

DAILY PT POINTERS

2nd July, 2024



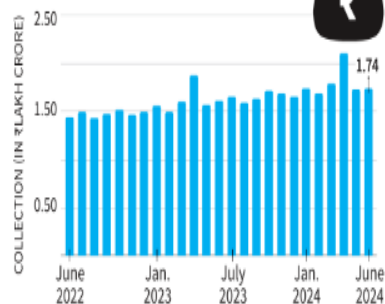
The Hindu : _GS 3/Economy –Page 1

June's gross GST revenue growth slows to a three-year low; no official statement

Vikas Dhoot
NEW DELHI

On a slow lane

India's GST collections stood at ₹1.74 lakh crore in June 2024, recording a 7.7% growth year-on-year



Growth in India's gross Goods and Services Tax (GST) collections slowed to a three-year low in June, with revenues rising about 7.74% to about ₹1.74 lakh crore from ₹1,61,497 crore collected in the year-earlier period, according to numbers shared informally by officials.

The Finance Ministry, which generally releases monthly GST revenue collections on the first of every subsequent month, including details about trends on State-wise collections and revenues collected from domestic transactions and imports, had not officially issued any statement on June's indirect tax receipts till the time of going to press on Monday.

The Ministry did put out a series of social media posts to mark the seventh anniversary of the GST regime, with July 1 marked as GST Day, to assert that it had brought "happiness for every home" with lower rates on household goods, a level playing field for all taxpayers, and lower com-

pliance burden on small businesses.

The growth in June's gross GST revenues, pertaining to transactions undertaken in the economy during the month of May, was the slowest pace since June 2021.

The rise in last month's gross GST revenues also

trails the 12.4% and 10% growth recorded in April and May 2024, respectively, and is a mere 0.73% above May's gross tally of ₹1,72,739 crore. For the first quarter, gross GST revenues were about ₹5,57,006 crore, roughly 10.2% higher than the ₹5.05 lakh crore collected in the year-earlier period.

In recent months, the Ministry had begun sharing details about net GST collections as well, after factoring in refunds.

In April, net GST collections had risen 15.5% to ₹1.92 lakh crore out of the record gross revenues of over ₹2.1 lakh crore. However, in May, net GST revenue growth eased to 6.9% with a tally of ₹1.44 lakh crore. In the absence of an official statement, net collections last month are not known.

Economists, speaking on condition of anonymity, expressed surprise at the absence of an official statement on the GST revenues for last month, and reckoned this would hamper analysis on activity trends in the economy.

While data for Central and State GST collections were not available, an official source said that about ₹39,600 crore had been settled to the central GST account from Integrated GST (IGST) collections, while States had been given ₹33,548 crore from the IGST pool.

In June 2023, IGST collections stood at ₹80,292 crore, including ₹39,035 crore collected on import of goods.

CONTINUED ON
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- Goods and Services Tax (GST) is a comprehensive indirect tax levied on the supply of goods and services in India
 - It is based on the principle of **Value Added Tax (VAT)** and is applicable throughout India.
 - It is paid by consumers, but it is remitted to the government by the businesses selling the goods and services. It has subsumed and replaced various indirect taxes that were previously levied by the central and state governments.
 - , the **Goods and Services Tax was introduced and enforced** across the country on **1st July 2017**.
- Article 246A** – Both the Parliament and the State Legislatures will have concurrent powers to make laws related to GST. However, the Parliament will retain exclusive power to legislate in the case of inter-state trade of goods and services.

Article 279A – It empowers the President of India is empowered to constitute the GST Council and defines its composition and functioning.

The Hindu :GS2-Governance(Page -8)

What is on the agenda for the 16th Finance Commission?

How do other countries devolve funds to their local governments? Why is the Census significant?

Tikender Singh Panwar

The story so far:

The 16th Finance Commission (FC) has begun its work, established under Article 280 of the Indian Constitution, primarily focusing on the devolution of the consolidated fund. Since the 73rd and 74th constitutional amendments, local bodies have gained significant recognition within the federal system. These amendments introduced sub-clauses 280 (3) (bb) and (c), which mandate the FC to recommend measures to augment State consolidated funds for supporting panchayats and municipalities.

What about cities?

The National Commission on Urbanisation in the mid-80s described cities as "engines of growth." Although this view is somewhat narrow, the reality is that cities contribute around 66% of India's GDP and about 90% of total government revenues. Cities, thus, are an

important spatial zone for the overall development of the country. However, our economic scale is insufficient to meet rising needs. The World Bank estimates that \$840 billion is needed for basic urban infrastructure in the next decade.

Despite the efforts of five commissions since the 11th Finance Commission, financial devolution to cities remain inadequate. The fiscal health of municipalities is poor, affecting both city productivity and quality of life. Rapid urbanisation without appropriate fiscal action has adverse effects on development. Intergovernmental transfers (IGTs) to Urban Local Bodies (ULBs) in India are about 0.5% of GDP, much lower than the 2-5% typical of other developing nations. For instance, South Africa allocates 2.6%, Mexico 1.6%, the Philippines 2.5%, and Brazil 5.1% of their GDPs to their cities. Although IGTs make up about 40% of ULBs' total revenue, issues persist regarding their predictability, earmarking for vulnerable groups, and horizontal equity. IGTs are

crucial for ULBs, given their financial state and the need for stable support until their own revenues improve.

What about the taxation system?

The introduction of the Goods and Service Tax (GST) has reduced ULBs' tax revenue (excluding property tax) from about 23% in 2012-13 to around 9% in 2017-18. IGTs from States to ULBs are very low, with State Finance Commissions recommending only about 7% of States' own revenue in 2018-19. Increasing the quantum of IGTs as a percentage of GDP is necessary. Despite the 74th constitutional amendment's aim to financially strengthen ULBs, progress over three decades has fallen short.

The 13th Finance Commission observed that "parallel agencies and bodies are emasculating local governments both financially and operationally." Local governments require support from Union and State governments through funds, functionaries, and technical aid. However,

the growth of parallel agencies has distorted local governments' roles. Programs like the Member of Parliament Local Area Development Scheme and the Member of Legislative Assembly Local Area Development Scheme exacerbate this issue, distorting the federal structure.

THE GIST

How important is the Census?

In the absence of the 2021 Census, reliance on 2011 data is inadequate for evidence-based fiscal devolution. India has approximately 4,000 statutory towns and an equal number of Census towns, with an estimated 23,000 villages, all of which are effectively urban. These figures must be captured by the 16th FC, including the significant migration to Tier-2 and 3 cities.

Thus, the 15th FC's nine guiding principles require a revisit. Not all of them but reference to enhancement in property tax collection in tandem to the State's GST; maintenance of accounts; resource allocation for mitigating pollution; focus on primary health care, solid waste management, drinking water, etc., deserve attention. The 16th FC must consider India's urbanisation dynamism and ensure IGTs to urban areas are at least doubled. A McKinsey Global Institute report warns that if India continues investing in urban infrastructure at current rates, urban infrastructure will fall short, leading to water supply issues and untreated sewage.

Author is former Deputy Mayor, Shimla, and Member, Kerala Urban Commission.

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The Hindu: GS 3/Economy–Page 13

RBI, ASEAN to create platform for instant retail payments

Press Trust of India
MUMBAI

The Reserve Bank of India (RBI) and ASEAN countries have decided to create a platform to facilitate instant cross-border retail payments.

The platform is expected to go live by 2026.

In a statement, RBI said it had joined the Project Nexus, a multilateral international initiative to enable instant cross-border retail payments by interlinking domestic fast payments systems (FPSs).

Nexus, conceptualised by the Innovation Hub of

the Bank for International Settlements (BIS), aims to connect FPSs of four ASEAN countries (Malaysia, the Philippines, Singapore, and Thailand); and India, who would be the founding members and first mover countries of this platform.

An agreement to this effect was signed by BIS and central banks of the founding countries – Bank Negara Malaysia (BNM), Bank of Thailand (BOT), Bangko Sentral ng Pilipinas (BSP), Monetary Authority of Singapore (MAS) – and RBI on Sunday in Basel, Switzerland.

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The Hindu: GS 1/Art and Culture

Kozhikode secures 'City of Literature' status at annual UCCN conference held in Portugal

The Hindu Bureau
KOZHIKODE

Kozhikode became part of the UNESCO Creative Cities Network (UCCN) as the city was awarded the title of "City of Literature" at the 16th annual conference of the network that began in Portugal on Monday.

Among the representatives of the 350 UNESCO 'Creatives Cities' in the world, Mayor Beena Philip and Corporation Secretary K.U. Bini were the face of Kozhikode. "This is a moment of pride for Kozhikode and so many people have been waiting for this moment," Ms. Philip said from Braga, a city in northern Portugal where the conference is being held.

The theme of the annual



Kozhikode Mayor Beena Philip and City Corporation Secretary K.U. Bini at the UCCN conference venue in Braga, Portugal, on Monday. Besides, Gwalior was also awarded a title by UCCN. SPECIAL ARRANGEMENT

conference of UCCN this year is "Bringing youth to the table for the next decade". The forenoon session on the first day of the five-day conference began with an introduction on

the topic and this was followed by an integration ceremony for the new members including Kozhikode. The older members presented their activities in clusters, offering a road-

map for the new members of the network to take their works forward.

President of Portugal Marcelo Rebelo de Sousa and senior UN officials took part in the confer-

ence's opening ceremony.

The new members, including Kozhikode and Gwalior, which was awarded the "City of Music" title, will get an opportunity to make a presentation on their respective traditions and cultures in a session on Tuesday. Ms. Philip will speak on behalf of Kozhikode on the occasion.

UNESCO offers 'Creative Cities' status to cities across the globe based on their cultural contributions and traditions in categories like design, film, literature, music and folk art.

The annual conference will provide the member cities with a platform to share knowledge, experiences and good practices towards building sustainable cities of tomorrow.

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UNESCO's City of Literature programme is part of a wider **Creative Cities Network**, which was launched in 2004 and is currently made up of 350 UNESCO Creative Cities globally. Members are drawn from more than 100 countries and cover seven creative fields: Crafts & Folk Art, Design, Film, Gastronomy, Literature, Music, and Media Arts.

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- The annual conference will provide the member cities with a platform to share knowledge, experiences and good practices towards building sustainable cities of tomorrow.
- The theme of the annual conference of UCCN this year is "Bringing youth to the table for the next decade"

The Hindu-IR(GSII)

CEPA: India wants South Korea to drop tariffs on some items



Trade boost: Post-CEPA (2022-24), average exports rose to \$ 7.1 bn while imports surged to \$19.9 bn. GETTY IMAGES/ISTOCK

Amiti Sen
NEW DELHI

India wants South Korea to eliminate tariffs on a num-

tion or concession on 83.8% tariff lines imported from South Korea, the latter offered tariff elimina-

- The next round of India-Korea CEPA upgrade meeting is likely on July 17-19,
- India wants South Korea to eliminate tariffs on a number of items, such as varieties of meat, milk, fruits, fish, stones, yarn and petroleum products, which were exempted or protected against steep cuts in the India-Korea Comprehensive Economic Partnership Agreement (CEPA) signed about a decade-and-a-half ago, sources said.
- The two countries are preparing to discuss request lists for tariff cuts later this month in the on-going negotiations to upgrade the CEPA, with narrowing of trade deficit with South Korea high on India's agenda.
- The CEPA, signed in August 2009 and implemented in January 2010, covers trade in goods, investments, services, and bilateral cooperation in areas of common interest. While India offered tariff elimination or concession on 83.8% tariff lines imported from South Korea, the latter offered tariff elimination or concession on 93.2% tariff lines.

Indian Express –Science and Tech (GSIII)-Page 12

How the world's first brain implant to control epileptic seizures works

ANONNA DUTT
NEW DELHI, JULY 1

A UK-based teenager, Oran Knowlson, has become the first person in the world to be fitted with a brain implant to help bring his epileptic seizures under control. The deep brain stimulation (DBS) device, which sends electrical signals deep into the brain, has reduced Knowlson's daytime seizures by 80%.

**EXPLAINED
HEALTH**

What is epilepsy?

Epilepsy, a condition that leads to recurring seizures, sees a person experience jerking of arms and legs, temporary confusion, staring spells, or stiff muscles. It is caused by abnormal electrical activity in the brain.

The disease has no identifiable cause in

nearly 50% of the cases. However, head trauma, tumours in the brain, some infections like meningitis, or even genetics can lead to epilepsy. It can increase the risk of accidents, drownings, and falling.

In India, between 3 and 11.9 per 1,000 people suffer from epilepsy, according to a comment in a 2022 Lancet study. Although several anti-seizure medi-

cines are available in the market, 30% of the patients remain resistant to treatment.

How does the device work?

The neurostimulator delivers constant electrical impulses to the brain to disrupt or block abnormal seizure-causing signals.

A 3.5 cm square, 0.6 cm in thickness, the device was surgically implanted in Knowlson's skull and anchored using screws, The Guardian reported. The doctor then in-

serted two electrodes deep into his brain until they reached the thalamus – a relay station for all the motor and sensory information. The ends of the electrodes were connected to the neurostimulator.

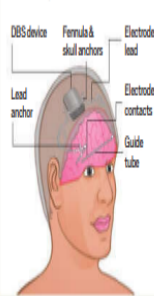
The device was switched on after Knowlson recovered from his surgery. It can be recharged by a wireless headphone.

What is DBS?

The device uses DBS, which is also utilised for movement disorders associated with Parkinson's, and other neurological conditions. Although DBS has been tried before for childhood epilepsy, until now neurostimulators were placed in the chest (instead of the brain), with wires running up to the brain where the leads were placed on the affected region, according to the BBC.

"Use of deep brain stimulation for the treatment of epilepsy is not new. We have

DBS BRAIN IMPLANT



been doing it for nearly a decade. There are new devices entering the market, but it is important to understand that it is not a miracle cure," Dr Manjari Tripathi, head of the neu-

rology department at AIIMS, New Delhi, said.

It is not the first line of treatment for epilepsy. Doctors first use anti-seizure medicines and a ketogenic diet, which is high in fats and low in carbohydrates. Although the reasons are not well understood, a ketogenic diet is known to reduce seizures, even in children with treatment-resistant epilepsy. If that does not work, doctors can carry out brain surgery to remove a portion of the brain where the seizures originate.

Another surgery called corpus callosotomy may be suggested in some children. In this, doctors remove a part that connects both halves of the brain, which does not allow abnormal electrical signals to travel from one half of the brain to another.

"Surgery is still preferable to implanting a DBS device. Currently, the DBS devices available in the market reduce seizures by around 40%. In comparison, seizures drop

by nearly 90% if the patient undergoes surgery," Dr Tripathi said.

How expensive is DBS?

"Neurostimulators cost about Rs 12 lakh. There are additional surgical costs that one has to pay in private hospitals, increasing the cost to about Rs 17 lakh," Dr Tripathi said. In comparison, a brain surgery costs between Rs 20,000 and Rs 30,000, she added.

Keeping this in mind, Dr Tripathi said that such devices should be suggested only for those who have epilepsy which originates from different parts of the brain (instead of one focal point), making operations less viable. DBS can also be an option when drugs and diet have failed to control seizures.

Among the thousands of epilepsy patients that AIIMS is currently treating, only seven have undergone DBS therapy – around one per year, Dr Tripathi said.

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HEADLINES OF THE DAY



PIB –Science and Tech(GSIII)

Ministry of Electronics & IT

Global IndiaAI Summit 2024 being organized with a commitment to advance responsible development, deployment and adoption of AI in the country

India to host member countries and experts as the lead chair of the Global Partnership on Artificial Intelligence (GPAI)

Posted On: 01 JUL 2024 9:58AM by PIB Delhi

the Ministry of Electronics and Information Technology is organizing the '**Global IndiaAI Summit**' on July 3rd and 4th, 2024, in New Delhi. The summit aims to foster collaboration and knowledge exchange, underscoring India's dedication to the ethical and inclusive growth of AI technologies.

Global IndiaAI Summit 2024

The summit will provide a platform for leading international AI experts from science, industry, civil society, governments, international organizations, and academia to share insights on key AI issues and challenges.

About IndiaAI Mission

The **IndiaAI Mission** aims to build a comprehensive ecosystem that fosters AI innovation by democratizing computing access, enhancing data quality, developing indigenous AI capabilities, attracting top AI talent, enabling industry collaboration, providing startup risk capital, ensuring socially impactful AI projects, and promoting ethical AI. This mission drives responsible and inclusive growth of India's AI ecosystem through the following seven pillars which will be the key focus of **Global IndiaAI Summit**.

HEADLINES OF THE DAY



PIB –Science and Tech(GSIII)

Ministry of Science & Technology

New metal oxide nanocomposite can be used for sustainable photocatalytic degradation of organic pollutants

Posted On: 01 JUL 2024 6:38PM by PIB Delhi

- A new metal oxide nanocomposite has been developed that can help photocatalytic degradation of organic pollutants like dyes and pharmaceuticals and hence can be used as sustainable technologies for cleaning up the environment.
- Metal oxide photocatalysis offers a sustainable solution for removing organic pollutants from water bodies. Titanium dioxide (TiO_2), zinc oxide (ZnO), and tungsten trioxide (WO_3) are notable catalysts due to their high surface area and stability