

NEWS ITEMS ON CAG/ AUDIT REPORTS (01.07.2022)

1. Union govt to make Aadhaar mandatory for kids, mothers at anganwadis? Report ([thenewsminute.com](https://www.thenewsminute.com)) JUNE 30, 2022

The Union government is reportedly urging states to link Aadhaar numbers of beneficiaries of Anganwadi services, with the intention of making Aadhaar linking compulsory to provide take-home ration (THR) and other sources of nutrition for children and mothers. The government has also indicated that funds allocated to states for nutrition programmes will henceforth depend on the number of beneficiaries whose Aadhaar details are registered at anganwadi centres. The Reporters' Collective in Article14 has reported that according to official correspondence and guidelines of the Union Ministry of Women and Child Development, earlier in March 2022, states were told that only those beneficiaries who are registered at anganwadi centres, with mandatory possession of Aadhaar card and submission of Aadhaar number at the time of registration, will be entitled to Supplementary Nutrition.

Supplementary Nutrition is given to children aged six months to six years, and pregnant and lactating mothers, under the Integrated Child Development Services (ICDS) Scheme. This includes take-home rations and hot cooked meals provided at anganwadi centres to children and mothers. There are concerns that making Aadhaar linking compulsory will deny nutrition to lakhs of ICDS beneficiaries including children.

Recently on June 23, the Union government once again urged states to expedite the process of linking Aadhaar details of beneficiaries in the Poshan Tracker App, which tracks beneficiaries of anganwadi centres and services delivered by anganwadi workers, according to The Reporters' Collective. The WCD Ministry in its letter says that beneficiary details will be allowed to be added or edited at the block level until July 15, with the purpose of expediting Aadhaar seeding.

According to The Reporters' Collective, the guidelines sent to states by the WCD Ministry in March 2022 on the Union government's POSHAN Abhiyaan or National Nutrition Mission said, "Only those beneficiaries who are registered at the AWC (Anganwadi Centre) are entitled to receive Supplementary Nutrition. The beneficiaries must compulsorily be in possession of Aadhaar card and shall submit Aadhaar number at the time of registration under Anganwadi Services Scheme at AWC." The guidelines also reportedly said that beneficiaries would be required to carry their Aadhaar cards to the anganwadi centre every time they went to collect rations or food.

Earlier in November 2021, the WCD Ministry had asked states to update Aadhaar details of all ICDS beneficiaries in the Poshan Tracker by December 15, 2021, and that future allocation of funds under the Supplementary Nutrition programme and food grains under the Wheat Based Nutrition Programme would be made on the basis of this data.

In 2018, the Supreme Court while upholding the constitutionality of the Aadhaar, had said that no child could be denied the benefit of any scheme for not producing an Aadhaar number. According to Unique Identification Authority of India (UIDAI) data, only 23% of children under five years of age had Aadhaar as of March 31, 2022, the Article14 story points out. In a report from April 2022, the Comptroller and Auditor General pulled up UIDAI for issuing Aadhaar to children below five years of age based on the biometrics of their parents and asked it to “explore alternate ways to capture uniqueness of biometric identity for minor children below five years.”

Meanwhile, responding to the report, the Women and Child Development Ministry has said that a child's Aadhaar card is not mandatory for availing of the benefits of the Supplementary Nutrition scheme. However, the mother's biometric card must be used to register on the Poshan Tracker app to access the scheme, it said. The WCD Ministry insisted the Aadhaar details of children are not mandatory and the Ministry is ensuring that the benefits of the nutrition scheme are delivered using the Aadhaar of the mother.

"A media report claims that the Aadhaar card of children is mandatory for availing the benefits of the POSHAN scheme#PIBFactCheck...This claim is #fake, the Aadhaar card of children is not mandatory, the Aadhaar ID of the mother is required for the Poshan Tracker," the PIB tweeted.

The WCD Ministry recently proposed that the Anganwadi services should be digitised through the Poshan tracker to keep a tab on the nutrition access of the children moving across states. "When you move from one place to another, it becomes easier for beneficiaries to identify you as part of the programme as a whole and that is why when we are proposing to the states that you universalise Poshan access ... we are riding on the Aadhaar linkage of the beneficiary," an official had said earlier this month, according to PTI. <https://www.thenewsminute.com/article/union-govt-make-aadhaar-mandatory-kids-mothers-anganwadis-report-165426>

2. Why deny concessional rail travel to the elderly? ([deccanherald.com](https://www.deccanherald.com)) Jun 30, 2022

The decision of the Indian Railways to discontinue fare concessions to senior citizens violates the spirit of constitutional provisions and the United Nations conventions on the care for the elderly.

The Indian Railways had been providing fare concessions to 53 categories of citizens, including freedom fighters, Arjuna awardees, war widows and media persons. After Prime Minister Narendra Modi announced a national lockdown following the outbreak of the coronavirus pandemic in March 2020, the Indian Railways announced the denial of fare concessions to all but three broad categories of train travellers: Patients, including cancer afflicted, disabled persons and students.

In its response to a Right to Information query from Madhya Pradesh-based Chandra Shekhar Gaur, the Railways stated that in the two years from March 2020 to March 2022, the transporter generated additional revenues worth Rs 1500 crore on account of the decision to do away with the concession regime. In March this year, Railways Minister Ashwani Vaishnav said there was no proposal to restore fare concessions for the elderly, as train fares were "already subsidised".

The subsidy regime

The Indian Railways have traditionally followed a "cross-subsidy" regime, with profits earned from freight being annually diverted to subsidise passenger fares. Vaishnav's argument that senior citizen fares are already subsidised appears fragile on two grounds. First, passenger fare subsidy has been - and remains - applicable to all train travellers, not just senior citizens. Second, as advocate Setu Niket says, the minister's decision can be challenged on the grounds of the "arbitrariness" of the decision since only some categories of concession beneficiaries have been selectively removed from the list. MPs, MLAs, former railways ministers, rail employees and officers or members of the Passenger Amenities Committee Or the Passenger Services Committee - have all continued to benefit by way of passes for free or concessional travel. Have the senior citizens been targeted because they are a vulnerable and voiceless group? This question is being asked.

Cross subsidy, meanwhile, hardly provides for a happy situation for passengers or citizens, as higher freight rates eventually convert to a heavier financial burden on consumers. Passengers pay less for train fares but end up spending more because of the increasing consumer price index. The Railways have failed to effectively address the freight versus fare distortions, largely because of the reluctance of the elected governments to raise passenger fares because of political considerations. During the tenure of the UPA rule, Dinesh Trivedi had been the sole railways minister to have attempted to raise fares. Trivedi, then with the Trinamool Congress, had to pay a heavy price, as his party compelled him to step down as railways minister.

Shortly after the change of government in 2014, the Narendra Modi government's first Railways Minister DV Sadananda Gowda had - somewhat apologetically - announced a 28 per cent across-the-board hike in train fares - stating that he was only implementing the proposal of the previous government. In the last eight years, no further direct fare hikes have been announced, although indirect strategies to raise passenger revenues - such as running "special trains" on hiked or flexi fares - have often been resorted to. In some cases, train speeds have marginally been increased from 52 kmph to 55 kmph, for instance. Trains running at 55 kmph or above are designated as "super fast" trains, which have higher fares.

Rail finances, therefore, have been in the red because of multiple factors, including the reluctance of the political leadership to raise fares. In a recent report, the CAG has pulled up the public transporter for having spent a massive Rs 2.5 lakh crore on track improvement without having achieved the goal of raising train speeds. Costs of projects, including the Udhampur-SrinagarBaramulla Rail Link (USBRL) and the Dedicated Freight Corridors, have continued to skyrocket. The Mumbai-Ahmedabad high-speed project has been suffering time and cost overruns too. The point is this: The denial of concessions to senior citizens appears to be a shoddy attempt to window dress the bigger and nastier realities of rail finances.

Why concessions to the elderly

Private airlines such as Vistara and Spicejet provide for a big discount, while the Tatas have announced a 50 per cent discount on base fares for seniors. Public sector banks, including the State Bank of India, provide higher concession rates to the elderly. The principle of "care for the elderly" finds resonance in most of the developed or capitalist nations of the world. While transportation is free for all citizens in Luxembourg, most European nations have different categories of concessions for the elderly.

Belgium offers senior discounts on non-peak travel to 65 plus travellers, while France offers a "Carte Senior plus" card to 60 plus people, which entitles them to discounts ranging from 25 to 50 per cent on train travel. Germany offers the "BahnCard" to the 60 plus (25 to 50 per cent concession), while Italy offers the "Carta d'Argento" or silver card, which provides a 25 per cent discount for seniors in the RailEurope system. Spain's RENFE rail system offers senior travellers the "Tarjeta Dorada" (Gold Card), providing a 25-50 per cent concession on rail travel. The UK's "Senior RailCard", meanwhile, provides for one-third discount on a wide variety of standard and first-class tickets. Most of these countries also provide senior citizen discounts on opera or theatre tickets and visits to museums or historical or cultural sites. Such policies are in consonance with internationally established principles underlying the need for state support for the elderly to enable them to live a life of dignity in their sunset years. The United Nations Principles for Older Persons provide that the elderly in society ought to have "independence, the ability to participate in society, have access to care and be entitled to self-fulfilment and the full dignity of life among other rights".

The Indian government also provides several benefits to the elderly, including tax benefits, reduced telephone charges and a simpler passport application process. Article 41 of the Constitution secures the right of senior citizens to employment, education and public assistance. In 2007, the Indian Parliament also passed the Maintenance and Welfare of Parents and Senior Citizens Act, which provides effective and mandatory provisions for children to take responsibility for aged parents. Therefore, the denial of benefits to the elderly through discounted train tickets appears dichotomous.

The UN estimates are that the number of 60 plus people will increase from 600 million in 2000 to over 2 billion in 2050. In developing countries, the numbers of senior citizens are estimated to triple in the next 40 years, while the aged population is projected to rise rapidly in India and other Southeast Asian countries. The UN, therefore, has been pressing member states to adopt a specific resolution on older people's rights, as the "lack of policies to address these issues is condemning millions of older people to live a life of poverty". Given the population growth trends of the elderly and the correspondingly increasing financial burden on the government, it is understandable that the Indian Railways can review its concession fare policy. But the outright denial of concession fares to the elderly appears unjustified. <https://www.deccanherald.com/opinion/why-deny-concessional-rail-travel-to-the-elderly-1122666.html>

3. Fiscal

Deficit: मई में बढ़ा फिस्कल डेफिसिट, सालाना बजटीय लक्ष्य के 12.3% पर पहुंचा राजकोषीय घाटा (hindi.moneycontrol.com) Jun 30, 2022

केंद्र सरकार का राजकोषीय घाटा (Fiscal

Deficit) मई के अंत में वित्त वर्ष 2023 के सालाना बजटीय लक्ष्य का 12.3 प्रतिशत रहा। मई में अधिक फिस्कल डेफिसिट रहने के पीछे खर्च को मुख्यवजह बताया जा रहा है। सरकार ने गुरुवार 30 जनवरी को जारी आंकड़ों में यह जानकारी दी। बता दें कि वित्त वर्ष 2022 में इसी अवधि में राजकोषीय घाटा यानी फिस्कल डेफिसिट सालाना बजटीय अनुमान (संशोधित अनुमान) का 8.2 प्रतिशत रहा था।

राजकोषीय घाटा, सरकार के कुल खर्च और आमदनी के बीच अंतर को बताता है। यह उस कर्ज का बताता है जिसे सरकार को घाटे को पूरा करने के लिए लेने की जरूरत होती है।

कंट्रोलर जनरल ऑफ अकाउंट्स (CAG) के मुताबिक, वास्तविक आधार पर राजकोषीय घाटा मई के अंत में 2,03,921 करोड़ रुपये रहा। मौजूदा वित्त वर्ष में देश का राजकोषीय घाटा, जीडीपी के 6.4 फीसदी पर रहने का अनुमान है। वहीं पिछले वित्त वर्ष 2022 में यह 6.71 फीसदी रहा था।

आंकड़ों के मुताबिक, मई के अंत में सरकार की कुल प्राप्ति (टोटल रिसिप्ट्स) 3.81 लाख करोड़ रुपये रही। यह मौजूदा वित्त वर्ष के बजटीय अनुमान का 16.7 फीसदी है। पिछले वित्त वर्ष की इसी अवधि में कुल प्राप्ति बजटीय अनुमान का 18 फीसदी रही थी।

मई में सरकार की टैक्ससे हुई शुद्ध आमदनी बजटीय अनुमान का 15.9 फीसदी रहा, जबकि पिछले वित्त वर्ष के इसी महीने में यह बजटीय अनुमान का 15.1 फीसदी था।

कर (शुद्ध) राजस्व 2022-23 के बजटीय अनुमान का 15.9 फीसदी रहा। यह 2021-22 में बजटीय अनुमान का 15.1 प्रतिशत था। एक्चुअल टर्म में, वित्त वर्ष 2023 के अप्रैल-मई अवधि के दौरान टैक्ससे हासिल शुद्ध शु आमदनी 3,07,589 करोड़ रुपये रही।

आंकड़ों के मुताबिक, केंद्र सरकार का कुल खर्च मई के अंत में 5.85 लाख करोड़ रुपये रहा जो इस साल के बजटीय अनुमान का 14.8 फीसदी है। पिछले वित्त वर्ष की इसी अवधि में यह बजटीय अनुमान का 13.7 फीसदी था। वित्त वर्ष 2023 में सरकार का राजकोषीय घाटा 16,61,196 करोड़ रुपये रहने का अनुमान है।

<https://hindi.moneycontrol.com/news/business/centre-fiscal-deficit-at-12-3-percent-of-full-year-target-in-may-widens-from-year-ago-640951.html>

STATES NEWS ITEMS

4. CAG report for 1st pandemic year flags Bihar's outstanding debt ([hindustantimes.com](https://www.hindustantimes.com)) Jun 30, 2022

The report, tabled in the Bihar Legislature on Friday, the last day of the monsoon session, says that utilisation certificates (UCs) of ₹ 92,687.31 crore were outstanding as on March 31, 2021.

A report by Comptroller and Auditor General (CAG) of India on Bihar's finances for the fiscal 2020-21, which coincided with the first wave of Covid-19 pandemic and led to a lot of restrictions, has flagged the state's outstanding debt and high pendency of utilisation certificates for funds, saying the latter "is fraught with risk of misappropriation of fund and fraud".

The report, tabled in the Bihar Legislature on Friday, the last day of the monsoon session, says that utilisation certificates (UCs) of ₹ 92,687.31 crore were outstanding as on March 31, 2021. "High pendency of UCs is fraught with risk of misappropriation of fund and fraud," it says.

According to the report, 82.94% of the borrowed funds were used for discharging existing liabilities during 2020-21 and could not be used for capital formation/development activities of the State.

The state, according to the report, recorded a fiscal deficit of ₹ 29,827 crore during the fiscal 2020-21, an increase of ₹15,103 crore over the previous year. During 2020-21, the state suffered a revenue deficit of ₹ 11,325 crore for the second time since 2004-05, it adds.

Outstanding public debt (₹ 1,77,214.85 crore) at the end of the year increased by ₹ 29,035 crore over the previous year. Outstanding debt is getting closer to the size of the budget, as in 2020-21 total expenditure of state government was ₹ 165696 crore, the report says.

A positive sign is that the state witnessed an increase of revenue receipts by ₹ 3,936 crore (3.17%) in 2020-21 over the previous year, though revenue expenditure in 2020-21 increased by ₹ 13,476 crore (10.69 %) over the previous year and capital expenditure in 2020-21 increased by ₹ 5,905 crore (47.99 %) over the previous year.

Earlier, data of the union ministry of statistics and programme implementation (MOSPI) had shown positive growth rate of 2.5% in Bihar's gross state domestic product (GSDP) during 2020-21, the period during which the Indian economy shrank by 7.3% under the impact of Covid-19 pandemic.

Sudhanshu Kumar, economist & associate professor, Centre for Economic Policy and Public Finance (CEPPF), Patna, said the report corresponds to the year affected by the Covid-19 pandemic, which severely affected the finances of many of the state governments across the country.

“Although the stress is visible on the government finances through the audited numbers, the overall management of the state finances in Bihar is sustainable for the given level of expenditure. The state government could manage a higher level of expenditure with the help of transfers from the central government and the borrowings. Increasing outstanding debt leads to increase in interest payments, and the cost of borrowing is expected to increase further in the coming time with the monetary policy decision of increasing policy interest rates. The interest payments are part of the revenue account, which was in deficit during the year. The state has limited means to generate revenue from own sources, and therefore, further significant jump in the government expenditure requires special fiscal assistance from the central government,” he said. <https://www.hindustantimes.com/cities/patna-news/cag-report-for-1st-pandemic-year-flags-bihar-s-outstanding-debt-101656604648553.html>

5. CAG: Borrowed funds used for clearing liabilities in Bihar (thestatesman.com) June 30, 2022

The latest report of the Comptroller and Auditor General (CAG) of India on the Government of Bihar has detected huge borrowed funds used to discharge existing liabilities, rather than for capital formation or carrying out development activities. The report was tabled on the floor of the state legislature on Thursday.

“82.94 percent of the borrowed funds were used for discharging existing liabilities during 2020-21 and could not be used for capital formation/development activities of the State,” says the CAG report for the year ending March 2021.

The report also said the outstanding public debt (Rs1, 77,214.85 crore) at the end of the year has increased by Rs 29, 035 crore over the previous year. It added the revenue expenditure in 2020-21 increased by Rs13, 476 crore (10.69 percent) whereas the capital expenditure grew by Rs 5, 905 crore (47.99 percent) over the previous year.

The CAG report stated that the state recorded a fiscal deficit of Rs 29, 827 crore during the year, an increase by Rs15, 103 crore over the previous year. During 2020-21, the State suffered a revenue deficit of Rs11, 325 crore for the second time since 2004-05. The primary deficit of the state has increased from Rs 3,733 crore in 2019-20 to Rs17, 343 crore in 2020-21. The ratio of total outstanding debt to GSDP, as envisaged in mid-term fiscal policy, was within the BFRBM Act norms, said the report.

As per the report, the funds booked under capital expenditure and transferred to Major Head - 8448 ranged from 50 per cent to 92 per cent during the last five years, leading to the parking of funds. An accumulated amount of Rs 28, 573.60 crore was transferred in deposit accounts

as on 31 March 2021 by depicting expenditure over the years. As a result, actual capital expenditure in the state could not be ascertained.

The outstanding loans as on 31 March 2021 amounted to Rs 21, 743.77 crore which had increased by Rs 293.54 crore over the previous year, said the report. It further stated that Rs 13,459.71 crore drawn on 26,504 Abstract Contingent (AC) bills remained outstanding as of March 2021 due to non-submission of Detailed Contingent (DC) bills. This includes 1,833 AC bills amounting to ₹ 429.32 crore drawn in March 2021 alone. Non-adjustment of advances for long periods is fraught with the risk of misappropriation. Utilisation certificates (UCs) of Rs92,687.31 crore were outstanding as of 31 March 2021. High pendency of UCs is fraught with risk of misappropriation of funds and fraud, the report said.

Committed expenditure of the Government under the revenue head mainly consists of expenditure on salaries and wages (Rs21,841.65 crore), pensions (Rs19,635.15 crore) and interest payments (Rs12,484.04 crore). Total committed expenditure (Rs53,960.84 crore) constitutes a major component of revenue expenditure (38.68 percent). <https://www.thestatesman.com/india/cag-borrowed-funds-used-clearing-liabilities-bihar-1503086000.html>

6. Bihar recorded fiscal deficit of RS 29,827 crore in 2020-21 (uniindia.com) 30 June 2022

Bihar recorded a Fiscal Deficit of Rs 29,827 crore during 2020-21, which had increased by Rs 15,103 crore over the previous year.

According to the audit report of the Comptroller and Auditor General (CAG) of India on state finances ended on March 2021, tabled in the state legislature, the state suffered a Revenue Deficit of Rs 11,325 crore during 2020-21 for the second time since 2004-05.

The report said the Primary Deficit of the state has increased from Rs 3,733 crore in 2019-20 to Rs 17,343 crore in 2020-21.

The state, however, witnessed an increase in Revenue receipts by Rs 3,936 crore (3.17 percent) in 2020-21 over the previous year, said the report adding that revenue expenditure in 2020-21 increased by Rs 13,476 crore (10.69 percent) over the previous year.

According to the report capital expenditure in 2020-21 increased by Rs 5,905 crore (47.99 percent) over the previous year whereas the outstanding public debt (Rs 1,77,214.85 crore) at the end of the year has increased by Rd 29,035 crore over the previous year.

The State Government deposited Rs 1,976.81 crore to NSDL/Trustee Bank but failed to deposit Rs 23.04 crore collected on account of NPS during the year 2020-21. The total amount not deposited to NSDL/Trustee Bank as on 31 March 2021 was Rs 338.96 crore.

The outstanding loans as of 31st March 2021 amounted to Rs 21,743.77 crore which had increased by Rs 293.54 crore over the previous year and interest Rs 2.20 crore was received during the year.

The report further maintained that the state government has neither created a Guarantee Redemption Fund in terms of the recommendations of the 12th Finance Commission nor framed any rules for fixing a ceiling on guarantees. <http://www.uniindia.com/bihar-recorded-fiscal-deficit-of-rs-29-827-crore-in-2020-21/east/news/2769552.html>

7. बिहार का राजकोषीय घाटा 29827 करोड़ रूपये: कैग (navbharattimes.indiatimes.com) Updated: Jul 1, 2022

बिहार विधानसभा में बृहस्पतिवार को पेश नियंत्रक एवं महालेखा परीक्षक (कैग) की रिपोर्ट में कहा गया है कि प्रदेश में राजकोषीय घाटा पिछले वर्ष के 15103 करोड़ रुपये की तुलना में बढ़कर 29827 करोड़ रुपये हो गया है।

कैग रिपोर्ट में कहा गया है कि 2004-05 के बाद दूसरी बार 2020-21 के दौरान राज्य को 11325 करोड़ रूपये के राजस्व घाटे का सामना करना पड़ा।

कैग ने कहा, “2020-21 के दौरान राजस्व व्यय में 10.69 प्रतिशत की वृद्धि हुई। राजस्व प्राप्तियों में हालांकि पिछले वर्ष की तुलना में 3.17 प्रतिशत की वृद्धि हुई फिर भी यह 2018-19 (131794 करोड़ रुपये) की तुलना में 2.75 प्रतिशत कम थी। राज्य को अपने राजस्व व्यय को पूरा करने के लिए पिछले वर्ष (23.23 प्रतिशत की वृद्धि) की तुलना में अधिक धन उधार लेना पड़ा है।”

कैग रिपोर्ट में कहा गया है कि इस प्रकार राज्य का राजस्व घाटा और राजकोषीय घाटा पिछले वर्ष की तुलना में क्रमशः 6.35 गुना और 2.03 गुना बढ़ गया। <https://navbharattimes.indiatimes.com/state/bihar/patna/bihars-fiscal-deficit-rs-29827-crore-cag/articleshow/92582966.cms>

8. CAG का खुलासा: नीतीश राज में पहली बार 15 हजार करोड़ का 'राज कोष' घाटा, 92 हजार करोड़ का 'गड़बड़झाला' (navbharattimes.indiatimes.com) Updated: 1 Jul 2022

) के अंतिम दिन गुरुवार को सदन में CAG का रिपोर्ट रखा गया। डेप्युटी सीएम तार किशोर प्रसाद ने सदन में रिपोर्ट पेश किया। CAG की रिपोर्ट में नीतीश सरकार को लेकर बड़ा खुलासा किया गया है। रिपोर्ट के अनुसार, मार्च 2021 तक नीतीश सरकार ने 92 हजार 687 करोड़ रुपये का उपयोगिता प्रमाण पत्र जमा ही नहीं किया है। यही नहीं, 2004-05 के बाद पहली बार 11,325 करोड़ रुपये से अधिक का राजस्व का घाटा हुआ है। सीधे शब्दों में कह सकते हैं कि राबड़ी देवी के शासन काल के बाद नीतीश राज में पहली बार इतना बड़ा राजकोषीय घाटा का सामना करना पड़ा है।

CAG की रिपोर्ट में बताया गया है कि ₹29827 करोड़ का राजकोषीय घाटा दर्ज किया गया है। यह पिछले साल की तुलना में ₹15,103 करोड़ बढ़ गया है। रिपोर्ट में ये भी बताया गया है कि वित्तीय वर्ष 2020-21 के दौरान राज्य को 2004-05 के बाद दूसरी दफे ₹11,325 करोड़ से अधिक के राजस्व घाटा का सामना करना पड़ा है।

राजस्व प्राप्ति में 3.17 फीसदी की वृद्धि

CAG की रिपोर्ट के अनुसार, बिहार का प्राथमिक घाटा वर्ष 2019-20 में ₹3,733 करोड़ से बढ़कर 2020-21 में ₹17,343 करोड़ हो गया। यह पिछले वर्ष की तुलना में साल 2020-21 में राजस्व प्राप्ति में 3.17 फीसदी की वृद्धि हुई है। इस प्रकार पिछले साल की तुलना में कुल ₹3,936 करोड़ की वृद्धि दर्ज की गई है। वहीं, राजस्व व्यय में 10.69 फीसदी यानी ₹13,476 करोड़ की वृद्धि हुई है। 2020-21 में पूंजीगत व्यय पिछले वर्ष की तुलना में ₹ 5,905 करोड़ (47.99 फीसदी) की वृद्धि हुई।

बकाया कर्ज बजट के आकार के करीब पहुंचा!

रिपोर्ट में कहा गया है कि पिछले वर्ष की तुलना में सार्वजनिक ऋण में ₹ 29,035 करोड़ की वृद्धि हुई। CAG के अनुसार, बकाया कर्ज बजट के आकार के करीब पहुंच रहा है, क्यों कि 2020-21 में राज्य सरकार का कुल खर्च ₹165696 करोड़ था, जबकि कर्ज ₹ 177214.85 करोड़।

92687 करोड़ का 'गड़बड़झाला'

CAG की रिपोर्ट के अनुसार,

31 मार्च 2021 तक ₹92,687.31 करोड़ के उपयोगिता प्रमाण पत्र लंबित थे। कैग ने अपनी रिपोर्ट में कहा है कि अधिक मात्रा में उपयोगिता प्रमाण पत्र लंबित रहना राशि के दुरुपयोग और धोखाधड़ी के जोखिम को बढ़ाता है। अगर सीधे-

सीधे शब्दों में कहें तो CAG ने अपनी रिपोर्ट में गड़बड़ी की ओर इशारा किया है। CAG की रिपोर्ट में कहा गया है कि मार्च 2021 तक डीसी बिल प्रस्तुत नहीं होने के कारण कुल 26,504 एसी विपत्र, जिसकी राशि ₹ 13459.71 करोड़ लंबित थे। CAG का कहना है कि अग्रिम राशि का समायोजन नहीं होना, धोखाधड़ी हो सकता है। <https://navbharattimes.indiatimes.com/state/bihar/patna/cag-report-in-bihar-legislature-monsoon-session-fiscal-deficit-of-15-thousand-crores-first-time-in-nitish-government/articleshow/92582708.cms>

9. Bihar:

CAG की रिपोर्ट ने खोली नीतीश सरकार की पोल, किया बड़े 'गड़बड़झाले' की ओर इशारा (indiatv.in) Updated: July 1, 2022

Bihar

CAG: बिहार विधानसभा का मानसून सत्र इस बार खूब हंगामेदार और रोचक रहा। इस सत्र में एक दल ने अपने विधायकों की संख्या में इजाफा किया तो वहीं एक दल की विधायक टूट गए। राष्ट्रीय जनता दल ने चार विधायक जुड़े और चरों विधायक ओवैसी की पार्टी AIMIM से टूटे। RJD के अब 80 विधायक हो गए हैं और वहीं AIMIM का केवल एक ही विधायक ही रह गया है। मानसून सत्र के अंतिम दिन गुरुवार को सदन में CAG का रिपोर्ट पेश की गई। डिप्टी सीएम तारकिशोर प्रसाद ने सदन में यह रिपोर्ट पेश की। इस रिपोर्ट में नीतीश कुमार की सरकार को लेकर एक बड़ा खुलासा किया गया है।

सदन में पेश CAG की रिपोर्ट के अनुसार, मार्च 2021 तक नीतीश सरकार ने 92 हजार 687 करोड़ रुपये का उपयोगिता प्रमाण पत्र जमा ही नहीं किया है। यही नहीं, 2004-05 के बाद पहली बार 11,325 करोड़ रुपये से अधिक का राजस्व का घाटा हुआ है। आसान शब्दों में कहें तो RJD की राबड़ी देवी सरकार के बाद नीतीश कुमार की सरकार में पहली बार बिहार को इतना बड़ा राजकोषीय घाटा का सामना करना पड़ा रहा है।

पिछले साल की तुलना में घाटा 15,103 करोड़ बढ़ा

सदन में पेश CAG की रिपोर्ट में बताया गया है कि वित्तीय वर्ष 2020-21 में 29827 करोड़ रुपए का राजकोषीय घाटा दर्ज किया गया है। यह पिछले साल की तुलना में 15,103 करोड़ बढ़ गया है। रिपोर्ट में ये भी बताया गया है कि वित्तीय वर्ष 2020-21 के दौरान राज्य को 2004-05 के बाद दूसरी बार 11,325 करोड़ रुपए से अधिक के राजस्व घाटा का सामना करना पड़ा है।

हालांकि राजस्व प्राप्ति में 3.17 फीसदी की वृद्धि

CAG की रिपोर्ट के अनुसार, राज्य का प्राथमिक घाटा वर्ष 2019-20 में 3,733 करोड़ रुपए था। लेकिन साल 2020-21 में यही घाटा बढ़कर 17,343 करोड़ रुपए हो गया। वहीं पिछले वर्ष की तुलना में साल 2020-21 में राजस्व प्राप्ति में 3.17% की वृद्धि हुई है। इस हिसाब से पिछले साल की तुलना में कुल 3,936 करोड़ रुपए की वृद्धि दर्ज की गई है। वहीं, राजस्व व्यय में 10.69 फीसदी यानी 13,476 करोड़ रुपए की वृद्धि हुई है। 2020-

21 में पूंजीगत व्यय पिछले वर्ष की तुलना में 5,905 करोड़ रुपए (47.99 फीसदी) की वृद्धि हुई। <https://www.indiatv.in/bihar/bihar-cag-report-exposed-the-poll-of-nitish-kumar-government-pointed-towards-big-mess-2022-07-01-861679>

10. नीतीश सरकार के 'राजकोष' में इस बार 15 हजार करोड़ अधिक घाटा, 92 हजार करोड़ का हिसाब ही नहीं (news4nation.com) Updated: Jun 30, 2022

PATNA: बिहार विधानसभा के मानसून सत्र के अंतिम दिन आज सदन में कैग की रिपोर्ट सदन में रखा गया। डिप्टी सीएम ने सदन में रिपोर्ट प्रस्तुत किया। कैग की रिपोर्ट में सरकार की कलाई खुल गई है। रिपोर्ट में बताया गया है कि मार्च 2021 तक राज्य में 92 हजार 687 करोड़ रू का उपयोगिता प्रमाण पत्र जमा ही नहीं किया गया है। उपयोगिता जमा नहीं करना साबित करता है कि धोखाधड़ी की पूरी संभावना है। कैग रिपोर्ट में यह भी खुलासा हुआ है कि 2004-05 के बाद पहली दफे बिहार में 11325 करोड़ रू से अधिक का राजस्व घाटा हुआ है। यानी राबड़ी देवी के शासनकाल के बाद अब नीतीश राज में पहली दफे इतना बड़ा राजकोषीय घाटा का सामना करना पड़ा है।

बड़ा खुलासा

कैग की रिपोर्ट में यह बताया गया है कि राज्य में 29827 करोड़ रुपए का राजकोषीय घाटा दर्ज किया गया है। यह पिछले वर्ष की तुलना में 15103 करोड़ों रुपया बढ़ गया है। वित्तीय वर्ष 2020-21 के दौरान राज्य को 2004-05 के बाद दूसरी दफे 11325 करोड़ के राजस्व घाटा का सामना करना पड़ा है। यानी लालू राबड़ी राज के बाद नीतीश राज में उस राजकोषीय घाटा को पार कर गया। बिहार का प्राथमिक घाटा वर्ष 2019-20 में 3733 करोड़ से बढ़कर 2020-21 में 17343 करोड़ रुपए हो गया। यह पिछले वर्ष की तुलना में वर्ष 2020-21 में राज्य के राजस्व प्राप्ति में 3.17% की वृद्धि हुई है। यानी 3936 करोड़ की वृद्धि दर्ज की गई है। राजस्व व्यय में 13476 करोड़ यानी 10.69% की वृद्धि हुई है।

92687 करोड़ का हिसाब नहीं

कैग रिपोर्ट में कहा गया है कि 31 मार्च 2021 तक 92687.31 करोड़ उपयोगिता प्रमाण पत्र लंबित थे। कैग ने अपनी रिपोर्ट में उल्लेख किया है कि अधिक मात्रा में उपयोगिता प्रमाण पत्र लंबित रहना राशि के दुरुपयोग एवं धोखाधड़ी के जोखिम को बढ़ाता है। सीधे शब्दों में कहें तो कैग ने भारी गड़बड़ी की तरफ इशारा किया है। रिपोर्ट में कहा गया है कि मार्च 2021 तक डीसी बिल प्रस्तुत नहीं होने के कारण कुल 26504 एसी विपत्र जिसकी राशि 13459.71 करोड़ लंबित थे। बताया गया है कि अग्रिम राशि का समायोजन नहीं होना धोखाधड़ी हो सकता है। <https://news4nation.com/news/big-disclosure-there-is-a-loss-of-30-thousand-crores-in-the-treasury-of-the-nitish-government-628151>

11. Punjab performed poorly in UDAY implementation: Comptroller and Auditor General (timesofindia.indiatimes.com) Updated: Jul 1, 2022

CHANDIGARH: The Punjab State Power Corporation Limited (PSPCL) not only performed poorly in implementing Ujwal Discom Assurance Yojana (UDAY) scheme, but also failed to achieve most of the financial and operational parameters, showed the Comptroller and Auditor General (CAG) report. The performance audit report that covers the performance of the PSPCL pre- and post-implementation of UDAY scheme from 2015-16 to 2019-20 was tabled in the assembly.

Painting a sorry picture, the report pointed out that the state government was required to take over 75% of PSPCL's debt amounting to Rs 15,628.26 crore and to be transferred back to the PSPCL as a mix of grant of Rs 11,728.26 crore and equity of Rs 3,900 crore by 2019-20. However, in violation of the prescribed norms of the scheme and memorandum of understanding, the government converted the entire loan of Rs 15,628.26 crore into equity. The government had to get the remaining 25% of the amount converted through the banks into loans or state government bonds with an interest rate not more than the bank rate plus 0.10 %.

The government neither issued bonds nor got the debt converted into loans at the prescribed rates, resulting in PSPCL paying higher interest of Rs 261.09 crore for the period 2016-17 to 2019-20.

Despite getting the loan amounting Rs 15,628.26 crore converted into equity, the amount remained outstanding. The growth in loans could not be checked post UDAY scheme and there was increase of Rs 9,010.29 crore in outstanding loans from September 2015 to March 2020. During the check, the audit found that the debt burden increased by Rs 7,181.41 crore, largely due to non-payment of dues by the state government on account of tariff compensation and defaulting dues of government departments.

According to the laid down conditions, all outstanding dues from the state government departments to PSPCL for the supply of electricity were required to be paid by March 2016. Contrary to this, the outstanding dues jumped from Rs 524.78 crore in March 2016 to Rs 2,183.49 crore in 2019-20.

The report stated that the Punjab government failed to pay the subsidy dues determined by the Punjab State Electricity Regulatory Commission (PSERC) as a result the outstanding subsidy payable by the state government increased from Rs 1,603.17 crore at the end of 2015-16 to Rs 5,598.60 crore by 2019-20.

PSPCL failed to achieve the targeted reduction in transmission and distribution loss, causing loss of Rs 1,810.30 crore to PSPCL as the amount could not be passed on to the consumers through tariff. <https://timesofindia.indiatimes.com/city/chandigarh/punjab-performed-poorly-in-uday-implementation-cag/articleshow/92583810.cms>

12. महिलाओं संबंधी स्कीम में भी पुरुषों को लाभ, पंजाब में मृतक भी तीन साल तक लेते रहे बुढ़ापा पेंशन (jantaserishta.com) 30 Jun 2022

पंजाब विधानसभा के बजट सत्र के पांचवें दिन बुधवार को सदन में कैग की वार्षिक रिपोर्ट पेश की गई। रिपोर्ट में सामाजिक सुरक्षा स्कीम में फर्जीवाड़े का खुलासा करते हुए कहा गया है कि 3 साल तक मृत लोगों के नाम पर भी पेंशन बांटी जाती रही और किसी ने भी इस पर ध्यान नहीं दिया।

पंजाब में सामाजिक सुरक्षा योजना के तहत बुजुर्गों को दी जा रही बुढ़ापा पेंशन में धांधली का बड़ा खुलासा हुआ है। भारत के नियंत्रक और महालेखा परीक्षक (कैग) ने अपनी बीते वर्ष की रिपोर्ट में कहा है कि राज्य में ऐसे लोगों को भी बुढ़ापा पेंशन दी जाती रही, जिनकी मृत्यु तीन साल पहले हो चुकी थी। एक लाख से ज्यादा ऐसे लोगों का भी पता चला जो बुढ़ापा पेंशन के लिए निर्धारित उम्र से भी कम आयु के थे। कैग ने यह भी खुलासा किया है कि इस धांधली के सबसे ज्यादा मामले पूर्व मुख्यमंत्री कैप्टन अमरिंदर सिंह के जिले पटियाला में सामने आए हैं।

पंजाब विधानसभा के बजट सत्र के पांचवें दिन बुधवार को सदन में कैग की वार्षिक रिपोर्ट पेश की गई। रिपोर्ट में सामाजिक सुरक्षा स्कीम में फर्जीवाड़े का खुलासा करते हुए कहा गया है कि 3 साल तक मृत लोगों के नाम पर भी पेंशन बांटी जाती रही और किसी ने भी इस पर ध्यान नहीं दिया। वहीं 50053 पुरुष और 59151 महिलाएं, जो कम उम्र के कारण बुढ़ापा पेंशन के हकदार नहीं थे, को भी पेंशन दी जाती रही। इनके अलावा 76848 लोगों के नामों के साथ उनकी जन्म तिथि ही दर्ज नहीं की गई। रिपोर्ट में यह भी खुलासा किया गया है कि एफएडब्ल्यूडी स्कीम, जो केवल महिलाओं के लिए है, में 12047 लोगों को पुरुष बताया गया है। वहीं 23754 व्यक्ति, जिनकी उम्र 18 वर्ष से कम थी, इस स्कीम के तहत वित्तीय लाभ के योग्य नहीं थे।

अयोग्य में सबसे ज्यादा मामले पटियाला से सामने आए हैं। रिपोर्ट के अनुसार, पटियाला में 6455, लुधियाना में 1871, रोपड़ में 629, शहीद भगत सिंह नगर में 204, एसएस नगर मोहाली में 698 अयोग्य लोगों का पता चला। इनके बीते 3 वर्षों से पंजाब में रहने संबंधी सेल्फ डिक्लेरेेशन (स्वयं घोषणा) भी फर्जी पाए गए।

डुप्लीकेट लाभार्थियों को बांटे 9.89 करोड़

कैग की रिपोर्ट में कहा गया है कि 8286 डुप्लीकेट लाभार्थियों को अतिरिक्त लाभ पहुंचाते हुए अप्रैल, 2017 से जुलाई,

2020 तक 9.89 करोड़ का भुगतान किया गया। रिपोर्ट में कहा गया कि राज्य सरकार की ओर से तैयार दिशा-

निर्देश के अनुसार, एक आवेदक केवल एक तरह की ही सामाजिक सुरक्षा पेंशन ले सकता है। इसके बावजूद 2226 महिलाएं, जिनके पिता का नाम, आधार नंबर या बैंक खाता नंबर एक था, को दोनों स्कीमों- ओएपी और एफएडब्ल्यूडी स्कीम के तहत वित्तीय मदद दी जाती रही। यह सारी राशि जनवरी 1996 से 2020 के दौरान मंजूर की गई। <https://jantaserishta.com/local/punjab/men-also-benefited-in-womens-scheme-even-the-dead-in-punjab-continued-to-take-old-age-pension-for-three-years-1339790>

13. TN assembly panel flags ₹700 crore scam in medicine purchase under AIADMK regime (timesofindia.indiatimes.com) July 1, 2022

Madurai: Chairman of the state assembly's public accounts committee has accused the AIADMK regime of indulging in malpractices in medical procurement. The committee was inspecting Tirunelveli district public accounts on Wednesday. Chairman K Selvaperunthagai

told reporters that medicines worth Rs 700 crore were procured without date of manufacture or expiry.

During their inspection of hospitals, the committee found that medical equipment worth ₹4.3 crore to detect dengue and malaria was imported from Norway without any need. This has been flagged by the Comptroller and Auditor General's report as well as state government's Accountant General report. The report blamed Tamil Nadu Medical Services Corporation for causing the loss to public exchequer by such unnecessary procurement for hospitals.

It was found that the corporation procured expired medicines more than the required quantity for many districts, which the committee is investigating. For Tirunelveli, the corporation has procured medical equipment which is not required. During inquiry, the doctors concerned explained that a medical test to detect dengue and malaria would cost only 45 paise. But the test taken in the imported equipment costs Rs 28 which is not affordable for the hospital. "In such case, why was the loss to exchequer caused? And, they are now going to order an inquiry," Selvaperunthagai said.

He said that a lot of anomalies were unearthed in many hospitals across the state. Altogether, medicines worth Rs 700 crore without any manufacturing date or expiry date were procured during the previous regime and distributed. The committee found such medicines in Papanasam government hospital at Thanjavur. All these medicines and equipment were procured particularly in 2016, 2017 and 2018. "We are ordering a detailed enquiry," he said. <https://timesofindia.indiatimes.com/city/madurai/tn-assembly-panel-flags-700-crore-scam-in-medicine-purchase-under-aiadm-regime/articleshow/92586342.cms>

14. CEM talks tough on KHADC accounts ([theshillongtimes.com](https://www.theshillongtimes.com)) Jul 01, 2022

SHILLONG: Khasi Hills Autonomous District Council Chief Executive Member Titosstarwell Chyne on Thursday said the council will fix responsibility if it finds any irregularities in the maintenance of its accounts.

Recently, the Comptroller and Auditor General of India (CAG) had written a letter to Governor Satya Pal Malik seeking his intervention in the alleged embezzlement of funds by the three autonomous district councils. They are under the scanner for non-maintenance of accounts.

Chyne said the CAG report was placed in the council's budget session and it covered up to the year of 2013. He said the accounts of the council were audited till 2018. The council has already explained to the Accountant General that the accounts could not be audited from 2019 to 2022 due to problems arising out of the pandemic, he added.

"We had written to the AG much before the CAG wrote to the Governor. We said give us time till the end of July or August and we will submit all documents," Chyne said.

He also said the council has decided to appoint a chartered accountant (CA). The CA will be with a special team which will probe the maintenance of accounts in the council.

“If we find any irregularities, we will fix responsibility,” he said.

Earlier, he stated the council has submitted the utilisation certificates (UCs) of most projects but there was some delay as the state government took time to release the funds.

“Implementation is still going on for many of the schemes. So, how can we submit the UCs?” he asked. <https://theshillongtimes.com/2022/07/01/cem-talks-tough-on-khadc-accounts/>

15. Maharashtra: As Devendra Fadnavis returns to government, Jalyukt too is back (timesofindia.indiatimes.com) Jul 01, 2022

MUMBAI: In his first cabinet meeting since taking oath as deputy chief minister, Devendra Fadnavis directed the state administration to revive the Jalyukt Shivar scheme. The water conservation scheme was started by the BJP-led government under Fadnavis that was in power from 2014 to 2019 but was wound up by the MVA government under Uddhav Thackeray.

Right after Eknath Shinde of the Shiv Sena was sworn in as the CM and Fadnavis as his deputy, the duo reached Mantralaya to hold their first cabinet meeting.

"We are making a new start and we would like to expedite developments works for the benefit of the people," said Shinde while speaking to bureaucrats.

After it wound up the scheme, the MVA government constituted an open inquiry into alleged irregularities in it following a CAG report passing strictures on its effectiveness. The inquiry committee was headed by a retired bureaucrat, whose report highlighting irregularities in the project in 2021.

The scheme entailed deepening and widening of water bodies, construction of small earthen dams and digging of farm ponds. <https://timesofindia.indiatimes.com/city/mumbai/maharashtra-as-devendra-fadnavis-returns-to-government-jalyukt-too-is-back/articleshow/92585856.cms>

16. Devendra Fadnavis orders shifting of metro car shed project back to Aarey Colony (hindustantimes.com) Jul 01, 2022

In his first cabinet meeting after taking charge as Maharashtra deputy chief minister, Devendra Fadnavis on Thursday overturned the decisions of former chief Uddhav Thackeray to shift the Metro 3 car shed out of the Aarey Milk colony and ordered a restart of the Jalyukt Shivar

Abhiyan — the flagship water conservation scheme from his previous regime as the CM, functionaries familiar with the matter said.

After taking over as CM in 2019, Thackeray had stayed the construction of the Colaba-Bandra-Seepz metro 3 corridor and appointed a committee to look for alternative plots. Subsequently, his government designated Aarey colony as a reserve forest.

The Maharashtra government and the Centre were engaged in a battle over the proposed car depot plot in Kanjurmarg, thus delaying the 33-km underground metro project. The Thackeray government decided to shift the metro depot out of Aarey colony, following protests by activists against construction in one of few remaining green spots in Mumbai.

According to a functionary who did not want to be named, Fadnavis asked the administration to direct the state's advocate general that the shed will be built in Aarey.

Thackeray had also stayed the Jalyukt Shivar Abhiyan and initiated an investigation into alleged irregularities in the scheme. The multi-crore drought-proofing scheme, which was Fadnavis's pet project, had been criticised by the Comptroller and Auditor General of India (CAG) in its report which was tabled in the state legislature in September 2020. <https://www.hindustantimes.com/cities/mumbai-news/devendra-fadnavis-orders-shifting-of-metro-car-shed-project-back-to-aarey-colony-101656616813023.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

17. External debt up 8.2% on year to \$620.7 billion in FY22 ([financialexpress.com](https://www.financialexpress.com)) July 1, 2022

India's external debt rose by 8.2% to \$620.7 billion at the end of March, 2022 from a year ago, the Reserve Bank of India said on Thursday. However, the external debt to GDP ratio declined to 19.9% at end of March 2022 from 21.2% at end of March 2021.

Excluding the valuation effect due to the appreciation of the US dollar vis-à-vis Indian rupee and major currencies, India's external debt would have increased by \$58.8 billion instead of \$47.1 billion at end of March 2022 over end of March 2021.

At end of March 2022, long-term debt (with original maturity of above one year) was placed at \$ 499.1 billion, recording an increase of \$26.5 billion over its level at March end 2021. The share of short-term debt (with original maturity of up to one year) in total external debt increased to 19.6% at end-March 2022 from 17.6% at end-March 2021. Similarly, the ratio of short-term debt (original maturity) to foreign exchange reserves increased to 20% at end-March 2022 (17.5% at end-March 2021).

Short-term debt on residual maturity basis constituted 43.1% of total external debt at end of March 2022 (44.1% at end-March 2021) and stood at 44.1% of foreign exchange reserves (43.8% at end of March 2021).

US dollar denominated debt remained the largest component of India's external debt, with a share of 53.2% at end-March 2022, followed by debt denominated in the Indian rupee (31.2%), SDR (6.6%), yen (5.4%) and the euro (2.9%).

Outstanding debt of both government and non-government sectors increased during 2021-22. The share of outstanding debt of non-financial corporations in total external debt was the highest at 40.3%, followed by deposit-taking corporations at 25.6% (except the central bank), general government (21.1%) and other financial corporations (8.6%).

Loans remained the largest component of external debt, with a share of 33%, followed by currency and deposits (22.7%), trade credit and advances (19%) and debt securities (17.1%).

Debt service (i.e., principal repayments and interest payments) declined to 5.2% of current receipts at end-March 2022 as compared with 8.2% at end-March 2021, reflecting lower repayments and higher current receipts. <https://www.financialexpress.com/economy/external-debt-up-8-2-on-year-to-620-7-billion-in-fy22/2578785/>

18. Govt's total liabilities rise 3.7 pc to Rs 133.22 lakh crore in March quarter ([financialexpress.com](https://www.financialexpress.com)) Jun 30, 2022

The government's total liabilities rose 3.74 per cent to Rs 133.22 lakh crore in the March quarter from Rs 128.41 lakh crore in the three months ended December 2021, according to the latest public debt management report.

In absolute terms, the total liabilities, including liabilities under the 'Public Account' of the government, jumped to Rs 1,33,22,727 crore at the end of March 31, 2022. As of December 31, 2021, the total liabilities stood at Rs 1,28,41,996 crore.

The report released by the finance ministry on Thursday said public debt accounted for 92.28 per cent of the total outstanding liabilities at the end of March. It was at 91.60 per cent at the end of December last year.

Further, the report said the weighted average yield on primary issuances of dated securities showed an increase to 6.66 per cent in the fourth quarter from 6.33 per cent in the third quarter of the current fiscal.

“The weighted average maturity of issuances of dated securities was also higher at 17.56 years in Q4 of FY22 (16.88 years in Q3 of FY22).

“The weighted average maturity of outstanding stock of dated securities was higher at 11.71 years at the end of Q4 of FY22 as compared to 11.69 years at the end of Q3 of FY22,” it said.

Crude oil prices also remained at an elevated level during the quarter, touching a high of USD 129.26/bbl before moderating slightly and closing at USD104.40/bbl at the end of the quarter, the report said.

It noted that the elevated level of crude prices contributed to hardening of 10-year G-Sec yield in the domestic market.

Regarding ownership pattern of central government securities, the report said the share of commercial banks stood at 37.75 per cent at the end of March, lower than 35.40 per cent registered at the end of December 2021.

At the end of March, share of insurance companies and provident funds stood at 25.89 per cent and 4.60 per cent, respectively.

Share of mutual funds was at 2.91 per cent at the end of March as against 3.08 per cent at the end of quarter December 2021 while share of RBI went downward to 16.62 per cent from 16.92 per cent during the same period. <https://www.financialexpress.com/economy/govts-total-liabilities-rise-3-7-pc-to-rs-13322-lakh-crore-in-march-quarter/2578581/>

19. Freebies, bailouts, revival of pension scheme — why many states are at risk of fiscal stress (theprint.in) Jul 1, 2022

Power sector reforms, preventing leakages in subsidies payments and avoiding fiscally unwise decisions like reversion to old pension system can help improve their financial health.

A recent study by the Reserve Bank of India (RBI) highlighted the fiscal risks confronting the state governments in India. While the Covid-19 pandemic stretched the finances of the state governments due to collapse in revenues and increase in expenditures, the tendency to spend on freebies, revival of the old pension scheme by some states and the periodic bailout of the power distribution companies (DISCOMs) have worsened the position on state finances.

Undertaking power sector reforms, preventing leakages in the payment of subsidies and avoiding fiscally unwise decisions like the reversion to the old pension system can help improve the financial health of the states.

States' fiscal profile prior to pandemic

Before the onset of the pandemic, states had managed to maintain their fiscal deficit below the three per cent ceiling mandated by the Fiscal Responsibility Legislation barring three years — 2009-10, 2015-16 and 2016-17.

In 2009-10, the overshooting of the target was owing to the global financial crisis, while in 2015-16 and 2016-17, the deviation was due to the UDAY scheme. Under the scheme meant for the revival of the debt-laden power distribution companies, sixteen states took over the debt of power distribution companies. The UDAY scheme led to overshooting of the fiscal deficit target by 0.7 to 0.8 per cent of GDP.

Another factor that had a bearing on the finances of states were the farm loan waivers announced by various states. Loan waivers add to the fiscal burden as they are essentially a transfer from tax payers to borrowers.

Estimates suggest that higher expenditure owing to farm loan waivers leads to increase in fiscal deficit to GDP ratio by 20-40 basis points. As borrowings by states increase to finance the higher expenditure, yields on state development loans (SDL) will inch up leading to higher interest burden for states.

Finance Commission glide path & fiscally stressed states

While a number of states are fiscally vulnerable, the RBI study has identified Bihar, Kerala, Rajasthan, Punjab and West Bengal as highly stressed due to their higher debt levels, the fiscal deficit and the quality of expenditure.

These states have high debt to GDP ratios. Higher debt implies that a significant proportion of the revenue goes towards payment of interest. Most of these states spend more than 10 per cent of their revenue receipts on interest payments, with Punjab and West Bengal spending more than 20 per cent of their revenues on interest payment. A higher proportion of interest payments squeezes the fiscal space for more productive capital expenditure.

The first year of the pandemic saw the fiscal deficit of states surging to 4.7 per cent of GDP. The Fifteenth Finance Commission suggested a glidepath for fiscal consolidation for the central and state governments for the five-year period till 2025-26. For states, it recommended the fiscal deficit limit (as % of GSDP) of 4 per cent in 2021-22, 3.5 per cent in 2022-23, and 3 per cent during 2023-26.

Most of the fiscally stressed states (with the exception of West Bengal) exceeded the fiscal deficit target of 4 per cent set by the Fifteenth Finance Commission for 2021-22. Not only did they exceed the Finance Commission target, they also significantly deviated from their own budgeted targets. As an example, for Bihar, the revised fiscal deficit target was more than 11 per cent of its GDP as against a target of 2.97 per cent of GDP set during the budget for 2021-22.

The Finance Commission also suggested a glide path for states' debt to GDP ratio. The Commission expects the states' debt-GDP ratio to decline to 32.5 per cent by 2025-26. Punjab seems to be in a particularly difficult fiscal position. The state's debt to GSDP has been 40 per cent or more for six years. Rajasthan also has debt levels touching 40 per cent of its GDP.

Own tax revenues & reliance on central govt

On average, the share of own tax revenue as a share of total revenue of states is around 48 per cent. For the rest, states rely on tax-sharing from the central government and transfer of grants-in-aids.

For some states such as Bihar, Assam, Himachal Pradesh and Jharkhand, the share of own tax revenues in revenue receipts is much below the average. More worrying is the fact that states like Karnataka, Telangana and Chhattisgarh have seen a decline in the share of their own taxes in total revenues. As the GST compensation regime has ended for now, some states could see a significant revenue shortfall.

While the GST compensation is to be financed through a levy of a cess on luxury goods, the cess fell short of compensation during the pandemic year. To meet the shortfall in the GST compensation fund, the government borrowed and released to states Rs 1.1 lakh crore in 2020-21 and Rs 1.59 lakh crore in 2021-22 as back-to-back loans. The levy of cess has been extended till March 2026 to repay the borrowings that were done in 2020-21 and 2021-22 to compensate states for GST revenue loss.

Reverting to old pension system & freebies

The decision to revert to the old pension system by some states is a fiscally imprudent move. The adoption of the old pension system, though will not have an immediate impact on the states' finances, but will erode their fiscal health in the medium term.

Provision of free electricity, free water, free public transportation, waiver of pending utility bills and farm loan waivers should also be re-considered as they erode incentives and lead to misallocation of scarce fiscal resources. <https://theprint.in/macrosutra/freebies-bailouts-revival-of-pension-scheme-why-many-states-are-at-risk-of-fiscal-stress/1018686/>

20. Fiscal deficit jumps 67 per cent in Apr-May to 2 lakh crores ([newindianexpress.com](https://www.newindianexpress.com)) Jul 1, 2022

Central government's fiscal deficit increased 67 per cent to Rs 2 lakh crore owing to slow growth in revenue receipt and a 23% growth in expenditure. The Centre's fiscal deficit has reached 12.3% of the budget target in the first two months of the current financial year, according to data released by the Comptroller General of Auditors (CGA). Last year during the same time, the fiscal deficit was Rs 1.2 lakh crore.

The full-year budget target for the fiscal deficit is Rs 16.61 lakh crore, which is 6.4% of the GDP. The net revenue collection of the centre in the first two months has been Rs 3.7 lakh crore, which is 16.2% of the budget target of Rs 22 lakh crore. The Centre's revenue receipts include net tax revenue, dividends from PSU banks, RBI and CPSEs.

The Centre's gross tax collection during the April-May 2022 period surged by 29% to Rs 4 lakh crore compared to Rs 3.12 lakh crore in the same period last year. The net tax collection (gross tax minus states share) during the period was Rs 3.1 lakh crore, registering a growth of 30%. Total expenditure during the period also increased 23 per cent year-on-year to Rs 5.85 lakh crore.

Of that revenue, expenditure was Rs 4.8 lakh crore and capital expenditure was Rs 1.07 lakh crore. The capital expenditure, which is money spent on the creation of assets and infrastructure, increased by 70% compared to the first two months of 2021-22 when the government spent Rs 63,000 crore. Meanwhile, the growth of eight core sector industries was up 18.1% in May as against 16.4% in the same month last year, says government data. <https://www.newindianexpress.com/business/2022/jul/01/fiscal-deficit-jumps-67-per-cent-in-apr-may-to-2-lakh-crores-2471616.html>

21. At Rs 1.44 Lakh Crore, GST Collection Up 56 Per Cent Year-On-Year ([swarajyamag.com](https://www.swarajyamag.com)) Jul 1, 2022

The Goods and Services Tax (GST) revenue in June rose to Rs 1.44 lakh crore, registering a 56 per cent increase over the same month last year, Finance Minister Nirmala Sitharaman said on Friday.

GST revenue for May stood at nearly Rs 1.41 lakh crore.

This is only the fifth time the monthly GST collection crossed Rs 1.40 lakh crore mark since inception of GST and fourth month at a stretch since March 2022.

Earlier in April, the GST collection touched Rs 1.68 lakh crore, the highest ever figure since the inception of the indirect tax regime in 2017.

Sitharaman also added that Rs 1.40 lakh crore is the rough bottom line for the month of June.

"Our monthly GST collections are not going below that," she said on the occasion of GST Day in New Delhi, reports Business Today.

The development comes as India is celebrating its fifth anniversary of GST Day on 1 July to mark the implementation of the new tax regime brought in place in

2017. <https://swarajyamag.com/business/at-rs-144-lakh-crore-gst-collection-up-56-per-cent-year-on-year>

22. The road after the end of GST compensation ([livemint.com](https://www.livemint.com)) Updated: 01 Jul 2022

A five-year constitutionally-guaranteed compensation to states to ensure a compound annual growth rate of 14% in revenues under the Goods and Services Tax (GST) regime came to an end on Thursday, leaving several states in dire need of funds. An attempt to get a last-minute extension at the GST Council meeting earlier this week by representatives of as many as 12 states did not yield the desired results, at least for now.

The jury is still out on whether the assurance of 14% revenue growth was a lucrative one to get states on board with the new indirect tax regime or a desired one to keep the finances of states healthy. However, with the compensation era coming to an end, states will have to be prepared to look for other sources of revenue.

GST rate hikes to boost tax collection can also be an option, but it is not desirable amid high inflation, economists said.

For as many as 13 states, more than a quarter of the guaranteed revenue under the new regime came exclusively from compensation between 2018-19 and 2020-21, according to an analysis by PRS Legislative Research. Punjab had the highest dependence on compensation, with 47% of its guaranteed revenue coming from this mode. Goa, Uttarakhand, Delhi, and Himachal Pradesh were also among the top five states heavily dependent on compensation. "We believe the average GST rate will need to rise after the guaranteed compensation period ends in June, but the increase should be accompanied by further simplification and widening of the tax net," Barclays said in a recent note. The GST Council this week raised tax rates on several goods and services.

However, raising the tax rate against the backdrop of high inflation should be done without causing unintended consequences either through raising the rate for items in the 12-18% bucket or expanding the list of goods and services under GST or by removing exemptions, it said.

Raising GST rates can also be a complex process as it will have to be done by the GST Council, leaving little autonomy for states.

““The fiscal stress and cash flow situation varies across the states considerably post pandemic, as the five year transition period ends. It’s a toss-up between extending compensation for all states versus doing some state-specific measures, which may not be universally popular, versus letting the states with a higher dependence on GST compensation chart their own path,” said Aditi Nayar, chief economist at ICRA.

States can look for non-GST revenue streams such as estate duties or fuel tax. However, a recent article, titled ‘State Finances: A Risk Analysis’, by the Reserve Bank of India noted that non-tax revenue has been volatile, dropping significantly in recent years. The article also noted that the fiscal conditions among states are showing warning signs of increasing stress, with a slowdown in own tax revenue, high share of committed expenditure, and high debt. Punjab, Rajasthan, Kerala, West Bengal, Bihar, Andhra, Jharkhand, Madhya Pradesh, Uttar Pradesh, and Haryana turn out to be the states with the highest debt burden, the article said. Several states demanded an extension in compensation and finance minister Nirmala Sitharaman said she had heard their request. A final decision is likely in August.

“I think GST has not yet stabilized and, until the time it stabilizes, there should be an assurance of about 8-10%, not 14%, (annual revenue growth) to incentivize the states to implement reforms and boost revenues,” said M. Govinda Rao, who served as a member of the 14th finance commission. <https://www.livemint.com/economy/the-road-after-the-end-of-gst-compensation-11656615799711.html>

23. Privatisation of banks: Reversing the history (timesofindia.indiatimes.com) July 1, 2022

Good economy and bad banking can never go together. But will privatisation usher in good banking? Why at all the banks that were once private, were nationalised in 1969 and later liberalised in 1991? These are some questions that occur to any customer of a bank when he sees that the union government would like to privatise the nationalised banks by amending the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 in the monsoon session of the Parliament.

1970 Banking Act required the union government to hold at least 51 percent of equity. When Mrs Indira Gandhi overnight nationalised the banks in two bouts – first in 1969, fourteen and second in 1980, six banks with different capital thresholds, it was just not a political move. Banking as a public good, was not within the reach of millions, more particularly, the neediest, in the rural areas then.

When the first stage of reforms started in 1991, nationalised banks were found to have achieved the expectations, ushering in barefoot banking and phenomenally improving the reach through the Lead Bank Scheme and Service Area approach, al bait at the cost of efficiency. The reforms helped cleaning up the banks’ balance sheets, introduced asset-liability management, prudential management, and better and responsible customer service. Within fourteen years, they became symbols of inefficiency reflected in large accumulation of non-performing assets (NPAs).

Inclusive banking approach, post 2005, led to the creation of banking correspondents (BCs), Small Finance Banks, Small Payment Banks. While in 1991 there were 76 scheduled commercial banks, excluding the regional rural banks and urban cooperative banks, the comparable figure now is 93.

From 60,220 total bank branches in 1991 – 35,206 rural, 11,334 semi-urban, 8,046 urban and 5,624 metropolitan branches, the total grew in 2022 to 158,373 (rural branches -52,773, the least to grow, semi-urban-43,683 branches; urban branches-30,638, and 31,279 metropolitan branches). On average a branch covers 9,500 persons now against 14,000 in 1991.

Businesswise, the banks had Rs3.8 lakh crore deposits and a Rs1.32 lakh crore credit portfolio. Three decades later, the deposit portfolio is over Rs155.7 lakh crore and credit portfolio, Rs108.8 lakh crore. Credit – deposit ratio in terms of percentage scaled up from 34.2 to 69.88, that is more than twice. The cash reserve ratio or the portion of deposits that commercial banks keep with the central bank was 15% in 1991, as against 3%. RBI ensured more liquidity in the hands of the banks to lend responsibly, while answering the needs of the society.

Banks have been given freedom to charge interest rates to different categories of the borrowers based on their risk perception. The core content changed in the banks. Although technology took the front seat, cost of banking went up over the years. During the last eight years, Jan Dhan accounts brought more than 43 crore persons into the fold of banking.

The decadal data between 2000 and 2020 indicates growth in advances in both private and public sector banks and their NPAs too. However, to expect banks to lend without NPAs will be amounting to calling on banks to give up risk appetite. Also, creating mega banks and Bad Bank would extinguish neither their toxic assets nor reduce their losses. The government ignored the experience of the 2008 recession that warned ‘too big to fail’ banks would demand more resources from the exchequer than earlier, when they created the monolithic SBI and merged major PSBs to be just ten now from 28 in 1991.

Private banks, foreign banks, and PSBs are not on par in the eyes of the regulator when it comes to meeting the priority sector obligations. While agriculture, small industries and small businesses, housing for the poor, education for the poor and transport including boats and catamarans were the priority sectors post-nationalisation, their composition and content changed dramatically during the last thirty years. Indian Banks Association, the lobbying agent for the banks, negotiated for redefining the priorities from time to time. The forty percent of total lending earmarked for this purpose is diluted for the poor and disadvantaged – the very purpose of prioritisation.

Shaktikant Das, RBI Governor, speaking at Ahmedabad University in 2019, recalled the status of banking pre-nationalisation:

“Five cities in the country, viz, Ahmedabad, Mumbai, Delhi, Kolkata, and Chennai accounted for around 44% of the bank deposits and 60% of the out-standing bank credit in 1969. This led to the widespread political perception that, left to themselves, the private sector banks were not sufficiently aware of their larger responsibilities towards society.” Quoting RBI’s History of Banking Vol III, he said, “nationalisation of banks was thought of as a solution for greater penetration of banking that excluded 617 towns out of 2,700 in the country. And, even worse, out of about 6,00,000 villages, hardly 5,000 had banks. The spread, too, was uneven...”

The 2008 recession also led to demand for nationalisation in the UK, Australia, and the US to save the interests of the depositors and bondholders. The very purpose of nationalisation — namely, serving the unbanked and under-banked — is yet to reach its frontier. Financial inclusion cannot afford the luxury of complete privatisation. In fact, coexistence of private and public sector banks will lead to a healthy competition if governance issues in PSU banks are adequately addressed.

It is wise to turn the pages of reforms suggested by the Narasimham Committee-II and reiterated at Gyan Sangam-1 (Retreat for Banks and Financial Institutions), that the government would do well to provide full autonomy to PSU banks, not interfere in transfers and postings, and issue of loans. Behest lending should stop with setting goals by the RBI. Owner cannot be regulator. It can at best be a supervisor to ensure their healthy functioning. Government seems to have realized that its capacity to supervise is highly limited and therefore, it would be better to give up such responsibility. It must have also realized that its ability to improve governance in PSBs has reached its limits.

However, there is no evidence that all is well with the private banks, and they can deliver better to the people the banking requirements than PSBs.

The present government gives the impression that growth comes from the rich and the rich do not cry on inflation. They can pursue non-inclusive growth agenda more effectively if they change the institutional architecture, so that expenditure on institutions meant for delivering to the poor can be minimised, if not eliminated. This is undesirable both politically and economically. While privatisation by itself is not bad, the timing and motive behind the move at the moment, are suspect, particularly after the consolidation of PSBs took place. <https://timesofindia.indiatimes.com/blogs/fincop/privatisation-of-banks-reversing-the-history/>