, Sitharaman has assigned the fiscal allocation for 2023-24 across various ministries, which served her out the fiscal deficit to 5.8% of GDP in the revised estimate, which is 10 basis points lower than the budget estimate. For the next financial year 2024-25 too, she has estimated the fiscal deficit to drop further to 5.1% of GDP, which means lower government borrowings.

While Sitharaman has allocated Rs 15.1 Lakh crore (3.4% of GDP), a 17% higher outlay for capital expenditure, or spending that is directed towards creating productive assets, it is lower than the 20% increase she had provided in 2023-24. But this probably comes from confidence that boomtowns in India will now start clearing investment plans. In fact, projecting lower borrowing in 2024-25, she said, "Now that the private investments are happening at a scale, the lower borrowings by the Central government will facilitate larger availability of credit for the private sector." Market borrowings are estimated to amount to Rs 30,000 crore lower in the next financial year.

The Budget did not make any changes in tax rates, but offered a resolution to those effectively locked in the whirlwind of outstanding debt to demand of up to Rs 25,000 up to 2029-30, and up to Rs 10,000 for financial years 2010-11 to 2014-15, because of which refunds to taxpayers were held back. "This is expected to benefit about seven crore taxpayers," Sitharaman said. Officials said this would mean a benefit to one in eight tax filers.

In line with developments in the technology and startup ecosystem, the Finance Minister also announced the setting up of a Rs 1 lakh crore corpus with 50-year interest-free loan. The corpus will provide almost zero or low interest rate loans with a long-term for research and innovation by the private sector in sectors like space, biotech, quantum computing, etc. Further, to encourage states to develop, boost and market iconic tourist centres at global scale, she said long-term interest-free loans will be provided to them on matching basis.

On Thursday, after the presentation of the Budget, Sitharaman said that the government would be looking at the possibility of a 1% increase in the corporate tax rate, but this would be a last resort. "We are not in a hurry to increase the corporate tax rate, but we are looking at it as a last resort," she said.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

long-term for research and innovation by the private sector in sectors like space, biotech, quantum computing, etc. Further, to encourage states to develop, boost and market iconic tourist centres at global scale, she said long-term interest-free loans will be provided to them on matching basis.

The Budget did not make any changes in tax rates, but offered a resolution to those effectively locked in the whirlwind of outstanding debt to demand of up to Rs 25,000 up to 2029-30, and up to Rs 10,000 for financial years 2010-11 to 2014-15, because of which refunds to taxpayers were held back. "This is expected to benefit about seven crore taxpayers," Sitharaman said. Officials said this would mean a benefit to one in eight tax filers.

In line with developments in the technology and startup ecosystem, the Finance Minister also announced the setting up of a Rs 1 lakh crore corpus with 50-year interest-free loan. The corpus will provide almost zero or low interest rate loans with a long-term for research and innovation by the private sector in sectors like space, biotech, quantum computing, etc. Further, to encourage states to develop, boost and market iconic tourist centres at global scale, she said long-term interest-free loans will be provided to them on matching basis.

On Thursday, after the presentation of the Budget, Sitharaman said that the government would be looking at the possibility of a 1% increase in the corporate tax rate, but this would be a last resort. "We are not in a hurry to increase the corporate tax rate, but we are looking at it as a last resort," she said.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

•Gyanvapi: Puja starts in cellar

It said, "We have complied with the court's directives." The Anjuman Ittehadia Masjid Committee, which manages the mosque, moved an urgent application before the Supreme Court seeking an injunction against the district court's order, but was told to first approach the Allahabad High Court.

Speaking to The Indian Express Thursday evening, Senior Advocate S F A Nagvi, who moved an application in the High Court on behalf of the mosque committee, said, "We moved an application challenging the district court order passed on Wednesday, which allowed puja to be done in the southern cellar. In our application, we have written that despite the district judge saying that the said property be given for puja within seven days, the administration delayed a late night Wednesday itself, just hours after the order."

"We have also said that our application on Civil Procedure Code (Order 18 Rule 11) on maintainability (of a suit) has been filed for a later date, while other aspects are being decided. We have said that this order (Wednesday) is virtually a final order in the case in the period of an interim order. This type of order can only be passed after the evidence is examined by a court, but that has not happened," he said.

"We first mentioned the application before the Chief Justice of the High Court, who said we should submit it to the registry. We did so... We will wait to see if this matter is listed tomorrow," Nagvi said.

Earlier, in the early hours of Thursday, Pandit Abhinav Singh, who is the Advocate-on-Record for the mosque committee, moved a "letter of extreme urgency" before the Supreme Court Registrar, stating: "Under the garb of the order dated 31.01.2024, the civil administration, in hot haste, has deployed a massive police force on site and is in the process of cutting the grill located in the southern side of the mosque complex."

The district court's direction for puja in the cellar came on the petition of Shri Anand Kumar Prasad, head priest of Acharya Ved Vyasa Temple, who said that the Vyasa family had been offering puja in the cellar since the rule of the British but the practice was stopped in December 1993.

Hindu litigants, appearing before the court, have claimed that the Gyanvapi mosque was built on the site of the earlier Kashi Vishwanath temple after its destruction in the 17th century.

On Thursday, after the puja commenced in the cellar, Vishnu Bhawan Mishra, Chief Executive Officer of the Kashi Vishwanath Temple Trust, said that the puja would be conducted five times a day, involving the schedule at the Kashi Vishwanath temple.

Only one priest, accompanied by an assistant, has been permitted inside the cellar for now, Mishra said, adding that people can observe and worship from a distance.

When puja began Wednesday night, family members of Pandit Somnath Vyas, whose forefathers served as priests at the temple, were present.

Jitesh Vyas (42), Pandit Somnath's grandson, said he received urgent phone calls around 11 pm Wednesday asking him to reach the southern cellar immediately. Once there, he saw senior police and administration officers outside and the entry in the cellar secured with iron rods. The district administration used a gas cylinder to remove part of the barricade to allow access to the cellar.

Jitesh Vyas said he was told at the last minute not to enter the cellar. Before the start of the puja, officials and a temple priest inspected the interior of the cellar, which was clean and eight idols, stored in the treasury after being found by the Archaeological Survey of India, were brought and duly installed.

Varanasi Commissioner Karan Singh said the puja was performed by Pandit Om Prakash Mishra, the only person present in the cellar.

Meanwhile, the Anjuman Ittehadia Masjid Committee released an "important appeal" Thursday, asking Muslims of Varanasi to keep their shops and businesses open during the puja. It said, "From afternoon prayers till evening prayers, people will stay engaged in prayer" and urged "everyone to maintain peace".

Before the start of the puja, officials and a temple priest inspected the interior of the cellar, which was clean and eight idols, stored in the treasury after being found by the Archaeological Survey of India, were brought and duly installed.

Varanasi Commissioner Karan Singh said the puja was performed by Pandit Om Prakash Mishra, the only person present in the cellar.

Meanwhile, the Anjuman Ittehadia Masjid Committee released an "important appeal" Thursday, asking Muslims of Varanasi to keep their shops and businesses open during the puja. It said, "From afternoon prayers till evening prayers, people will stay engaged in prayer" and urged "everyone to maintain peace".

Before the start of the puja, officials and a temple priest inspected the interior of the cellar, which was clean and eight idols, stored in the treasury after being found by the Archaeological Survey of India, were brought and duly installed.

Varanasi Commissioner Karan Singh said the puja was performed by Pandit Om Prakash Mishra, the only person present in the cellar.

Meanwhile, the Anjuman Ittehadia Masjid Committee released an "important appeal" Thursday, asking Muslims of Varanasi to keep their shops and businesses open during the puja. It said, "From afternoon prayers till evening prayers, people will stay engaged in prayer" and urged "everyone to maintain peace".

Before the start of the puja, officials and a temple priest inspected the interior of the cellar, which was clean and eight idols, stored in the treasury after being found by the Archaeological Survey of India, were brought and duly installed.

Varanasi Commissioner Karan Singh said the puja was performed by Pandit Om Prakash Mishra, the only person present in the cellar.

Meanwhile, the Anjuman Ittehadia Masjid Committee released an "important appeal" Thursday, asking Muslims of Varanasi to keep their shops and businesses open during the puja. It said, "From afternoon prayers till evening prayers, people will stay engaged in prayer" and urged "everyone to maintain peace".

•Why India Inc isn't picking investment baton

investment plans continue to be on the drawing board of management, but not finalising. Besides this, persisting question marks over consumption levels in the economy, particularly with rural segment, have also held them back. Investments in the private sector are a function of the demand expectations. The significant commodity price inflation in FY23 and the interest rate hikes witnessed over the last one-and-a-half years (expected private consumption, thus resulting in deflation of some investments by the private sector," said Kunal Shah, Vice President and Co-Group Head of Corporate Ratings at CRISIL.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

For years in a row, the Centre has been the beneficiary of capital flight, and in the last few years, it has been the beneficiary of a sharp corporate tax rate cut and then a production-linked incentive scheme to spur private investment. Crowding in of private investment has been the government's constant refrain through the varying phases that included a post-2014 boom and a post-2014 boom and a post-2014 boom.

3 The City

BMC BUDGET TODAY

Announced last year, big-ticket projects that are yet to take off

NAYONKA BOSE
MUMBAI, FEBRUARY 1

ON FRIDAY, the Brihanmumbai Municipal Corporation (BMC) is all set to unveil the annual civic budget for the financial year 2024-25. Last year, the civic body — which is also the country's richest — had rolled out a Rs 52,619.07 crore budget, a jump of 14.52 per cent over the 2023-24 fiscal. But in the civic body's budget surpassed the 50,000-crore mark for the first time in its history, several projects which were announced, elemental to the city's growth, are yet to take off.

Road concretisation project

While announcing the budget last year, the civic body had announced its ambitious plan of making Mumbai pothole-free. The announcement was followed by a Rs 6,000 crore road concretisation project aimed at concretising 397 km of

city roads within the next three years.

However, at least as of January 29, work on the concretisation project is yet to see the light of the day. According to sources, no work on the project has commenced yet.

Meanwhile, anonymous officials have said a new tender would be floated at a later date. "Some of the eligibility criteria of selecting contractors would be revised in the next tender. The project cost may also be kept in mind for factors like inflation," an official said.

Last year in November, the BMC had issued a notice of termination of contract to SSL, one of the five contractors, for failing to even commence work on the project. On January 18, the BMC even told the Bombay High Court that it had also cancelled the fresh tender, worth over Rs 1,382.34 crore, which was issued on December 4 to concretise roads in the island city. On Monday, meanwhile, the BMC issued fresh tenders for the same.

Mired with delays, the road concretisation project, announced in August 2022 — after the Dhanu Shinde-Devendra Fadnis government came to power in July 2022 — to make Mumbai's roads concrete and pothole-free by 2024, remains a distant reality.

'Pedestrian First' policy

In a bid to declutter urban spaces and provide a better walking experience to Mumbai residents, the BMC, in its budget last year, had announced a 'Pedestrian First' policy under which any road in the city with a minimum width of 9m was proposed to have pedestrian-friendly footpaths. A kind of Rs 200 crore was earmarked to make the city streets more pedestrian friendly.

Speaking during the budget presentation last year, municipal commissioner and state-appointed administrator Iqbal Singh Chahal had said the civic body would carry out a survey of



A large pothole near the junction of Barmer Nath Path Road and Cotton Green railway station. The pothole, reportedly caused by recent road work in the area, has been temporarily patched with sacks. *Anil Chatterjee*

all the roads with minimum width of 9m, following which footpaths will be constructed.

"The process involved removal of hawkers and shawls from the footpaths that would require giving them alternate space. However, the process has

been stalled as the Town Working Committee (TWC) was supposed to help us identify some of the non-hawking zones, which is still pending," an official said.

14 smog towers

In a bid to curb rising pollution, in the previous budget, the BMC coined and allocated a fund of Rs 25 crore for the policy — Mumbai's Air Pollution Mitigation Action Plan (APMAP), under which the civic body aimed to curb air pollution across various sectors, initiate multi-level monitoring strategy for the city as well as adopt a decentralised planning system for measures to tackle pollution.

As a part of the APMAP, the civic body was going to install 14 smog towers — two towers each in the seven municipal zones of the city — with capacity to pull the air within a one-kilometre radius. According to officials, these 30-ft high towers would be equipped to cut down the suspended pollutant material by 45%.

One year on, the towers are yet to find ground with the civic body still studying the mechanism and evaluating the best way to implement the system in the city.

Speaking to The Indian

Express, an official from the civic environment department said, "We are studying the suitable mechanism for implementation of the system in Mumbai. Setting up a tower requires a lot of space and finding such space in the city is one major concern. Besides, the system also generates a lot of sound. Therefore, we are still studying the best way to implement this system in Mumbai."

For the record, similar smog towers have been installed in several north Indian cities: Delhi, Gurgaon, Lucknow and Chandigarh to curb air pollution levels. However, senior officials pointed out that the failure of the system in curbing pollution in Delhi has led to more extended study of the technology.

Hyper local monitoring system

Within the ambit of the APMAP policy, the BMC also announced a plan to implement the hyper local sensor-based monitoring system. However, the civic body is yet to imple-

ment the system.

According to the environment department, a team of experts at IT Kanpur are currently studying the feasibility of the technology in Mumbai. "The term of hyper local monitoring systems has already been implemented in Lucknow as well as other cities. Therefore, IT Kanpur is conducting a study to check the feasibility of the system and explore the implementation of similar systems," said a source.

"The funding for this technology has been allocated under the overall mitigation action plan. Since we are still studying the technology, we have not fixed any timeline on the same," they added.

On the question of allocations for air pollution mitigation in this year's budget, sources from the environment department added, "The implementation of all the technologies which had been announced in the previous year will be carried forward this year. It is unlikely that new announcements will be made this year."

THEME PARK PROPOSAL AT MAHALAXMI RACECOURSE

BMC's 'opaqueness' draws fire from activists, city residents

PRATIPACHARYA
MUMBAI, FEBRUARY 1

THE BRIHANMUMBAI Municipal Corporation's proposal to transform a part of the Mahalaxmi Racecourse into a 'theme park' has sparked many activists and city residents, who have questioned the secrecy around what the corporation plans to do with the said land.

Earlier this week, a majority of members of the Royal Western India Turf Club (RWITC) gave their nod to a proposal mooted by the BMC that stipulated that the lease of the century-old racetrack would be extended on the condition that the club handed over 120 acres of the 211-acre racetrack to the BMC.

The reasoning behind the BMC's proposal is what the civic body says the extreme disparities in land ownership of urban green spaces that prevail across Mumbai with the corporation claiming that it wants to make privately owned and often unused green spaces accessible to citizens.

While the reasoning given by the BMC to create an accessible open space for a large number of Mumbai's residents, the opaqueness of the plan and the initial idea floated of creating the open space in the centre of the racetrack in a hollowed space has drawn criticism.

Even in the Bombay High Court, while seeking deferral of e-voting for renewal of lease for the racetrack, the petitioner member of the club had argued that the BMC commissioner had not given final plan for the public garden and therefore they cannot vote without the same.

On January 25, Advocate General Devendra Sana for the state government had submitted before the High Court that the proposal required RWITC's decision as it was once the lease of the entirety of the land (in 2013), adding that the proposal may not even be approved by the RWITC. Even if it is approved, the ultimate decision will be taken by the state government, he said. Sana said the decision of either the RWITC or of the state government "cannot be finalised by a writ court". He added that even if the proposal was passed by the EGM of RWITC, the decision that the government may take is still entirely at large.

WHAT HAS BMC PROPOSED

The RWITC or the Mahalaxmi Racecourse, as it is popularly known as, is situated in BMC's a sea-facing land parcel, modelled on the Randwick Racecourse of Sydney. The land parcel was donated by Sir Curzon N Wadia, which was later taken over by the then city's municipal authorities and subsequently the RWITC was allowed to continue operations after paying a lease fee.

While the lease has been re-



The Mahalaxmi Racecourse was built in 1883 on a sea-facing land parcel, modelled on Randwick Racecourse of Sydney. *An*

newed multiple times, the BMC in 2013 decided against extending it further. While several plans were floated in these years of inactivity on the land, the racetrack continued its operations.

With RWITC members anxious about what the state and the BMC were planning to do with the said land, the latter put forth a proposal promising to extend the said lease provided the RWITC agreed to hand back 120 of the total 211 acres back to the BMC.

Municipal commissioner and state-appointed administrator Iqbal Singh Chahal on January 18 gave an open house presentation to members of the RWITC to put forth his vision to the members.

The BMC plans to create an open green space in the 120-acre plot, which will have pathways, walkways and sitting areas for visitors. Besides, the BMC has also proposed creation of an underground railway that will connect the plot with the upcoming 175-acre green open space being created in the reclamation of the Mumbai Coastal Road Project (MCRP).

The BMC in its proposal has also stated that the entire park would be opened for public access, modelled on the Hyde Park in London or Central Park, New York.

"By theme park, we don't mean that we are going to create an amusement park by doing additional constructions nor do we mean that the plot will be taken up by real estate lobbies for developing them. It will be 200 acres of open space which will be a boon for citizens and having it merged with a 175-acre upcoming park for the coastal road, the city will gain close to 300 acres of open space," said an official.

The RWITC members were assured that the race would go on unhindered.

QUESTIONS RAISED BY ACTIVISTS

Interestingly, the entire vision that the BMC has for the racetrack was explained orally to the members. The BMC has not presented any blueprint of the project, which they want to

execute at the grounds.

"The BMC had already put a condition stating that the lease would only be renewed after the RWITC accepted their proposed plan. The voting was based on members of the meeting in which the municipal commissioner was present; however, there is no proper presentation that was shown to us nor is there any blueprint. It appears that several aspects about the project are yet to be finalised," Vivek Jain, former chairman of RWITC, said.

Activists have also questioned the BMC's intent of negotiating through with the lease extension without holding public consultations on what it was planning to do with one of the largest green spaces in the city. "The BMC is using a term called 'theme park' which appears to be very scary; therefore, unless and until they share the holistic idea of the plan, we cannot not actually understand what's their actual motive right now," Ales Narwekar, a city-based activist and an open space activist, said.

Former BJP corporator Mahesh Narwekar said that out of the 1,718 members of the RWITC, only 540 members voted in favour of the plan. This doesn't mean that residents of the city are in favour of it and that the racetrack belongs to all Mumbaiers.

He also wrote to the BMC on Wednesday, raising questions on the proposed racetrack land development.

In his letter, Narwekar stated that this is a race open space which is well maintained and utilised by the public. "School children are taught polo and horse riding here, which happens in no other city in Maharashtra. The BMC should responsibly come out and clear the concerns of the public at large. There is still a question about whether this development plan is necessary. The BMC should act as an auditor of open space and not as an owner. There can't be a better use of this space other than what's happening right now," said Narwekar.

(WITH INPUTS FROM OMKAR GORHALE)



TATA STEEL LIMITED

Registered Office: Bombay House, 24, Hornby Road, Fort, Mumbai 400 001, India
Tel No: +91 22 6666 8282 E-mail: corporate@tatasteel.com Website: www.tatasteel.com
Corporate Identification Number: L27109MH1907PLC002280

POSTAL BALLOT, NOTICE AND E-VOTING INFORMATION

Notice is hereby given that Tata Steel Limited (the Company) is seeking approval of the Members of the Company by way of postal ballot through remote e-voting on the following four ordinary resolutions:

SN	Description of Ordinary Resolutions
1	Material modification in the approved related party transaction(s) with Tata India Steel and Wire Products Ltd
2	Material modification in the approved related party transaction(s) between Tata Steel Downstream Products Limited, a wholly owned subsidiary of Tata Steel Limited and Tata Motors Limited, a related party of Tata Steel Limited, and ancillary entities of Tata Motors Limited
3	Material modification in approved related party transaction(s) with Tata Motors Limited and Pooja Metal Industries Private Limited / ancillary entities of Tata Motors Limited, third party entities
4	Material related party transactions with Tata Capital Ltd (a related party of Tata Steel Limited)

The Postal Ballot Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 read with other applicable laws (Notice) is available on the website of the Company at <https://www.tatasteel.com/investor/related-party-transactions> and on the website of the National Securities Depository Limited (NSDL) at www.evoting.nsdl.com and on the website of the Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited at www.bseindia.com and the National Stock Exchange of India Limited at www.nseindia.com.

In compliance with the provisions of the Companies Act, 2013 and the General Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 22/2022 dated May 3, 2022, 11/2022 dated December 26, 2022 and 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (collectively called 'MCA Circulars'), the Company has sent the postal ballot notice on Thursday, February 1, 2024, ONLY through electronic mode, to those Members whose e-mail addresses are registered with the Company/Depository Registrar and Transfer Agent/Depository Participants and whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, January 26, 2024 (Cut-off date). Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope has not been sent to the Members for the Postal Ballot. The Company has completed the sending of the Notice to eligible shareholders through electronic mode on Thursday, February 1, 2024.

The Company has engaged the services of NSDL to provide remote e-voting facility to its members. The remote e-voting period commences on Friday, February 2, 2024, from 9.00 a.m. (IST) and ends on Saturday, March 2, 2024, at 5.00 p.m. (IST). The remote e-voting module shall be disabled by NSDL thereafter. Voting rights of the Members shall be in proportion to the equity shares held by them in the paid-up equity share capital of the Company as on the Cut-off date. Once a vote on a resolution is cast, the Member will not be able to change it subsequently. Please note that communication of assent or dissent of the Members would only take place through the remote e-voting system. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting.

To facilitate Members to receive this Notice electronically, the Company has made arrangements with its Registrar and Transfer Agent, Link Intime India Private Limited (RIA) for registration of e-mail addresses in terms of the MCA Circulars. Members who have not registered their e-mail addresses with the Company may register the same with the RIA on or before 5.00 p.m. (IST) on Friday, February 23, 2024, from which NSDL will provide the Members with copy of the Notice. The process for registration of e-mail address is provided below and also provided in the Notice section to the Notice.

A. One-time registration of e-mail address with RIA for receiving the Notice and casting votes electronically:
As part of Company's green initiative and to facilitate Members to receive this Notice electronically, the Company has made special arrangements with its RIA for registration of e-mail addresses. Eligible Members who have not registered their e-mail addresses with the RIA, are required to provide the same to the RIA, on or before 5.00 pm (IST) on February 23, 2024.

B. Process to be followed for one-time registration of e-mail address (for shares held in physical form or in electronic form) is as follows:

- Visit the link https://riaclickintime.co.in/indiaRegional_Register.html
- Select the name of the Company from drop-down: Tata Steel Limited
- Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile number and e-mail id
- System will send One Time Password (OTP) on mobile no. and e-mail id
- Enter OTP Password on website and e-mail id and submit

After successful submission of the e-mail address, NSDL will e-mail a copy of the Postal Ballot Notice along with the e-voting user ID and password.

For voting process, please refer 'Notes' section of the Postal Ballot Notice. In case of any queries, Members may write to corporate@tatasteel.com or evoting@nsdl.com

C. Registration of e-mail address permanently with Company / DP: Members are requested to register the e-mail address with their concerned DPs, in respect of electronic holding and with the Company / RIA in respect of physical holding, please visit <https://riaclickintime.co.in/client/downloads.html> to know more about the registration process. Further, those Members who have already registered their e-mail addresses are requested to ensure that their E-mail ID is valid or in case of change, update the same with their DPs/RIA to enable service of notices/documents/Regulated Reports and other communications electronically to their e-mail addresses in future.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call or toll free no.: 022 - 4986 7000 and 022 - 2496 7900 or send a request to Mr. Anil Vaidya, Asst. Vice President-NSDL or Mr. Satish Yashwanth, Assistant Manager-NSDL at evoting@nsdl.com or contact at NSDL, 4th Floor, 3rd Wing, TradeWoods, Kamala Mills Compound, Senapati Bapat Marg, Lower Park, Mumbai-400 013.

The Board of Directors of the Company has appointed Mr. R. N. Parthi, Membership No. FCS 127, CP No. 1220 or failing him, Mr. Ajay N. Vaid (Membership No. FCS 9498, CP No. 8018) or failing him, Mr. Mahesh Chhabra (Membership No. FCS 8321, CP No. 3051) or Mr. Parthi & Associates, Practising Company Secretaries, as the Scrutinizer to supervise the postal ballot process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman, or any other person authorized by him, after scrutiny of the votes cast for the Postal Ballot through remote e-voting, within two working days from conclusion of the remote e-voting period for the postal ballot. The Scrutinizer's decision on the validity of votes cast will be final. The results of the remote e-voting along with the Scrutinizer's Report will be made available on the website of the Company at www.tatasteel.com and on the website of NSDL at www.evoting.nsdl.com and intimated to BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed, within two working days from the conclusion of the remote e-voting period for the postal ballot. Additionally, the results will also be placed on the noticeboard at the Registered Office of the Company.

Tata Steel Limited
30-
Parvatham Karthikeyan
Company Secretary &
Chief Legal Officer (Corporate & Compliance)
Membership No. ACS 15621

February 2, 2024
Mumbai

TATA STEEL

4 MAHARASHTRA

MARATHA QUOTA ROW HITS RULING ALLIANCE

Shinde Sena MLA's remark on Bhujbal angers Ajit Pawar NCP

EXPRESS NEWS SERVICE
MUMBAI, FEBRUARY 1

THE ONGOING row over Maratha reservation reflected in the ruling alliance as Shiv Sena MLA Sanjay Galgolkar allegedly used provocative language while denouncing the resignation of senior minister. The Aaj Pawar-led NCP has said it will complain about the matter to CM Devendra Fadnis.

"A minister cannot be against a particular community if he does not have the right to speak in that position. If Chhagan Bhujbal is opposing the Chief Minister despite being in the state cabinet, then he should be



Chhagan Bhujbal has strongly opposed the draft notification.

kicked out of the cabinet," said Sanjay Galgolkar, an MLA from the Shiv Sena.

The Aaj Pawar camp strongly objected to the language and demand made by Galgolkar. The faction's state unit chief and Lok Sabha MP Sanjay Tarikani said that such statements were made to seek publicity. "We are in alliance and use of language while talking about

an ally must be looked into. It is not that you cannot use such language, but we prefer to maintain certain decorum. We will be meeting Chief Minister Eknath Shinde regarding our discontent about the use of such language," said Tarikani. He added that every person has a right to express disagreement in a democracy, but the use of language must be maintained.

Bhujbal has not reacted to the demand of his resignation.

Following the agitation of Marathi quota activist Manoj Jangaraj Patil, the state government issued a draft notification of rules in awarding Marathi (MRC) caste certificate to Marathas by including the word "sage-sanyas" (blood relatives). Even if

the deadline to seek suggestions and objections is February 16, the row over its constitutional validity has already begun.

Bhujbal, who is a senior minister from the Aaj Pawar-led NCP and an OBC leader in the state, has strongly opposed the draft notification, demanding that it be scrapped. It was not maintained in court. Bhujbal is scheduled to address a rally of OBC community members on February 3 in Ahmednagar, against his own government's decision.

He has also called on OBC organisations across the state to unite against the decision. As a result, the Shiv Sena-led Marathi caste certificate to Marathas by including the word "sage-sanyas" (blood relatives). Even if

Maratha survey enumerator assaulted on duty in Mumbai

RUPSA CHAKRABORTY & VIJAY KUMAR YADAV
MUMBAI, FEBRUARY 1

AN ENUMERATOR of the government-sponsored Maratha survey was assaulted by a resident of a housing society in Bandra West while she was conducting the survey. The Bandra police have registered an FIR after a complaint by the enumerator and have summoned the accused for questioning.

The incident occurred on Wednesday when community health worker Aditi Chiplkar went to a residential building in Bandra West to conduct the survey. Chiplkar said a resident on the eighth floor of the building was hostile towards her and refused to participate in the survey, grabbing her and kicking her in the stomach.

When Chiplkar descended to the lower floor and was speaking to another flat owner, the woman from the eighth floor followed her and abused her.

"When I tried clarifying that I was just performing my duty, she threatened to call the police and started shouting. I was physically dragged and compelled to go downstairs, with guards instructed to 'push me out,'" Chiplkar said.

She then reported the incident to her senior, Dr. Disha

Banerjee, a medical officer from Bandra, who rushed to the building and tried pacifying the woman.

"While things cooled down for some time, the fifth floor resident followed us when we were on the third floor and started abusing us. She was stopping the other residents from participating in the survey. Then she grabbed me by my throat," Chiplkar said.

The woman then turned her attention towards Dr. Banerjee who was also assaulted.

"She assaulted the doctor, slapping her and kicking her leg," Chiplkar said.

The two then went to the Bandra police station where an FIR was filed against the incident.

"We have booked the accused under sections 333 (voluntarily causing harm in order to deter a public worker from doing his duties) of the Indian Penal Code and are further investigating the matter," said Sanjay Mathe, senior inspector of Bandra police station.

"We haven't made any arrests as of now. We have sent a notice to the accused, summoning to the police station," Mathe added.

Meanwhile, the police have

requested BMC officials to allow 48 hours for their investigation into the matter. A senior officer from BMC stated, "If the police do not take any action against the resident, then we will decide the next course of action. The enumerators were simply performing their duties, and if someone chooses not to participate, no one can force them. However, assaulting and abusing a doctor is a criminal act."

Between January 23 and 31, the survey aimed to cover a total of 38,62,190 houses. Out of this, 4,64,057 houses declined to participate, resulting in a refusal rate of approximately 10.46 per cent.

As per the information gathered by The Indian Express, the highest number of refusals were recorded from South Mumbai.

The Indian Express had earlier reported the challenges being faced by enumeration while conducting the survey with people declining to divulge the required information.

The Brihanmumbai Municipal Corporation (BMC) had claimed that during the first six days of the survey which commenced on January 23, nearly 10 per cent of households in Mumbai that were to be enumerated declined to provide information. This is however the first reported instance of violence against enumerators.

LALBAUG FLYOVER High Court gives BMC 6 weeks on action taken against errant contractors

EXPRESS NEWS SERVICE
MUMBAI, FEBRUARY 1

THE BOMBAY High Court on Wednesday directed the Brihanmumbai Municipal Corporation (BMC) to inform within six weeks whether the inquiry report on the deterioration of the Lalbaug Flyover in central Mumbai found any breach by contractors or civic officers. The high court also asked the civic body if it took any action against the errant individuals.

The bench was hearing a PIL seeking implementation of a 2017 order of the high court and taking action against the contractor as the structural defects had cropped up barely five years after construction.

The 22.48-kilometre flyover between TTC Hotel in Parel and Jnanata Udyan in Dadar was inaugurated in June 2017. It was built by the Mumbai Metropolitan Region Development Authority (MMRDA) and later handed over to the BMC. After a major gap was visible between two slabs in November 2018, the flyover was shut for repairs for some period.

A division bench of Chief Justice Devendra Kumar Upadhyaya and Justice Arif S. Doctor passed an order in a PIL by activist Bhagwati Rajwar, along with advocate Suresh Kumar, seeking implementation of a 2017 order to take action against the errant contractor.

The court noted, as per the March 2017 order, besides directing the state to appoint a committee, it had asked the BMC officers to ascertain if there were any breaches by contractors that carried out the work, and if the breaches were found, necessary action was prescribed.

The HC had also directed that, if necessary, the MMRDA shall exercise Special Power of Attorney (SPA).

MU launches online process to get answersheet copies, expedite re-evaluations

EXPRESS NEWS SERVICE
MUMBAI, FEBRUARY 1

INSTEAD OF the usual practice of manually getting a photocopy of answersheets, students of Mumbai University can now get a scanned copy online.

Mumbai University announced the new system, which has now been made available from the ongoing winter session exams. The online method was introduced due to the delay caused through the manual process of getting answer sheets and re-evaluations.

As per information shared by MU administration, as soon as a result is declared, students will be given a link to the university website to apply for re-evaluation and receive copies of answer sheets. In the event that a student dies apply for re-evaluation, the scanned copy of the answer sheet will be made available to the concerned professor as well. "Students have complained in the past that their re-evaluation result was not declared until the re-exam date," said a university official. Until now, students were able to apply online, but getting their hands on original answer sheets and then getting them re-evaluated was only possible manually.

Rohit Pawar quizzed by ED for 8 hrs

EXPRESS NEWS SERVICE
MUMBAI, FEBRUARY 1

OPPOSITION NATIONALIST Congress Party (NCP) MLA Rohit Pawar was quizzed for the second time in 10 days on Thursday for eight hours by Enforcement Directorate (ED) in the alleged Maharashtra State Central Co-operative Bank scam.

"We are going to take action for fighting for the welfare of common people then we are ready to face everything," said Rohit after coming out of ED office. He said that ED officials have further sought papers till February 1 and if needed they will call him again. "We are fighting for ideology. I want to clarify that those who were scared how they ran away in the past, it is not going to happen with us. We are ready for the inevitable struggle that stands our future," said Rohit.

On Thursday, Rohit turned up at ED's south Mumbai office at around 1 pm, accompanied by his wife Ruchi, father Rajendra Pawar and cousin sister Revati Sule. His grandniece and NCP chief Shurati Pawar's wife Parvathi Pawar was at the NCP office nearby.

After two hours in the ED office, Rohit had said, "I was served a notice by the ED first time on January 19. But the Economic Offence Wing filed the closure report in the case on January 20.



Rohit Pawar enters the ED office in Mumbai on Wednesday. (Southdeep Bhargava)

There is nothing to hide as closure report is filed when agencies find no material to probe. Irrespective of that if ED wants to interrogate me and want documents then I am ready to give it," said Rohit.

On January 24 when Rohit was quizzed by the agency for nearly 12 hours, Sharda Pawar was present at the party office waiting for him to be released. He was also accompanied by his daughter and Ratanmati Lak

Sabha MP Supriya Sule. Rohit is presently in Delhi for the budget session of Parliament.

The money laundering investigation into Pawar's firm is related to charges of "diversion" of cash and the deposit of earnest payments by companies that bid on the purchase of an ailing Maharashtra-based cooperative sugar factory Kinsud Sahakar Sahakar Karkhana (SSK).

The said factory was taken over by Ratanmati Agni at Rs 50

crore which is significantly under-valued price and supposed to be result of a manipulated auction under the Maharashtra State Co-operative Bank, the anti-money laundering agency suspects.

The MSCR scam case relates to loans given to sugar factories allegedly without following procedure by officials of the MSCR. Even after they turned into Non-Performing Assets and their subsequent sale to him at the accused below market value.

MAHARERA 4l developers get showcase notices for no registrations

MUMBAI: The Maharashtra Real Estate Regulatory Authority (MaharERA) has issued showcase notices to 41 developers for not registering their projects without mandatory MaharERA registrations.

The MaharERA officials noted the presence of advertisements is promoting the sale of "non-agricultural plots" without the requisite MaharERA registration number. Under Section 3 of the Real Estate (Regulation and Development) Act, 2016, obtaining MaharERA registration is mandatory for the sale of plots, flats, or buildings, subject to specific conditions. **END**

MUSIC TEACHER STRIPPED IN LOCK-UP HC asks govt what steps will it take to ensure persons' dignity protected

OMKAR GOKHALE
MUMBAI, FEBRUARY 1

AFTER PERUSING various circulars and provisions of the Maharashtra government, the Bombay High Court recently observed that once of them deal with the issue of stripping of an arrested person detained in police lock-up and asked the government to inform what steps it will take to ensure that the dignity and privacy of such persons are protected.

The court passed the order while hearing a plea by the wife of a music teacher, who was arrested in July last year on multiple charges for allegedly showing an obscene video to one of his students and was illegally detained and allegedly harassed and stripped at Sant Rasta police lock-up. The HC, in September last year, had directed the state government to pay Rs 2 lakh compensation to him.

The court had then directed that after a full-fledged inquiry, the compensation be recovered from salary of persons found responsible for illegal detention of the man.

The wife, in her plea, had

claimed that her husband, who had visited the Sant Rasta police station with his lawyer, was arrested and made to stay in the lock-up for the entire night, despite the officer being available and he was asked to strip and made to sit in the lock-up with other criminals.

A division bench of Justice Ravindra Mishra-Dey and Justice Manjusha A. Deshpande on January 23 was informed by Additional Public Prosecutor Pragna P. Shinde that the Director General of Police (DGP) had on January 18 issued a circular directed to release of persons arrested in police lock-ups, when they are ready to furnish bail.

As per the HC directions, also tendered certain other circulars issued by the DGP from time to time, including an October 2007 circular about maintenance of lock-up registry and January 2004 circular issued pursuant to deaths in police custody and measures passed by the National Human Rights Commission to curtail the same. The said circular contained directions as to how arrested persons to be searched, further medical checkup, noting that such person is to be "treated humanely".

Aadhaar, e-KYC authentication of residents in transit camps

MUMBAI: The Mumbai Housing Repairs and Reconstruction Board (MHR&R) will conduct a biometric survey — using Aadhaar and e-KYC authentication — to verify the bonafides of residents in transit camps.

The Unique Identification Authority of India (UIDAI) has granted approval to MHR&R for the survey. "Earlier biometric survey faced challenges with residents showing Aadhaar cards or other photo IDs. However, authentication proved difficult. With

UIDAI's new process, the process will now be streamlined without manual intervention," an official said.

According to MHR&R, a state government decision from September 13, 2019 instructed MHR&R to categorise tenants into 'A', 'B' and 'C'. 'A' includes original tenants relocated to transit camps. 'B' encompasses residents who obtained transit camp plots from original tenants through a letter of allotment, and 'C' comprises unauthorised squatters in transit camp houses. **END**

Why BMC polls have been hanging fire for 2 yrs

SHUBHANGI KHAPRE & OMKAR GOKHALE
MUMBAI, FEBRUARY 1

THE NEARLY two-year-long delay in elections to the country's richest civic body Brihanmumbai Municipal Corporation (BMC) might have sent long-term warring that the ruling NDA coalition in Maharashtra — comprising Chief Minister Eknath Shinde-led Shiv Sena, the BJP and Aaj Pawar-led NCP group — has been wary of losing the BMC polls.

BMC's state of affairs

With the BMC polls on hold since March 2022, the state government and civic authorities have adopted an allegedly arbitrary fund allocation system, where crores of funds for development or civic works have gone to the ruling coalition NDA or to wards of corporators who have switched their allegiance from the Opposition Maha Vikas Agathi (MVA) parties — including the

Uddhav Thackeray-led Sena faction, the Congress and Sharad Pawar-led NCP group — to the Shiv Sena, as revealed by The Indian Express investigation.

Tip of iceberg

While the BMC is being run by commissioner and administrator Iqbal Singh Chahal, the quality of infrastructure in its wards seems to have become a casualty along party lines.

There are however altogether 27 Municipal Corporation wards in Maharashtra, along with 25 Zilla Parishads and 207 Municipal Councils that have also been waiting to elect their public representatives over the same period. The ruling NDA coalition has been allocating this moderate delay in holding elections to the urban local bodies in petitions pending before the Supreme Court (SC), which are related to the issue of providing OBC quota in the civic bodies.

SC orders and Maharashtra govt

On March 3, 2022, the SC had directed the State Election Commission (SEC) of Maharashtra that in local bodies where the statutory time for completing elections had expired, OBC reservations be removed and the said seats be notified as general seats. In doing so, it rejected the report of the State Backward Classes Commission, which recommended up to 27 OBC quotas in local bodies.

Subsequently, in its July 20, 2022 order, the SC had directed the SEC not to postpone elections for 50 Municipal Councils and four Municipal Parishads, ruling that they be conducted without any OBC quota. "In no case, the election process in respect of local bodies where it is already overdue can be any further delayed. The Election Commission must act with promptitude," the SC had ordered.

Yet, the NDA coalition has repeatedly flagged the OBC quota case pending before the SC as the reason for not holding the civic

body polls. They cited an August 22, 2022 order by the SC that directed the SEC and the state government to maintain the status quo in the matter. The Maharashtra government had sought a recall of the order, by which the SC had directed the SEC not to notify the poll process to the 50 local bodies where it had already commenced, just to provide OBC reservations, noting that "the matter required elaborate hearing" and that the case would be heard after five weeks. However, that hearing in the apex court could not take place as the matter has been repeatedly adjourned since.

BMC delimitation and reversal

Even before the OBC quota issue had come up, the BMC polls had been delayed by the previous Uddhav-led MVA government's move for delimitation in the civic body. The Uddhav Cabinet had on November 10, 2021 taken the decision to increase the number of the BMC's

wards from 227 to 236. Accordingly, the SEC issued orders for redrawing of the BMC's ward boundaries on February 1, 2023.

But with the government changing in June 2022 following a split in the Shiv Sena, Shinde took charge as the CM. The Shiv Sena-led government then reversed the BMC's delimitation decision through an ordinance on August 8, 2022, saying the process would require a few months. In April 2023, the Bombay High Court upheld the Shiv Sena government's decision.

Politics behind BMC poll delay

While the NDA coalition has been citing OBC quota and delimitation as key reasons for the delay in the BMC polls, there has been a perception in the state's political circles that the issue behind its "lack of confidence" in delimiting the Uddhav Sena's hold on the BMC.

FULL REPORT ON
www.indianexpress.com

50 PLATES IDLI, POHA AT 4 AM

How bulk food orders at odd hours led Virar police to a call centre scam

SADAF MODAK
MUMBAI, FEBRUARY 1

IN APRIL 2023, an elderly man a bench in Virar began to receive regular bulk orders for breakfast items like idli, dosa, pocha and tea around 4 am.

The Virar police in Virar received a tip-off from the bakery about these orders of around 40-50 plates of food and tea at these odd hours and began a probe since tourists that visited the area did not order food that early. They claimed to have traced the

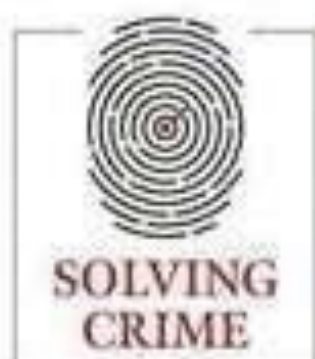
orders to a bungalow in Virar and a dormitory.

Officials said they kept a watch on the place to determine who frequented it and the reason for the bulk food orders. Their probe led them to a fake call centre operating out of that space and the arrest of over 40 people.

In this case, the police claimed the dormitory was used to set up over 30 phone lines with employees who were given desktops to make the calls and enter data allegedly received through fraud. The police said

calls were made to Australian citizens who were customers of an online financial service and they were fraudulently made to give their one-time passwords (OTPs) to access their data.

The police alleged the employees were trained on emulating fake accents and convincing customers to divulge their passwords. Officials also alleged the accused in the case were spread out across the country with each given a role including IT expertise. Like in most of these fake call centres cases, the employees were given their salaries in cash



so that no digital record was left behind, the police claimed. "These also work as fly by



The police alleged the employees were trained on emulating fake accents and convincing customers to divulge their personal details of passwords.

night operations and relocate to keep suspicion low on their activities," an official said, adding that locations chosen for these operations are remote, hence the

he didn't understand up being the first reason that raised suspicion of an illegal activity.

In previous cases in Mumbai and its outskirts, such fake call centres were found making calls posing as Internal Revenue Service (IRS) officials either US or bank employees.

A fake call centre operates like a regular call centre, with employees making phone calls as service providers or customer care executives but are fronts to make fraudulent calls to cheat people by gaming their bank and financial details.

電話 03-3256-1111 FAX 03-3256-1112
 東京都中央区新富町1-1-1 新富ビル10F
 〒104-0061 東京都中央区新富1-1-1 新富ビル10F

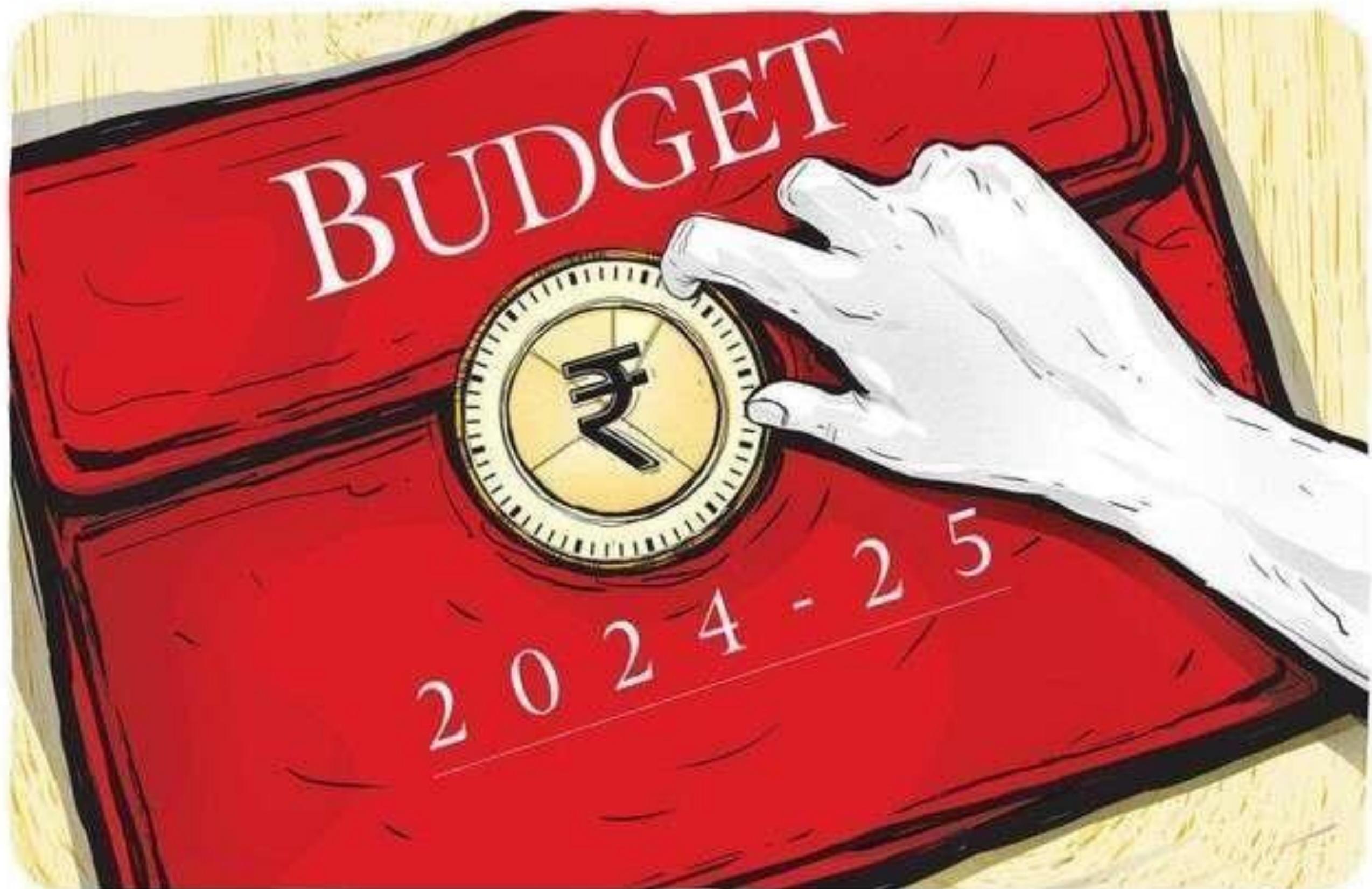


Illustration: Jagrit Dey

Concerns over GDP, spending cuts; fiscal deficit is bright spot

The Centre's announcement of Rs 10 lakh crore capex last year had been welcomed, but that target has not been met. Expenditure on health, education, and welfare schemes for the disadvantaged has gone down. However, fiscal deficit has narrowed, even beyond the target govt had set for itself

UDIT MISRA

FINANCE MINISTER Nirmala Sitharaman today presented the Union Budget for the 2024-25 financial year. It was her sixth budget presentation, but was different from all the others because this was an interim budget.

As such, it was natural for the PM to spend more time recapping the achievements of the two back-to-back governments under Prime Minister Narendra Modi over the past decade than announcing major new initiatives. Here are some of the main takeaways from the interim Budget of 2024-25.

Muted outlook on GDP growth

The nominal Gross Domestic Product (GDP) is the size of the Indian economy in terms of today's prices. This number when divided by the rupee-dollar exchange rate gives India's GDP in trillions of dollars. The nominal GDP is the actual observed value.

The real GDP growth as well as the real GDP growth rate are derived from the nominal GDP data by removing the effect of inflation. So, if nominal GDP growth in a particular year is 12% and inflation is 4%, then the real GDP growth will be 8%.

However, for all budget-related work, it is the nominal GDP that is used. As such, a tepid growth rate in nominal GDP is not good news for India's real growth rate.

In the chart alongside, it can be seen how the nominal GDP grew much slower in the current financial year. In fact, that India's real GDP grew by over 7% in the current year when nominal GDP grew so slowly created a controversy earlier last year, because it essentially meant that inflation had been almost negligible — contrary to the sense among most Indian consumers.

For the coming year, too, the nominal GDP is likely to grow by just 10.5%. If one considers an inflation rate of 4-4.5%, it would suggest a GDP growth rate of 6% to 6.5% in 2024-25.

Reduction in fiscal deficit

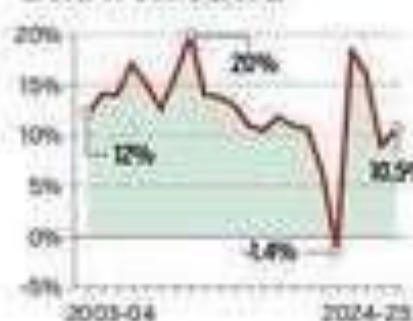
Fiscal deficit essentially shows the amount of money that the government borrows from the market. It does so to bridge the gap between its expenses and income. Fiscal deficit is the most-watched variable because if a government borrows more, it leaves a smaller pool of money for the private sector to borrow from. That, in turn, leads to higher interest rates, thus discouraging borrowings by the private sector and further dragging down economic activity in the form of lower consumption and production.

If the government tries to print more money instead of borrowing from the market, that too leads to negative effects such as inflation, thanks to a sudden surge of additional money chasing the same supply of goods and services.

Moreover, each year's fiscal deficit adds to the pool of government debt. If fiscal deficits continue to grow uncontrolled — that is, if a government continues to live on borrowed money — repaying the debt and associated annual interest payments needs to become a critical concern. Raising old debt eventually requires governments to tax its citizens, which again drags down economic activity.

It is for this reason that the Fiscal Responsibility and Budget Management Act of 2003 requires the Union government to

NOMINAL GDP GROWTH RATE



FALL IN POVERTY LEVEL



TIGHTENED PURSE STRINGS (IN ₹ CR)

2023-24	BE	RE
Education	136,417	1,08,878
Health	88,990	79,221
Social Welfare	55,060	46,741

OUTLAY ON MAJOR SCHEMES TRIMMED

2023-24	BE	RE
PMAY	70,500	54,103
PMGSY	10,000	17,000
PMKSY	10,787	8,781
Urban Rejuvenation Mission	10,000	13,200
Swachh Bharat Mission	5,000	2,550
PMASHM	4,200	2,100
Mission Shakti	3,144	2,328

Source: MHA, Budget documents
BE: Budget Estimates; RE: Revised Estimates

INTERIM BUDGET

PRESENTED WHEN a government is close to the end of its term and a Lok Sabha election lies ahead. Every election year sees an interim Budget, also called a Vote on Account.

ESTIMATES OF revenues and expenditures in the coming year are presented in the Interim Budget as well. But since the full Budget is presented in July by the new government, the purpose of an interim Budget is to seek Parliament's authorisation to tax and spend in the intervening months.

GIVEN THAT Budget Estimates of the coming year are likely to change, it is better to focus on the Revised Estimates (of the current financial year) because they complete the picture for the past 5 or 10 years.

contain its fiscal deficit to just 3% of the nominal GDP. However, barring 2007-08, India has never met this target.

The deficit had worsened in the wake of the Covid pandemic — shot up to 9.2% of GDP — but since then the government has been able to bring it down each year. In the current year, the government had set a target of 5.9% and revised estimates show it is likely to be even lower at 5.8%. Further, the FM has announced similarly ambitious targets for FY25 — at 5.5% of GDP — and FY26 — at 4.5% of GDP.

This is a welcome achievement because it is likely to bring down the cost

of borrowing for the private sector. However, it leads to two key questions: How is this fiscal consolidation being achieved, and what will be its impact on growth?

Capex target not met

All government expenditure can be divided into two broad categories: revenue (to

meet daily needs such as fuel bills, salaries, etc.) and capital (making productive assets such as roads, schools, bridges, ports, etc.). There is a clear advantage for the broader economy when the government ramps up capex. Every Rs 100 spent on capex leads to a Rs 250 increase in GDP. Revenue expenditure, on the other hand, returns less than Rs 100.

The cornerstone of the Modi government's last five budgets has been a concerted push to raise capital expenditure. In fact, the highlight of Budget 2023-24, presented last February, was the announcement that government capex would be Rs 10 lakh

crore — more than double the Rs 4.39 lakh crore of 2020-21. For this, the FM had received a lot of praise.

However, revised estimates show that this capex target was not met in the current year — it stands at Rs 9.55 lakh crore. This explains some part of the reduction in fiscal deficit as well as raises some concerns about the likely impact on the overall growth momentum in the economy.

Health, education spends cut

The story of cut-backs continues when one looks at some of the key ministries and departments.

Health and education are two key areas for any developing economy. No economy has developed without first investing in improving the health and education of its population. Historically, in India, budget allocations towards health and education have been lower than required. To be sure, most years, health and education allocations range between 2.5% to 3% of the total government expenditure.

However, the revised estimates show that even these targets have not been met in the current financial year.

For instance, the government was supposed to spend Rs 1,36,417 crore on education but ended up spending Rs 1,08,878 crore. Similarly on health, it budgeted an expenditure of Rs 88,990 crore but actually spent only Rs 79,221 crore.

Cuts in core schemes

If one looks at some of the most important government schemes across different ministries, the story of cut-backs in expenditure plays out.

For instance, revised estimates for the outlay on major schemes show that most of the so-called "core of core schemes" meant for the most disadvantaged sections of society, such as SCs, STs and minorities, have witnessed cuts.

For instance, the Revised Estimates (RE) for the Umbrella Scheme for Development of Scheduled Castes are Rs 6,730 crore against the Budget Estimates (BE) of Rs 9,400 crore. For STs, the RE is Rs 3,286 crore against a BE of Rs 4,295 crore.

For minorities, the fall has been the sharpest. In 2022-23, budget estimates pegged the expenditure at Rs 1,810 crore. As it turns out, that year the government actually spent Rs 233 crore — just 13% of the budgeted amount. In the current year, the RE was Rs 630 crore but the BE is just Rs 555 crore.

For the Umbrella Programme for Development of Other Vulnerable Groups, the RE is Rs 1,918 crore, down from a BE of Rs 2,994 crore.

I-T is biggest income generator

Traditionally, the biggest chunk in the government's financial resources comes from market borrowings. Among the genuine income generators, it is the indirect taxes and the corporate tax that provide the most money. But budget estimates for the next financial year show that income tax collections will be the top contributor (after borrowings).

The Budget documents suggest that income tax revenues will account for 19% of all government resources in FY25. Corporate tax will account for 17%, GST for 18% and borrowings for 28%.

YOUR GO-TO INSTITUTE FOR GENERAL STUDIES PREPARATION

VALURAM & RAO
Institute for UPSC Preparation

Foundation Batch General Studies Comprehensive Programme 12 Months FEBRUARY 2024	Advance Batch GSAT Course 2 Months FEBRUARY 2024	Special Batch UPSC Preliminary Course 3 Months JUNE 2024
---	---	---

984612043296 | info@valuramand Rao.com

7 THE MACRO



'Every challenge of the pre-2014 era was overcome through our economic management and governance'

FISCAL CONSOLIDATION

Tax buoyancy helps Centre align with its fiscal roadmap

Tax buoyancy at 1.2 in the revised estimates for FY24, seen at 1.1 for the next financial year

AANCHAL MAGAZINE & SUKALP SHARMA
NEW DELHI, FEBRUARY 1

THE GOVERNMENT'S aim to restrict the fiscal deficit to 5.8 per cent of the Gross Domestic Product (GDP) as against 5.9 per cent budgeted earlier for the financial year and the position restrict the fiscal deficit target to below 4.5 per cent by 2025-26 is on the back of a strong buoyancy in tax revenues.

Direct tax revenues have shown a sharp surge, with income tax seen overshooting the Budget estimate for this financial year by 13.5 per cent and Securities Transaction Tax (STT) revenue seen exceeding budget estimate by 15.8 per cent.

For the next financial year, direct tax collections, which include income tax and corporate tax, are estimated to rise 13.1 per cent to Rs 21,099 lakh crore. Direct tax revenues are estimated to grow 17.2 per cent year-on-year to Rs 21,451 lakh crore in the current financial year 2023-24.

The income tax collections in 2023-24 have shown a sharp pickup and are expected to exceed the Budget estimate by Rs 2 lakh crore, while corporate tax collections have been maintained at the Budget estimate level of Rs 9,231 lakh crore. With this, income tax revenues are seen exceeding corporate tax collections, even though they had been budgeted at a lower level than corporate tax revenue in the Budget estimates for 2023-24.

Securities Transaction Tax, which is levied on traded securities on bourses, is estimated to increase to Rs 32,000 crore in the revised estimates of 2023-24, an increase of 27.6 per cent from the actual revenue in 2022-23. For 2024-25, STT revenues are estimated to rise to Rs 38,000 crore.

The government's gross tax revenue is estimated to grow 11.5 per cent to Rs 38,311 lakh crore in the next financial year.

The Centre's net tax revenues are estimated to grow by nearly 12 per cent to Rs 26,002 lakh crore in 2024-25. This compares with a rise of 10.8 per cent in the revised estimates for the ongoing financial year 2023-24 over the actual revenue in 2022-23. The growth rate for tax revenues estimated for 2024-25 at nearly 12 per cent is much higher than the 10.3 per cent nominal GDP

FISCAL DEFICIT (AS % OF GDP)



growth assumed for Budget and Economic Survey 2024-25.

The strong growth in tax revenues reflects the high tax buoyancy, which works out to be 1.2 in the revised estimates for financial year 2023-24 as against 1.1 in FY23. For 2024-25, the tax buoyancy is seen at 1.1.

"Over the past few years, the government's revenue collections, especially tax collections, have turned out to be better than budgeted. Even for FY25, the union budget is expecting the tax collections to grow 11.9 per cent YoY (FY24BE: 11.6 per cent). The budgeted tax revenue buoyancy for FY24 was 1.07, but as per FY24 revised estimates, it came in at 1.18. Therefore, India believes that the target of achieving a fiscal deficit of 5.1% of GDP in FY25, although challenging, is possible as the government over the past few years has surprisingly reported a better fiscal deficit/GDP ratio than budgeted. The conservative revenue estimates can take care of any unforeseen expenditure or a slipage in disbursements in FY25," India Ratings and Research said in a note.

On the indirect taxes side, Central Goods and Services Tax (CGST) collections are estimated to grow 13 per cent to Rs 9,138 lakh crore in 2024-25. Overall, the indirect tax collections, which include customs, excise duties and GST (including compensation cess), are expected to yield Rs 16,221 lakh crore to the government in 2024-25.

In the current financial year, the revised estimate for customs and excise duty collections have been lowered to Rs 2,391 lakh crore and Rs 3,081 lakh crore, respectively, while GST collections (including compensation cess) are estimated at the budgeted level of Rs 9,571 lakh crore.

On the indirect taxes side, Central Goods and Services Tax (CGST) collections are estimated to grow 13 per cent to Rs 9,138 lakh crore in 2024-25. Overall, the indirect tax collections, which include customs, excise duties and GST (including compensation cess), are expected to yield Rs 16,221 lakh crore to the government in 2024-25.

In the current financial year, the revised estimate for customs and excise duty collections have been lowered to Rs 2,391 lakh crore and Rs 3,081 lakh crore, respectively, while GST collections (including compensation cess) are estimated at the budgeted level of Rs 9,571 lakh crore.

On the indirect taxes side, Central Goods and Services Tax (CGST) collections are estimated to grow 13 per cent to Rs 9,138 lakh crore in 2024-25. Overall, the indirect tax collections, which include customs, excise duties and GST (including compensation cess), are expected to yield Rs 16,221 lakh crore to the government in 2024-25.

In the current financial year, the revised estimate for customs and excise duty collections have been lowered to Rs 2,391 lakh crore and Rs 3,081 lakh crore, respectively, while GST collections (including compensation cess) are estimated at the budgeted level of Rs 9,571 lakh crore.

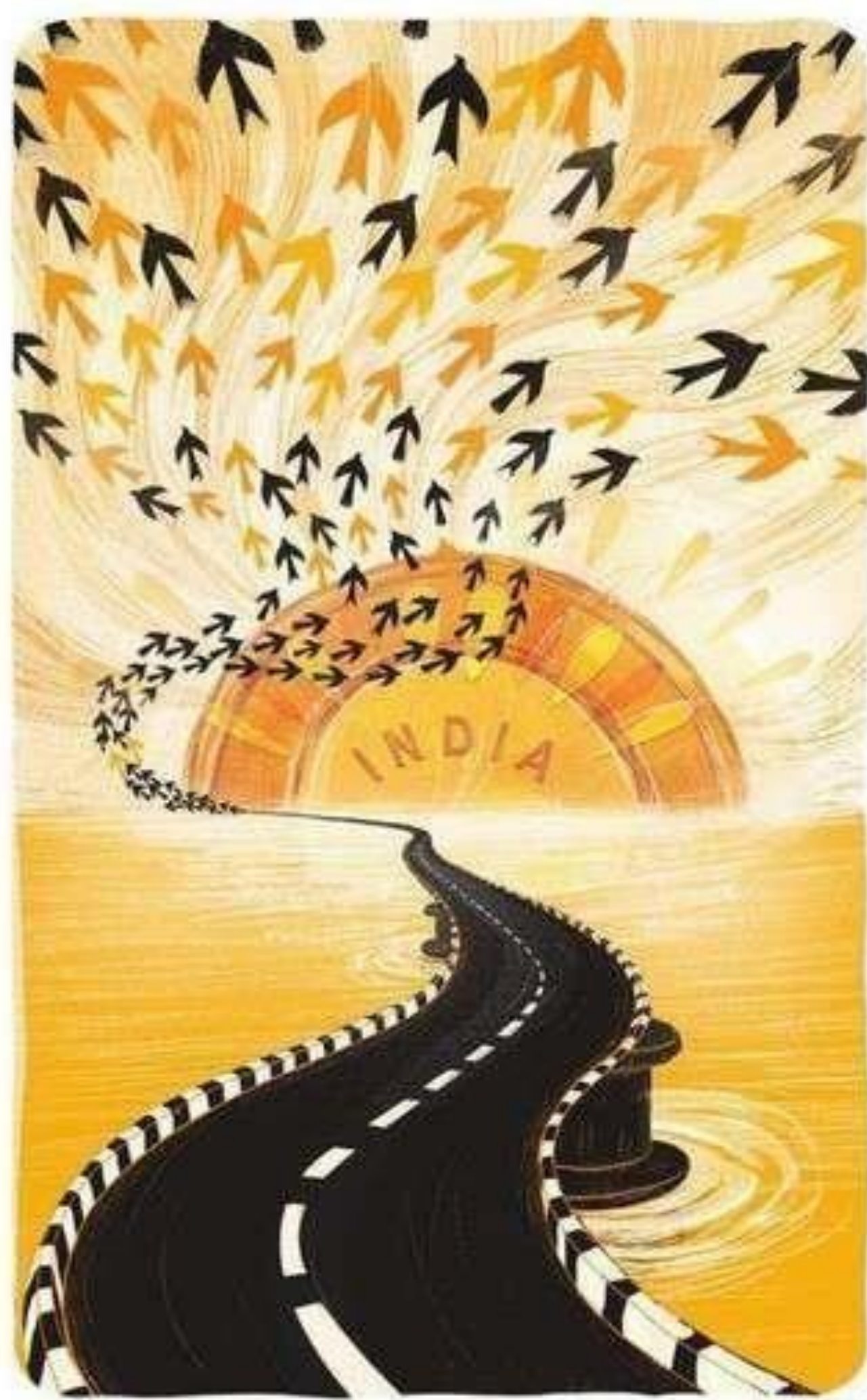
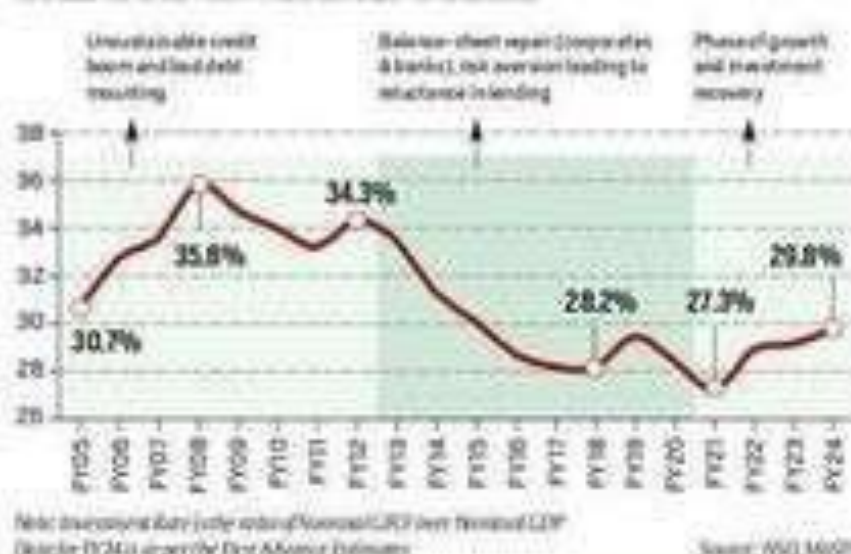


Illustration: Sangeet Day

TRENDS IN INVESTMENT RATE



Note: Investment rate is the ratio of Gross Fixed Capital Formation (GFCF) over Nominal GDP. Source: RBI, MoPI

Centre to follow a 'calibrated' approach to divestments in FY25

SOUMYARENDRA BARIK
NEW DELHI, FEBRUARY 1

THE CENTRE has revised its divestment target for 2023-24 (FY24) to Rs 30,000 crore from Rs 51,000 crore budgeted previously. Signalling the adoption of a more "calibrated" divestment approach, the government has estimated it will get Rs 50,000 crore in 2024-25 in the form of "non-refinancing capital receipts" without resorting to the world divestment, unlike the Budget document of previous years — signalling a change in its approach.

Tuhin Kanta Pandey, Secretary, Department of Investment and Public Asset Management (DIPAM), said that the government will adopt a more "gradual" and "calibrated" divestment approach, with its major focus being "wealth creation".

"With divestment receipts, you part with your wealth, which is shares and property and convert it and monetize it. There is a wealth effect also there, and we have partners, the listed companies. Our point is that we are also taking care of the [governance, development and performance] with respect to CPSEs (Central Public Sector Enterprises). If you look at CPSEs' performance — whether it comes to capex of Rs 3.2 lakh crore, their growth story, their investments in green energy, their performance on return on capital employed and equity — they are big market players, continue to improve and reward shareholders including the government," Pandey said during a post-Budget press conference. "We have to have a new paradigm not just keeping with our wealth in one stroke, we can always do it in a gradual calibrated way," he added.

But that, as per the interim Budget 2024-25 document tabled in the Lok Sabha, the government is not expected to receive any money from the monetisation of public assets in the current fiscal.

The government has so far achieved

'Negotiating BITs with trade partners to boost FDI'

RAVIDUTTA MISHRA
NEW DELHI, FEBRUARY 1

WITH NEW Bilateral Investment Treaties (BITs) drying up after India adopted the model BIT in 2006, Finance Minister Nirmala Sitharaman during her Interim Budget speech said that India is negotiating BITs with trade partners to boost the inflow of foreign direct investments (FDI).

A rebuke at BITs comes at a time when India is pursuing economic integration with western nations such as the United Kingdom (UK) and the European Union through free trade agreements and investment treaties. These negotiations assume significance as India scores abysmally in ease of enforcing contracts, hurting FDI inflows.

"For encouraging sustained foreign investment, we are negotiating bilateral investment treaties with our foreign partners, in the spirit of 'first develop India'. The FDI inflow during 2014-25 was \$396 billion marking a golden era. That is not the inflow during 2005-14," Sitharaman said.

BITs had slipped as a number of trade partners were against India's insistence on favouring Indian investors or local remedies' clause in the model BIT that stood on resolving investment-related legal disputes locally before going to international arbitration. But trade partners complain about the delay in resolution of disputes.

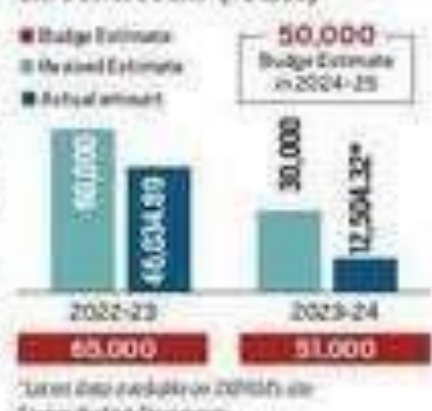
India ranked 163 out of 190 countries in ease of enforcing contracts, taking 1,441 days and 31 per cent of the claim value to dispose resolution, as per the World Bank's 'Ease of Doing Business 2020' report.

Before 2005, India had BITs with 80 countries or regions but India suspended BITs with 68 countries, imposing a request to re-negotiate based on the model 2006 BIT. So BITs are still in force. The suspension was triggered by several high-profile defaults in investor-state disputes.

Foreign direct investment (FDI) equity inflows in India declined 24 per cent to \$20.48 billion in April-September 2023, according to government data. The total FDI — which includes equity inflows, reinvested earnings and other capital — contracted 15.5 per cent to \$12.9 billion during the period under review against \$18.94 billion in April-June 2022.

DPAT Secretary Rakesh Kumar Singh in an interview to The Indian Express said that the combination of strong growth, improving infrastructure will certainly ensure that long-term investment flows into India will not get affected by these disputes. However, in a particular year due to combination of geopolitical issues and economic setbacks in some of the developed countries,

How the govt has missed divestment estimates (RCr)



*Latest data available on DIPAM's site. Source: Budget Document

about 40 per cent of the current year's revised divestment target, with just two months remaining to mop up Rs 12,496 crore to meet the revised target.

The revenue receipts from divestments are a part of the Centre's non-tax revenue, which helps the government narrow its budget gap.

According to data available with DIPAM, the government has managed to raise Rs 12,504.32 crore so far in the current financial year, with a majority of the funds coming in from offers for sale (OFS) and initial public offerings (IPOs) of CPSEs.

After Air India and Neelachal Ispat Nigam Limited (NILI) privatisations, the Centre's divestment drive has not materialised, with the government missing its targets for the fifth consecutive year.

Privatisation plans for companies like Bharat Petroleum Corporation Ltd (BPCL), Shipping Corporation of India (SCI) and Container Corporation of India (CONCOR) were first announced around 2019 but got delayed due to the Covid-19 pandemic.

'DISPUTED DIRECT TAX DEMAND'

Tax resolution scheme to benefit over one crore

AANCHAL MAGAZINE
NEW DELHI, FEBRUARY 1

IN A bid to tax payers grappling without standing tax demands, Finance Minister Nirmala Sitharaman announced a resolution for "disputed direct tax demands" during her Budget speech. The year of enactment of Income Tax Act. Under this, the government has decided to withdraw outstanding direct tax demands up to Rs 25,000 for the period up to financial year 2009-10 and up to Rs 10,000 for financial years 2010-11 to 2014-15.

Sitharaman said this is expected to benefit about a crore tax payers, which could mean a likely impact for one in every eight tax filers. The outstanding tax demands were creating a hurdle in issuance of refunds to tax payers as the Income Tax department was not able to process complete

refunds for the subsequent assessment year if the tax payers had pending demands from previous years. The withdrawal of these disputes is expected to resolve this issue now.

"In line with our government's vision to improve ease of living and ease of doing business, I wish to make an announcement to improve tax payer services. There are a large number of petty, non-verified, non-reconciled or disputed direct tax demands, many of them dating as far back as the year 1962, which continue to remain on the books, causing anxiety to honest tax payers and hindering refunds of subsequent years," Sitharaman said in her Budget speech.

"I propose to withdraw such outstanding direct tax demands up to twenty-five thousand rupees (Rs 25,000) pertaining to the period up to financial year 2009-10 and up to ten thousand rupees (Rs 10,000) for

financial years 2010-11 to 2014-15. This is expected to benefit about a crore tax payers," she said.

The filing of Income Tax Returns (ITRs) recorded a surge for the assessment year 2023-24, with record 8.88 crore ITRs filed up to December 31, 2023 as against 7.51 crore ITRs filed up to December 31, 2022. This is a 9 per cent increase from the total ITRs filed for AY 2022-23.

Revenue Secretary Sanjay Malhotra in a post-Budget briefing said it should not be seen as a "waiver" but instead as a "with-financial and correction of errors." The government is now resolving 13 crore tax demands which will cost "less than Rs 3,500 crore", he said, adding that about 58 lakh demand entries are for the period up to financial year 2009-10 and another 53 lakh entries pertain to the years from 2010-11 to 2014-15.

Overall, there are about 2.68 crore pend-

ing demands for Income Tax, wealth tax and gift tax from over the years worth Rs 15 lakh crore. Out of the 2.68 crore demands, about 21 crore demands are valued at less than Rs 25,000, Malhotra said.

"Many of these demands are very old, dating from 1962 when the Income Tax Act was enacted and right now still very much valid today... many of them are recorded because of systemic issues. We shifted all the tax records, centralised them in 2010-11. That's why the cut-off has been taken at 2009-10 because previously the demands were decentralised. So we are unable to verify many of them, causing disruption and hindrance in payment of refunds," he said.

The issue of a mismatch in records of tax demands and payments made by the taxpayers arose after the Income Tax department switched to a centralised system of records at the Centralised Processing Center (CPC) at Bengaluru in 2010.

BUDGET 2024-25

8 INFRA



'Globalisation is being redefined with reshoring and friend-shoring, disruption and fragmentation of supply chains... A new world order is emerging after the Covid pandemic.'

CAN SAVE UP TO ₹18K A YEAR

Households to get 300 units free power under rooftop solar scheme

AMITABH SINHA
NEW DELHI, FEBRUARY 1

PEOPLE AWILING of the government's newly announced rooftop solar scheme will be entitled to 300 units of free electricity every month and help them save up to ₹18,000 annually, Finance Minister Nirmala Sitharaman announced Thursday.

The 'Pradhanmantri Suryodaya Yojana' was announced by PM Narendra Modi on January 22, shortly after he returned from Ayodhya where he led the consecration of the new Ram temple. Rooftop solar systems would be installed in 'one crore houses', Modi said, though without specifying a timeline for the target to be achieved.

Although full details of the new scheme were still not available, Sitharaman, in her Budget speech, said it would enable for each participating household 'savings up to ₹15,000-18,000 annually' by getting free solar electricity and selling the surplus power to the distribution companies.

She said the scheme would also help the adoption of electric vehicles (EVs) by providing charging stations at home. The scheme was also expected to result in entrepreneurship and employment opportunities in supplies, installation and maintenance, she said.

The 'Pradhanmantri Suryodaya Yojana' adds onto an ongoing rooftop solarisation programme running for at least a decade now. About 40 per cent, or 40 GW, of the government's initiative of setting up 100 GW of solar capacity by 2022 was meant to be through rooftop systems. However, by 2021 end, the country's total solar capacity stood at 73.7 GW, of which grid-connected rooftop systems comprised only about 11 GW or 15 per cent.

One GW is equal to one billion watts. For perspective, a typical light bulb in a home, if used continuously for an hour, consumes between 60 and 100 watts.

Although the 'Pradhanmantri Suryodaya Yojana' is not aimed at generating capacity, but only the number of households with rooftop solar systems, the scheme will certainly boost it, experts said. Neeraj Kulkarni, senior programme lead with Delhi-based Council on Energy, Environment and Water (CEEW), said rooftop solarisation of one crore households could result in the installation of about 20-25 GW of new capacity.

"Further, given that residential consumers receive subsidised electricity from the govt, solarisation of the demand from these households will save about ₹2 lakh crore for discounts over the next 25 years (the solar plant's life). All states can leverage this opportunity as rooftop solar potential exists everywhere, unlike utility scale solar, which is primarily restricted to a few states," Kulkarni said.

A recent report from CEEW showed nearly 25 crore households across the country had the potential to deploy 637 GW of solar energy on rooftops, though it would be unrealistic to cap it entirely. It said about one-fifth of this potential, about 118 GW of capacity, was certainly double. Households have so far accounted for a small proportion, about 20 per cent, of India's installed rooftop solar capacity, with the bulk of it in the commercial and industrial sectors.

"Encouraging individuals to save up to ₹18,000 every year by selling surplus rooftop solar electricity to distribution companies will not only generate income but also help in putting India in a strong position of climate leadership ahead of COP28 (climate change conference in 2023) which PM Narendra Modi has offered to host," Aarti Khosla, director of Climate Trends, a research-based climate change consulting company, said.

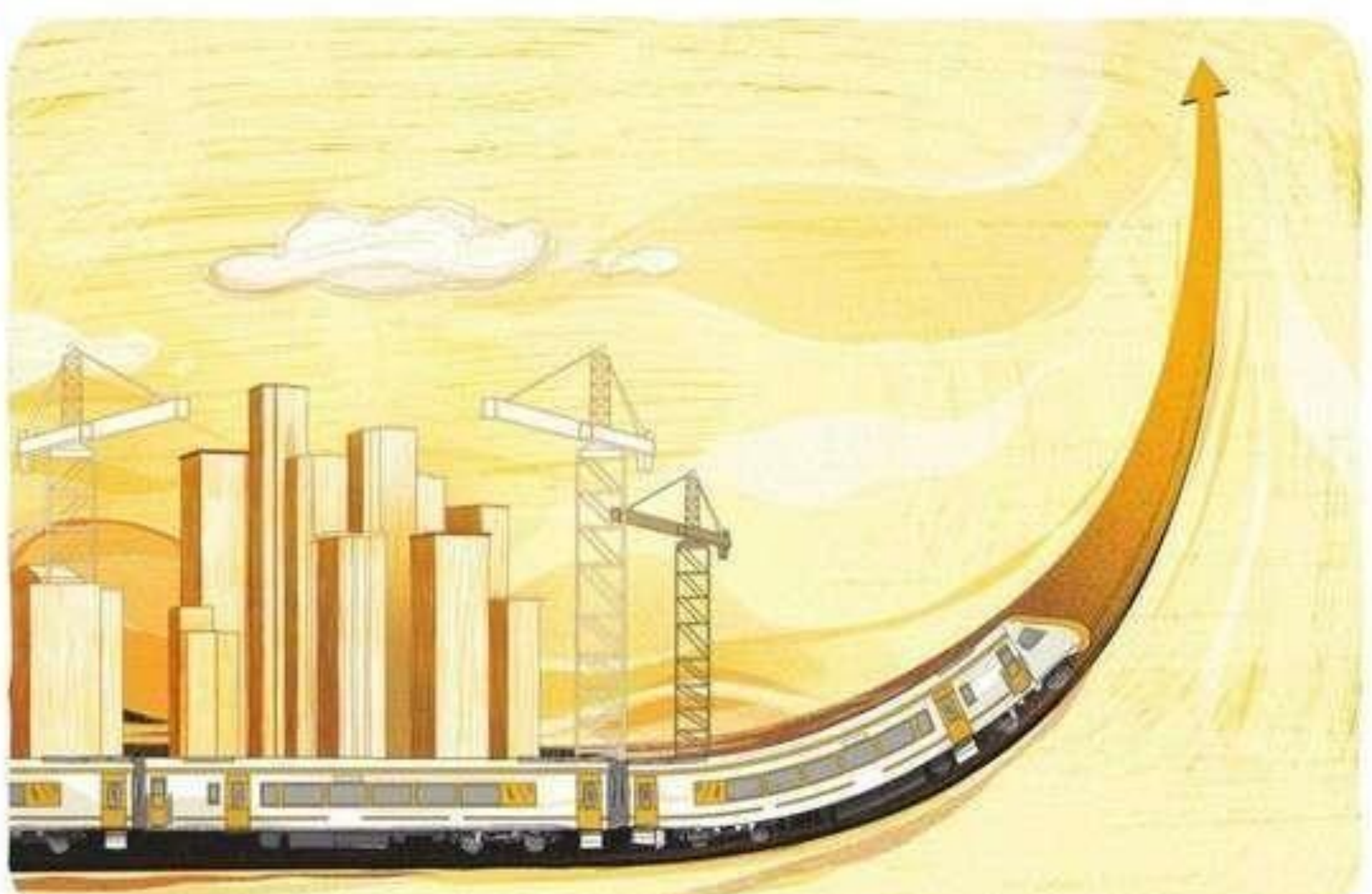


Illustration: Saugor Dey

NEW SCHEME TO STRENGTHEN DEEP-TECH SOON

₹1 lakh crore corpus for innovation by pvt sector

Companies can avail of interest-free loan facility for up to 50 years

AMITABH SINHA
NEW DELHI, FEBRUARY 1

IN A significant initiative to incentivise research and development in the private sector, Finance Minister Nirmala Sitharaman Thursday announced the establishment of a financial corpus of ₹1 lakh crore that will provide low-cost or zero-interest loans for research and innovation.

In the interim Budget, Sitharaman said private companies could avail of interest-free loans for up to 50 years through this new mechanism. "For start-ups, young youth, this will be a golden era. A corpus of ₹1 lakh crore will be established with 50 years interest-free loan facility. The corpus will provide long-term financing or refinancing with interest-free or low or no interest rates. This will encourage the private sector to scale up research and innovation in various domains. We need robust programmes that combine the powers of our youth and technology," she said.

The new fund is in sync with the government

EXPLAINED
TACKLING FUND CRUNCH

THE GOVERNMENT has been working to expand the research base, and get the universities and private sector involved in research and innovation, particularly in transformative technologies. The corpus of ₹1 lakh crore is one way of addressing the longstanding complaint of the lack of money for scientific projects.

efforts to encourage private sector involvement in research. Last year, it had set up a National Research Foundation (NRF) whose aim is to significantly improve, both in qualitative and quantitative terms, the country's research output. The NRF earmarked a spending of ₹50,000 crore on research activities over next 5 years. More than 70 per cent of this money is envisaged to come from the private sector.

Principal Scientific Adviser to the govern-

ment Ajay Joshi said the new budgetary provision would enable greater private sector spending on R&D, and help create right environment for innovation. "There is no explicit linkage between this corpus (announced in the Budget) and the NRF, but it will obviously help the objectives of the NRF. The larger point is the government is committed to ensure greater and easier availability of money for research, and that is very welcome. Lack of adequate funds has always been one of the major hurdles in improving research output from India. The new corpus is a significant step forward in addressing this," Joshi told The Indian Express.

"This will empower the private sector, especially young entrepreneurs, and create enabling atmosphere for research," he said.

Joshi said another announcement made by Sitharaman, the one related to promoting deep-tech technologies in defence sector, was also important. Higher speeds, Sitharaman said, the government would soon launch a new scheme to strengthen deep-tech technologies for defence purposes and expanding "atmanirbhar" or self-reliance. The government is in the process of finalising a comprehensive national policy on deep-tech start-ups, confined not just to defence but across all sectors. The policy is aimed at addressing challenges faced by start-ups working in these areas and create right conditions for improved output.

RAVI DUTTA MISHRA
NEW DELHI, FEBRUARY 1

AS INTERNATIONAL trade continues to be rattled by sustained Russia-Ukraine war and the widening conflict in the West Asia region, Finance Minister Nirmala Sitharaman in her interim Budget speech Thursday reiterated that India-Middle East-Europe Economic Corridor (IMEC) will prove to be a strategic and economic game-changer.

Sitharaman's vision of IMEC, a plan to integrate India, West Asia, and Europe, comes at a time when the real-time corridor between Asia and Europe through the Red Sea shipping route is facing massive disruptions forcing global shipping lines to take a longer and more expensive route via the Cape of Good Hope, hurting Indian exports to Europe.

However, widening conflict in the West Asia region poses a problem for IMEC that has been dubbed as a counter to China's ambitious Belt and Road Initiative (BRI) as Jordan and Israel, which had to play a crucial role in building the required infrastructure, are at loggerheads due to Israel-Hamas war.

"Geopolitically, global affairs are becoming more complex and challenging with wars and conflicts. Globalisation is being redefined with reshoring and friend-shoring, disrup-

tion and fragmentation of supply chains, and competition for critical minerals and technologies. A new world order is emerging after the Covid pandemic," Sitharaman said.

"The recently announced India-Middle East-Europe Economic Corridor is a strategic and economic game-changer for India and others," she added.

Quoting Prime Minister Narendra Modi, she said that the corridor will become the basis of world trade for "hundreds of years to come, and history will remember that this corridor was initiated on Indian soil".

Indian companies use the Red Sea route through the Suez Canal to trade with Europe, North America, North Africa, and parts of West Asia.

Rating agency Crisil said that these regions accounted for 50 per cent of India's exports worth ₹18 lakh crore and 30 per cent of imports worth ₹17 lakh crore last fiscal.

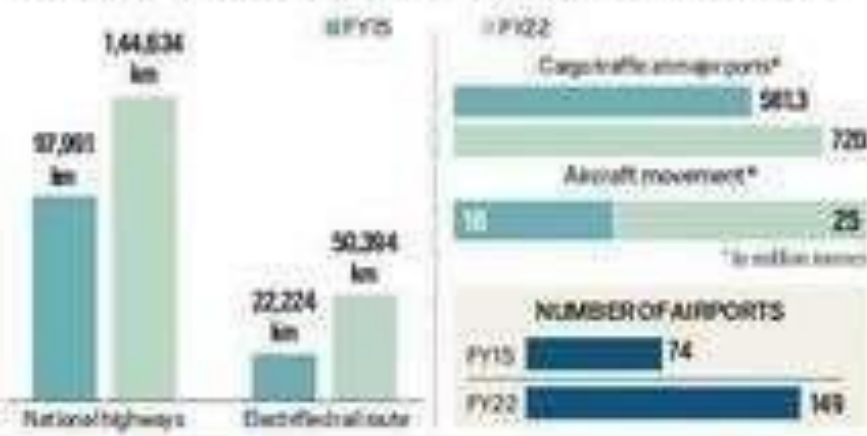
"The current conflict in the Middle East will delay IMEC in the short term given that the attention of the Middle East focus is currently on the dispute between Israel and Palestine and the European Union's attention is on Russia-Ukraine conflict. Further, with 2024 being an election year not only in India but in almost 50 countries, the political and economic tensions will play a role as well," Sanjay Nigami, partner, Economic Laws Practice, said.

IMEC has been dubbed as a counter to China's ambitious BRI as Jordan and Israel are at loggerheads due to Israel-Hamas war

LENGTH OF NATIONAL HIGHWAYS CONSTRUCTED



IMPROVEMENT IN PHYSICAL INFRASTRUCTURE



SITHARAMAN ANNOUNCED IMPLEMENTATION OF THREE MAJOR ECONOMIC RAILWAY CORRIDOR PROGRAMMES

Fast & safe: 40k bogies to be of Vande Bharat grade

AGGAM WALIA
NEW DELHI, FEBRUARY 1

AIMING TO improve passengers' travel experience and allowing for faster speed which in turn will reduce travel time, 40,000 normal rail bogies will be converted to the Vande Bharat standards, Union Finance Minister Nirmala Sitharaman announced in her budget speech Thursday. These ones are crucial boost to India's railway infrastructure, a central component of the Union government's capex push.

Sitharaman also announced the implementation of three major economic railway corridor programmes to improve logistics efficiency and connectivity under the PM Gati Shakti plan.

The Vande Bharat bogie standards reduce the overall weight of bogies, allowing quicker acceleration and deceleration compared to normal bogies. The bogies are manufactured by Integral Coach Factory,



Vande Bharat bogies allow quicker acceleration and deceleration, fit

Chennai, owned and operated by the Indian Railways. Railways Minister Ashwini Vaishnaw told AN in an interview Thursday that the upgradation of normal bogies to Vande Bharat standards will cost around ₹15,000 crore and take 5 years to implement.

Meanwhile, the three major economic railway corridor programmes are aimed at improving logistics efficiency and reducing costs and focusing on energy, mineral, cement, port connectivity and high traffic density corridors. "The resultant decongestion of high-traffic corridors will also help in inter-operational of passenger trains, resulting in safety and higher travel speed. Together with dedicated freight corridors, these three economic corridor programmes will accelerate GDP growth and reduce logistic costs," she said. Vaishnaw said 40,000 km of new tracks will be laid for these corridors over the next 8 years and the entire programme will cost an estimated ₹1,00,000 crore.

For fiscal year 2024-25, the estimated budget allocated for railways is slightly higher at ₹82,650 lakh crore compared to revised estimate of ₹82,650 lakh crore for the ongoing FY24. Of the total budget allocation for FY25, ₹13,000 crore will be funded through borrowings, a sharp reduction of 35 per cent from the revised estimate of ₹20,000 crore

for the ongoing financial year. Furthermore, the estimated capital outlay on Railways' commercial lines in FY25 has been increased to ₹1,52 lakh crore compared to the revised estimate of ₹1,24 lakh crore for FY24.

As per the interim Budget, ₹25.5 lakh crore has been allocated to the Railways Ministry compared to revised estimate of ₹24.1 lakh crore for the current FY. The revised estimate for FY24 is slightly higher than the ₹24.1 lakh crore announced in the budget last year. The estimated capital outlay on Railways' strategic lines in FY25 has also increased to ₹8,107 crore from the revised estimate of ₹8,101 crore for FY24, significantly higher than the revised estimate of ₹7,75 crore.

The NHAI has been allocated ₹1,68 lakh crore, up from the revised estimate of ₹1,67 lakh crore for the ongoing financial year while ₹2.5 lakh crore has been allocated to the Ministry of Road Transport and Roadways as capital outlay on roads and bridges, marginally higher than the revised estimate of ₹2.4 lakh crore for FY24.

BUDGET 2024-25

9 RURAL



'MGNREGA allocation is not done on the basis of a trend. It is based on the demand coming from the ground.'

TARGET FOR LAKHPATI DIDI RAISED FROM 2 CRORE TO 3 CRORE

Job guarantee scheme outlay stays at ₹86,000 cr, no change in PM-Kisan

Govt hiked outlay by ₹26,000 crore in RE for 2023-24 from ₹60,000 crore in BE owing to high demand

HARISH SHARMA
& HARISH DAMODARAN
NEW DELHI, FEBRUARY 1

FINANCE MINISTER Nirmala Sitharaman provided ₹86,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme in the Interim Budget for 2024-25, retaining it at the same level as provided for in the revised estimate for 2023-24.

While she had provided only ₹60,000 crore for 2023-24 in the Budget presentation last February, the government had to increase the allocation during the year following continued robust demand for work under the scheme, despite the economy emerging fully from the Covid and Ukraine war-induced disruptions.

The two pandemic years of 2020-21 and 2021-22 saw all-time high funding and job generation under MGNREGA, which guarantees a minimum 100 days of unskilled manual work in a financial year (April-March) to every rural household on demand. Even 2022-23, which witnessed Russia's invasion of Ukraine, generated higher than average (pre-pandemic) person-days of employment.

The current fiscal was expected to be the first normal year after the pandemic, which also accounted for the MGNREGA budget being slashed to the lowest-ever level since 2017-18 (see table). But as it turned out, work demand under the scheme — launched in February 2006 by the previous UPA government — remains high if the trend of employment during April-January 2023-24 holds, the fiscal could end up with 300 crore-plus person-days getting generated. That would be the third highest, after the record 363-389 crore person-days of 2020-21 and 2022-23.

MGNREGA is supposedly a demand-driven scheme; the government can always meet additional funds requirements based on demand for work through supplementary demands for grants. The higher provision in the Interim Budget may nevertheless send positive signals to states for taking up MGNREGA work, ahead of Lok Sabha elections due in April-May. These are generally high-demand months before the southwest monsoon's onset in June.

While MGNREGA was a UPA baby, the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a scheme that was started by the Modi government and became operational from December 1, 2018. The scheme's beneficiaries — roughly 10 crore landholding farmer families, receiving an average support of ₹6,000 per year — were paid two instalments of ₹3,000 each before and during the last national elections in April-May 2019.

There were expectations that the Modi government would increase the annual payment under PM-Kisan as a pre-poll ploy — from ₹6,000 to about ₹8,000 — in Thursday's



MGNREGA guarantees a minimum 100 days of unskilled manual work in a financial year (April-March) to every rural household on demand.

CENTRE'S SPENDING UNDER MGNREGA

	Outlay	Work Done*
2013-14	₹32,994.12 cr	220.37
2014-15	₹32,483.40 cr	188.21
2015-16	₹37,340.71 cr	235.75
2016-17	₹48,214.95 cr	235.65
2017-18	₹55,166.04 cr	233.74
2018-19	₹61,815.09 cr	267.96
2019-20	₹71,686.70 cr	265.35
2020-21	₹111,169.53 cr	389.09
2021-22	₹98,467.65 cr	363.10
2022-23	₹90,805.93 cr	293.32
2023-24 BE	₹60,000 cr	NA
2023-24 RE	₹86,000 cr	262.77**
2024-25 BE	₹86,000 cr	NA

*Cover person-days of employment generated.

**FY January 31.

BE: Budget Estimates; RE: Revised Estimates.

Interim Budget (the scheme was, in fact, officially announced in the last 2019-20 interim Budget of Parag Mehta). But this did not happen. The outlay for the scheme in 2024-25 has been retained at the current fiscal budget and revised estimate of ₹86,000 crore.

Later, addressing a press conference, Sitharaman said, "MGNREGA allocation is not done on the basis of a trend. It is based on the demand coming from the ground." In response to a query about the states' cooperation in the implementation of the scheme, Sitharaman said the CAG has commented on the way MGNREGA is operating in some states.

In a separate announcement, the Finance Minister said that the government has decided to enhance target for Lakshpati Didi from 2 crore to 3 crore.

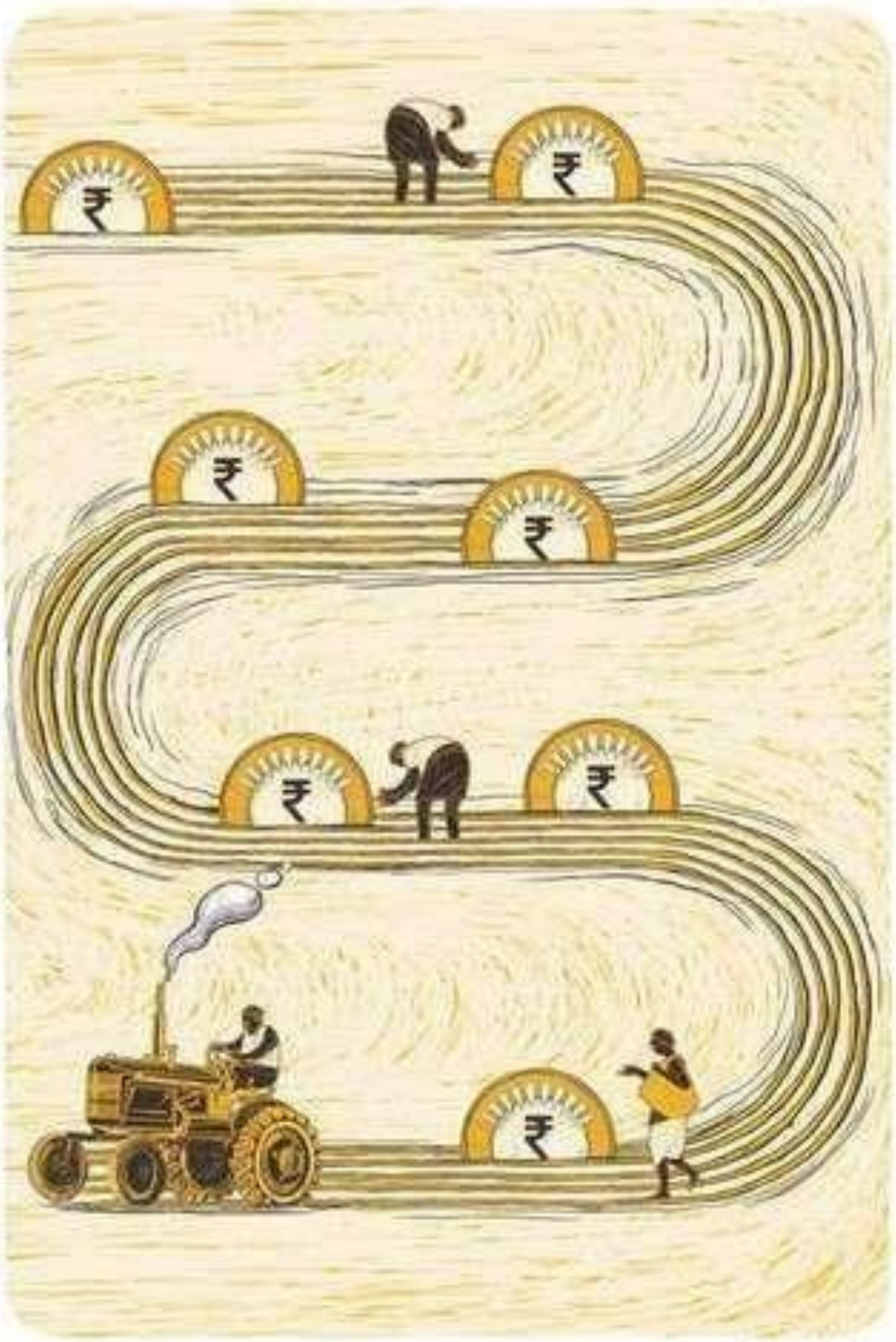


Illustration: Souptik Dey

₹500 cr for Drone Didis, plan for India's self-reliance in edible oils

HARISH SHARMA
NEW DELHI, FEBRUARY 1

THE GOVERNMENT will be formulating a strategy to achieve 'atmanirbhar' (self-reliance) in edible oils through measures including research and modern farming techniques, Finance Minister Nirmala Sitharaman said Thursday.

Describing farmers as "Atmadata", the Finance Minister said efforts will be stepped up for value addition in the agricultural sector as well as for boosting farmers' income. She also promised provision of investment — both private and public — in post-harvest activities to boost food processing levels.

Sitharaman allocated ₹500 crore for the Nano Drone Didi scheme, which aims to provide drones to 10,000 Women SHGs for providing aerial services to farmers. In the fisheries sector, she announced, five integrated aquaparks will be set up.

India relies on imports to meet industrial demand for edible oils. During 2022-23 (November-October), India imported nearly 105 lakh tonnes of cooking oils, worth ₹1.38 lakh crore.

Presenting the Interim Budget Thursday, Sitharaman said, "Building on the initiative announced in 2022, a strategy will be formulated to achieve 'atmanirbhar' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower. This will cover research for high-yielding varieties, widespread adoption of modern farming techniques, market linkages, procurement, value addition, and crop insurance."

Overall, Sitharaman allocated ₹8.127 lakh crore for the Ministry of Agriculture and Farmers' Welfare — of this, ₹1.17 lakh crore is for Department of Agriculture and Farmers' Welfare, and ₹5,941 crore for Department of Agricultural Research and Education.

Highlighting that the Government set up a separate Department for Fisheries realising the importance of assisting fishermen, Sitharaman said both inland and aquaculture production had doubled, as had seafood export since 2013-14.

"Implementation of the Pradhan Mantri Matsya Samraksha Yojana (PMMSY) will be stepped up. (1) enhance aquaculture productivity from existing three to five tonnes per hectare; (2) double exports to ₹1 lakh crore; and (3) generate 55 lakh employment opportunities in near future. Five integrated aquaparks will be set up," the Finance Minister said.

Describing farmers as "Atmadata", Sitharaman said, "The efforts for value addition in the agricultural sector and boosting farmers' income will be stepped up... we will promote private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chain, primary and secondary processing and marketing and branding." Application of Nano DDT on various crops will be expanded in all agro-climatic zones, she added.

ON THE BACK OF LESS FREE GRAIN AND EASING GLOBAL FERTILISER PRICES

Food, fertiliser, fuel subsidy bill to fall to 5-year low

HARISH DAMODARAN
NEW DELHI, FEBRUARY 1

THE CENTRE'S subsidy bill on the '3Fs' — food, fertiliser and fuel — is slated to fall to a five-year low of ₹3,81,075 crore in 2024-25, as per the Interim Budget. There are two main drivers for the decline.

The first is the discontinuation of the free, additional 5-kg monthly grain allocation to the 80 crore-plus public distribution system (PDS) beneficiaries under the Pradhan Mantri Garib Kalyan Anna Yojana. This extra rice or wheat — over and above the regular 5 kg person/month PDS quota under the National Food Security Act — was given during the post-Covid period from April 2020 to December 2022. That ended effective from the last calendar year.

With the annual grain outflow through the PDS and other schemes falling to 64-65 million tonnes (mt) in 2023-24 (as against 92.9 mt in 2020-21, 305.6 mt in 2021-22 and 327.7 mt in 2022-23) and the government's procurement, as well as stocks in godowns also declining, translating into reduced carrying cost of buffer beyond operational requirements, the food subsidy is being projected at ₹1,205,250 crore for 2024-25.

That's down from the revised estimate (RE) of ₹2,13,332 crore for this fiscal, ₹2,72,802 crore for 2023-24 and ₹2,88,969 crore for 2022-23.

The subsidy hit an all-time high of ₹5,41,330 in 2020-21, when a one-time provision was made to enable the Food Corporation of India (FCI) to repay some ₹3,39,236 crore of outstanding loans taken

SPENDING UNDER '3F' SUBSIDIES (₹ CR)

	Food	Fertiliser	Fuel	Total
2014-15	1,17,671.36	71,075.62	60,268.82	2,49,015.8
2015-16	1,36,459	72,415.17	29,999	2,41,833.17
2016-17	1,30,172.95	66,312.93	27,538.71	2,04,024.6
2017-18	1,00,281.09	66,487.57	26,460.40	1,93,209.75
2018-19	1,01,327	70,604.8	24,836.05	1,96,768.75
2019-20	1,08,668.35	81,324.33	36,528.78	2,26,521.46
2020-21	3,41,330.34	1,27,927.74	36,454.84	7,05,712.92
2021-22	2,08,068.54	1,53,758.1	3,422.6	4,65,249.24
2022-23	2,72,802.38	2,51,339.36	6,817.37	5,31,059.11
2023-24 BE	1,97,390	1,75,099.92	2,557.09	4,75,047.01
2023-24 RE	2,12,332	1,88,893.8	12,240	4,13,455.9
2024-25 BE	2,05,250.01	1,63,999.8	11,825.01	3,81,075.82

BE: Budget Estimates; RE: Revised Estimates.

from the National Small Savings Fund (NSSF). Prior to 2020-21, the Centre's FCI, which funded the subsidy, arising from the difference between the FCI's "economic cost" (what it incurs in procuring, distributing and storing grain) and its average issue price. To bridge the gap, it had to then borrow from the FCI as an interest rate of 7.4-8.3 per cent per annum.

FCI's economic cost is currently ₹30.10/kg for rice and ₹27.03/kg for wheat (budget estimates for 2023-24), while the same grain are issued entirely free to PDS beneficiaries.

The second driver for the Centre's lower subsidy outlay is fertiliser. The bill issued to

a record ₹2,51,339 crore in 2022-23 following Russia's invasion of Ukraine in February 2022 that led to skyrocketing international prices of fertilisers and raw materials.

Those prices have since eased. Global urea prices averaged \$402 per tonne in December 2023 (as against \$576 in December 2022) and \$360 in December 2021). The corresponding per-tonne landed export prices were \$395-\$723 and \$300 for di-ammonium phosphate, \$370 (\$390 and \$445) for muriatic acid, \$985 (\$1,175 and \$1,330) for phosphoric acid, \$292 (\$1,120 and \$990) for ammonia, and \$98 (\$198 and \$306) for sulphur.

As a result of the ease in prices, the fertiliser

subsidy fell to ₹188,894 crore in 2023-24 and is budgeted even lower at ₹164,000 crore for the coming fiscal.

The third major '3F' subsidy head is fuel, which touched ₹1,96,400 crore in 2022-23 and ₹1,85,378 crore in 2023-24. The petroleum subsidy fell subsequently with benign global crude prices and the Narendra Modi government limiting freely to sale of LPG cylinders and providing connection to pipeline income households.

Retail prices of diesel and petrol have, however, not been revised since they were last cut on May 22, 2022. That has pushed upstream subsidy to ₹12,000 crore level in the current as well as in the coming fiscal.

EXPLAINED

WITHOUT MUCH CHANGE

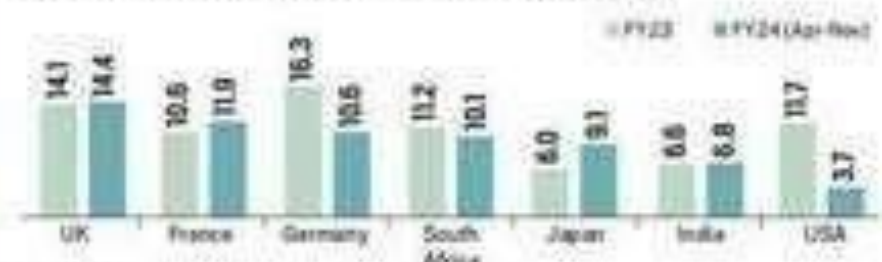
THE INTERIM Budget has predictably not tinkered with the free grain scheme or raised fertiliser and fuel prices. Yet, the Centre's subsidy bill is pegged at a five-year low, on the back of lower PDS outflow and easing global fertiliser prices. Any further rationalisation can be expected only post the Lok Sabha elections under the next government.

DEMAND FOR WORK UNDER MGNREGA



Source: Ministry of Rural Development, Govt.

GLOBAL FOOD PRICE INFLATION (%)



Source: FAO's Global Food Price Index for other countries.

WOMEN IN NREGA



Source: NREGA cell.

*As on 31.12.2023

PM - KISAN



Source: Ministry of Agriculture and Farmers' Welfare; PM-KISAN portal for all landholding farmer families; ₹5,000 per annum per family.

BUDGET 2024-25

11 INTERVIEW

In this Interim Budget, there is little or no populism. What is the thought that went behind taking such a bold move ahead of the general elections?

Two things... our performance in 10 years... 10 years of taking the route of empowering people and not going by entitlement. When houses reach people, electricity reaches people, and you also have money coming through direct benefit transfer, you financially empower them, you also make sure that opportunities are given to them. So the trust that we used, whether it was 'sabka saath, sabka vikas', whether you are looking at making sure that you don't differentiate between benefited and not benefited except (that) he deserves that.

There is actual development in the ground. There is no appearance of work. There is no differentiation among people. No caste or religion is brought in. As a result, you will find that in the last 10 years, we have actually laid the foundation for people to now think in terms of meeting their aspirations.

So, the vote on account budget was not seen as an instrument to tell people we can do this or we can do that without having performed in the last 10 years. We didn't want any populism coming here. We knew that our track record would explain it.

Over the 10 years, you have given out basics... banking, electricity, cooking gas and so on. So, you effectively created 500 million plus new stakeholders in the Indian economy. How do you see this playing out for the economy and society going forward?

That will be the trigger point for any consumption in the future. Consumption not just of basic necessities, not just of food products, but also of services, education. Not an corporate education, but seeking skills, seeking knowledge, seeking opportunity. And it is for that that the Innovation Fund has been set up and a large corpus is being given over five years.

What is the vision behind this?

Economists all over the world agree that if you spend more on capital expenditure, the effect of that will be at least 1 rupee and 45-50 paise.

If you do not do that and spend in revenue, you will not be able to get even 50 paise. Recovery from Covid has to be faster, and services should be better so take the route of capital expenditure. And in the next two years, you will see that recovery has increased and is also sustainable... That is why the importance of capital expenditure is seen.

In your Budget, you have not only stayed on the commitment on the fiscal glide, but you have improved on it. Gross borrowings are obviously down, which means RBI gets more room for manoeuvre in its monetary policy.

The emphasis we are laying is on being fiscally prudent, without affecting our schemes, without denying funds anywhere, and actually by avoiding wastage. That is why we repeatedly talk about DBT... (Rs) 2.6 lakh crores would have gone waste and no one would have known where it went, because it has gone to unborn children, it's gone to dead people, to people who don't exist and so on. So when you brought in technology and rationalised it with biometric validation, you were able to save money.

So your prudence is not in just cutting expenditure, which we have not done in large cases, but in improving revenue and avoiding wastage. Taxpayers' money has been used with the due respect that it deserves. And that is why today we have bettered our fiscal deficit numbers this year and for the next year as well.

You have increased the target of Lakhpati Didi from 2 crore to 3 crore. Is there any timeline for that?

Yes, in 5 years.

On growth trends... in the run-up to the Budget, the RBI first revised it upwards pretty sharply, then the Central Statistical Office came out with an even higher estimate. Are you looking at a new trend rate of growth for the economy as opposed to the previous rates?

It will be too early for me to say that, however, I am seeing that kind of buoyancy... that kind of energy coming out of every sector. Earlier, you would find that if you had a trend coming in the manufacturing sector, you couldn't say that of any other sector, certainly not of services. But today, the way the Indian economy is positioned, largely because of the drive that the Indian public is showing, you find every sector is moving to move fast.

We have seen income tax collections exceeding corporate tax collections. Second, when you had put out the

earlier estimates, we saw that among the

slabs there was a wealth effect which is operational. So is this exactly what you are talking about, that the growing aspirations are now manifesting even in

income streams?

Partly, yes. It is also that newer areas of

activity, in which earlier people wouldn't want to tread, are now opening up opportunities. Space is a classic example. India's space industry has been there for a long time, doing well. It's not as if they have succeeded only now. But the energy with which it is growing... private participation, contribution of start-ups are giving it a multiplier as like before. As a result what is happening is that the contribution to the GDP is coming from areas which earlier did not even exist and that is why your GDP's composition will have to be studied for what it is now... because areas not recognised until now have suddenly spurred growth and that is contributing.

You have announced Rs 1 lakh crore corpus for research... People would like to know more about this.

Yes, but I won't be able to tell you in detail now because that department will spend a lot of time there. But largely, we are providing money internally. And they will get a cheaper corpus. It can be some of the government companies or some special purpose vehicle which will be created for it.

But you have joined it with technology. The people who have joined it with technology will fund it.

Yes, that's why I believe it is a major step forward in the next five years, when it will be used for many small and big innovations. It will contribute towards development directly. And when one thing gets the benefit because of innovation, it immediately affects the entire sector.

Like, after bringing Bharat digital payment into the system, you see how much payment is being made from small villages, how much receipts are being made. It is not that money is being received there, but some payment is going for some activity.

You also identified DPI (digital public infrastructure) as a factor of production. Is India now looking to harvest its digital dividends?

India created public infrastructure made it available to private parties, made it available for small, medium firms who all want to get onto that and benefit... Those who contribute now building on the public infrastructure, also stand to benefit because they themselves are taking that product, which is essentially a public infrastructure foundation and building on it. That itself is becoming a commodity for transactions.

What is your message for the states?

The government has shown good enthusiasm in this matter. What all? The capital that we are giving to states, 50-year interest free, special assistance, whatever they call it. Whatever is spent through the central department is, at least 30%. Investment in states. Today, the states are able to complete their long-term projects quickly. We want to keep that enthusiasm alive.

You talked of social changes, setting up a high-powered committee to look at population growth and demographic changes. What is the thought behind it and is there any time line?

I've said in a different context that there are three Ds about which we are talking: demography, democracy, and diversity. All three are, characteristically, India's advantage. So now, when this advantage exists for us, are we able to make a long-term plan for it? Are we able to really leverage that advantage?... So for this a comprehensive understanding is required. We need to have some group taking all these considerations into their hands and sit and draft up something for the government.

Everyone will have a role to play in Viksit Bharat?

It has everyone's contribution. Otherwise the 2047 targets will not be reached. Bharat should take everyone along. We are committed to all the programmes for that. This is the ideal of BJP... all the BJP workers know the party should be everywhere and everywhere... whatever work we are doing through the government, it should be for overall development. We will work on this (roof manner).

"We didn't want any populism... knew our track record would explain it"

FINANCE MINISTER NIRMALA SITHARAMAN says the Interim Budget is premised on the Modi Government's performance in the last 10 years and the mantra of sabka saath, sabka vikas. Edited excerpts from her post-Budget interview with DD News



Illustration: Sangeetha

'WE SET A BIG GOAL, ACHIEVE IT, AND THEN SET AN EVEN BIGGER GOAL FOR OURSELVES'

Budget carries confidence of continuity, empowers Viksit Bharat pillars: PM

HARIKISHAN SHARMA
NEW DELHI, FEBRUARY 1

PRIME MINISTER Narendra Modi on Thursday said that the Interim Budget for 2024-25 will build the future of the country and empower Viksit Bharat's main pillars — the poor, youth, women, and farmers.

The PM said: "Today's Budget, though an Interim Budget, is inclusive and innovative. This budget carries the confidence of continuity... will empower all four pillars of 'Viksit Bharat' — the poor, youth, women, and farmers. Narendra's budget is for building the future of the country. This Budget carries the guarantee of strengthening the foundation of 'Viksit Bharat' by 2047."

Observing that the Budget reflects young aspirations of 'Bharat', the Prime

Minister said, "Two important decisions have been taken... A fund of Rs 1 lakh crore has been announced for research and innovation. There has also been an announcement to expand the tax exemption for start-ups."

He said that the Budget has allocated a historic high of Rs 11 lakh crore for capital expenditure.

"While keeping the fiscal deficit under control in this Budget, a historic high of Rs 11.11 lakh crore has been allocated for capital expenditure. In the language of economists, this is somewhat of a sweet spot... This will not only lead to the construction of 21st-century modern infrastructure in Bharat, but also create countless new opportunities for employment for the youth." The PM said that the announcement to manufacture 40,000 modern coaches under the



PM Narendra Modi delivers his remarks on the Interim Budget. ANI

'Vande Bharat standard' and induct them in regular passenger trains will enhance the experience of comfortable travel for millions of passengers across the country.

"We set a big goal, achieve it, and then set an even bigger goal for ourselves. We have built more than 4 crore houses for the poor and aged across the country. Now, we have set a goal of building 2 crore new houses. Our initial goal was to make 2 crore women 'Lakhpati Didi', now this goal has been increased to 3 crore... The Atmanirbhar Bharat scheme has greatly helped the poor. Now, Anganwadis and ASHA workers will also benefit from this scheme," the PM said.

"In this Budget, significant emphasis has been placed on empowering the poor and middle class, creating new income opportunities for them. Under the rooftop solar campaign, one crore families will receive

free electricity... people will also earn an additional income of Rs 15,000-20,000 annually by selling surplus electricity to the government. This income will be available to every family," he said.

The Prime Minister said that the income tax exemption scheme will provide significant relief to nearly one crore middle-class individuals.

"Previous governments had burdened the common man with a heavy sword hanging over their heads for decades. Today, crucial and significant decisions have also been made for the farmers in this Budget. Whether it's the use of Nano DAP, a new scheme for livestock, expansion of the PM Matsya Sampada Yojana, or the Atmanirbhar Oil Seed Ashiyun, farmers' income will increase, and there will be considerable reduction in expenses," he said.

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

ABOUT POPULARITY,
NOT POPULISMA positive offshoot of apparent political confidence is Modi government's renewed emphasis on fiscal consolidation.
Going ahead, challenge is to spur private investment

THE NARSIMHA MOORE government's interim budget for 2024-25 is a vision statement for the next 25 years — the so-called *Amrit Kaal* — that will lead to Viksit Bharat, or to India becoming a developed country by 2047. What it also points to underline, arguably, is the ruling party's confidence in its own prospects of coming back to power in the April-May national elections. Our indication of this is — no new welfare schemes or income tax giveaways.

This is in contrast to the last interim budget for 2019-20 which saw the launch of the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) programme, delivering direct income support of Rs 6,000 per year to all farm households in the country. In fact, the scheme was implemented with retrospective effect from December 2018, thereby translating into a huge pre-election sop. Also, the tax liability on individuals with annual income of up to Rs 5 lakh was completely waived off, along with an increase in the standard deduction for salaried persons. This interim budget, by contrast, has not witnessed any increase in the PM-KISAN transfer — there was wide expectation of its going up to Rs 9,000 per year — or any tinkering with income tax rates or slabs.

In short, it has been a single vote-on-account exercise, seeking Parliament's approval for routine expenditures till the next full-fledged budget is presented. The Modi government has not seen the need for any populist measures ahead of Lok Sabha polls in 2024, unlike in 2019, when it was perhaps more uncertain of the outcome, especially after losing assembly elections in three major Hindi heartland states.

A POSITIVE OFFSHOOT of the apparent political confidence is the Modi government's renewed emphasis on fiscal consolidation. Not only has the Centre's gross fiscal deficit in the revised estimates for 2023-24 fallen below the budget target, both in absolute terms (from Rs 17,84,816 crore to Rs 17,34,773 crore) and relative to GDP (5.9 to 5.8 per cent), it is expected to decline even more sharply to 5.1 per cent in the coming fiscal year. More encouragingly, this is coming largely dominated by the revenue deficit — from 3.9 per cent in 2022-23 to 2.8 per cent in the revised estimates (RE) for 2023-24, and to a budgeted 2 per cent in 2024-25.

On the other hand, the Centre's capital expenditure, which rose by 28.4 per cent in 2023-24 (RE), is budgeted to grow further by 16.9 per cent in 2024-25. This rise in the quantum as well as quality of fiscal consolidation — redirecting spending away from subsidies and other current outlays towards asset-creating capital expenditure — is welcome. It is especially so, ahead of elections.

Finance Minister Nirmala Sitharaman, reiterating the government's commitment to achieving a fiscal deficit of less than 4.5 per cent of GDP by 2025-26, signals two things. First, the Indian economy's normal growth trajectory has returned, so much so that the government feels less pressure to borrow and stimulate or provide extraordinary support to those worst impacted by pandemic-induced disruptions. Second, the impetus to growth is expected to be chiefly come from the private sector. Lower government borrowings — yields on the benchmark 10-year bond rose by nearly 0.1 percentage points on Thursday — will reduce more resources for private corporates to invest. Macroeconomic stability — be it government finances, external sector balance or corporate and bank balance sheets — along with agreement with decisive prudency, could create conditions conducive for a much-overdue revival of private investment.

THERE ARE four primary drivers of economic growth: Private consumption, private investment, exports and government expenditure. Currently, only the last engine is firing, while the other three are sputtering. The expansion in government spending, especially in the last three years, has not really crowded in private investment as per the conventional Keynesian prescription. India Inc, in spite of its success, is like Hanshan hesitating to fly — in other words, invest. Without that, there can be no sustained formal job creation leading to higher incomes and consumption.

The two sectors that did well even amid the pandemic were IT services and start-ups. The five big IT majors — TCS, Infosys, Wipro, HCL and Tech Mahindra — alone registered a jump in their total employee headcount from 11.5 lakh in March 2020 to over 18 lakh in September 2022, on the back of increased digitisation even from businesses that were traditionally based more on physical contact. But the latest data for December 2023 shows their combined headcount falling to just 15.4 lakh.

It has been worse in the case of start-ups, which are facing a funding winter following the drying up of easy money from ultra-low global interest rates. Generating jobs for the *Amrit Kaal* — leveraging the demographic dividend that a young and growing workforce is supposed to bring — is going to be the single biggest policy and political challenge in *Amrit Kaal*. For that, Hanshan must fly.

A DEFINING TEST

Against expectations, England won first Test of series. Win at Visakhapatnam could shake India's proud home record

A LAID BACK coastal city, a once powerful kingdom, the bed of several legendary cycles, is set to become the centre of the cricketing universe in the coming days. In Visakhapatnam will unfold, arguably, the most defining Test match this year, one that could potentially signal the end of an era and the beginning of another. Against most expectations, England won the first Test of the series. Another one could shake the edifice of India's proud home record. Or will the Indians fight back, as they have in the past? Going in, the Visakhapatnam Test seems layered with intrigues — these are plots within plots.

This much is certain. Rohit Sharma's men find themselves under enormous pressure. They are injury-ravaged and idea-sapped. If they lose at Visakhapatnam, the backwash could be severe — heads will roll, leadership changes could set in. Most damningly, the bats would fade. India would no longer appear winning sides. They would be less feared by the touring tracks, knowing that India's spin-bowling batsmen could tumble into the same graveyard. That was perhaps the biggest blow that England inflicted on India in the first Test at Hyderabad. They dethroned the five of bowlers. India's once biggest strength is now their deepest flaw. Thus, England have pushed India into unfamiliar terrain in their own bastion, the first time since Ricky Ponting's Australia breached the final frontier in 2004. The chaos the defeat whipped up, until the 2007 T20 World Cup redemption and the dawn of a new era, is still fresh in memory.

But India has sometimes rare courage in distress in the past. Remember their series win in Australia without half their first-choice eleven and after mulling to their lowest ever total in Tests. They have gifted players to pull them back into the series. There is the wisdom of the seasoned Rohit Sharma and Ravi Ashwin, hoisting in on 500 wickets, the explosiveness of Jasprit Bumrah, and the youthful promise of Shubman Gill and Shreyas Iyer. But even as they have the belief and purpose, the calmness and clarity will be gauged in Visakhapatnam, making the game an unpredictable spectacle.

Stability over political gestures

Government is dialing back its spending, marking an unwinding of pandemic-driven fiscal expansion



NEELKANTH MISHRA

ECONOMIC THEORY suggests that governments should spend more when private firms and households do not feel confident and hold back spending. Once the latter feels confident, the government should dial back on its expenditure. This counter-cyclical fiscal strategy smoothens growth and makes it more sustainable. While governments especially democratically elected ones, find the first part easy to do, they are generally reluctant to step back when the economy improves.

However, surprising forecasters positively, the government continued to prioritise macroeconomic stability over any political gestures. The fiscal deficit target of 5.1 per cent of GDP for FY2024-25 (FY25) is lower than even the lower end of the range of economist projections of 5.2 per cent to 5.5 per cent. The finance minister also reiterated the commitment to bring the deficit down below 4.5 per cent of GDP by FY2025-26 (FY26). The targeted primary deficit ratio for FY25 is 1.5 per cent, lower than the primary deficit seen in FY20. If the government achieves its FY25 deficit target, the primary deficit can fall to 0.8 per cent of GDP, closer to the level of 0.4 per cent, marking a nearly complete unwinding of the fiscal expansion driven by the pandemic.

Interest costs, after all, reflect past deficits. The pandemic-era fiscal seas would continue to be visible through higher interest expenses for a while given the nearly 10 per cent point jump in the debt-to-GDP ratio. Fiscal discipline is necessary for many more years for the debt-to-GDP ratio to fall back to pre-Covid levels near 70 per cent. Even then, some distance from the 90 per cent of GDP that the FRBM Review Committee (to which this writer was an adviser) believed in 2010 was appropriate for India.

Improving the quality of spending is important when trying to bring down an elevated debt-to-GDP ratio, one of the major vulnerabilities for the economy. A high ratio tests the state's ability to support growth if the economy sees an unexpected growth shock and pushes up interest costs. This ratio rose due to the government absorbing a large part of the economic losses during pandemic-driven lockdowns.

In the coming years, India should seek to undertake a revenue-based fiscal consolidation, given the rising expenditure needs of the economy (infrastructure, health, education, welfare etc.). The interim budget was not the place to do it, but the post-election budget certainly will be. Direct tax reform that further boosts tax/GDP will be crucial for further consolidation. This must be complemented with a strategic asset sales programme. Given buoyant markets and rich valuations, this seems a fertile year to monetise assets and bring the deficit down while protecting expenditures.

The ratio will fall if the denominator (GDP) grows faster than the numerator (debt). But this needs deft management. The fiscal deficit ratio must fall to slow down growth in government debt, but if it is brought down too rapidly, it hurts GDP growth. The government seems to be calibrating its spending and growth confidence in the economic recovery — from 0.5 per cent in FY23 to 6.0 per cent in FY24 and now 0.7 per cent in FY25. It also needs to keep improving the quality of spending — money spent on building roads or railway tracks boosts GDP when being built, but also supports growth in later years by carrying goods/people. Spending more on consumption, on the other hand, mostly has a one-time impact on growth.

This year-on-year growth in capital expenditure (11 per cent) will continue to be faster than overall spending (6 per cent) is, therefore, encouraging. A large part of this increase in capex is for the interest-free loans to be given to private firms for research — this would take time to ramp up, and it is unclear whether Rs 740 billion can be disbursed within a year, but the government's focus on medium-term drivers of growth is clear. Expenditure excluding capex and interest costs is budgeted to be nearly unchanged year-on-year. Given the decline in global oil and gas prices, the fertilizer subsidy bill is expected to be lower.

Underlying this consolidation and adding to the quality of the budget are credible assumptions. The 10.5 per cent nominal GDP growth assumption is reasonable, and the increase in tax-to-GDP budgeted is consistent with past trends. The steady 3 basis points (1 basis point is one-hundredth of a percent) annual improvement in personal income tax as a share of GDP between 2001 and 2019 has accelerated post-Covid, rising 20 bps annually. Corporate taxes as a share of GDP had risen from around 1.6 per cent in 2001 to nearly 4 per cent in 2008, but then fell to 2.3 per cent in 2020. Since then, corporate profits rebounded, so did corporate taxes, improving to 2.7 per cent of GDP in FY24, and should improve further in FY25. Interest rates have been relatively steady as a percentage of GDP, with volatility only due

to changes in reserve duty on fuel. The slight increase in GST as percentage of GDP budgeted in FY25 should be achievable, too.

Further, the move towards improved transparency in budget numbers, by reducing extra-budgetary spending, has continued. Once adjusted, the primary deficit in FY25 may already decline to pre-Covid levels and could be below them in FY26.

By sticking to the fiscal consolidation path it promised, the government has also embarked on a new commitment towards medium-term fiscal management. This provides predictability to the private sector and financial markets. The push for India's inclusion in the emerging market bond index cannot come from the government, but from global bond investors that wanted to have exposure to India. It would be interesting to see how rating agencies, which continue to rate India much below similar-sized peers, respond to the government's actions.

An unchanged fiscal deficit in absolute terms in a growing economy means financing it becomes progressively less of a concern. However, there is a concern as far as sufficiently emphasised in public discussion. The two major sources of deficit financing for the government are market borrowings (bonds) and inflows to small-savings schemes.

Over the last decade, inflows into these have risen from less than 0.5 per cent of GDP to more than 2 per cent of GDP now. Despite inflows in FY24 reaching nearly Rs 13 trillion ahead of expectations, the government has not revised these assumptions upwards, and in FY25, assumes a decline in these flows. The government could thus end the year with a much higher than-normal cash balance.

Higher government cash balances are not without costs to the economy. When government cash balances reach levels Rs 3 to 4 trillion, higher than normal, as they were last week, liquidity strains in the banking system intensify. For more than intended by monetary policy. The government could thus end the year with a much higher than-normal cash balance, undoing some of the gains from fiscal discipline.

The writer is chief economist, Ash Bank and head, Global Research, Ash Capital

NEGLECTING THE FARM

Allocation for agriculture hasn't gone up, subsidies haven't been rationalised



ASHOK GULATI AND PURVI THANGARAJ

THE FIRST ADVANCE estimate for agriculture GDP in 2023-24 reveals a modest growth of 1.8 per cent, a significant dip from 4 per cent the previous year. This reflects stress in the farm sector. One had hoped that in the interim budget for 2024-25 (FY25), the Finance Minister (FM) would have been more generous towards the sector. However, a major increase in allocations has eluded it. Perhaps the FM is using such allocations for the main budget in July.

The allocation for the Department of Agriculture and Farmers Welfare (DAFW) has seen a slight uptick of 0.6 per cent. In real terms, its allocation has gone down. The Department of Agricultural Research and Education (DARE), which received Rs 99.4 billion (RE) for FY25, saw a 0.7 per cent increase over Rs 98.8 billion (RE) in FY24. The two together accounted for just 2.7 per cent of the total budget expenditure (Rs 470 trillion) and 4.9 per cent of the centre's net tax revenue (Rs 26 trillion). However, the Ministry of Fisheries, Animal Husbandry and Dairying witnessed a 27 per cent increase — a commendable step, especially because there is an urgent need to manage hot and mouth-disease, increase productivity and reduce methane emissions.

Budgetary support to the agriculture-food sector has primarily revolved around welfare measures and subsidies. Key components in this domain include food and fertilizer subsidies, along with the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Though these do not come directly from the agriculture ministry, they support the agri-food sector — either the farmers or the

consumers. A major income support for the agriculture ministry comes in the form of PM-KISAN credit subsidy and the PM Fasal Bhina Yojana. All these measures combined amount to Rs 5.52 trillion (RE) for FY25, slightly less than INR 5.8 trillion (RE) in FY24. This support accounts for 12 per cent of the overall interim budget and significantly higher — 21 per cent — of the Centre's net tax revenue in FY25. It is compelling to note that the budget allocations for food and fertilizer subsidies, individually, account for a much higher budget than that compared to the Ministries of Agriculture and Farmers Welfare and Fisheries, Animal Husbandry and Dairying.

In FY25, the budgeted food subsidy fell to Rs 2.05 trillion (RE), compared to Rs 2.52 trillion (RE) in FY24 — a 3.3 per cent drop. However, this still undercuts a significant hike towards consumers, as the subsidy system is more rather than the 'amateur' (farmers) free ration to 800 million people through the PM-Cash Kisan Yojana is, of course, an accomplishment. But the necessity of extending this support to a vast number of people must be questioned, especially when the FM says that roughly 25 crore people have been lifted out of multidimensional poverty in the Modi government's 10 years.

We feel there is an urgent need to rationalise the food subsidy, on the lines of what former PM Atal Bihari Vajpayee had done in streamlining the Targeted Public Distribution System (TPDS). Under TPDS, wheat and rice were given free to only the Antodaya category (extremely poor) of consumers but charged 50 per cent of the Minimum Support Price

(MSP) to below Poverty Line (BPL) category and 10 per cent of MSP to Above Poverty Line (APL) category. Rationalisation along such lines can save the Modi sarkar at least Rs 50,000 crore, which can be allocated for agri R&D and innovation, especially micro-irrigation. This could help the country to produce 'more with less' and ensure food security in the face of climate change. But this is an election year, and one could not expect major changes in the interim budget. Perhaps, it can be taken up in the July budget.

The fertilizer subsidy has come down from Rs 1.80 trillion (RE, FY24) to Rs 1.64 trillion (RE) in FY25. Whether this will finally result in a reduction or not will depend a lot on what happens to gas prices in FY25. But what is needed is rationalisation, especially in minimising the diversion of fertilisers to non-agricultural sectors, including beyond Indian boundaries. It is widely acknowledged in expert circles that around 20-25 per cent of urea is misdiverted. A potential solution is to shift from subsidising the price of urea to directly empowering farmers through cash transfers. This will enable farmers to purchase fertilisers at market prices while reducing leakages. This shift could result in savings of Rs 30,000-40,000 crore. The funds could then be directed towards enhancing development initiatives like PM-KISAN.

The budget for agriculture seems muted. One only hopes that the July budget will have major announcements for farmers and make agriculture vibrant and sustainable.

Gulati is distinguished professor and Thangaraj is a researcher at ICRIER. Views are personal

FEBRUARY 2, 1984, FORTY YEARS AGO

US MILITARY BUDGET

PRESIDENT RONALD REAGAN presented Congress with a \$121 billion budget for fiscal 1985, with \$305 billion for defence — a hefty 13 per cent boost over last year — that seeks to maintain the momentum of his massive rearmament programme. Reagan's proposed military spending would make it the largest defence budget since World War II.

P.C. SETHI ON J&K

UNION HOME MINISTER P.C. Sethi has called

for strict action against secessionist and anti-national forces in Jammu and Kashmir. He warned CM Farooq Abdullah's "guarantee" of the nation's integrity from their stepped-up activities in the state.

AKALI DAL FACTIONS

AKALI DAL PRESIDENT Harchand Singh Longowal admitted his policy differences with militant Sikh leader Jarnail Singh Bhindranwale. He said, "The Akali Dal committed to maintaining peace and communal harmony. With Bhindranwale, I have basic

policy differences because he talks in the language of motorcycles, revolvers and revenge."

CONGRESS DEFECTION

THE EFFORTS OF some central Congress (I) leaders to dissuade M Chenna Reddy, former chief minister of Andhra Pradesh, from quitting the party have so far failed. The leaders are keeping a close watch on the response Chenna Reddy is getting from the disgruntled elements both within the Congress (I) and the Telugu Desam.



Over to the private sector

Steep fiscal consolidation in an election year is bold, necessary and must be complimented. Baton should now be passed



SAJID Z CHINO

MODERN DAY KEYNESIANISM has been on full display since the pandemic struck. Advanced economies — scared by the realisation that fiscal policy had not been counter-cyclical enough after the global financial crisis of 2008 and had deepened the hysteresis — went all in after the pandemic. But this time, as is often the case, policy over-corrected. Fiscal interventions in advanced economies were so large, and their withdrawal so gradual that it kept demand too hot, contributing to very sticky and elevated inflation over the last two years, and inducing the most aggressive monetary tightening cycle in 40 years. The case of the US is particularly instructive. The US fiscal deficit widened by a staggering 3 percentage points of GDP in 2023 even as the Fed was scrambling to bring inflation under control. Fiscal and monetary policy were working at cross-purposes and offsetting each other. On its part, fiscal policy had gone from being counter-cyclical to counter-productive.

The lesson is simple: Counter-cyclical policy is only efficacious and sustainable if it is symmetrical. The need to use firebreakers during slow-downs and crises is well understood. What's less appreciated is the art of arresting growth during peaceful times — creating fiscal space when growth booms.

Against this backdrop that this year's interim budget needs to be assured. Why was consolidation so important in India this year? To be sure, India's economy is in a different cycle at position from the US. Despite strong growth in 2023-24, output remains below its pre-pandemic path and inflation is coming off. Prima facie, this would argue for continued fiscal support. But this year, there are no fiscal constraints. Instead, as the last decade has revealed, emerging and frontier economies that operate macroeconomic policy without respecting constraints do so at their own peril.

In India's case, the need to consolidate was both because of the elevated nature of starting points and its impact on inter-temporal public debt sustainability. Even in a strong growth year such as 2023-24, public debt to GDP is expected to increase from around 85 per cent of GDP to 88 per cent. A small increase in debt ratios is, by itself, not worrying in a world where public debt has gone up across the board. Instead, what is important is the signal it is sending: That India's consolidated deficit is too large for peace times and will continue to weigh adversely on debt dynamics if not brought down. This is because even as the Centre was committed to reducing its fiscal deficit from 6.4 per cent of GDP last year to 5.9 per cent in 2023-24, state deficits are on course to widening (from 2.8 per cent of GDP to 3.1 per cent or even wider), such that the consolidated fiscal deficit will stay close to 9 per cent of GDP, and the broader public sector borrowing requirements even higher. If deficits stayed at this level, it would take 10 per cent real growth (11.5 per cent nominal)



C. K. Sankar

year after year just to stabilise public debt/GDP at elevated levels — let alone bring it down. On a more operational level, it would have meant that in a "polycrisis" world, India would have left itself with little ammunition to respond to future shocks.

So, four years after the pandemic and with the economy recovering, meaningful fiscal consolidation was the need of the hour, and the budget should be commended for doubling down on it. Both this year's fiscal deficit (5.8 per cent of GDP) and next year's target (5.1 per cent of GDP) were lower than markets had envisaged. What this from loading of fiscal consolidation by the Centre does is also to take the pressure off the states, which have just begun to find their feet. Their fiscal so far is growing at 50 per cent (the fiscal so far) and some revenue shortages. More generally, in making the talk of symmetrical counter-cyclical fiscal policy, it deserves a lot of credit.

With the need to reduce deficits uncontented, the goal should now shift to doing so in a manner that extracts the least cost on growth. This involves several principles. First, achieve the consolidation, as much as possible, by raising revenues rather than compressing expenditures. This is because expenditure multipliers tend to be higher than revenue multipliers. Second, asset sales need to be a key part of any revenue strategy because it is the least growth-impinging manner of reducing the deficit. Third, on the expenditure side, health, education, safety nets, and capex must all be preserved, and ideally grown — given the dualities in income and consumption — even as deficits are brought down.

Many of these principles were in play in 2023-24. Capex rose from 2.7 to 3.2 per cent of GDP (a tad less than budgeted) even as the deficit came down from 6.4 per cent to 5.8 per cent of GDP. This was, in part, possible because gross tax revenues rose to 11.6 per cent of GDP — the highest in 10 years — as direct taxes have surged this year. As a consequence, combined tax/GDP could cross 18 per cent of GDP in 2023-24 for the first time.

In the coming years, India should seek to undertake a revenue-based fiscal consolidation, given the rising expenditure needs of the economy (infrastructure, health, education, welfare nets). The interim budget was not the place to do it, but the post-election budget certainly will be. Direct tax reform that further boosts tax/GDP will be crucial for further consolidation. This must be complemented with a strategic asset sales programme. Given buoyant markets and rich valuations, this seems a fertile year to monetise assets and bring the deficit down while protecting expenditures.

That said, in 2024-25, much of the compression is budgeted to occur on the expenditure side. Central capex is expected to increase to 3.4 per cent of GDP. This is important because the broader measure of public capex (Centre, states, PSHs) has increased more modestly from 6.4 per cent of GDP pre-pandemic to 8.8 per cent in 2023-24. Given large capex multipliers and its potential to crowd in private investment, it's important not to take the foot off the pedal. In contrast, revenue expenditure (ex-interest and subsidies) to which the consolidation occurs — budgeted to decline from 6.9 per cent of GDP in 2023-24 to 6.3 per cent in 2024-25. To be sure, this is close to pre-pandemic levels and to the extent that tax revenues are budgeted conservatively (growing at almost 11 per cent in 2023-24 and budgeted at 11.5 per cent next year), there could be some upside surprise on taxes that takes the pressure off revenue expenditures.

But the larger point is that in the coming years, India should seek to undertake a revenue-based fiscal consolidation, given the rising expenditure needs of the economy (infrastructure, health, education, welfare nets). The interim budget was not the place to do it, but the post-election budget certainly will be. Direct tax reform that further boosts tax/GDP will be crucial for further consolidation. This must be complemented with a strategic asset sales programme. Given buoyant markets and rich valuations, this seems a fertile year to monetise assets and bring the deficit down while protecting expenditures.

The large fiscal consolidation in an election year is bold, necessary and must be complemented. How consolidation must be executed in the least growth-impinging manner. Finally, and more broadly, there is a more enduring signal that the interim budget is sending — the limits of fiscal support may have been reached. Continuing reforms will be needed to bolster growth. And the baton will need to pass from the public to the private sector.

The writer is Chief India Economist, JP Morgan Views are personal

WHAT THE OTHERS SAY

"The challenges in GH and Balochistan are a litmus test for Pakistan's democratic maturity. Will the politicians vying for power heed these voices from the margins, or will these areas continue to be footnotes in the nation's political saga?" — DAWN, PAKISTAN

Basket of empty promises

Commitments made in President's address to Parliament in past decade find little mention in current Budget Session speech



ZERO HOUR

BY DEREK O'BRIEN

THE PRESIDENT'S ADDRESS in the Current Budget Session was the first time it was delivered in the Lok Sabha, and not the Central Hall of Parliament. That is like playing a key match at Wimbledon on a tennis court. One and not the iconic Centre Court.

We started up the President's Address speeches delivered in the last 10 years. Here is a list of eight terms repeatedly used by this government in the last decade that hardly got a single mention in the speech they wrote this year.

Doubling farmers' income: "My Government is striving day and night to attain the goal of doubling farmers' income." President's Address, 2010.

No actual assessment of farmers' incomes has been carried out by the Union government since 2013. Income needed to grow by 10 per cent year-on-year from 2015 in order to double by 2022. In reality, the growth in farmers' incomes has been around 3.5 per cent. Pipe dreams. Thirty people involved in the farming sector committed suicide every day in 2022.

Democratisation: "To combat the evils of black money, corruption, caste discrimination and terror financing, my government took the decision on November 8, 2016, to demote old five hundred and one thousand rupee currency notes." President's Address, 2017.

Democratisation was an act of economic terrorism that failed to achieve any of its stated objectives. Black money, counterfeiting, or terrorism, have certainly not been reduced. Leave alone eliminated. Ninety-nine per cent of demonetised currency was returned.

Smart Cities Mission: "My Government has initiated the Smart Cities programme, envisaging city development as a challenge mode." President's Address, 2016.

Launched in 2015 but consigned to oblivion in the President's Address in 2024. Full of buzzwords like innovation, integration, convergence, but no concrete definition of what actually constitutes a smart city. Between 2015 and 2021, of the 13 cities selected in the first round (excluding railroads), the Union government released no funds to two cities for four years, 11 cities for three years, 12 cities for two years, and five cities for one year.

Namami Gange: "Namami Gange", an Integrated Ganga Conservation Mission has been set up with a budgetary allocation of more than 2,000 crore." President's Address, 2015.

Launched in 2014, this scheme's target was to clean the Ganga by 2018. Fact 1: Pollution levels in the river are higher than the levels recorded in 2014. Fact 2: The

highest concentration of microplastic pollution was found in the Prime Minister's own secret agency, Varanasi. Fact 3: The National Ganga Council formed in 2016, and headed by the PM, held its first meeting only after three years in 2019.

Jobless employment: "While focusing our attention on manufacturing to create more jobs, my Government will continue to work on our formidable strength in the service sector." President's Address, 2015.

This year, not a word about unemployment. The unemployment rate among youth in the age group 20-24 years was 45 per cent in the October-December 2023 quarter. Forty-two per cent of graduates under 25 years are unemployed in India. While India will need to create 7 crore jobs over the next 10 years, it is projected to only create 2.4 crore jobs.

Sagarmala Project: "Government has also formulated Sagarmala Project to promote Port and development of the coastal regions and communities." President's Address, 2015.

In 2023, the Parliamentary Standing Committee on Transport, Tourism, and Culture had cast a scathing critique on the lacklustre progress of funds utilisation within the Sagarmala project. The report noted that the "actual expenditure is only half of the BE allocation". As a glaring indictment, during the Demands for Grants 2022-23, the committee underscored that out of the 44 projects in development, 31 projects had not received any funds.

Bullet train project: "My Government is committed to the construction of world-class Railways. Work on the Mumbai-Ahmedabad high-speed bullet train has commenced." President's Address, 2018.

With much hullaballoo, the Mumbai-Ahmedabad bullet train project's bloated paper ceremony was held in 2017. Despite actually setting a completion target of 2022, subsequent reports indicate a shift in timelines, particularly for the Vapi-Suburban section. Now slated for completion by 2024, a 10-year delay. Concurrently, the project cost has surged from the misestimate of Rs 1,08,000 crore to Rs 21,000 crore.

Swachh Bharat Mission: "It is our collective responsibility to pay a befitting tribute to Pitya Bapu by making the country Swachh by 2019 when we celebrate the 150th birth anniversary of the Father of the Nation, Mahatma Gandhi." President's Address, 2018.

After all the hype and hoopla, this has now been reduced to just one sentence in this year's address. In an answer to a question in Rajya Sabha in 2023, the Ministry of Social Justice and Empowerment stated that 308 persons have died while undertaking hazardous cleaning of sewers and septic tanks in the last five years. This, despite the fact that manual scavenging has been banned in the country since 2013.

Another speech from Prime Minister Modi's government. Another basket of empty promises.

The writer is Member of Parliament and Leader, All India Trinamool Congress (Parliamentary Party) (Rajya Sabha). Additional Research by Anshuman Dey, Kailash Manojkumar.

The what-if of growth

Budget does well on fiscal discipline. But it assumes windfalls will continue



RAJESWARI SENGUPTA

IN THE RUN-UP to the interim Union budget, the three pertinent questions in the policy discourse were: Would the government stick to the tradition of an interim budget and refrain from making any major announcements? Would it continue on the path of fiscal consolidation and if so, at what pace? Would its fiscal consolidation roadmap be based on reasonable assumptions? The answer to the first two questions has been a resounding yes. The budget has added all the right boxes and personalised fiscal prudence. The third question merits a deeper analysis.

Unlike a full budget, an interim budget does not usually contain new expenditure plans or taxation proposals. It is an interim measure to keep the current government going for one more quarter before elections take place. Sticking to tradition, the PM presented a "vote on account" budget and did not announce major schemes or tax changes.

This strategy allowed the government to fulfil its promise of fiscal consolidation for the past few years. The Centre has run a fiscal deficit much higher than the 3 per cent medium-term target set by the Fiscal Responsibility and Budget Management (FRBM) Act of 2003. This was necessary and inevitable during the pandemic period, but given that the economy has been growing rapidly, it makes little sense for the government to keep running a high deficit. The government has released its commitment to fiscal consolidation. This is crucial because persistently high fiscal deficits create several

problems. At the most basic level, they raise concerns about financial and macroeconomic stability and can be detrimental to the economy's growth. At a more day-to-day level, they increase the government's indebtedness.

Since the pandemic, India's debt-to-GDP ratio has been 80-85 per cent, compared to the long-term average of 60-70 per cent. This has two adverse consequences: It crowds out borrowing by the private sector by raising the cost of borrowing in the bond market, and it increases the government's interest expenses. On average, roughly 40 per cent of the new debt receipts of the government have been going towards interest payments. Bringing the fiscal deficit down is, therefore, needed to create more room for the government to spend during slower times.

Hence, an important question was whether the government would continue on the path of fiscal consolidation it had embarked upon in 2022-23. The interim budget not only met but exceeded expectations.

It is important to recognise this achievement. The fiscal math for 2023-24 was indeed helped by robust direct and indirect tax collections. However, nominal GDP growth rate of 8.5 per cent has been modestly lower than the government's estimate of 10.5 per cent. Despite this challenge, the PM announced that this year's fiscal deficit would be held to 5.8 per cent, against the targeted 5.9 per cent. This was largely facilitated by lower-than-budgeted capital expenditure and high growth in non-tax revenues.

Even more striking, the budget projects a fiscal deficit of 5.1 per cent for 2024-25, implying a 0.7 per cent reduction from this year's deficit. Given that most analysts were expecting the fiscal deficit target for 2024-25 to be around 5.5 per cent, this is a welcome surprise. One reason is that the government resisted announcing populist measures to appease specific electoral constituencies. But there are two other critical parameters.

The interim budget assumes that the tax revenues for 2024-25 will continue to exhibit strong growth. It also assumes that capital spending will slow sharply. How credible are these assumptions?

Start with revenue. Between 2022-23 (actual) and 2023-24 RE, tax receipts grew at 10.8 per cent. This is expected to increase to 11.9 per cent between the RE of 2023-24 and RE of 2024-25.

The robust growth in tax revenues in the ongoing year is the result of two windfalls, both of which are likely to be temporary: A boom in service sector exports and a decline in commodity prices. The first phenomenon sharply increased the incomes of individuals associated with Global Capability Centres (GCC) and consulting services, thereby expanding the income tax base and giving a boost to direct tax revenues. It also pushed up indirect tax revenues because high-income earners began spending more on items that carry higher GST rates, such as luxury cars.

The second phenomenon, the fall in commodity prices, led to the expansion of corpo-

rate margins, boosting profits and thereby corporate income tax revenues. There is no reason to expect that both these phenomena will continue in 2024-25. In fact, service exports have already been plateauing and corporate margins are narrowing.

Another factor backing up the 5.1 per cent deficit projection is the drastic reduction in capex. From an average year-on-year growth rate of 20 per cent or more over the last three years, the interim budget announced that capex spending by the government will grow by only 16.5 per cent in 2024-25 compared to the RE of 2023-24. With the drastic reduction in government capex, the drivers of growth for the Indian economy might be called into question, given that private investment is still moderate and an exports boom is unlikely amidst a global slowdown.

Summing up, if the tax revenue growth for the next fiscal year is as strong as expected, the onset of the 0.7 per cent reduction in the fiscal deficit will fall on capex, as well as another sizeable transfer of surplus from the RE to the government. This also implies that there is no room left for the government to incur any additional spending in 2024-25.

While the interim budget has checked all the right boxes, it will be interesting to see to what extent the government can adhere to the plan especially when the full budget is presented post elections.

The writer is associate professor of Economics, IITD, Mumbai

LETTERS TO THE EDITOR

TRUST ISSUES

THIS REFERS TO the editorial, "A united victory" (IE, February 1). BJP won the Chandigarh mayor's post by getting 36 votes. AAP and Congress combined got only 12 votes. Eight of these votes were reportedly declared invalid by the presiding officer, who happened to be a BJP officer himself. Two things are glaring. First, are the councilors so naive in voting that their votes became invalid? Second, also being declared in the Opposition if such a case could happen in a polling centre in the process of an election for a titular post with 36 votes, then there is a need for citizens to worry about the risks of election and deviation from the process in an election involving millions of booths and voters with much higher stakes.

L. K. Sharma, New Delhi

THIS REFERS TO the editorial, "A united victory" (IE, February 1). Local governments are a crucial aspect of democratic decentralisation and allow for better management of regional issues. Political dysfunction at this level is shown in the proceedings in Punjab can lead to a loss of faith among the people in the effectiveness of the government and their voice. Proper precautions should have been taken for timely, transparent elections. The proportion of the municipal polls being only for power grabbing must be avoided at all costs. The issues must be resolved quickly for regular functioning and handling of the griev-

ances of the common man.

Anand Mishra, Mohali

ONUS ON BJP

THIS REFERS TO the article, "Muslims should not look at BJP" (IE, February 1). In recent years, Modi has enhanced India's relationship with Muslim-minority countries to strengthen India's security and economy. At the same time, the government's approach to Indian Muslims domestically has been marred by the proliferation of Hindutva and widespread allegations of discrimination against religious minorities. To strengthen India, the BJP should increase political outreach toward Indian Muslims and ensure that the state serves the interests of all its constituents.

SS Paul, Madurai

A SOCIETAL PROBLEM

THIS REFERS TO the editorial, "After Niharika" (IE, January 31). The suicide among the students of Kota, validates the theory of Enkai Daidaijin which considers suicide as a social fact. The reason of suicide in India lie in the structure of society. The high suicide rate among Kota children is a result of high regulation (fatalistic suicide) by coaching and peer groups and low integration (egoistic suicide) with the larger society due to isolation. To prevent it, we need to change the structural reality of our society.

Nagan Kothli, Chennai

Sd/-
Chief Engineer - 1

TOP OF THE WORLD



Greta Thunberg gets arrested in London, in October 2023. Reuters

UNITED KINGDOM

Greta Thunberg faces trial over 2023 oil protest

London: Greta Thunberg's arrest at a protest outside an oil and gas conference in London last year followed her refusal to leave after police had given the Swedish climate activist a "final warning", prosecutors said on Thursday. Thunberg is on trial with four others at London's Westminster Magistrates' Court for an offence under the Public Order Act. All five, who are aged between 19 and 39 and have pleaded not guilty, are accused of failing to comply with an order by senior police officers to move their protest to a designated area near the conference. **REUTERS**

THAILAND

New blow for poll winners: Bid to dissolve party

Bangkok: An activist lawyer lodged a petition on Thursday seeking to dissolve Thailand's Move Forward party over its plan to amend a law protecting the monarchy from criticism, in a setback for a party that won an election on a bold agenda of liberal reform. The petition was filed with the election commission a day after the Constitutional Court ruled Move Forward had undermined the crown and national security. **AP**

MALEDIVES

Two held over attack on top law official

Male: Two persons were arrested on Thursday in connection with the "pre-planned" attack on the Prosecutor General of Maldives that left his arm fractured a day before, an incident that triggered a subplot between President Mohamed Muizzu's government and the Opposition. Prosecutor General Hussain Shamsud Din was on a stopover in Male City on Wednesday morning when he was attacked with a hammer by two people on a motorcycle. **PTI**

JORDAN

Pegasus hacks decodes of activists, media

Beirut: Israeli-made Pegasus spyware was used in Jordan to hack the cell phones of at least 30 people, including journalists, lawyers, human rights and political activists, the digital rights group Access Now said Thursday. The hacking with spyware made by Israeli NSO Group occurred between 2020 and last November, Access Now said in its report. It did not accuse Jordan's government of the hacking. The Jordanian government had no immediate comment on Thursday's report. "We believe this is just the tip of the iceberg when it comes to the use of Pegasus spyware in Jordan, and that the true number of victims is likely higher," Access Now said. **AP**

HAMAS UNLIKELY TO REJECT TRUCE BID, BUT ISRAEL SHOULD END WAR: OFFICIAL

As airstrikes pound Gaza, Netanyahu says UN agency for Palestinians must close

UNRWA could shut down by end of Feb if funding doesn't resume

REUTERS
JERUSALEM, GAZA, FEB 1

ISRAELI PRIME Minister Benjamin Netanyahu called on Wednesday for the closure of the UN Palestinian refugee agency (UNRWA) as his forces conducted more airstrikes in Gaza amid efforts for a ceasefire and release of hostages in the enclave.

Israel has accused some UNRWA staff of involvement in the October 7 Hamas assault on Israel. Dozens including the US have passed funding pending an investigation, but aid agencies say sending UNRWA operations would weaken aid efforts in Gaza.

The Palestinians have accused Israel of falsifying information to tarnish UNRWA. "It's a crime the international community and the UN understand that UNRWA's mission has to end," Netanyahu told visiting UN delegates.

He said UNRWA should be replaced by other aid agencies "if we are going to solve the problem of Gaza as we speak today". The UNRWA said Thursday that it will most likely be forced to end operations in West Asia by end of month if funding does not resume. Meanwhile, a Palestinian official close to ceasefire talks said



Israeli protesters block aid trucks saying they aren't inspected well before entering Gaza. Reuters

INDIA 'CONCERNED' OVER ALLEGATIONS ON UNRWA

New Delhi: India's Ministry of External Affairs Thursday said it is "deeply concerned" over allegations that some staff of the UN agency for Palestinian refugees, UNRWA, were involved in the October 7 Hamas attack on Israel. New Delhi also welcomed the investigations launched by the UN into the allegations. **ENS**

Israel's controlled blasts are razing Gaza neighbourhoods

THE NEW YORK TIMES
GAZA, FEBRUARY 1

A RESORT hotel overlooking the Mediterranean. A main artery of the city. A residential area. In 2018, dozens of homes, businesses and schools were hit by a series of Israeli airstrikes.

The damage caused by Israel's aerial attacks in Gaza has been well documented. But Israeli ground forces have also carried out a wave of controlled explosions that has drastically changed

the landscape in recent months.

At least 32 controlled demolitions have destroyed hundreds of buildings, a NY Times analysis of Israeli military footage and satellite images show.

Israeli officials said Israel wanted to demolish Palestinian buildings close to border as part of an effort to create a security "buffer zone" inside Gaza. But most demolition locations occurred outside the buffer zone. The numbers could be a portion of the actual number.

US gets ready for strikes on Iranian targets in Iraq, Syria, says report

REUTERS
WASHINGTON, FEBRUARY 1

THE US administration has approved plans for multi-day strikes in Iraq and Syria on targets including "Iranian personnel and facilities", CBS News reported Thursday, citing US officials.

The report followed days of speculation about how Washington will retaliate after three US service members were killed on Saturday by a drone strike in Jordan, the first US deaths in escalation of violence across Middle East flashpoints.

US Defense Secretary Lloyd Austin said the United States would work to avoid a wider conflict.

President Joe Biden, under pressure to take firm action without igniting a wider war with Iran, has said he has decided how to respond, without giving details. Tehran has said it will respond to attacks on its territory or its citizens and interests abroad.

The CBS report quoted US officials as saying weather would be a factor in the timing of the strikes, as Washington preferred good visibility to guard against the risk of hitting civilians.

DOCUMENTS OF KILLED UKRAINIANS FOUND

Ukraine used US Patriot missiles to down plane with POWs: Moscow

REUTERS
MOSCOW, FEBRUARY 1

RUSSIAN INVESTIGATORS said on Thursday they had evidence showing that Ukraine's military shot down a Russian Su-26 military transport plane last week with US-made Patriot surface-to-air missiles.

The Russian Air Force Su-26 fell from the skies on Jan. 28, Russia said. All 74 people on board, including 65 captured Ukrainian soldiers en route to be swapped for Russian prisoners of war, were killed, and 15 killed by the downing of the plane.

The investigators said they found fragments of the plane, including a cockpit, and that it was shot down by a Patriot missile.

Ryba, which is fighting Russian forces in Ukraine, has neither confirmed nor denied that it downed the plane, but has challenged details of Moscow's account and called for an international investigation.

Russia's State Investigative Committee said in a statement that Ukrainian soldiers in the area of Lyssiv in the Kharkiv region had fired two missiles at the plane.

The fragments seized from the scene, according to their design features, geometric characteristics and available markings, are structural elements of the MM-104A anti-aircraft guided missile of the Patriot complex of the United States," the committee said.

It published a short video



A fragment of the US Patriot missile, according to Russian probe panel. Reuters

UKRAINE FORCES CHIEF ASKED TO QUIT: REPORTS

Kyiv: A series of Western and Ukrainian media reports this week said that President Zelenskyy had asked for Ukraine's armed forces commander General Valerii Zalozhnyi to step aside, a request he declined. A source familiar with the matter told Reuters on Wednesday that ground forces commander Oleksandr Syrskyi had been offered Zalozhnyi's job but turned it down. **REUTERS**

showing investigation inspecting some of the missile fragments. One fragment showed what appears to be "SU-26" in English. Russia said on Friday it had recovered Ukrainian identity documents and tampered body parts from the crash site. Ukraine did not immediately comment on the statement by the investigative committee.

HEARING ON SOCIAL MEDIA IMPACT ON CHILDREN

At US Senate hearing, Zuckerberg apologises to kin of abused children

REUTERS
WASHINGTON, FEBRUARY 1

META CHIEF Executive Mark Zuckerberg on Wednesday apologized to families at a US Senate hearing about the impact that social media has on children.

Under prodding from Republican Senator Josh Hawley, Zuckerberg stood up and addressed families who held up pictures of their children who had been harmed by social media.

The committee played a video in which children spoke about being bullied on social media. Senators recounted stories of youngsters taking their own lives after being cyberbullied after sharing photos with online predators.

"I'm sorry for everything you



Mark Zuckerberg at the US Capitol, Wednesday. Reuters

have all been through. No one should go through the things that your families have suffered. We are going to continue doing industry-wide efforts to make sure no one has to go through the things your families have had to suffer," he said.

"Your product is killing people," Hawley told Zuckerberg.



Protesting farmers throw eggs towards police as they block European Union headquarters, dissenting over price pressures, taxes and green regulation. Reuters

Farmers set fires, hurl eggs, stones at European Parliament amid summit

REUTERS
BRUSSELS, FEBRUARY 1

FARMERS THREW eggs and stones at the European Parliament on Thursday, starting fires near the building and setting off fireworks and protests to press a demand of European Union leaders to do more to help them with taxes and rising costs.

Small groups tried to tear down the barriers erected in front of parliament - a few blocks from where the summit was taking place - but police fired tear gas and sprayed water at the farmers with hoses to push them back.

A statue on the square was damaged and major thoroughfares in Brussels were blocked by

around 1,300 tractors, according to a police estimate. Security personnel in riot gear stood guard

behind barriers where the leaders were meeting at European Council headquarters.

"If you see with how many people we are here today, and if you want us to leave Europe or you must have hope," said Kevin Berens, a farmer brought outside Brussels. "You need us. Help us!"

Farmers from Italy, Spain and other European countries took part in the demonstration in Brussels, as well as continuing their protests at home. In Portugal, farmers made their way to the Spanish border to block some of the main roads.

France's main farmer union leaders on Thursday called on their peers to lift roadblocks after over two weeks, saying the government facilitated the protests.

EU CLEARS \$54 BN AID TO UKRAINE AMID SHORTAGE

Brussels: European Union leaders unanimously agreed on Thursday to extend \$54 billion (€54 billion) in new aid to Ukraine, the chairman of the summit said, overruling weeks of resistance from Hungary and winning praise from Kyiv. Before the summit started, EU leaders pressed Hungary to lift block, asking to pick sides. **REUTERS**

Nobel Laureate Yunus booked in new graft case

REUTERS
DHAKA, FEBRUARY 1

Dhaka: Bangladesh's anti-graft agency on Thursday submitted a charge sheet against Nobel Laureate economist Dr Muhammad Yunus on a fresh corruption charge, days after a court granted him bail in a case for violating labour laws.

The Anti-Corruption Commission (ACC) accused the 83-year-old economist and 13 others of misappropriating around Tk 25.22 crore of Grameen Telecom Workers' Profit Participation Fund.



Nobel Laureate Muhammad Yunus

"We have filed the charge sheet against him (Yunus) and 13 others before the Metropolitan Session Special Judge's Court of Dhaka," an ACC spokesman told reporters. The court has set March 3 for an indictment hearing of the case.

AFTER BEING OUSTED FROM POST, HANS-GEORG MAASSEN HAS BEEN KNOWN FOR RADICAL ANTI-IMMIGRATION RHETORIC

Germany's former top neo-Nazi hunter now being monitored as extremist

REUTERS
BERLIN, FEBRUARY 1

HANS-GEORG MAASSEN, who until five years ago was responsible for protecting Germany against violent and extremist threats to its democracy, is himself now being monitored by the security agency he ran, the barometer-turned-politician said.

Maassen was dismissed as head of Germany's Office for the Protection of the Constitution (BfV) in 2018 after appearing to play down the threat of violence by right-wing extremists who at the time were citing in an anti-

into Germany city.

Since then, Maassen has become known for his increasingly radical commentary on the supposed threat immigration poses to Germany, becoming a hero to far-right activists including some in circles surrounding Heinrich XIII Prince Reuss, the aristocrat who led a failed coup attempt in 2022.

"Germany is clearly afraid of me," he said on X, adding the country was using the internal security agency to monitor him and the party he has founded.



People protesting rightwing extremism, for the protection of the democracy in Hanau, Germany on Thursday. Reuters



Hans-Georg Maassen, former head of Germany's Office for the Protection of the Constitution (BfV).

published on his website a letter from the BfV, sent in response to a freedom of information request by his lawyer, confirming that he had been monitored by the data-

lines tracking extremists.

Maassen did not immediately respond to Reuters' request for comment. Tackles Eimbäck, a blog that supports him, quoted him as saying: "The allegations are without substance and unjustified."

Last month, Maassen announced he was setting up a party, one of several new launches aiming to capture voters who polls say are increasingly disenchanted with Germany's dominant parties of the centre left and right.

Maassen's post-BfV career as a far-right icon has been a growing embarrassment to

Germany's security services as they contend with a burgeoning far-right scene that is posing from a lack of economic and political public services.

As BfV chief, he was in effect Germany's chief hunter of neo-Nazis. The documents released to him by the BfV show him being repeatedly praised by far-right figures.

"The right-wing extremist Bernhard Schaub, in a letter to Heinrich XIII Prince Reuss, described your client as an 'upstanding republican'. The BfV's first example reads: 'Only undisciplined, uneducated features in freedom of information releases.'



Former US president Donald Trump with his team. Reuters

Inside Trump's poll team: Lean, mean and largely unseen

REUTERS
FEBRUARY 1

A VETERAN tactician who worked on Ronald Reagan's campaign. An ex-Marine wounded in the Middle East.

They are among a handful of distinctive figures who form a tight, disciplined inner circle around Donald Trump in bid for White House.

This core campaign team of a half-dozen aides is unwaveringly loyal to their boss and chosen to stay mostly in the background, marking stark departure from his previous, more public role of adviser.

"We go to war with people that we love," said Trump campaign co-manager Chris LaCivita, a 57-year-old former Marine injured in the 1991 Gulf War who became a political consultant.

"There is no consultation about a chain of command," LaCivita told Reuters. "He's at the top."

The public got a glimpse of LaCivita and fellow campaign mastermind Steve Wiles when Trump took the stage to celebrate his victory in Iowa.

Behind him on the edge of the stage stood Wiles, looking out behind her was LaCivita's bald head.

The two veteran operators have helped Trump build a huge lead in the race for Republican nomination. They have helped him land major endorsements, lobby state

Republicans, relentlessly mock his rivals, develop the successful strategy of campaigning on his multiple industries, and make sure events are packed with red

cap-wearing supporters.

"They're doing this journey with me. And there's one guy whose name is on the plane. It's Trump, and he likes it that way," said Casey Lewandowski, a manager of Trump's 2016 campaign.



After a flat show, a flat track?

Vizag pitch unlikely to be a raging turner as India wrestle over team composition for second Test against England

VENKATA KRISHNA B
VISAKHAPATNAM, FEBRUARY 1

AS THE Indian players headed to the team bus after their optional training session on Thursday, their head coach Rahul Dravid walked to the centre of the square. This was his second such visit of the day: at noon with the Viragans showing early glimpses of what upcoming summer would be, he had the groundstaff remove the tarpaulin covers to have a feel of the surface. Post his bat with the groundsmen, the tarpaulin covers were replaced with sack clothes to ensure adequate air flow and the moisture stays intact.

In the first Test in Hyderabad, the early-morning moisture was a reason the ball spun the quickest in the first session of the opening day. And even in the coastal city of Visakhapatnam where the winter is showing signs of withdrawal, moisture has been a factor in the morning. What the sack clothes cover, that will retain more moisture than the tarpaulin, will do to the pitch on Friday morning is anybody's guess.

Just like guessing India's approach to being 0-1 down in a long series. Against Australia in 2017, after losing the first Test on a tank runner in Pune, they responded in the most aggressive manner as Bengaluru. Then in 2020, after the 36th Adelaide, they responded by leading the most unexpected punches in the Boxing Day Test. In 2021, last time England toured here, India bounced back from losing the first Test, winning the next three. If anything, this team is known to be slow to get off the blocks in a long series. For now and again when they recover from setbacks, they have shown the most ruthless side of them.

However, as they head to the second Test, the lingering question on everyone's lips is whether India would be able to recover from the hammer blow that Batters inflicted on them. Unlike the previous occasions, where India had all the resources to bounce back, and a solid game plan to aid, they seem a pale shadow of themselves at the moment.

They are winless in their last three home matches. And for a team that needs to put its neck up to be in the arena, the loss of Barbat, they have to do without Virat Kohli, Ravindra Jadeja and KL Rahul. They now have to do it with just two inexperienced batsmen, but with two of them, Shubman Gill and Shreyas Iyer - under pressure to find form.

India resorting to turning tracks had been their way out of trouble in the recent past, but the batting unit is so sore more than the opposition. But here, they are set to play on the most batting-friendly surface of recent times. It's how much of a worry the batting line-up is to the management. The team will also play a role at both ends: might want to bat first on a pitch that's expected to take turn much later than what has become normal these days.

The last time India played on what is a traditional home pitch which would start to take turn on Day 4 and 5 was in Chennai, where England out-batted them on way to a famous win. It made them wince to turners. Now, the hosts are putting all their hopes on their skilled spinners - R Ashwin, Kuldeep Yadav and Axar Patel - to find a way to crack Barbat. But here is a statutory warning: The Barbat is at its most dangerous on flat decks.

Playing XI not clear yet

If the pitch makes up just enough, India are made in deliberations with regard to the make-up of the XI. For Rahul's spot, India are torn between choosing Rajat Patidar and Sarfaraz Khan. On Thursday both wanted it out at the nets, with all eyes on the latter. And with Jadeja missing, Kuldeep is all set to feature in his first home Test in three years and will make the spin combo. However,



SNIFFING WICKETS

Security personnel with a sniffer dog inspect the pitch on the eve of the second Test between India and England. (1)

After crash, Pant feared amputation

New Delhi: Rishabh Pant avoided the amputation of his right leg in the aftermath of the horrific car crash which he survived 11 months ago. If there was any nerve damage, there was a possibility of amputation. That is when I felt scared," Pant said in Star Sports series Believe: To Death's Door, which documents his recovery. "I had taken an SUV, but what I was seeing was a sedan," he quipped as he remembered his mangled vehicle. Pant said the doctor gave him 16 to 18 months recovery time. "I asked the doctor how long it will take for me to move. He (Doctor) said it would take 16 to 18 months. I told the doctor from whatever time you give me, I will make six months from it." PTI

India are also pondering whether they need a replacement for Jadeja, the batsman. Hence, Washington Sundar is being looked at, and if he has to get a look in, then Mohammed Siraj has to sit out in a venue that has aided over-owning thanks to the outfield, which is relatively hard.

But it is not all doom for India. There might be a lack of clarity, if not a sense of confusion, as a collective unit, but individual brilliance can still save the day. When they batted back from just 1-100, they did so on the back of strong individual brilliance: If it was Ashwin in Bengaluru after Pant, at the MCC it was Ajinkya Rahane. And in 2021 against Chennai, it was Rohit Sharma in the first innings followed by Ashwin in the second. With England's spin attack missing Jack Leach over here, they would be heavily banking on James Anderson. If one of Rishi and Yashuvi Jain can get the tone at the top, they could well provide the spark that India are desperately seeking. All will be then well with their world again.

Opening salvo: Short Duckett and tall Crawley drive England's Bazball engine

SANDIP
FEBRUARY 1

POSTING THE team picture before Ashes on Instagram, Ben Duckett wrote: "I should probably find a different spot to stand." Inside the padded-up Duckett 54th seven, was his opening accomplice, Zak Crawley, all of about 18.

It's the height that strikes first. In a way, everything begins with height. It's the vertical proportions that has shaped their game. Crawley stands tall on the crease, has long levers, a long reach, and his strokes travel clean straight lines. He is strong on the front foot and an immediate driver through covers. Duckett squats in his stance, the pad reaching almost to his mid-riff, his short strides, a strong square of the wicket, and drives on the new rather than reaching to the pitch of the ball. Whereas Crawley seems to glide along the turf, Duckett bristles in the crease. It's like what Crawley is, Duckett is not; and what Duckett is, Crawley is not.

The effect they have on bowlers could be dizzying. A difference of 10 inches means that the bowlers are pressed to alter and re-align their lengths. A good-length ball to Duckett is a full-length one to Crawley. Duckett would defend the ball, Crawley would emphatically drive. Slightly shorter, Crawley would be in two minds (that is his weakness too) while Duckett would cut his pull, one of his most productive strokes. The bowlers have a three-yard difference where they need to bowl, especially when they are rotating the strike. Good bowlers would soon find, but in the time they take to adjust, they un-clinch a corner of boundaries, forcing them to revise their plan.

It's the tall that deters them - the opposition to attack - and perhaps the main reason Ben Duckett and Ben Stokes said them. Height would just have been a coinci-



ZAK CRAWLEY (L) AND BEN DUCKETT (R)

dence. Crawley implied as much when told The Telegraph: "The physical features are what everyone points out, but I don't think everyone sees how talented we are in the middle. Duckett is especially good at that, sitting in his spot and looking like he hasn't got a care in the world. We want to play in the same way, and when it comes off it really works." Duckett credits this to the "same wavelength." "We're both looking to get the most of the ball."

So far, they have worked. In 23 outings, they have combined 1064 runs at 48. Twice they have stood 100-plus stands, including 233 against Pakistan, besides attaching in half-century partnerships. But it's not really about the runs they score, but how they score them. No opening pair this century has scored at a more frantic rate than these 92. In that sense, they set the benchmark. Duckett has maintained a strike rate of 87, a few notches higher than Virat Kohli, since his comeback in Pakistan the year before. Crawley, in the Stokes-McCullum era, has leveraged a strike rate of 88 since the Pakistan trip.

Now the Zak "duck" Crawley and Ben "two-leave" Duckett march their way back to the national team as equally fascinating narratives. Crawley's early years imprinted the face of his namesake John Crawley (uncle to Zak), a

county legend who could not prosper in Test cricket. Similarly, the opener struggled to translate talent to test and seemed on the brink of being discarded before Ben Stokes and Brendon McCullum wrapped an arm of comfort around him. After a dozen or so seasons when he averaged 23 from 13 innings, they selected him for a few rounds of golf, sat with him for a few pints of beer and made him feel comfortable to confess about his fears and doubts. Unburdened, almost liberated, he rediscovered himself with a hundred in Ramsgate.

Crawley, nonetheless, inhabited the consciousness of the selectors. But Duckett was a forgotten soul. He feared his career was over after he split from James Anderson's head in the Ashes tour of 2017-18 and dropped. On the same tour, a hunger for Duckett had allegedly guided over then coach Trevor Bayle during a flight. He seemed to sit into oblivion - missing 75 Tests between his fourth and 16, the most by any cricketer - before his comeback in Ramsgate. In the long haul away from Test cricket, he realised that there was no point trying to be a conventional opener (best exemplified by his reluctance to leave the ball no shot, often to only one percent of the balls he had faced in Tests). The attacking methods found not only new but also new another back to Test cricket.

Thus, in the most unusual of pairings, England found their most consistent set of openers after the glory days of Anderson and Alastair Cook. Since the former's departure, 18 different openers reached through the doors of England. Most of them were the curious, grinding sort, like Rory Burns and Dominic Sibley. Most England openers were signed that way until Crawley and Duckett surrounded the tradition with an image with a little help from their physical disposition. Duckett would probably move away from Crawley in the team picture, but in the middle they would be inseparable and the first combination of Barbat.

Thus, in the most unusual of pairings, England found their most consistent set of openers after the glory days of Anderson and Alastair Cook. Since the former's departure, 18 different openers reached through the doors of England. Most of them were the curious, grinding sort, like Rory Burns and Dominic Sibley. Most England openers were signed that way until Crawley and Duckett surrounded the tradition with an image with a little help from their physical disposition. Duckett would probably move away from Crawley in the team picture, but in the middle they would be inseparable and the first combination of Barbat.

Rookie Bashir's strengths: Turn, height, bounce and control

VENKATA KRISHNA B
VISAKHAPATNAM, FEBRUARY 1

LAST SUMMER, despite landing in Hyderabad at around 8:30 am after a visa delay, Shaheer Bashir (topic) turned up at the Uppal stadium midway through the morning session of the first Test. It was a Test where he could have made his debut, but he didn't show any disappointment. Ben Stokes

admitted that he could go back to the hotel and beat the jet-lag. But the 20-year-old would wait himself right next to the boundary bowlers and soak in the atmosphere.

In the next four days, Bashir, who is a player of Pakistani origin, had just one full training session and on Friday would make his debut. In the next sessions, despite all the adversity that England's batsmen show, it is still hard to miss Bashir, who stands at 6ft 4 inches. He is slim and agile and with a smooth run-up, and a full trajectory, his hand not to miss why Stokes was immediately hooked on to the off-spinner just by watching a video clip. "The first time I saw him was on Twitter I think the County Championship put a little clip together of him bowling against Alastair. I'm in a WhatsApp group with Garry (Rob Key) and Ben (McCullum). I just saw something and thought, this could be pretty good for India," Stokes said.

That was that. Having gone to UAE with England Lions, Stokes and McCullum would only see him for the first time during their preparatory camp in Abu Dhabi before they flew to Hyderabad. There is a reason why they thought of it straightaway playing him in the first Test. Bowling to batsmen who are constantly looking to get one over you with absolute disdain is an art demanding at the nets. On Wednesday, as India's batsmen brought out all kinds of swerves at the nets with their spinners feeding them in the air, R Ashwin started altering his lengths to get one over them. For Bashir doesn't have enough craft in his game yet to do the same.

But every time he was hit, he would make a point to pick the ball himself and have another go at their batsmen. Joe Root, Cade Pope, Ben Duckett, Zak Crawley and Stokes were hard at him, but none of them he took a breath. At times, he would even beat them by going slower through the air and bringing out a broad order. At other times, he generated turn and bounce with his action and height to trouble the batsmen.

This main attribute is, he spins the ball very hard, which I think is a big advantage of Alastair Cook said on TMS podcast. "You can teach control and discipline and all that when you are young, but not the ability to spin the ball. He's tall and has some very natural attributes which will help. What I was most impressed with when I faced him was he didn't bowl that many bad balls. He had control, he liked the control. It will be interesting to see how he goes," Cook added.

For a captain and coach who haven't hesitated to throw players in the deep end, handing debut to Bashir in the breast of them all. Unlike even Jonny Bairstow who has had white-ball experience and more than a dozen T20 games, Bashir has played only 10 county games and made his debut only last June. He has only 10 wickets in his career and has an average of 57. But since then, he has been more excited about Bashir. For sure, India will attack him from the word go and put early pressure on him. But Stokes would definitely back his young spinner like he did in the case of Huxley. Over to Bashir to show what he made of. Like Stokes said, "experience is overrated."

Patidar's journey to Tests: A reward for patience after series of rejections

PRATYUSHRAJ
NEW DELHI, FEBRUARY 1

"You hear people say he's a disaster but he's really a big person and he's got a big heart. Sometimes you have the wings and you're not there but you don't have the sky to fly." Former India cricketer Anwar Khan says a philosophical touch, while talking about 30-year-old Rajat Patidar's journey. "Twenty years ago, when he scored that outstanding hundred in the IPL, some of us against Jai Anand and co, he should have been called into the Indian team. The point is he was consistent. He should have got a chance then only," says Khan, who is the mentor of Patidar.

It's not just close friends who care about the cricketer from Madhya Pradesh. There is a tale of former India captain and chief selector Dilip Vengsarkar who landed up at ground, enquiring with the coach of MP Chandrakant Pandit about Patidar. "Where is that boy?" When informed that he was training that domestic game due to a niggly Vengsarkar got a bit dependent.

Thus came the potential. He thought that he should be playing very soon for India. Later he was injured and in the next match when Dilip came again and asked me about him, he got a bit sad to know that he missed because of a niggly. He said this guy should be playing for India. If I were the selector now, I would pick him. That's my Vengsarkar for you, he said that

knock is enough to the talent," says Pandit.

There's also Rajat Patidar's life, so far, yet so far. Luckily, at times, he has been counselled well during career-making moments. Madhya Pradesh captain Shabbir Sharmu, who has been friends with Patidar for the past 15 years, recalls a hilarious incident about how Rajat was hesitant to accept the offer and he had to postpone his marriage due to it.

"We were playing division cricket in Indore. He got a call from BCCI, a replacement and he didn't want to go. He told me, 'Ary Shabbir, mai jiska kisi ka hai?' (I shall I go or not?) My marriage date is fixed as well. I told him 'You should go, they will definitely give you a chance and will let you bat at No 3 as well.' But he was not convinced and said 'Khilenge nahi merko, aur abhi chahi karke hain na?' (They will not play me, instead I should get married). I begged him 'Teha na 100 per cent khilenge' (Please go, hundred percent you will play)," laughs Sharma.

He finished that IPL season with 333 runs in eight innings at a strike rate of 152.50. One of his finest knocks came against Lucknow Super Giants in the eliminator, where he hammered a 54-ball 112. Although RCB lost the next match, he carried his 164-run touch with a 100-flowing 58 in the Qualifier 2 against Rajasthan Royals. A couple of weeks later, he scored a match-winning century in the Rane Trophy final for Madhya Pradesh against Mumbai. His former Khushiya talent is the story for-



Rajat Patidar could make his Test debut against England on Friday. (1)

ward with a lament. "If he would have been playing for Delhi, Mumbai or Karnataka, he would have played at least 10 Tests by now and would have been a regular in the white ball."

"He has been with me at every peak and low. We worked a lot on his batting technique. Batting needs a lot of patience. He is a guy with outstanding patience. He is very calm. He is getting the break so far. He could have got his break a few years earlier. He will be an as-

set because he is an outstanding batsman in the close-in positions at silly point and short leg. If he gets a chance in two or three matches he will get a big score. He ticks all the boxes: honesty, commitment, discipline, hard work, loyalty, you just name it."

Thus, that Pandit the coach also stresses. "He is an outstanding talent; one of the classic cricketers in the Indian domestic circuit. He has done well for the India A and in the IPL. He has got the unique ability to pick the line and

He (Patidar) is an outstanding talent; one of the classic cricketers in the Indian domestic circuit. He has done well for the India A and in the IPL. He has got this unique ability to pick the line and length of the bowler early - that is his biggest strength."

CHANDRAKANT PANDIT
MADHYA PRADESH COACH

length of the bowler early - that is his biggest strength," says Pandit.

Also, his skill with the sweep shot, adds Khushiya. "He sweeps, he has very well and he knows how to handle left-arm spinners on batters where there is a rough patch on the leg side, which is a good problem for most of the players in the last Test match. He can easily counter England's spinners. He knows which ball to move on the raging turner, which is a unique skill set. He is a compact player," says Khushiya. He sweeps, he has very well and he knows how to handle left-arm spinners on batters where there is a rough patch on the leg side, which is a good problem for most of the players in the last Test match. He can easily counter England's spinners. He knows which ball to move on the raging turner, which is a unique skill set. He is a compact player," says Khushiya.

"Talent was always there. His timing is exceptional that you don't see in every batsman. Not everyone can hit a good ball for a boundary. I still remember his debut, he scored a fine 60 in the first innings. In the

second Test, scored a counter-attacking 101. It was an exceptional knock. There are a few batsmen who just don't like to face spinners on helpful patches but he will go after them. The kind of calm he has will only matter when he gets the chance. He is of a different quality," says Khushiya.

Ram Arre, a coach at Vijay Cricket Club in Indore, vividly remembers the first time Patidar came to the academy and how nothing much had changed since his debut.

"He is a genuine personified. Agony who has that is set to be successful in Test cricket. I remember he had an accident in U-19 in the division but at the trial he did it. He got out of it. And he was not picked. There were no signs of sadness, he just said 'My ability is not that bad, I have to work hard.' Before the Ashes injury, when he was not being picked for India, his attitude was the same. 'Sir, agar kaam hai toh karna hai' (My job is to work hard)," says Arre.

Arre credits his upbringing which has made him the person he is. "They are from Sarjapur, village in Indore. His father Manohar Prasad has a business of agriculture pump and he is also a no-nonsense guy. He is a speaker and believes in hard work and I feel Rajat has inherited that from his father," says Arre.

Now was correct: it is very difficult to get Manohar Prasad to talk about his son. "You can't match this feeling, but we don't talk cricket to him, just let him play."

For any queries, Contact:



Bharat Book Bureau

808, Real Tech Park, Sector - 30A, Vashi, Navi Mumbai, India – 400703.
Website: www.bharatbook.com
Email: info@bharatbook.com
Phone: +91 22 68327185
Mobile: +91 92237 67111