

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (01.06.2022)**

### **1. India to spearhead creation of IT & Data analytics working group in ASOSAI ([thehindubusinessline.com](http://thehindubusinessline.com)) May 31, 2022**

#### **CAG of India GC Murmu moved the proposal**

On the strength of its experience in IT auditing and data analytics, CAG of India moved a proposal for the establishment of a working group on IT audit and data analytics in the Asian Organisation of Supreme Audit Institutions (ASOSAI).

This proposal was moved by the CAG, Girish Chandra Murmu, in the 58th Governing Board meeting held virtually here on Tuesday.

The Governing Board approved the motion to establish a Special Committee on the feasibility study of establishing this group to be headed by CAG of India. The meeting was attended by all the 12 Governing Board members of the ASOSAI.

The Asian Organisation of Supreme Audit Institutions (ASOSAI) is the Asian Chapter of the International Organisation of Supreme Audit Institutions (INTOSAI), which aims to promote understanding and cooperation among member institutions through the exchange of ideas and experiences in the field of public audit.

Furthering the proposal for the Working Group on IT Audit, Murmu pointed out that e-governance and m-governance are the new normal. All areas of the public sector—financial management and accounting; delivery of public services; social security; targeted social sector developmental programmes; health management and health services delivery; tax and non-tax revenues; etc.—are increasingly performed through IT.

The mission of this working group is to:

(i) Frame IT Audit initiatives to create an enabling environment to conduct IT Audits effectively and develop knowledge and skills in the use of information technology related audits; (ii) Encourage bilateral and regional cooperation among member Supreme Audit Institutions (SAIs) by instituting processes and facilities for knowledge and experience sharing; (iii) Raise the level of competence of the staff and officers of the member SAI through trainings, seminars, webinars, etc. to enable them to undertake audits in a computerised environment in a most professional manner; (iv) Adopt and evolve such standards and guidelines for auditing in a computerised environment (v) Create and share best practises and methods in information technology (IT) related audits and to facilitate the exchange of information and experience and encourage bilateral and regional cooperation; and (vi) Promote partnerships among SAIs, and also between SAIs and academic/research institutions and international organisations with a view to enhancing professional capacities in IT Audit.

With the increasing breadth and variety of electronic data sources in the public sector, data analytics in SAI auditing has gained considerable importance. SAIs across the world now have access to big data in terms of volume, velocity, and variety. The use and mainstreaming of data analytics within SAI, Murmu said, can help in making audits more efficient, effective and meaningful.

The possibility of using AI and machine learning techniques over time to improve audit efficiency in the selection of high-risk and fraud-prone entities and transactions is also immense. <https://www.thehindubusinessline.com/economy/india-to-spearhead-creation-of-it-data-analytics-working-group-in-asosai/article65480054.ece>

## 2. Questioning the safety of Aadhaar ([thehindu.com](http://thehindu.com)) June 1, 2022

**Can Aadhaar be the one-stop solution for all identification requirements? Does it safeguard the privacy of its various beneficiaries?**

The story so far: Two days after issuing an advisory asking people to refrain from sharing photocopies of their Aadhaar Card, the Unique Identification Development Authority of India (UIDAI) opted to withdraw the notification. It stated that the action was to avert any possibility of ‘misinterpretation’ of the (withdrawn) press release, asking people to exercise “normal prudence” in using/sharing their Aadhaar numbers.

What did the UIDAI advisory say?

The withdrawn notice had suggested holders use a masked Aadhaar card instead of the conventional photocopy, adding that the document must not be downloaded from a cybercafé or public computer and if done for some reason, must be permanently deleted from the system. ‘Masked Aadhaar’ veils the first eight digits of the twelve-digit ID with ‘XXXX’ characters. The notice informed that only entities possessing a ‘User Licence’ are permitted to seek Aadhaar for authentication purposes. Private entities like hotels or film halls cannot collect or keep copies of the identification document.

In July 2018, Telecom Regulatory of India’s Chairman R.S. Sharma tweeted his Aadhaar number challenging users to “cause him any harm”. In response, users dug up his mobile number, PAN number, photographs, residential address and date of birth. It could not be ascertained if the PAN number was actually correct. UIDAI dismissed assertions of any data leak, arguing that most of the data was publicly available. It did however caution users from publicly sharing their Aadhaar numbers.

What does the law say?

The Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 makes it clear that Aadhaar authentication is necessary for availing subsidies, benefits and services that are financed from the Consolidated Fund of India. In the absence of Aadhaar, the individual is to be offered an alternate and viable means of identification to ensure she/he is not deprived of the same.

Separately, Aadhaar has been described as a preferred KYC (Know Your Customer) document but not mandatory for opening bank accounts, acquiring a new SIM or school admissions.

The requesting entity would have to obtain the consent of the individual before collecting his/her identity and ensure that the information is only used for authentication purposes on the Central Identities Data Repository (CIDR). This centralised database contains all Aadhaar numbers and holder’s corresponding demographic and biometric information. UIDAI responds to authentication queries with a ‘Yes’ or ‘No’. In some cases, basic KYC details (as name, address, photograph etc) accompany the verification answer ‘Yes’. The regulator does not receive or collect the holder’s bank, investment or insurance details. Additionally, the Aadhaar Act forbids sharing Core Biometric Information (such as finger print, iris scan, among other biometric attributes) for any purpose other than Aadhaar number generation and authentication.

The Act makes it clear that confidentiality needs to be maintained and the authenticated information cannot be used for anything other than the specified purpose. More importantly, no Aadhaar number (or enclosed personal information) collected from the holder can be published, displayed or posted publicly. Identity information or authentication records would only be liable to be produced pursuant to an order of the High Court or Supreme Court, or by someone of the Secretary rank or above in the interest of national security.

Is identity theft via Aadhaar possible?

As per the National Payment Corporation of India's (NPCI) data, ₹6.48 crore worth of financial frauds through 8,739 transactions involving 2,391 unique users took place in FY 2021-22.

Since the inception of the UID project, institutions and organisations have endowed greater focus on linking their databases with Aadhaar numbers, including for bank accounts especially in light of the compulsory linkage for direct benefit transfer schemes. The NPCI's Aadhaar Payments Bridge (APB) and the Aadhaar Enabled Payment System (AEPS) facilitate direct benefit transfer (DBT) and allow individuals to use Aadhaar for payments. This requires bank accounts to be linked to Aadhaar. In 2017, researchers at the Centre for Internet and Society (CIS) acquired information of various beneficiaries of such social security and employment schemes such as their Aadhaar numbers, bank account details, job card status, mobile number etc. The same year, the UIDAI in response to an RTI stated that more than 200 central and State government websites publicly displayed details of some Aadhaar beneficiaries such as their names and addresses. Both were made possible by the lack of robust encryption. This data could be potentially used to fraudulently link the rightful beneficiary's Aadhaar with a distinct bank account, embezzling the beneficiary by impersonation, made possible by the sizeable identity documents available.

The UIDAI maintains that merely knowing the bank account number would not be enough to withdraw money from the bank, stating that the individual's fingerprint, iris data or OTP to a registered mobile number would be required. CIS states that brokers are known to buy tonnes of Aadhaar documents from mobile shops and other places where the identification document is shared. Additionally, there have been instances where employees of service providers were caught stealing biometric information collected solely for Aadhaar authentication. A far-stretch means for acquiring biometrics would involve collecting fingerprints from varied places that an individual might touch unknowingly in a certain space (such as a railing of a staircase) with iris data being acquired from high-resolution cameras.

As for mobile verification, phone users in India are known to carry two or more phone numbers at one time. There could be a possibility that the number linked to the Aadhaar is not prominently used. Fraudsters could use this as an opportunity to link their phone numbers instead, update it in the bank using the available information (of the individual) and deprive them of benefits or embezzle funds.

**What are some of the structural problems that the UIDAI faces?**

The Aadhaar Data Vault is where all numbers collected by authentication agencies are centrally stored. Its objective is to provide a dedicated facility for the agencies to access details only on a need-to-know basis. Comptroller and Auditor General of India's (CAG) latest report stipulated that UIDAI neither specified any encryption algorithm (as of October 2020) to secure the same nor a mechanism to illustrate that the entities were adhering to appropriate procedures. It relied solely on audit reports provided to them by the entities themselves. Further, UIDAI's unstable record with biometric authentication has not helped it with de-duplication efforts, the

process that ensures that each Aadhaar Number generated is unique. The CAG's reported stated that apart from the issue of multiple Aadhaars to the same resident, there have been instances of the same biometric data being accorded to multiple residents. As per UIDAI's Tech Centre, nearly 4.75 lakh duplicate Aadhaar numbers were cancelled as of November 2019. The regulator relies on Automated Biometric Identification Systems for taking corrective actions. The CAG concluded it was "not effective enough" in detecting the leakages and plugging them. Biometric authentications can be a cause of worry, especially for disabled and senior citizens with both the iris and fingerprints dilapidating. Though the UIDAI has assured that no one would be deprived of any benefits due to biometric authentication failures, the absence of an efficient technology could serve as poignant premise for frauds to make use of their 'databases'.

Also, what essentially needs to be remembered is that UIDAI is dealing with the world's second most populous country. As of March 2021, it had generated 129.04 crore Aadhaar numbers which covers 94% of the projected population.

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### 3. Playing With Peaks ([kashmirilife.net](https://www.kashmirilife.net)) June 01, 2022

A Ministry of Road Transport and Highways appointed a 3-member expert committee led by IIT Delhi's Prof JT Shahu (with a chief engineer from the office of the DG BRO and Vinod Shukla, MD of FGS Consultants, who is also a member of MoRTH's expert committee on tunnels, as members) is looking into the issues of the Khooni Nalla tunnel collapse. Regardless of the probe outcome, the fact is that 10 precious lives were lost and even if the company and the project owner compensate for the losses the families will never be the same again.

On May 19, 2022 night, a portion of the just-started adit tunnel between Digdole and Khooni Nallah on the Jammu-Srinagar national highway caved in, impacting 13 workers working on the site. Almost all the machines were devastated by the mountain collapse. Three workers were rescued and 10 were retrieved dead in the subsequent four days.

Of the ten slain, five were from West Bengal, one from Assam, and two each from Nepal and Jammu and Kashmir's Ramban district. Hundreds of people joined the funeral prayers of Muzaffar Sheikh, 38, and Mohammad Ishrat, 30, when they were laid to rest at Panthiyal village.

Quickly, the EPC contractor and the district administration announced the compensation for the families of the slain. Some relief was also extended to the people who survived the tragedy. That, however, did not end the story.

The tunnelling project (T4) is part of the new Jammu Srinagar national highway that is by and large complete between Srinagar and Banihal and Jammu and Ramban. However, the crisis remains in the most challenging part of the highway – between Banihal and Ramban – a stretch of around 36 km. Its challenging geology was the key factor why not many contractors were willing to get into this area.

Some of the most festering spots of the otherwise blood-drenched highway including Marog, Panthial, Digdol, and Battery Chashma are located on this stretch. The spot where the work on the adit tunnel started in early February 2022 is a place that is part of Kashmir folklore – Khooni Nalla, a bloody rivulet. This vast stretch between Digdole and Khooni Nallah is home to a shooting stone area for which the Border Roads Organisation (BRO) attempted a series of treatments including a steel mesh. Nothing much helped. Now the new highway has planned a 4-lane-tunnel between Digdole to Panthyal for which the adit tunnel was being laid. “They had barely completed three meters that the tragedy befell,” one senior civil administration officer said. The contract for the tunnel has been awarded to JV between Ceigall India Limited and Patel Engineering Limited.

“There are instances when a moving vehicle was literally devoured by a landslide and quite a few could survive,” recalls a resident, attributing part of the frequent tragedies to the spot being haunted. “By an average, an accident takes place every month.”

Initially, the planners thought the road will follow the old alignment and will undergo expansion in width. Subsequently, however, it was decided that the road must bypass most of the festering spots and eventually a new realignment for around 13.6 km was decided. The new alignment will include five tunnels, 33 culverts, 13 viaducts, 11 minor bridges, and three underpasses and overall redoing of the stretch would cost no less than Rs 2169 crore.

“Almost 66 per cent of this stretch is four-laned,” one report, privy of the developments said. “It includes almost 2700 meters of tunnelling. But after doing all this, the NHAI decided to implement two tunnel projects which will bypass the seriously ailing spots.” The journalist said that the people had pleaded from day one that the project will not be viable unless the major tunnels are done. “They implemented the road and now will be having tunnel and flyovers.”

#### Fragile Ecology

While improving the sick highway has no alternative, the planners, however, have been ignoring the geological realities of the region they work in. Mostly denuded, the area has the youngest mountains of the region, which are prone to soil erosions and landslides. During winters avalanches are quite frequent.

Working with these mountains would require extra expertise and a lot of spadework before actually moving the shovels in the foothills. People who have been managing this highway for the last seven decades have lived the challenges of keeping it open for most of the year. There is not a single chain on this highway that has not seen the human blood, somewhere a worker was killed and somewhere a manager but in most of the cases, the commuters topped the list. There have been scores of instances in which a single shooting stone hit an individual passenger near the window, and killed him as the bus moved unscathed otherwise. This is one factor why

the people living around Khooni Nall believe the spirit of the wife of an MP (military policeman) is seen during nights with her kid seeking a lift!

How fragile, the ecology of the place can be demonstrated by what happened while implementing the prestigious railway project. People who drafted the rail alignment from their ivory towers cost the public kitty a whopping amount after the geological realities forced planners to make last time amends.

#### Lost Tunnels

The 23-km track between Udampur and Katra, the base station for the cave shrine of Vaishno Devi, was formally thrown open in early 2014, almost seven years after it was completed for the first time. The reason was that the geological realities showed up at a time when the project owners were planning a test drive.

The track passed through some of the youngest belts of the Shivalik range and envisages 11 km of tunnels, nine major and 29 minor bridges, besides 10 rail over / rail bridges. The tallest bridge on the track is 85 meters high and the longest tunnel is 3.15 km long.

One fine day in December 2002, when the officials went visiting the track, they saw the 3.22-km Tunnel-1, literally devastated. NRCO spent Rs 95.13 crore on the construction of the tunnel and attempted repairs to the deformed tunnel but it collapsed completely in November 2006 and blocked the passage. A new tunnel on a new alignment of 1800 meters was constructed for Rs 91.74 crore and was completed later in 2013, excluding the costs of cement and steel.

The 2.48-km T-3 was built at a cost of Rs 55 crore and was already in a bad shape. Completed in April 2008, it was having massive waterlogging issues since July 2003. NRCO commissioned a number of consultants and finally managed to revive it. A CAG investigation later found that the geological realities, even though pointed out by the surveyors had not been taken care of. These two tunnel projects delayed the arrival of rail to Katra by a decade. The erstwhile Chief Minister, Ghulam Nabi Azad, once publicly said that when he visited the tunnel he saw a river flowing under it!

#### Overall Challenges

Planners had a “paper” alignment and went ahead to implement it. During implementation, the lack of extensive studies offered challenges thus forcing a relook on the alignment. By then part of the work had been implemented. The new alignment, mostly impacting the Katra-Qazigund stretch, reduced the length of the original proposal by 21 km; improved the stability and security of the track as the number of tunnels and bridges came down.

But adopting the new alignment had its own costs. As many as 15 tunnel projects and eight bridges, which had seen some work at an investment of Rs 226.39 crore were abandoned.

The trickiest section of the track continues to be between Katra and Banihal, which is still under implementation. In the 71-km track between Katra and Dharam, even though the new alignment reduced the number of tunnels from 31 to 17 and that of bridges from 51 to go, the geological realities continued throwing surprises.

Tunnel-1 in this section saw a 19.75-meter long false tunnel partly twisted and partly collapsing in February 2005, besides damaging 75 meters of the main tunnel. In July 2007, a 5-meter stretch of the tunnel collapsed and later

378 meters of the tunnel from the Katra end was deformed requiring a fresh investment of Rs 14.08 crore for repairs. This was in addition to the heavy ingress of water in the tunnel that led the contractor to submit a bill of Rs 10 crore for dewatering the tunnel.

The T-2 remained inundated in massive water discharge till the tunnelling methods were changed after many years but the pace of tunnelling fell from 1976 meters in 13 months to only 21.75 meters. One of its portals was demolished twice in March and May 2007 and was eventually abandoned. Tunnel T-3 remained literally inundated throughout. There was no tunnel in this stretch that had a normal, incident-free construction. In September 2006, a major landslide hit T-42 annihilating 23 shops and 25 houses forcing the planners to change the alignment completely as they were constructing the tunnel slope debris without any geological study. Some of them were abandoned and new tunnels were laid. A lot of them had new entrances as the initial ones collapsed, the same way as happened on the highway at Ramban.

The situation was not very different between Dharam and Banihal. As the landmass offered surprises, various bridges and tunnels were abandoned paving the way for newer ones.

Auditing the prestigious project in 2013, CAG said that there was a net loss of Rs 3259 crore apparently as the outcome of a bad design alignment, which included Rs 281.42 crore of abandoned assets; Rs 57.24 crore for suspension of work when the authorities started working for an alternative and particle alignment; Rs 1122.63 crore of loss in foreclosure of works and re-tendering the same at higher costs and spending Rs 194.37 crore for repairing the executed works.

Regardless of everything, the track is coming up fast. The major tunnel of almost 13 km is about to be ready, and so is the major bridge over Chenab in Reasi.

#### Ground Realities

The ground realities of the region, however, remain unchanged. The region falls in the seismic zone IV. In fact, a major fault line passes through the Baglihar dam. The young mountains are weak and prone to erosion.

The planners and the implementing agencies should take lessons from the twin projects – the old highway and the railway, before picking the shovel in the foothills of the region. Even if they succeed in implementing the surface communication projects, the region is so unstable that it can throw up surprises at any time. It is better to hire local geographers and earth scientists both in planning and execution and avoid discovering the wheel every time a project of better accessibility is announced. <https://kashmirilife.net/playing-with-peaks-vol-14-issue-9-293319/>

#### **4. CAG seeks documents related to financial irregularities at Jim Corbett ([business-standard.com](https://www.business-standard.com)) May 31, 2022**

The Comptroller and Auditor General of India has sought documents related to alleged financial irregularities in the Kalagarh and Lansdowne forest divisions of the Corbett Tiger Reserve from Uttarakhand's Head of Forest Force Vinod Kumar Singhal.

Singhal had written to the state government recently, recommending a CAG probe into alleged misappropriation of funds worth crores of rupees in the two forest divisions of the reserve.

Now, the CAG has sought relevant documents from the officer to start its probe.

Funds worth crores of rupees from the Compensatory Afforestation Fund Management and Planning Authority and other heads had been released for the two forest divisions but were not utilised for works they were meant for, Singhal had said.

Suspended IFS officer Kishan Chand misused Rs 1.43 crore of the funds to buy refrigerators and air conditioners rather than spending the amount on sanctioned works, he alleged.

The then head of forest force and chief wildlife warden also did not pay attention to the irregularities committed by Kishan Chand, who was the DFO of Kalagarh, Singhal further claimed.

Large-scale misappropriation of funds committed during Kishan Chand's tenure has come to light, the official added.

The National Tiger Conservation Authority first conducted a probe into the allegations.

Taking suo motu cognisance of its findings, the Uttarakhand High Court conducted a probe into the irregularities.

The matter finally reached the Supreme Court and a central empowered committee is now probing it.

The then Ranger Brij Bihari Sharma, DFO Kishan Chand and Chief Wildlife Warden J S Suhag are currently under suspension. [https://www.business-standard.com/article/current-affairs/cag-seeks-documents-related-to-financial-irregularities-at-jim-corbett-122053100559\\_1.html](https://www.business-standard.com/article/current-affairs/cag-seeks-documents-related-to-financial-irregularities-at-jim-corbett-122053100559_1.html)

## **5. कैग ने अधिकारियों से कॉर्बेट में वित्तीय अनियमितताओं से संबंधित दस्तावेज मांगे ([navbharattimes.indiatimes.com](http://navbharattimes.indiatimes.com)) 31 May 2022**

कॉर्बेट टाइगर रिजर्व के कालागढ़ व लैंसडाउन वन प्रभाग में कथित वित्तीय अनियमितताओं की जांच के लिए कैग ने (भारत के नियन्त्रक एवं महालेखा परीक्षक) ने उत्तराखंड वन विभाग के प्रमुख (हॉफ) विनोद कुमार सिंघल से संबंधित दस्तावेज मांगे हैं।

दोनों वन प्रभागों में विभिन्न मदों से दिए गए करोड़ों रुपये की धनराशि का हिसाब किताब नहीं मिलने के बाद सिंघल ने स्वयं शासन को पत्र लिखकर इनकी कैग जांच कराने का अनुरोध किया था। इसके बाद उत्तराखंड सरकार ने इसके लिए कैग को पत्र भेजा था।

कैग ने अब मामले में जांच शुरू करने के लिए अधिकारी से संबंधित दस्तावेज मांगे हैं।

सिंघल ने बताया कि दोनों वन प्रभागों को प्रतिपूरक वनीकरण निधि (कैंपा) तथा अन्य मदों से करोड़ों रुपये का बजट दिया गया। लेकिन उनका उपयोग स्वीकृत कार्य में नहीं किया गया और इसलिए उसका लेखाजोखा नहीं मिला।

निलंबित वनाधिकारी किसनचन्द्र ने कैंपा के 1.43 करोड़ रुपये का कथित दुरुपयोग करते हुए स्वीकृत कार्य की बजाय इससे एयरकंडीशनर तथा फ्रिज खरीद लिए जिसपर वन विभाग के तत्कालीन प्रमुख से लेकर तत्कालीन वन्यजीव प्रतिपालक ने भी ध्यान नहीं दिया।



उन्होंने कहा कि कॉर्बेट टाइगर रिजर्व के कालागढ़ वन प्रभाग के निलंबित तत्कालीन वन प्रभागीय अधिकारी किसनचन्द के कार्यकाल की अभी तक हुई जांचों में बड़े पैमाने पर धांधलियों का खुलासा हुआ है।

पहले राष्ट्रीय बाघ संरक्षण प्राधिकरण ने मामले की जांच की जिसके बाद उत्तराखंड उच्च न्यायालय ने स्वतः संज्ञान लेकर इसकी जांच कराई। अन्ततः मामला उच्चतम न्यायालय पहुंचा जहां उसकी केंद्रीय अधिकार प्राप्त समिति की जांच चल रही है।

वहीं, कॉर्बेट टाइगर रिजर्व के दोनों वन प्रभागों की गड़बड़ियों के कथित आरोपी, रेंजर बृज बिहारी शर्मा, किसनचन्द व तत्कालीन वन्यजीव प्रतिपालक जे एस सुहाग निलंबित चल रहे हैं जबकि इनके अलावा कई आला वनाधिकारियों से भी शासन ने जबाब तलब किया है। इन अधिकारियों पर भी दण्डात्मक कार्रवाई की तलवार लटक रही है। <https://navbharattimes.indiatimes.com/state/uttarakhand/other-cities/cag-asks-officials-for-documents-related-to-financial-irregularities-in-corbett/articleshow/91914323.cms>

## 6. CAG

**Report: कोविड महामारी ने बुरी तरह बिगाड़ी अर्थव्यवस्था की सेहत, 14 वर्ष बाद यूपी को राजस्व घाटा** ([amarujala.com](http://amarujala.com)) 31 May 2022

भारत के नियंत्रक एवं महालेखा परीक्षक (केग) द्वारा राज्य सरकार की वित्तीय स्थिति पर तैयार रिपोर्ट विधानसभा में पेश की गई। इसमें वित्त वर्ष 2020-

21 की आर्थिक स्थिति का विस्तृत विश्लेषण है। कोविड महामारी का प्रभाव वित्त वर्ष 2019-

20 के अंतिम दिनों में ही सामने आ गया था। तब सकल राज्य घरेलू उत्पाद (जीएसडीपी) में 6.50 प्रतिशत की वृद्धि हुई थी। वित्त वर्ष 2020-

21 में लगभग पूरे वित्त वर्ष ही कोविड का असर रहा। इस वर्ष जीएसडीपी की वृद्धि 1.05 प्रतिशत पर सिमट गई। इसका असर यह सामने आया कि वर्ष 2006-07 के बाद पहली बार 2020-

21 में राज्य को राजस्व घाटे का सामना करना पड़ा। इस वर्ष 2367.13 करोड़ राजस्व घाटा था।

हालात इतने विकट थे कि केंद्र ने राज्य को अतिरिक्त आर्थिक संसाधन बढ़ाने के लिए जीएसडीपी की दो प्रतिशत अतिरिक्त ऋण सीमा मंजूर की। इससे यह ऋण सीमा पूर्व निर्धारित जीएसडीपी के तीन प्रतिशत से बढ़कर पांच प्रतिशत हो गई। हालांकि राज्य ने काफी सावधानी से कदम उठाया और राजकोषीय घाटे को जीएसडीपी के 3.20 प्रतिशत तक सीमित रखा। वर्ष 2020-

21 में राजकोषीय घाटा 54,622.11 करोड़ रुपये था। इसी तरह 2020-

21 में राज्य के लिए बकाया ऋण की सीमा जीएसडीपी का 32 प्रतिशत तक मान्य थी लेकिन यह 32.77 प्रतिशत पहुंच गई।

लॉकडाउन प्रतिबंधों से राजस्व स्रोतों पर तगड़ा असर

वित्तीय वर्ष 2020-

21 की शुरुआत कोविड महामारी और सख्त लॉकडाउन प्रतिबंधों के साथ हुई। इसने राज्य की राजस्व प्राप्तियों पर बेहद खराब असर डाला। हालात ये हुए कि बजट अनुमान 2020-

21 की तुलना में स्वयं के कर राजस्व में 27.78 प्रतिशत, गैर कर राजस्व में 62.01 प्रतिशत, केंद्रीय कर हस्तां

तरण में 30.21 प्रतिशत और केंद्र से सहायता अनुदान में 20.35 प्रतिशत की कमी रही। यही नहीं राज्य का राजस्व व्यय कुल खर्च का 84.83 प्रतिशत पहुंच गया।

### पांच वर्ष में जीएसडीपी की वृद्धि दर

वित्तीय वर्ष	राज्य की जीएसडीपी	वृद्धि दर (प्रतिशत में)
2016-17	12,88,700	13.26
2017-18	14,16,006	9.88
2018-19	15,84,764	11.92
2019-20	16,87,818	6.50
2020-21	17,05,593	1.05 (नोट : जीएसडीपी करोड़ रुपये में)

### कोविड संकट काल में कृषि सेक्टर ही आया काम

कोविड संकट काल में एक बात और सामने आई। वह थी, राज्य के कृषि सेक्टर की ताकत। महामारी के दौरान उद्योग व सेवा सेक्टर एक तरह से बैठ गया। वर्ष 2020-21 में सेवा सेक्टर की वृद्धि दर - 1.91 प्रतिशत व उद्योग सेक्टर की - 5.52 प्रतिशत रही जबकि कृषि सेक्टर की वृद्धि दर 8.08 प्रतिशत थी। कृषि की वृद्धि दर पूर्व के दो वर्षों की वृद्धि दर से भी ज्यादा थी।

### पांच वर्ष में क्षेत्रवार वृद्धि दर (प्रतिशत में)

वित्तीय वर्ष	कृषि	उद्योग	सेवा
2016-17	8.84	24.06	9.79
2017-18	12.32	03.41	12.61
2018-19	6.26	11.06	13.21
2019-20	6.28	00.56	8.87
2020-21	8.08	-05.52	-1.91

### 26,237 करोड़ रुपये दबाए बैठे हैं विभाग

तमाम महकमे सरकार से सहायता लेने के बावजूद 26,237 करोड़ रुपये का हिसाब-किताब नहीं दे रहे हैं। वित्त वर्ष 2001-02 से सितंबर 2019-

20 तक जारी सहायता अनुदान में से 26,237.08 करोड़ रुपये के 39,587 उपभोग प्रमाणपत्र बकाया थे। सीएजी ने कहा है कि बड़ी संख्या में उपभोग प्रमाणपत्रों का बकाया होना, निधियों के गबन व गलत तरीके से खर्च के जोखिम से भरी हुई हैं। सीएजी ने उपभोग प्रमाणपत्र समय से जमा करना सुनिश्चित कराने व बिना उपभोग प्रमाणपत्र प्राप्त किए नया अनुदान देने से पहले पूर्व के सभी बकायों की समीक्षा का सुझाव दिया है।

### सीएजी की सलाह को नजरंदाज कर रही सरकार

सीएजी व अन्य संस्थाएं सरकारी खजाने के नियमानुसार प्रबंधन के लिए कई तरह की निधियों के गठन की संस्तुति कर रहा है। इनमें कई निधियां सांविधानिक व्यवस्था के अंतर्गत गठित की जानी हैं। इसके बावजूद राज्य सरकार ने कई निधियों का गठन नहीं किया। इस तरह कुछ गठित निधियों का नियमों के हिसाब से संचालन नहीं हो रहा है।

### कर्मचारियों के नई पेंशन का 385 करोड़ नहीं किए जमा

कर्मचारियों की नई पेंशन स्कीम में अंशदान की धनराशि राष्ट्रीय प्रतिभूति निक्षेपागार लि. के माध्यम से तय निधि प्रबंधक को हस्तांतरित किए जाने की व्यवस्था है। मगर, सरकार ने 2020-21 के दौरान कर्मियों के 385.08 करोड़ रुपये नामित निधि प्रबंधक को दिए ही नहीं गए। यह धनराशि कर्मियों के निवेश फंड का हिस्सा नहीं बन सका। बताते चलें, कर्मचारी नई पेंशन स्कीम की तमाम विसंगतियों के साथ फंड के निवेश में लापरवाही कर नुकसान पहुंचाने का आरोप लगाकर पुरानी पेंशन बहाली की मांग करते आ रहे हैं।

### **एक चौथाई से ज्यादा बजट खर्च ही नहीं, 1.47 लाख करोड़ लैप्स**

जनता छोटे-छोटे काम के लिए धरना-

प्रदर्शन और आंदोलन को मजबूर होती है लेकिन सरकार बजट होने के बावजूद खर्च ही नहीं कर पाती है। वित्त वर्ष 2020-

21 के कुल बजट 5,44,571.20 करोड़ का करीब चौथाई से ज्यादा हिस्सा 1,48,547.50 करोड़ रुपये (27.28 प्रतिशत) खर्च ही नहीं कर पाई। सीएजी ने सरकार की बजट प्लानिंग पर सवाल उठाया है। इसी तरह बिना मूल बजट खर्च किए मनमाने तरीके से पुनर्विनियोग का भी खुलासा किया गया है। सीएजी के मुताबिक 1298.55 करोड़ के पुनर्विनियोग अनावश्यक साबित हुए। नियम है कि बचत की धनराशि 25 मार्च तक वित्त विभाग को सरेंडर कर देनी चाहिए। मगर 1,48,547.50 करोड़ रुपये की कुल बचत में से वित्तीय वर्ष के अंतिम दिन मात्र 1477.51 करोड़ रुपये सरेंडर किए गए। बाकी 1,47,069.99 करोड़ रुपये लैप्स हो गए।

### **गबन, नुकसान और चोरी के 9.31 करोड़ के मामले में कार्रवाई नहीं**

धोखाधड़ी या लापरवाही से होने वाली हानि, सरकारी संपत्ति की हानि या विनाश के लिए जिम्मेदारी तय किए जाने की व्यवस्था है। 31 मार्च तक इस तरह के 9.30 करोड़ रुपये के 135 मामले लंबित थे। यही नहीं 1.71 करोड़ के 32 मामलों में विभागीय व आपराधिक जांच तक शुरू नहीं की गई। <https://www.amarujala.com/lucknow/cag-report-on-uttar-pradesh-economy?pagelId=1>

### **7. प्राधिकरण बांट रहा निश्शुल्क जमीन, सीएजी को आपत्ति (jagran.com)**

31 May 2022

ग्रेटर नोएडा : यमुना प्राधिकरण सरकारी संस्थाओं को निश्शुल्क जमीन बांट रहा है। अपनी आडिट रिपोर्ट ने सीएजी ने इस पर आपत्ति दर्ज की है। सीएजी का कहना है कि निश्शुल्क जमीन आवंटित करने से प्राधिकरण को आर्थिक नुकसान हुआ है। प्राधिकरण ने पुलिस से लेकर स्वास्थ्य विभाग को निश्शुल्क जमीन आवंटित की है।

यमुना प्राधिकरण आवंटियों को भूखंड व भवनों पर कब्जा दे रहा है, लेकिन अभी तक प्राधिकरण क्षेत्र में बसावट शुरू नहीं हुई है। सेक्टरों में सुरक्षा, जन सुविधाओं का ढांचा तैयार न होने के कारण आवंटी रहने को तैयार नहीं है। जनसुविधाओं का ढांचा विकसित करने के लिए प्राधिकरण ने कई सरकारी संस्थाओं को निश्शुल्क या एक रुपये प्रति वर्गमीटर की सांकेतिक दर पर जमीन आवंटित की है, लेकिन सीएजी ने आडिट रिपोर्ट में इस आवंटन पर आपत्ति दर्ज कर दी है। रिपोर्ट में कहा गया है कि निश्शुल्क जमीन आवंटन से प्राधिकरण को आर्थिक क्षति हुई है। हालांकि प्राधिकरण अधिकारियों का कहना है कि जनहित में सरकारी संस्थाओं को निश्शुल्क जमीन आवंटन के संदर्भ में शासनादेश है।

## थानों व अस्पताल के लिए हुआ है निशुल्क जमीन आवंटन

प्राधिकरण ने सेक्टरों में रहने वालों की सुरक्षा सुनिश्चित करने के लिए पुलिस विभाग को पांच थानों के लिए निशुल्क जमीन आवंटित की है। बोर्ड भी इस पर सहमति दे चुका है। युवाओं को रोजगार योग्य बनाने के कौशल विकास केंद्र के लिए भी निशुल्क जमीन दी गई है। इसके अलावा यमुना एक्सप्रेस वे के नजदीक सेक्टर 22 ई में ट्रामा सेंटर व सौ बिस्तर के अस्पताल, 220 केवी सब स्टेशन, एटीएस के लिए जमीन आवंटन शामिल है। बाक्स

## ग्रुप हाउसिंग को लेकर भी जताई आपत्ति

सीएजी ने ग्रुप हाउसिंग को लेकर हुए भूखंड आवंटन पर भी आपत्ति जताई है। कंसोर्टियम में मुख्य कंपनी के हटने के बावजूद भूखंड आवंटन किया गया था। भूखंड आवंटन के लिए शर्तों को लचीला करने को लेकर आपत्ति दर्ज की है। <https://www.jagran.com/uttar-pradesh/noida-authority-is-distributing-free-land-objection-to-cag-22761302.html>

## 8. यूपी में 16 सार्वजनिक क्षेत्र के उपक्रमों को वित्तीय वर्ष 2020-

21 में 7,411.34 करोड़ रुपये का हुआ घाटा ([jagran.com](http://jagran.com)) 31 May 2022

लखनऊ। प्रदेश में 16 सार्वजनिक क्षेत्र के उपक्रमों (पीएसयू) को वित्तीय वर्ष 2020-21 के दौरान 7,411.34 करोड़ रुपये की हानि हुई। वहीं 22 पीएसयू ने 699.72 करोड़ रुपये का लाभ अर्जित किया।

यह जानकारी सोमवार को विधानमंडल के दोनों सदन में वित्तीय वर्ष 2020-21 के लिए राज्य सरकार के वित्त पर पेश की गई भारत के नियंत्रक-महालेखापरीक्षक (सीएजी) की रिपोर्ट में दी गई है।

रिपोर्ट में शामिल 38 पीएसयू में से मुख्य हानि वहन करने वाले पीएसयू में उग्र पावर कारपोरेशन (3158.92 करोड़ रुपये), पूर्वांचल विद्युत वितरण निगम (1204.3 करोड़ रुपये) और पश्चिमांचल विद्युत वितरण निगम (1067.87 करोड़ रुपये) थे।

वहीं लाभ अर्जित करने वाले मुख्य पीएसयू में उग्र पावर ट्रांसमिशन कारपोरेशन (351.89 करोड़ रुपये) और उग्र राज्य विद्युत उत्पादन निगम (116.91 करोड़ रुपये) थे।

71 कार्यरत पीएसयू में से केवल चार ने वर्ष 2020-21 के लिए अपने वार्षिक लेखे प्रस्तुत किये थे। 44 अकार्यरत पीएसयू में से 40 के 699 लेखे बकाया थे। <http://www.jagran.com/uttar-pradesh/lucknow-city-16-public-sector-undertakings-in-up-suffered-loss-of-more-than-seven-thousand-crore-in-this-financial-year-22760328.html>

## 9. 14 वर्ष बाद यूपी को राजस्व घाटा कोविड महामारी ने बुरी तरह बिगाड़ी अर्थव्यवस्था की सेहत ([jantaserishta.com](http://jantaserishta.com)) May 31, 2022

भारत के नियंत्रक एवं महालेखा परीक्षक (कैग) द्वारा राज्य सरकार की वित्तीय स्थिति पर तैयार रिपोर्ट विधानसभा में पेश की गई। इसमें वित्त वर्ष 2020-

21 की आर्थिक स्थिति का विस्तृत विश्लेषण है। कोविड महामारी का प्रभाव वित्त वर्ष 2019-20 के अंतिम दिनों में ही सामने आ गया था। तब सकल राज्य घरेलू उत्पाद (जीएसडीपी) में 6.50 प्रतिशत की वृद्धि हुई थी। वित्त वर्ष 2020-21 में लगभग पूरे वित्त वर्ष ही कोविड का असर रहा। इस वर्ष जीएसडीपी की वृद्धि 1.05 प्रतिशत पर सिमट गई। इसका असर यह सामने आया कि वर्ष 2006-07 के बाद पहली बार 2020-21 में राज्य को राजस्व घाटे का सामना करना पड़ा। इस वर्ष 2367.13 करोड़ राजस्व घाटा था।

हालात इतने विकट थे कि केंद्र ने राज्य को अतिरिक्त आर्थिक संसाधन बढ़ाने के लिए जीएसडीपी की दो प्रतिशत अतिरिक्त ऋण सीमा मंजूर की। इससे यह ऋण सीमा पूर्व निर्धारित जीएसडीपी के तीन प्रतिशत से बढ़कर पांच प्रतिशत हो गई। हालांकि राज्य ने काफी सावधानी से कदम उठाया और राजकोषीय घाटे को जीएसडीपी के 3.20 प्रतिशत तक सीमित रखा। वर्ष 2020-

21 में राजकोषीय घाटा 54,622.11 करोड़ रुपये था। इसी तरह 2020-

21 में राज्य के लिए बकाया ऋण की सीमा जीएसडीपी का 32 प्रतिशत तक मान्य थी लेकिन यह 32.77 प्रतिशत पहुंच गई।

लॉकडाउन प्रतिबंधों से राजस्व स्रोतों पर तगड़ा असर वित्तीय वर्ष 2020-

21 की शुरुआत कोविड महामारी और सख्त लॉकडाउन प्रतिबंधों के साथ हुई। इसने राज्य की राजस्व प्राप्तियों पर बेहद खराब असर डाला। हालात ये हुए कि बजट अनुमान 2020-

21 की तुलना में स्वयं के कर राजस्व में 27.78 प्रतिशत, गैर कर राजस्व में 62.01 प्रतिशत, केंद्रीय कर हस्तांतरण में 30.21 प्रतिशत और केंद्र से सहायता अनुदान में 20.35 प्रतिशत की कमी रही। यही नहीं राज्य का राजस्व व्यय कुल खर्च का 84.83 प्रतिशत पहुंच गया।

पांच वर्षों में जीएसडीपी की वृद्धि दर वित्तीय वर्ष राज्य की जीएसडीपी वृद्धि दर (प्रतिशत में)

2016-17	12,88,700	13.26
2017-18	14,16,006	9.88
2018-19	15,84,764	11.92
2019-20	16,87,818	6.50
2020-21	17,05,593	1.05 (नोट : जीएसडीपी करोड़ रुपये में)

कोविड संकट काल में कृषि सेक्टर ही आया काम कोविड

संकट काल में एक बात और सामने आई। वह थी, राज्य के कृषि सेक्टर की ताकत। महामारी के दौरान उद्योग व सेवा सेक्टर एक तरह से बैठ गया। वर्ष 2020-21 में सेवा सेक्टर की वृद्धि दर -

1.91 प्रतिशत व उद्योग सेक्टर की -

5.52 प्रतिशत रही जबकि कृषि सेक्टर की वृद्धि दर 8.08 प्रतिशत थी। कृषि की वृद्धि दर पूर्व के दो वर्षों की वृद्धि दर से भी ज्यादा थी।

पांच वर्षों में क्षेत्रवार वृद्धि दर (प्रतिशत में)

वित्तीय वर्ष कृषि उद्योग सेवा

2016-17 8.84 24.06 9.79

2017-18 12.32 03.41 12.61

2018-19 6.26 11.06 13.21

2019-20 6.28 00.56 8.87

2020-21 8.08 -05.52 -1.91

26,237 करोड़ रुपये दबाए बैठे हैं विभाग

तमाम महकमे सरकार से सहायता लेने के बावजूद 26,237 करोड़ रुपये का हिसाब-किताब नहीं दे रहे हैं। वित्त वर्ष 2001-02 से सितंबर 2019-

20 तक जारी सहायता अनुदान में से 26,237.08 करोड़ रुपये के 39,587 उपभोग प्रमाणपत्र बकाया थे। सीएजी ने कहा है कि बड़ी संख्या में उपभोग प्रमाणपत्रों का बकाया होना, निधियों के गबन व गलत तरीके से खर्च के जोखिम से भरी हुई हैं। सीएजी ने उपभोग प्रमाणपत्र समय से जमा करना सुनिश्चित कराने व बिना उपभोग प्रमाणपत्र प्राप्त किए नया अनुदान देने से पहले पूर्व के सभी बकायों की समीक्षा का सुझाव दिया है।

सीएजी की सलाह को नजरंदाज कर रही सरकार

सीएजी व अन्य संस्थाएं सरकारी खजाने के नियमानुसार प्रबंधन के लिए कई तरह की निधियों के गठन की संस्तुति कर रहा है। इनमें कई निधियां सांविधानिक व्यवस्था के अंतर्गत गठित की जानी हैं। इसके बावजूद राज्य सरकार ने कई निधियों का गठन नहीं किया। इस तरह कुछ गठित निधियों का नियमों के हिसाब से संचालन नहीं हो रहा है।

कर्मचारियों के नई पेंशन का 385 करोड़ नहीं किए जमा

कर्मचारियों की नई पेंशन स्कीम में अंशदान की धनराशि राष्ट्रीय प्रतिभूति निक्षेपागार लि. के माध्यम से तय निधि प्रबंधक को हस्तांतरित किए जाने की व्यवस्था है। मगर, सरकार ने 2020-

21 के दौरान कर्मियों के 385.08 करोड़ रुपये नामित निधि प्रबंधक को दिए ही नहीं गए। यह धनराशि कर्मियों के निवेश फंड का हिस्सा नहीं बन सका। बताते चलें, कर्मचारी नई पेंशन स्कीम की तमाम विसंगतियों के साथ फंड के निवेश में लापरवाही कर नुकसान पहुंचाने का आरोप लगाकर पुरानी पेंशन बहाली की मांग करते आ रहे हैं।

एक चौथाई से ज्यादा बजट खर्च ही नहीं, 1.47 लाख करोड़ लैप्स

जनता छोटे-छोटे काम के लिए धरना-

प्रदर्शन और आंदोलन को मजबूर होती है लेकिन सरकार बजट होने के बावजूद खर्च ही नहीं कर पाती है। वित्त वर्ष 2020-

21 के कुल बजट 5,44,571.20 करोड़ का करीब चौथाई से ज्यादा हिस्सा 1,48,547.50 करोड़ रुपये (27.28 प्रतिशत) खर्च ही नहीं कर पाई। सीएजी ने सरकार की बजट प्लानिंग पर सवाल उठाया है। इसी तरह बिना मूल बजट खर्च किए मनमाने तरीके से पुनर्विनियोग का भी खुलासा किया गया है। सीएजी के मुताबिक 1298.55 करोड़ के पुनर्विनियोग अनावश्यक साबित हुए। नियम है कि बचत की धनराशि 25 मार्च तक वित्त विभाग को सरेंडर कर देनी चाहिए। मगर 1,48,547.50 करोड़ रुपये की कुल बचत में से वित्तीय वर्ष के अंतिम दिन मात्र 1477.51 करोड़ रुपये सरेंडर किए गए। बाकी 1,47,069.99 करोड़ रुपये लैप्स हो गए।

गबन, नुकसान और चोरी के 9.31 करोड़ के मामले में कार्रवाई नहीं धोखाधड़ी या लापरवाही से होने वाली हानि, सरकारी संपत्ति की हानि या विनाश के लिए जिम्मेदारी तय कि ए जाने की व्यवस्था है। 31 मार्च तक इस तरह के 9.30 करोड़ रुपये के 135 मामले लंबित थे। यही नहीं 1.71 करोड़ के 32 मामलों में विभागीय व आपराधिक जांच तक शुरू नहीं की गई। <https://jantaserish ta.com/local/uttar-pradesh/after-14-years-ups-revenue-loss-the-kovid-epidemic-badly-spoiled-the-health-of-the-economy-1275439>

## **SELECTED NEWS ITEMS/ARTICLES FOR READING**

### **10. Caution first: On the Aadhaar advisory ([thehindu.com](https://www.thehindu.com)) JUNE 01, 2022**

#### **The UIDAI should not downplay the possibility of leaked Aadhaar numbers being misused**

In a bizarre reversal on Sunday, the Union government withdrew a notification from a Unique Identification Authority of India (UIDAI) office cautioning people against sharing photocopies of their Aadhaar card, just two days after the advisory was issued, claiming that it would be “misinterpreted”. The May 27 notification that was issued by the Bengaluru Regional Office of the UIDAI urged people to use the masked Aadhaar number facility — that can be downloaded from the UIDAI website — and which displays only the last four digits of the Aadhaar number. This was a sensible advisory. The masked Aadhaar facility has been in place since 2018 and this came about following a report by the Centre for Internet and Society that publicly available datasets had sensitive details such as full Aadhaar number details and also included bank account details of individuals. The dangers of providing the full Aadhaar number to several agencies — the use of the Aadhaar card and the number for various purposes today has only multiplied exponentially — are evident in the way these numbers have been used by fraudsters for criminal purposes such as identity theft, Know Your Customer (KYC)-related fraud among others in recent years, and which have been documented in news reports. The UIDAI has itself registered far more potential fraud cases related to the issue highlighted above in recent years compared to the past. Other scams that are of a higher order have also been revealed recently, related to biometrics theft that have allowed scamsters to steal welfare benefits at the expense of genuine beneficiaries. The Internet is rife with leaked data and this poses a major threat to user privacy.

The UIDAI has, however, been ambivalent about the inherent dangers in the indiscriminate use of the Aadhaar number or the Aadhaar card by citizens, as evidenced in its series of flip-flops on the issue even before this latest withdrawal notice. There seems to be a contradiction of views within the authority on the issue of potential misuse of the Aadhaar number. On the one hand, in statements advising caution and user discretion in revealing one’s Aadhaar number, it is seeking to treat these as sensitive information just like the biometrics provided by citizens to the authority. Yet, on the other, it has sought to universalise the open use of the Aadhaar as an identity document with missionary zeal and has downplayed the risks of doing so. This ambivalence does not help at all. The UIDAI must popularise the use of the masked Aadhaar facility as a start and rethink ways to tighten the scrutiny over how Aadhaar numbers are issued and utilised even as law enforcement agencies crack down on data leaks and websites carrying unmasked Aadhaar-related

information. <https://www.thehindu.com/opinion/editorial/caution-first-the-hindu-editorial-on-the-advisory-on-aadhaar-sharing-and-its-recall/article65480260.ece>

## **11. Bigger Nominal GDP Size Compresses Deficit: Higher revenues moderate FY22 fiscal deficit to 6.71% ([financialexpress.com](https://www.financialexpress.com)) June 1, 2022**

### **Analysts see deficit around 6.4% target for FY23, thanks to likely upsides in revenues and nominal GDP**

With its net tax and non-tax revenue being 4.3% higher than the revised estimate (RE) presented in February, the Centre managed to narrow its fiscal deficit moderately to 6.71% of the GDP in FY22, against RE of 6.9%. Apart from extra receipts, a higher nominal GDP size also helped compress the fiscal deficit despite total expenditure exceeding RE on account of higher fertiliser subsidies and other revenue expenditures.

While a fiscal deficit of 6.4% is estimated by the Centre for FY23, some analysts expect it to rise marginally to 6.5% despite additional spending liability of about Rs 2 trillion on subsidies and Rs 1-trillion revenue loss due to cut in excise duty on auto fuels and the customs duty reduction on select raw materials for steel and plastics. A large part of this additional spendings, however, would be offset by tax revenues which will be higher than budgeted level.

Analysts estimate the Centre's net tax revenues to be Rs 1-1.3 trillion more than FY23BE while disinvestment receipts are also expected to exceed target by Rs 20,000 crore in the current fiscal.

According to Controller General of Accounts, fiscal deficit came in at Rs 15.865 trillion marginally lower than the FY22RE of Rs 15.911 trillion. India's nominal GDP as per provisional estimate was 1.9% higher than the first advance estimate, used in preparation of FY23 budget. This helped moderate fiscal deficit for the year.

While revenue expenditure was at Rs 32 trillion or 1.1% higher than FY22RE, capex was at Rs 5.93 trillion or 1.5% lower than revised target. Total expenditure came in at Rs 37.94 trillion for FY22, 0.6% higher than RE.

Provisional tax and non-tax revenue were 3.13% and 10.92% higher than FY22RE. However, due to lackluster performance of disinvestment at Rs 13,631 crore as against Rs 78,000 crore panned in FY22RE, total receipts were only 1.32% higher than FY22RE.

“Clearly inflation-driven nominal GDP growth has led to higher tax collections and resulted in marginally better fiscal performance than FY22RE,” said India Ratings economists Sunil Kumar Sinha and Paras Jasrai.

There are several risks to the fiscal deficit target of Rs 16.6 trillion (6.4% of GDP) for FY2023, emanating from the revenue loss to the Centre on account of the excise duty cut, lower-than-budgeted transfer of the RBI's surplus, and the need for additional spending on food, fertiliser and LPG subsidies through the year.

“However, a large part of this would be offset by appreciably higher than budgeted taxes, limiting the extent of the overshoot in the government's fiscal deficit in FY23 to Rs 1 trillion above the BE, even if there are no expenditure savings,” said Icria chief economist Aditi Nayar.

The Centre has indicated that it may trim revenue expenditure a bit from the BE level in FY23 to accommodate part of extra spending on subsidies. Moreover, a higher nominal GDP vis-à-



vis the BE is likely to contain the expected fiscal deficit at 6.5% of GDP, only slightly exceeding the budgeted 6.4% of GDP, Nayar said. <https://www.financialexpress.com/economy/bigger-nominal-gdp-size-compresses-deficit-higher-revenues-moderate-fy22-fiscal-deficit-to-6-71/2544311/>

## **12. How government's recent measures will impact inflation and fiscal math** ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) Jun 1, 2022

The government's recent cuts on excise duty and import taxes could result in the easing of inflation by 35-40 bps, said SBI in a research report.

While the consumer price inflation for the month of May, 2022 might come down by 10 bps, the full impact of these measures will be visible only in the later months. Under current circumstances, domestic consumer price inflation is expected to average at 6.5%-6.7% in FY23, it said.

Last week, the government announced a tax cut of Rs 8 per litre on petrol and Rs 6 per litre on diesel, causing a loss of Rs 1 lakh crore per year in revenue. The move led to a reduction of petrol rates by Rs 9.5 per litre and diesel by Rs 7 a litre. According to the SBI report, the steep cut in oil excise duty will have a positive impact on inflation of around 20 bps.

The central government has also allowed duty-free import of 20 lakh tonnes each of crude soyabean oil and crude sunflower oil for this year and 2023-24. It means that till March 31, 2024, a total of 80 lakh tonnes of crude soyabean oil and crude sunflower oil could be imported duty-free.

The edible oil duty cut which was reduced to 5.5% in Feb'22, and has been reduced to zero recently, will likely ease inflation further by 10-12 bps, noted the SBI report.

In addition, duty reduction on other items, including ferro, nickel, coking coal, PCI coal, coke semi-coke, naphtha and PVC will soften the domestic price inflation by another 5-8 bps. Thus the recent moves will bring down inflation by 35-40 bps.

After the excise duty cuts on petroleum products, the Government limited the export of sugar up to 100 LMT with a view to maintain the domestic availability and price stability during the sugar season 2021-22 (October-September). The decision came in the light of record exports of the sugar and will ensure that the closing stock of sugar at the end of sugar season (September 30, 2022) remains at 60-65 LMT, which is 2-3 months stocks (monthly requirement is around 24 LMT in those months) required for domestic use.

### **Fiscal implications:**

The recently announced measures to combat inflation is expected to lead to loss of Rs 1 lakh crore to the Government for an entire year. "For this fiscal it could be Rs 87,000 crore (assuming 10.5 months remaining). However, budgeted amount of Rs 3.35 lakh crore in FY23 compared to Rs 3.94 lakh crore in FY22 RE seems conservative. Thus this could easily be Rs 3.70 lakh crore. Thus additional burden of excise duty cut would only be Rs 50,000 crore," noted SBI.

In addition, fertiliser subsidy has been increased by Rs 1.1 lakh crore which will directly hit the Centre's fiscal situation. Also, Rs 200 subsidy per gas cylinder (upto 12 cylinders) to around

9 crore beneficiaries of PMUjjwala Yojna has been announced which is likely to have fiscal implication of Rs 61,000 crore.

The announcement of duty free import of 20 lakh metric tonnes yearly import of crude soyabean and sunflower oil will also lead to lower revenues for the Government.

These measures in total will have fiscal implication of around Rs 2.5 lakh crore

" However, the revenue collection for FY23 are expected to be higher than estimates in the budget as they were on the conservative side. Thus net fiscal implication of these measures could be around Rs 66,000 crore. But with higher nominal GDP estimates fiscal deficit as % of GDP is still expected to be close to 6.4% -6.6%", the SBI report said.

According to India Ratings, higher inflation though is going to be a drag on the household consumption, but it will lead to higher tax collection for government (inflation tax) due to higher nominal GDP.

GDP data decoded: The Indian economy grew 8.7% in 2021-22, showing a robust rebound after 6.6% contraction in 2020-21 due to Covid-induced lockdown in 2020. However, the Q4 GDP growth rate was lukewarm at 4.1%, but higher than 1.6% recorded for the March quarter of 2020-21. The GDP growth curve - 20.3% in Q1, 8.5% in Q2, 5.4% in Q3 and 4.1% in the final quarter - reflects the impact of the Omicron wave, the Ukraine war, global supply shortages and higher input costs.

"4QFY22 real GDP growth at 4.1% slowed down from the previous quarter, partly led by the temporary restrictions imposed to tackle the spread of the Omicron variant in January. The near term remains clouded with uncertainties emanating from the ongoing geopolitical conflicts, weakening global demand, limited scope for incremental government spending, and tightening financial conditions. We maintain our FY2023E real GDP growth estimate at 7.3% and FY2024E real GDP growth estimate at 6.5%," said Upasna Bhardwaj, economist at Kotak Mahindra Bank.

Peak impact of interest rate hikes on GDP will be felt only towards the end of this fiscal year. "I see support to growth from a strong bounce-back in contact-based services, which last fiscal was about 11.3% lower than fiscal 2020 levels. But headwinds from slower global growth and higher oil prices have tilted the risks -- to our forecast of 7.3% for the current fiscal -- downwards," said Dharmakirti Joshi, Chief Economist, CRISIL. <https://timesofindia.indiatimes.com/business/india-business/how-governments-recent-measures-will-impact-inflation-and-fiscal-math/articleshow/91930897.cms>

### **13. GST Collection Surpasses Rs 1.40 Lakh Crore in May, Rises 44 Per Cent Year-On-Year ([swarajyamag.com](http://www.swarajyamag.com)) June 1, 2022**

The gross Goods and Services Tax (GST) revenue collected in the month of May is Rs 1,40,885 crore, registering a growth of 44 per cent compared to the same month last year, an official release said on Wednesday (25 May).

Out of the Rs 1.40 lakh crore GST collection, Central GST is Rs 25,036 crore, State GST is Rs 32,001 crore, Integrated GST is Rs 73,345 crore (including Rs 37,469 crore collected on import

of goods) and cess is Rs 10,502 crore (including Rs 931 crore collected on import of goods), according to a Union Finance Ministry release.

The government has settled Rs 27,924 crore to CGST and Rs 23,123 crore to SGST from IGST. The total revenue of Centre and the States in the month of May 2022 after regular settlement is Rs 52,960 crore for CGST and Rs 55,124 crore for the SGST, the ministry said.

In addition, Centre has also released GST compensation of Rs 86912 crore to States and UTs on Tuesday (31 May), it added.

"The revenues for the month of May 2022 are 44 per cent higher than the GST revenues in the same month last year of Rs 97,821 crore," the ministry said.

During the month, revenues from import of goods was 43 per cent higher and the revenues from domestic transaction (including import of services) are 44 per cent higher than the revenues from these sources during the same month last year, it added.

According to the ministry, this is only the fourth time the monthly GST collection crossed Rs 1.40 lakh crore mark since inception of GST and third month at a stretch since March 2022.

The ministry said that the collection in the month of May, which pertains to the returns for April, the first month of the financial year, has always been lesser than that in April, which pertains to the returns for March, the closing of the financial year.

However, the ministry noted that it was encouraging to see that even in the month of May 2022, the gross GST revenues have crossed the Rs 1.40 lakh crore mark.

Total number of e-way bills generated in the month of April 2022 was 7.4 crore, which is 4 per cent lesser than 7.7 crore e-way bills generated in the month of March 2022, it said. <https://swarajyamag.com/news-headlines/gst-collection-surpasses-rs-140-lakh-crore-in-may-rises-44-per-cent-year-on-year>

#### **14. Centre puts oil pipeline monetisation on hold as PSUs resist: Report ([business-standard.com](https://www.business-standard.com)) June 1, 2022**

Convincing the petroleum ministry by stating the plan as an expensive way to raise capital, state gas utility GAIL, Hindustan Petroleum, and Indian Oil Corporation may not go ahead with pipeline monetisation, a media report said on Wednesday.

According to the Economic Times report, the government expected the companies to transfer some of their pipelines to separate infrastructure investment trusts (InvITs) and sell minority stakes in those to raise Rs 17,000 crore.

The oil companies have told the government that their high credit ratings, among the best in the country, will allow them to raise capital easily and at a much lower cost than any return they would have to offer InvIT investors, the report added.

The asset monetisation programme, announced in Budget 2021, is a pipeline of assets the government is looking to monetise to collect about Rs 6 trillion to partly fund its ambitious infrastructure projects over four years ending 2024-25.

Finance Minister Nirmala Sitharaman while announcing the plan said it's important that India recognises the time has come for making the most out of our assets.

The plan includes petroleum product pipelines of 3,930 km to be monetised by Indian Oil Corporation, Hindustan Petroleum Corporation and the Ministry of Petroleum and Natural Gas.

"The pipeline monetisation plan is no more on the table," Economic Times quoted a person in the know.

As per report, the oil and gas companies had resisted the idea from the beginning as pipelines are core to their business and the InvIT model being not so attractive for them.

For the oil companies, InvIT would have been a trade-off between current and future cash flows as the stake sale would yield capital but they would start paying an operating charge for using the assets.

The government now is debating whether these pipelines can be managed by a third party or shared, it added. [https://www.business-standard.com/article/economy-policy/centre-puts-oil-pipeline-monetisation-on-hold-as-psus-resist-report-122060100252\\_1.html](https://www.business-standard.com/article/economy-policy/centre-puts-oil-pipeline-monetisation-on-hold-as-psus-resist-report-122060100252_1.html)

**15. Why does India face a recurring power shortage despite enough coal stock? ([business-standard.com](https://www.business-standard.com))** June 1, 2022

India has the world's fourth-largest coal reserve. It is the second-biggest producer of fossil fuel behind China and is home to the world's biggest coal miner, Coal India, which accounts for 80% of the country's domestic output.

The minable capacity of already allocated coal blocks is around 15% to 20% higher than the expected demand in 2030.

So why, year after year, India's power plants face coal shortages that lead to widespread power outages leaving parts of the country in the dark and industries in a limbo. There are several factors.

India has had a long-standing policy to minimise imports of coal. In February 2020, Coal Minister Pralhad Joshi had said that the country would stop importing thermal coal from 2023-24.

Joshi had said the Coal Ministry would coordinate with Railways and Shipping Ministry and enable Coal India, captive and commercial miners to evacuate more coal by 2030.

But despite efforts to increase the supply of domestic coal, there was a gap between the demand of coal and its supply. And the coal stocks at the generating stations are depleting at a worrisome rate. Now, Power Ministry is blaming declining coal imports for the current crisis. In 2018-19, 21.4 million tonnes of coal was imported for blending, 23.8 million tonnes in 2019-20 and in 2021-22, it fell to 8.3 million tonnes.

Coal inventories at power plants have declined by about 13% since April to the lowest pre-summer levels in years. And for the first time since 2015, Coal India will import the fuel for use by state and private power generating companies.

The power ministry said the decision was taken after nearly all states suggested that multiple coal import tenders by states would lead to confusion and sought centralised procurement through Coal India.

The Centre faced pushback from states as imported coal is five times costlier than the one mined domestically.

Recently, the government also stepped up pressure on utilities to increase imports to blend with local coal.

It has even warned of cuts to the supply of domestically mined coal if power plants did not build up coal inventories through imports. But the power ministry on Saturday asked states to suspend tenders that are "under process"

Despite record production, Coal India's supply has not been able to meet the demand.

In April 2022, the company registered a growth of 27.64% by producing 53.47 million tonnes.

Former coal secretary Anil Swarup told Washington Post that Coal India's production stagnated in the last few years because of a failure by the government to appoint senior management and fund mining expansions.

Shreya Jai of Business Standard points a mismatch between coal, power and railway ministries. Power units did not stock up when Coal India had surplus coal. Imported coal-based power units not functioning for several years. Pressure of mining and supplying coal lies solely on Coal India.

Coal India's output has grown slower than the captive mines, awarded over the last six years. During 2020-22, production from the captive mines jumped by 38.5% while CIL saw a tepid growth of 3.4%, according to government data.

These captive mines were awarded to private companies and state-owned utilities over the last five years after the Supreme Court in 2014 scrapped all coal block allocations made over the past two decades

Last year, three tranches of coal auctions were held after a hiatus of two years and nine blocks were successfully awarded

In September 2021, the Union ministry of coal issued a stern warning to captive coal block owners, saying their mines should ramp up production or face regulation in coal supply from CIL.

The ministry observed that production from these mines was below target.

Of the 43 operational coal mines awarded to private companies in the power, steel and metals sectors, not a single one is meeting its targeted annual production.

On May 6, Coal India said it will offer its 20 closed and discontinued underground coal mines to the private sector to reopen and bring into production on a revenue-sharing model.

Shreya Jai says current power supply chain seems unprepared to handle high growth period, state discoms are unable to pay gencos, but electricity supply chain needs to be fixed starting with state discoms, she said.

Meanwhile, the Railways is grappling to balance demands from the thermal power industry for faster coal supplies with the demands of other industries. It has to keep rakes ready to meet the rising demand for just about every other bulk commodity, from cement and steel to sand and food grains.

The strained balance sheets of discoms have consistently triggered delayed payments to power producers, often affecting cash flows and disincentivising further investment in the electricity generation sector.

For the second time in two years, the Union Power Ministry notified a scheme for discoms to defer their dues towards the power generating companies. With the dues of the discoms touching a record high of Rs 1 trillion, the ministry has proposed a scheme to liquidate the discoms' dues in 48 monthly instalments.

Strengthening the value chain of the power sector will ensure that coal supply-demand mismatch is resolved in the long term. [https://www.business-standard.com/podcast/economy-policy/why-does-india-face-a-recurring-power-shortage-despite-enough-coal-stock-122060100089\\_1.html](https://www.business-standard.com/podcast/economy-policy/why-does-india-face-a-recurring-power-shortage-despite-enough-coal-stock-122060100089_1.html)

## **16. Defence Ministry signs over Rs 2,900 crore contract for procurement of missile system for IAF, Navy (*indiatoday.in*) June 1, 2022**

**The Ministry of Defence signed over Rs 2,900 crore contract for procurement of a missile system for the IAF and Navy.**

In a major boost to Prime Minister Narendra Modi's vision of 'Aatmanirbhar Bharat', the Ministry of Defence, on May 31, 2022, signed a contract with Bharat Dynamics Limited (BDL) for supply of ASTRA MK-I Beyond Visual Range (BVR) Air to Air Missile (AAM) and associated equipment for the Indian Air Force and Indian Navy at a cost of Rs 2,971 crore under Buy (Indian-IDDMM) category.

Till now, the technology to manufacture missiles of this class indigenously was not available. The ASTRA MK-I BVR AAM has been Indigenously Designed and Developed by Defence Research and Development Organisation (DRDO) based on the staff requirements issued by the Indian Air Force (IAF) catering for Beyond Visual Range as well as Close Combat Engagement, reducing the dependency on foreign sources. Air to Air missile with BVR capability provides large stand-off ranges to own fighter aircraft which can neutralise the adversary aircraft without exposing itself to adversary air defence measures, thereby gaining and sustaining superiority of the air space. This missile is technologically and economically superior to many such imported missile systems.

ASTRA MK-I missile and all associated systems for its launch, ground handling and testing has been developed by DRDO in coordination with the IAF. The missile, for which successful trials have already been undertaken by the IAF, is fully integrated on the Su 30 MK-I fighter aircraft and will be integrated with other fighter aircraft in a phased manner, including the Light Combat Aircraft (Tejas). The Indian Navy will integrate the missile on the MiG 29K fighter aircraft.

The Transfer of Technology from DRDO to BDL for production of ASTRA MK-I missile and all associated systems has been completed and production at BDL is in progress. This project will act as a catalyst for the development of Infrastructure and Testing facilities at BDL. It will also create opportunities for several MSMEs in aerospace technology for a period of at least 25 years. The project essentially embodies the spirit of 'Aatmanirbhar Bharat' and will help facilitate realising the country's journey towards self-reliance from Air to Air Missiles. <https://www.indiatoday.in/india/story/defence-ministry-signs-contract-procurement-missile-system-iaf-navy-1956729-2022-06-01>

**17. Yet to launch 4G, BSNL seeks 70 MHz 5G spectrum** (*financialexpress.com*) June 1, 2022

**Loss-making BSNL, which till date does not offer 4G services, has urged the Department of Telecommunications (DoT) to reserve 70 MHz spectrum in the 3300 MHz to 3670 Mhz band for it.**

Private telecom operators — Reliance Jio, Bharti Airtel and Vodafone Idea — may be left with a smaller pool of 5G spectrum to bid for in the 3300 MHz to 3670 Mhz band, if the government agrees to a key demand of state-owned BSNL. bsnl.

Loss-making BSNL, which till date does not offer 4G services, has urged the Department of Telecommunications (DoT) to reserve 70 MHz spectrum in the 3300 MHz to 3670 Mhz band for it.

If the spectrum is reserved for BSNL, it does not need to participate in auctions but would need to pay the auction-determined price whenever it wants to launch the 5G services.

If the government accepts its demand, only 300 MHz spectrum would be left, which would be still enough for the three operators, as a minimum of 100 MHz is required in this band to provide services. However, private operators feel such restrictions should not be placed on them.

According to sources, BSNL chairman and MD PK Purwar has already written a letter urging that 70 MHz in the mid-band spectrum be reserved for the state-owned firm. BSNL's demand is more than the 40 MHz which the Digital Communications Commission has approved for the company. Apart from that, spectrum in the 600 MHz band as well as the 400 MHz in the millimetre band would also be reserved for BSNL.

The DoT is likely to put forward the demand of BSNL before the Cabinet, which will take a final call on the issue. BSNL is preparing to launch 4G services, utilising the locally-developed core network solution by CDoT and TCS.

The trials for testing the radios and other equipment have already been completed and BSNL has placed an order for installing 6,000 sites to TCS. After successful installation, the state-run firm will install 100,000 4G sites across the country. Both CDoT and TCS are also working on 5G core solution, which is likely to be commercially launched by the end of this year. The 5G stack will be integrated with the 4G network of BSNL. Communications minister Ashwini Vaishnaw had recently said in Parliament that the indigenous 4G telecom network of BSNL would be rolled out soon across the country.

The launch of BSNL 4G services has already been delayed by over two years. The company has been talking about launching 4G services since 2019, but in 2020, it had to cancel a tender due to restrictive conditions for domestic firms. After that, BSNL was mandated by the government to utilise equipment only from domestic companies.

Accordingly, BSNL floated an expression of interest (EoI) for local firms to showcase their 4G capabilities. A letter of intent was then issued to five vendors—TCS, Tech Mahindra, HFCL, L&T and ITI. But apart from TCS, no company has undertaken the trials. <https://www.financialexpress.com/industry/et-to-launch-4g-bsnl-seeks-70-mhz-5g-spectrum/2544479/>

**18. OPS, NPS and the AP alternative** ([thehindubusinessline.com](http://thehindubusinessline.com)) May 31, 2022

**The old pension system is fiscally onerous and the NPS niggardly. The AP govt's formula is worth looking at**

The outcomes (in terms of pension as a percentage of final salary) of the New Pension Scheme (NPS, or the National Pension System) were estimated in the first part of this article (May 30). It was noted that the Old Pension Scheme (OPS) will definitely have a larger present value of pension payouts compared to the NPS. What is the extra government contribution that would be needed to fund such a higher pension?

Suppose pension payouts equal to OPS are funded with a contributory scheme ('funded OPS') having higher government contribution and no employee input. If, at retirement, the Mean ETV (Expected Terminal Value) of the amount of corpus (i.e. sum of contributions plus investment return) is equal to the Mean EPV (Expected Present Value) of OPS pension payments, then the government would have enough money to provide a pension that is (on average) equal to that under OPS.

Using the assumptions in Part I of this article, the EPV of pension under the OPS was modelled. To find the new required government contribution rate, the ratio of EPV of OPS to the ETV of NPS Corpus was calculated. Using the average of these ratios over 1,00,000 simulations, the required total contribution to match OPS is given in Column (II) of Table 2.

The required contribution rate is around 50 per cent for Rajasthan and 40 per cent for Chhattisgarh (difference due to varying life expectancy). As there is no employee contribution in the OPS, this total contribution has to be paid by the government. It would have to pay 5.003/3.945 times the original NPS Government Contribution, respectively. Under the NPS, these State governments were paying only 10 per cent of the salary; now, they would have to pay 50/40 per cent.

We can now compare OPS and NPS, as now OPS is being represented by the funded OPS; we have two baskets of apples to compare. The initial cost of the shift is estimated in Table 3 using the following data:

So, as an answer to all the suppositions about the cost to shift being significant or insignificant, it would cost Rajasthan around ₹49,000 crore. And it would cost Chhattisgarh around ₹12,000 crore. This is the one-time amount required to top up the NPS corpus if it is to be converted to a funded OPS. This is just the cost till now of transferring all existing staff under NPS to OPS.



In future there will be extra costs for the existing staff. And, every year, new people will also be added to OPS. These people will not contribute to their pension cost, and the entire cost of their pensions is on the government. So, apart from the figures of 'Initial Fiscal Cost' in Table 3, there will be an annual accrual of costs for existing NPS-holders and for new staff. Since the contribution rate is rising from 10 per cent to 40-50 per cent, the government will incur a cost 4-5 times the current annual cost.

### **Budgetary impact**

What would the budgetary impact be? Using NPS Corpus data, government contribution to NPS was estimated at ₹2,732 crore (Rajasthan) and ₹1,060 crore (Chhattisgarh) for 2021-22. In shifting to an unfunded OPS (i.e. pay as you go), they would stop making these contributions.

In cash terms Rajasthan is likely to save more than ₹2,732 crore. in 2022-23, a reduction of over 10 per cent of the pension budget; Chhattisgarh is likely to save at least ₹1,060 crore, a reduction of 14 per cent.

However, for a funded OPS, the total pension cost for Rajasthan for 2021-22 would increase by ₹10,936 crore, and for Chhattisgarh by ₹3,122 crore; it would be even more for 2022-23. A prudent approach would be to account for such a liability each year. But with the proposed OPS being an unfunded scheme, this cost would not be provisioned annually, and would be loaded onto future governments.

Hence, though the liability for post-2004 staff is actually increasing with the shift, their cost would disappear from the Budget (which may be the main reason governments are attracted to revert to OPS). Costs of the shift would become known only when the staff hired from 2004 start to retire. This will hurt governments of the 2030's, while current governments benefit from higher fiscal space.

One also cannot argue that over the years inflation will reduce the costs of the shift, as the OPS is also inflation indexed (through Dearness Relief).

The figures above are approximations based on modelling of publicly available data and reasonable assumptions. However, they establish that the fiscal costs are remarkably high.

### **AP model**

The main argument of staff against the NPS is that its benefit is undefined and that the pension depends on unpredictable markets. Is NPS the only alternative to OPS that is fiscally prudent? An alternative proposed by the government of Andhra Pradesh is a guaranteed level annuity as pension. Being a defined benefit scheme, the government takes over the investment risk. However, staff and government contributions both continue. This has two benefits. First, only a part of the cost of pensions is on the government; second, the cost is funded in each year when it accrues and is not transferred to future generations and governments. This scheme would be sustainable if the proportion of the guaranteed level pension is chosen wisely.

If implemented properly, this could potentially make pensions stable for staff and fiscally prudent for governments, avoiding the opulence of OPS and the niggardly NPS.

Overall, the figures indicate that OPS is a ticking time bomb that was defused insufficiently with the NPS; it's starting to tick

again. <https://www.thehindubusinessline.com/opinion/ops-nps-and-the-ap-alternative/article65481198.ece>

## **19. Around 31 mn households demand work under MGNREGA in May, up 11% YoY ([business-standard.com](https://www.business-standard.com)) June 1, 2022**

**The figure is also much higher than the corresponding pre-Covid period, data shows**

Around 31 million households have demanded work under the flagship MGNREGA in the month of May this year, which is almost 11 per cent more than the same period last year and much higher than the corresponding pre-Covid period, data sourced from the website showed today.

In April 2022, around 23.26 million households have sought work under the scheme which as per the provisional data for May has risen to almost 31 million households.

The April 2022 work demand was almost 11.15 per cent less than the corresponding period of April 2021.

In May 2019, which was a year-before the COVID-19 pandemic struck, around 25 million households had sought work under the scheme.

The rise in work demand civil society activists said was a reflection of the continued slow return to economic normalcy in the rural areas.

"In April 2022, there was slight dip in work demanded year on year but it is purely due to artificial suppression because of fund flow was constrained in several states which is why I feel work demand has come back to normal levels as soon as funds have started flowing in," Nikhil Dey founder member of Mazdoor Kisan Shakti Sangathan, a grassroots based organization told Business Standard.

"Usually, when wage payments are timely and prompt, workers tend to come more for MGNREGA work and hence when the payment is delayed, they look for other work avenues," Dey clarified.

He said all these should make a case for increase in MGNREGA budget allocation for FY-23.

Civil society activists and others have been pointing out that the Budget allocated for MGNREGA in FY-23 is grossly inadequate and could lead to artificial suppression of demand.

Their argument is despite allocation around Rs 73,000 crore in FY-23 for the scheme, actual spend could be quite less as a significant chunk (almost Rs 20,000 crore) could go towards clearing pending dues from the last financial year.

In FY-22, the Centre had budgeted Rs 73,000 crore for MGNREGA but ended up spending almost Rs 98,000 crore due to continued robust work demand.

Similarly, in FY-21, which is considered a landmark year for the scheme due to sudden spike in demand because of reverse migration of millions of laborers from cities to villages after the first lockdown, the Centre spent a record Rs 1,11,170 crore for MGNREGA. Though, it had budgeted for much less. <https://www.business-standard.com/article/economy->

[policy/around-31-million-households-demands-work-under-mgnrega-in-may-up-11-yoy-122053101288\\_1.html](http://policy/around-31-million-households-demands-work-under-mgnrega-in-may-up-11-yoy-122053101288_1.html)

## **20. The K-Rail imbroglio: Discrepancies and loose ends** ([english.mathrubhumi.com](http://english.mathrubhumi.com)) June 1, 2022

The K Rail has been hogging the limelight in all media in Kerala for the past several months. Initially, the DPR was kept as a secret document and was available in bits and pieces. However, as a result of public outcry, the full version of DPR is now available for the public. A careful reading would reveal many loose ends and discrepancies in the DPR. It appears that K Rail authorities have not accorded seriousness nor applied enough due diligence while accepting the DPR. Some of the glaring discrepancies in the financial calculations that appeared in Volume II of the DPR are pointed out below.

### Base Rate assumption

Though the cost per km (when the Silver line becomes operational in 2026) is taken at Rs3.90/km, the cost per km is projected as Rs 2.75 per km in some places in the DPR (items 13 to 15 in the last page (21-256) of DPR).

- i) Item 13: Total estimated cost with all taxes and duties Rs 55,083 crore (March 2020 base)
- ii) Item 14: Estimated completion cost with all taxes, land cost, escalation & IDC: Rs 63,940.67
- iii) Item 15: Proposed fare: Rs 2.75 per km in standard class In respect of items 13 and 14, there are indications of the escalation. The base year is shown in respect of item 13 and in respect of item 14, the escalation is mentioned. However, there is no escalation clause for item 15. The above details are given in conclusion part of DPR which means it is the final picture.

The fare at Rs 2.75 per km is the projected rate always, in all discussions by the advocates of K-Rail. Even the Chief Minister in his reply speech on 14th March 2022) in the Legislative Assembly mentioned that the fare is at Rs 2.75 per km

### Passenger revenue

It is unclear how the rate of Rs 3.90 per km appeared in some places. Even if we apply the escalation rate of 6 per cent from the base year 2020-21 onwards, the rate in 2025 (the year in which the project will be operational as per DPR) will be Rs 3.68 per km (please see pages 19-154 & 167).

The annual revenue, accordingly, would be Rs 3.68 x 79,934 (passengers) x 365 days x 200 kms (average travel distance of a passenger, as per DPR)= Rs 2,147 cr.

As per the DPR, the compounding is done for one more year and the annual estimate of revenue is Rs 2,276 cr. There is a gap of Rs 129 cr in the first year itself. This gap also gets compounded every year at 6 per cent for over 50 years. There has been no explanation for this phenomenon.

Corollary: The Thiruvananthapuram - Hazarat Nizamuddin Rajdhani has the following fares:

First Class AC: Rs 7,595, including food

Second class AC: Rs 4,625, including food

Total distance covered: 3,149 km (Source: Google)

Fare per km: First class - Rs 2.41/km and second class- Rs 1.47/km

We may calibrate the SilverLine fares of Rs 2.75/km and Rs 3.90/km against the above. Remember that K-Rail has done enough feasibility/viability studies.

As per the Willingness To Pay survey done by the K-Rail (Chapter 4 - 212), only 44% of the train/bus passengers are willing to pay only the existing fare and 42% are willing to pay higher but limited to 1.25 times of the existing fare for travelling in SilverLine. In this situation, how do we assertively say that 79,934 passengers would travel by SilverLine every day, paying such a high charge?

#### RORO Revenue

There appears to be a discrepancy in the calculation of revenue from the RORO (see table 19-35) as well. The base rate is Rs 25/- in the year 2020. Even if we take the escalation for 6 years at 6 per cent, the rate should be Rs. 35.46/km and the annual revenue should be Rs 35.46 x 445 trucks x 365 x 392 km= Rs 225.79 cr.

Whereas, the RORO annual revenue is reckoned in the DPR as Rs 237 Cr (page 19 – 184) taking Rs 36.19/km as the escalated fare in 2025-26, (increasing the number of trucks to 457 also does not justify this difference).

If the escalation is done for 5 years (and rightly so), the annual revenue from RORO would be Rs 213 cr. There is a gap of Rs 24 cr in the first year itself. The compounding effect increases the gap over the years. This needs to be explained.

In the case of RORO travel also, the WTP Survey indicates that 78% of the users are willing to pay only half of the present freight charge (see fig 4-73 on page 4-221). This figure has been changed in the last sentence below the chart to 72%.

#### Average travel distance

The rationale for keeping the average travel distance at 200 km for 50 years or more is not explained well in Chapter 4. Incidentally, the trip length distribution (see figure 4-32 on page 4-196) in DPR indicates that 38 per cent of passengers travel less than 50 km and 44 per cent of passengers travel between 50-150 km. That means 82 per cent of passengers travel below 150 km as per DPR. Yet the average travel distance of SilverLine passengers is 200 km.

It further states (on page no 19-181) that the “average passenger trip length distribution as determined from the traffic studies is 200 km and a yearly escalation of six per cent is considered on the fare”. Where is the study result? What was the methodology? How was it conducted? Nothing is available on the DPR.

#### Ridership

The most interesting part of DPR is the clauses which are seemingly anticipatory bail for the likely non-performance of SilverLine. The project's success depends on the ridership number which at present is 79,934 (claimed to be determined very scientifically using different statistical methods). However, this number, as per the DPR, is likely to be affected if the passenger fare is not reduced elsewhere because SilverLine passengers appear to be the ‘poached lot’ from the existing railway/road system. “With no increase in fares, the passengers travelling by sleeper and 3rd AC class may not be willing to shift to the SilverLine” (page no 4-152). Indirectly, DPR is advocating fare increases in the existing mode of transport.

Similarly, it talks of the impact of privatisation of train operations. Privatisation may lead to fare increases and SilverLine's ridership success would depend on the 'fare setting' (page no 4-151). The study of the impact of road projects on SilverLine reveals that the ongoing improvements in national highways & state highways could negatively impact the ridership of SilverLine. "If the NHs and SHs are made into toll roads, due to higher costs, it may lead to a positive shift to the SilverLine," it hopes.

### **EIRR (Economic Internal Rate of Return)**

The calculation of EIRR (Economic Internal Rate of Return), based on the social cost and social benefits does not appear to be convincing. The social benefits cover the travel time, VOC (Vehicle Operating Cost) savings, pollution cost savings, accident cost savings and Infra cost savings whereas under social cost, items like capital outlay, replacement cost, additional capex, and operation and maintenance expenditure are shown. Are these items relevant under social cost? Are they not part of the project finance cost? The social cost must be in terms of the externalities of the project viz noise pollution, ecological damage, water pollution (especially during construction period), relocation struggle for the population, the job loss of agricultural labourers, loss to be suffered by KSEB on account of subsidised tariff (page no 19- 172), loss to be suffered by other agencies of transportation including the existing railway system and KSRTC, job loss to be suffered by the employees of the existing agencies of transportation etc. If the aforesaid social costs are factored in, will the EIRR look rosy? <https://english.mathrubhumi.com/features/specials/the-k-rail-imbroglio-discrepancies-and-loose-ends-a-purushothaman-1.7567997>

### **21. Gujarat: Bad loans under PM's MUDRA scheme rise 69% in pandemic year ([indianexpress.com](https://www.indianexpress.com)) June 1, 2022**

Mehsana resident Arvind Patel, who is into the business of decorating "mandaps" for events and gatherings, borrowed Rs 7.2 lakh under the Pradhan Mantri MUDRA Yojana (PMMY). He used the loan to expand his business. "Earlier we used to employ eight persons, now we employ 12," Arvind said as he virtually interacted with Prime Minister Narendra Modi at the "Garib Kalyan Sammelan" Tuesday.

When PM Modi asked if he was returning the loan to the bank on time, Arvind replied in the affirmative. In response, the PM appreciated the small-time entrepreneur for generating employment under PMMY, launched in April 2015 and provides loans upto Rs 10 lakh to non-corporate and non-farm small and micro enterprises.

Arvind was one of the many beneficiaries with whom the PM spoke to virtually while addressing the event from Shimla. In his speech at the event in Shimla, PM Modi said that 70 per cent of MUDRA beneficiaries were women who had become entrepreneurs and were providing employment.

However, it is not a very rosy picture for banks who have lent money under the Central scheme in Gujarat during the past seven years of its launch. The scheme has seen a number of defaults in the state with lenders seeing their Non-Performing Assets (NPAs) rise by 69 per cent in the past year.

According to the latest available figures from State Level Banker's Committee (SLBC), banks in Gujarat have an NPA of Rs 957 crore, 9.13 per cent of the total outstanding amount as of December 2021. The NPAs under PMMY have swelled up by 69 per cent (see table) in the

past one year compared to December 2020 as loans taken by small borrowers turned bad due to Covid lockdown-induced strains.

Non-performing assets (NPAs) under the Mudra scheme in Gujarat

If the bad loans of individual banks under the scheme are taken into consideration, then Canara Bank, at 56 per cent, has the highest percentage of NPAs, followed by Bandhan Bank (24.63 per cent), State Bank of India (22.36 per cent) and Punjab National Bank (22.7 per cent).

Among the total Rs 957 crore NPAs under the MUDRA scheme, the highest percentage of bad loans are in Shishu (loans up to Rs 50,000) and Tarun (loans in the Rs 5-10 lakh range). While 9.91 per cent (Rs 129 crore) of the outstanding Shishu loans are NPAs, the percentage of bad loans in Tarun is 9.71 per cent (Rs 392 crore). <https://indianexpress.com/article/cities/ahmedabad/gujarat-bad-loans-pm-mudra-scheme-rise-69-7946618/>

**22. Five years on, happiness dept yet to measure smiles in Madhya Pradesh** ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) June 1, 2022

BHOPAL: Happiness department, the first of its kind in the country, does not know how happy the people of the state are. An initiative to measure the happiness index of people of the state mooted five years ago in May 2017 has failed to take off.

The government had decided to measure the well-being of people in the state by conducting a happiness survey. The state government had signed an MoU with IIT-Kharagpur for the development of a happiness index to measure the wellbeing of people. About 80 experts from different parts of the globe brainstormed in Bhopal, but the survey is yet to take off.

Government plans to conduct happiness survey after local bodies' elections. The authorities now claim to carry out the survey by December.

Officials said 10,000 people would be surveyed in 52 districts. Training of surveyors would be conducted for the purpose. It would be kicked off soon after local bodies' polls. The questionnaire of the survey was already finalized. In every district around 200 people will be surveyed, officials added.

Government and experts of IIT-Kharagpur had shortlisted over 30 questions, which would be asked to people during the happiness survey. People of MP had to rate their happiness on different parameters that include education, their social and economic conditions, experience in government offices and schemes on a scale of 1 to 10.

The exercise has been going on for over five years now. 80 experts from across the world, apart from state government officials and delegates from IIT-Kharagpur brainstormed in Bhopal to find out what makes people of MP happy. It was decided but survey was not conducted.

MP hit national headlines in July 2016 when it became the first state to set up a happiness department. The happiness survey to measure people's happiness was planned in 2017, but Congress government came in power after assembly polls and after the BJP returned to power in March 2020, the government got busy in dealing with the corona crisis, but the survey is likely to be carried out by year end, officials added. <https://timesofindia.indiatimes.com/city/bhopal/5-years-on-happiness-dept-yet-to-measure-smiles-in-the-state/articleshow/91927786.cms>