

Next: 1 billion UIDs, 1 billion a/cs, 1 billion mobiles?

Buoyed By Moody's & World Bank Boost, Govt Sets Eyes On Next Mega Mission

WHAT THE NUMBERS SAY

- ▶ As on Sept 2017, ₹15.89 lakh cr notes in circulation. Accounting for year on year reduction, ₹ 3.89 lakh cr less cash
- ▶ Suspicious transactions reported by banks up from 61,361 in 2015-16 to 3,61,214. Increase for FIs from 40,333 to 94,836
- ▶ ₹ 15,497 cr undisclosed income admitted in 2015-16, 38% higher than 2015-16
- ▶ Undisclosed income detected in 2016-17 at ₹ 13,716 cr, up 44%
- ▶ 56 lakh new individual tax payers till Aug, 2017 against 22 lakh last year
- ▶ Ft action against 1,150 shell cos used by 22,000 beneficiaries to launder ₹ 13,300 cr

Notes valued at
₹ 15.26 lakh cr
deposited after
DeMon. Total for all
denominations before
DeMon at
₹ 17.77 lakh cr

- ▶ Assets under MFIs touched ₹ 17.5 trillion by March, 2017, up to ₹ 20 trillion by Sept
- ▶ 110 cr transactions valued at ₹ 3.3 lakh cr, and another set of 240 cr valued at ₹ 3 lakh cr, through credit cards & debit cards
- ▶ More than 1 cr workers added to EPF and ESIC, up by 30%
- ▶ 21k persons disclosed ₹ 4,900 cr under PM garib kalyan yojana
- ▶ 52 cr Aadhaar no.s linked with 73 cr accounts
- ▶ 3k associated as directors with 20-odd firms struck off
- ▶ 52 cr transactions per month through BHIM-UPI. Govt makes direct transfer of ₹ 74,000 cr to 35 cr beneficiaries

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New Delhi: Seeing the Moody's upgrade, preceded by a 30-spot jump in ease of business rankings, as endorsement of major initiatives like demonetisation, GST and Aadhaar, the government is set to pursue an unique and ambitious "1 billion-1 billion-1 billion" connectivity vision.

This refers to one billion unique Aadhaar numbers, linked to one billion bank accounts, and one billion mobiles. The target follows the success of demonetisation in bringing about a substantial Rs 6 lakh crore reduction in the value of high-value notes that would have been in circulation and a rising trend of bank accounts and digital payments, said official sources.

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According to official statistics, estimated high-value notes at the end of September 2017, add up to approximately Rs 12 lakh crore as against a value of Rs 15.44 lakh crore in November 2016 when Prime Minister Narendra Modi announced demonetisation. "The number has more or less stabilised now," said a source.

The rate at which these programmes with its

policy critics and the opposition. The improved rating, which was shared with the government a day before release, sees these steps as serious attempts to formalise the economy and make it more transparent.

The government has sought to counter attacks that the return of 99% of denotified currency notes, despite being contrary to what was initially anticipated, does not signal a failure of demonetisation.

If this was the only objective, said sources, the government would not have offered several windows to exchange old notes.

The sharp reduction in the number of high-value notes is seen as a significant step towards a less cash economy promised by the government and, coupled with measures such as limits on such

payments for property purchases, is expected to accelerate the process. Despite criticism, against the rollout of GST, the tax reform has received widespread approval even from economists who were doubtful of note ban.

The flip to digitalisation, read in conjunction with Aadhaar and measures like BHIM-UPI, is also being recognised by ratings agencies, and the reduced transaction costs are also making a difference, said sources.

The UID schemes and its linkage with welfare payments as well as PAN cards and other use by private firms have been criticised for exclusion as well as intrusion of privacy.

The thumbs up to UID as a means of quickly establishing identity of a beneficiary or payment maker is a shot in the arm for the government.