NEWS ITEMS ON CAG/ AUDIT REPORTS (23.06.2022)

1. Vodafone Idea defers ₹8,837 crore AGR dues payment, gets option to pay interest via equity *(thehindu.com)* June 23, 2022

Vodafone Idea in the filing said that its board of directors "has approved the exercise of the option of deferment of the AGR-related dues by a period of four years with immediate effect, in accordance with the said DoT Letter

Debt-ridden telecom operator Vodafone Idea has decided to defer payment of additional adjusted gross revenues of ₹ 8,837 crore dues by a period of four years.

The company in a late night filing on June 22, said that the DoT on June 15, has raised adjusted gross revenue (AGR) demand for additional two financial years beyond 2016-17, which were not covered under the Supreme court order on the statutory dues.

Vodafone Idea (VIL) in the filing said that its board of directors "has approved the exercise of the option of deferment of the AGR related dues by a period of four years with immediate effect, in accordance with the said DoT Letter. The amount of the AGR related dues as stated in the said DoT Letter is ₹8,837 crores which is subject to revision on account of disposal of various representations".

The Government bailout of Vodafone Idea
The government calculates its share of revenue from telecom operators based on their AGR, which is considered to have been earned by them from the sale of services.

VIL filing said that the DoT has offered the company a moratorium of four years for all AGR related dues up to Financial Year 2018-19, which were not included in Supreme Court order dated September 1, 2022 which can be exercised within a period of 15 days by June 30.

"The said DoT Letter also provides the Company an option for equity conversion of interest dues upfront for these AGR related dues for which a period of 90 days has been provided from the date of the said DoT Letter," VIL said.

The company said the fresh demand of Rs 8,837 crore is subject to revision on account of disposal of various representations, CAG, special audit and any other outcome of litigation and "the final amount to be paid in six equal annual instalments post moratorium period starting from March 31, 2026".

The government has already approved Vodafone Idea's proposal to convert about ₹16,000 crore interest payment dues of previous AGR moratorium into around 33% stake in the company.

According to official data, telecom operators owe over ₹1.65 lakh crore to the government in adjusted gross revenue up to financial year 2018-19.

The fresh calculation shows AGR liability on Bharti Airtel was ₹31,280 crore, Vodafone Idea ₹59,236.63 crore, Reliance Jio ₹ 631 crore, BSNL ₹16,224 crore, MTNL ₹5,009.1 crore up to the financial year 2018-19.

The company in a separate filing said that its board has approved raising of ₹436.21 crore from Vodafone Group company Euro Pacific Securities through issue of preferential share at a unit price of ₹10.2 apiece or warrants at the same price. https://www.thehindu.com/business/Industry/vodafone-idea-defers-8837-crore-agr-dues-payment-gets-option-to-pay-interest-via-equity/article65556316.ece

2. Ahmedabad: University Grants Commission gives 22 instances to justify notice to Vidyapith *(timesofindia.indiatimes.com)* June 23, 2022

AHMEDABAD: The University Grants Commission (UGC) has pointed out 22 instances of financial and administrative irregularities in Gujarat Vidyapith to justify the show-cause notice issued to the institution founded by Mahatma Gandhi. These irregularities include the appointment of the vice-chancellor and several staff members. The UGC filed an affidavit in the Gujarat high court in response to a petition filed by Vidyapith, challenging the UGC notice issued on April 25 following the internal audit report for the 2018-2021 period, conducted at the behest of the ministry of education.

The UGC had sought explanation from the institution on why its deemed university status should not be withdrawn and the grants not stopped. Vidyapith moved the HC saying that it had already replied to the notice in detail about the audit report and asserted that UGC can withdraw the status of 'deemed to be university' conferred on Vidyapith only in the event of issuance of unapproved degrees. On May 6, the HC had stayed the UGC from taking further action.

Replying to Vidyapith's petition, UGC cited 22 instances of violations of UGC regulations and financial irregularities. It said that no payable grants were withheld. It has still not taken any decision about instances of violations of regulations because Vidyapith's reply is under deliberation. UGC sought dismissal of Vidyapith's petition as premature. The UGC further said that the quashing of its actions would mean taking away its statutory right to make an inquiry and to allow financial irregularities by the institute.

It was maintained that Vidyapith had failed to register itself as a society in complete disregard for the fulfilment of the condition for deemed university status.

To justify its show-cause notice, UGC cited complaints, communications and instructions from the whistleblower, the chief vigilance commissioner and the ministry of education apart from the litigations in the high court and the constitution of various inquiry committees whose reports confirmed the allegations. UGC also cited the audit report by the Comptroller & Auditor General (CAG) in 2017, which led to the formation of a committee "to verify financial irregularities in appointment and pay scale for various posts, and to verify various appointments from 2009 to 2016". It further stated that the inquiry report in October 2017 confirmed "gross financial irregularities" and "serious lapses committed by the office bearers of relevant time". "Thus, it appears that large scale irregularities have been committed within the university," the UGC stated. https://timesofindia.indiatimes.com/city/ahmedabad/ugc-gives-22-instances-to-justify-notice-to-vidyapith/articleshow/92400512.cms

3. Show-cause notice to Gujarat Vidyapith to maintain ethics of Mahatma Gandhi: UGC to HC *(indianexpress.com)* June 23, 2022

The show-cause notice to Gujarat Vidyapith on why its 'deemed-to-be-university' status not be withdrawn "is in the larger interest of the said university to maintain the ethics of Mahatma

Gandhi, the University Grants Commission (UGC) has informed the Gujarat High Court in an affidavit.

The affidavit, dated June 8, is in response to a notice issued by the HC to the central government and UGC after it granted interim relief to the university. Gujarat Vidyapith had approached the HC challenging the UGC show cause issued on account of 22 instances of violation of the commission's regulations, in addition to serious financial irregularities.

Responding to the notice, UGC deputy secretary Jitendra submitted that the commission is yet to take any decision on the violations. The matter is under UGC deliberation as a reply from the university is pending and hence, it makes it premature for the university to approach the court, he submitted. If the show cause notice is quashed, it would "amount to taking away the statutory right of UGC to make an inquiry and to permit said the university with its financial irregularity", the affidavit further said.

UGC also pointed out that when the status of 'deemed-to-be-university' was given in 1963, a condition was laid down that Gujarat Vidyapith Trust is required to get separately registered as a trust/society under respective acts for the institution that is being declared as deemed university so as to create bifurcation between Gujarat Vidyapith Trust and Gujarat Vidyapith Deemed University. However, the university failed to register itself as a society "in complete disregard to the condition of granting the status of deemed university by the UGC".

UGC has relied on complaints made by Piyush Ramanlal Shah, a whistleblower, who had alleged various financial irregularities, in addition to the findings of an expert committee constituted subsequently that had confirmed the allegations against the administration.

The affidavit also cited the Comptroller and Auditor General (CAG) report, which had also confirmed "gross financial irregularities in appointments as well as pay scale that results into serious lapses committed by the office-bearers of the relevant time".

UGC has also cited a forwarded letter from the Ministry of Education in 2021 by Prof Navin Sheth, vice-chancellor of Gujarat Technological University, suggesting irregularities in the procedure adopted for appointment of Vice-Chancellor of Gujarat Vidyapith. https://indianexpress.com/article/cities/ahmedabad/show-cause-notice-to-gujarat-vidyapith-to-maintain-ethics-of-mahatma-gandhi-ugc-to-hc-7985423/

4. FICCI recommends Haryana government to legalise the grey office market *(economictimes.indiatimes.com)* June 22, 2022

Federation of Indian Chambers of Commerce and Industry with international property consultant JLL has submitted a research paper to the Haryana government to highlight the 'Grey office market or work from home' in the state and recommended to regulate it as a formal and authorised sector.

Keeping in line with the Government of India's Skill India and Start-up mission, the study has suggested significant measures backed by the survey and analysis of the employee's perception in the recent times to incorporate their home, as the formal and affordable workplace.

The research paper highlighted the informal office/ affordable workspaces quantum in Haryana and intent to brainstorm for any measures that could change the dynamics of the office industry and contribute to the formal economy of Haryana. A significant number are involved in part-time businesses run from home-based establishments. The absence of inclusive policies that cater to both the workers and enterprises alike has only accentuated the problem.

Vineet Nanda, Chairman - Regional Urban Infra Committee, FICCI presented the white paper titled 'Home: The New Workplace' to K Makrand Pandurang, Director General and Special Secretary, Town & Country Planning, Haryana and Vishal Bansal, Principal Accountant General IA&AS (Audit), Haryana.

Vineet Nanda along with GB Singh, Regional Head, FICCI briefed them on the changing dynamics of workspaces post-pandemic and recommended reframing and legalising the grey office market in a systematic manner.

The move will contribute to the formal economy of the state in the form of an increase in GST and property tax collection as well as improving real estate bylaws. Grey office market are informal spaces operating from home-based setups primarily used by small-scale start-ups, unorganised workers, and the unemployed/remote workforce.

As per Ministry of Labour and Employment data, approximately 27 crore people have registered themselves as part of the unorganised workforce.

"FICCI / JLL white paper presented is worth introspection and step in the right direction. Haryana government supports start-up ecosystem in the state and in this regard, we would like to probe further with FICCI/JLL to understand the need gap. We encourage the youth of Haryana and of the entire nation to join the formal sector of business and commerce and set up their start-up business units in the state of Haryana," said Pandurang.

The move is predicted to benefit over 700 start-ups and six lakh unemployed professionals in Haryana. The benefits of the policy suggestion include compatible land uses by discouraging intensive commercial developments, legalising unorganised commercial activities, less or no travel hence reduced carbon footprints and various benefits to the government in form of revenue collection by GST, property taxes adding another income source to contribute in the economy of the state.

"Since the onset of the pandemic, we have witnessed a significant number of start-ups operating from informal spaces, primarily from home, and unemployed people getting involved in home-based part-time businesses. 'Work at home' is the new normal. I feel the move is cost-effective, time-saving, and full of opportunities, especially for entrepreneurs and unemployed people. The policy will propel the formal economy of Haryana and help improve the real estate bylaws," said Vineet Nanda.

Advent of hybrid workspaces and changing work dynamics in India has accentuated the need for more interactive space than pure commercial and residential use. The creation of affordable, efficient workspaces and interactive land uses will improve the environment for the unorganized commercial sector, home-based workers and new-age start-ups.

It will not only benefit the urban infrastructure sector at large but will also move towards the creation of more entrepreneurs, jobs and better work-life quality.

"Around fifteen lakh of Haryana's informal workforce is working from unregulated home-based establishments. The absence of inclusive policies that cater to both the workers, enterprises and industry at large has only accentuated the problem.

There is a dire need for all stakeholders to work towards inclusive regulatory and policy changes and think beyond WFH," said Akash Bansal, Senior Director & India Head - Consulting. Based on surveys and analysis of the employees' perceptions in recent times, demand for commercial spaces is increasing in major cities. There is a significant demand from the informal commercial segment, currently functioning in an unregularized way, which can also be termed as "Grey Office Market"

Over 25% (approximately 52 lakh) of Haryana's informal workforce is working from unregulated home-based establishments, 24% in construction, 30% in agriculture and 21% include of other sectors. Out of 3,500 start-ups, approximately 2,800 start-ups are registered and functioning under the formal sector on the other hand 700 start-ups are operating from informal spaces – primarily home-based establishments, in Haryana that may involve 9,000 - 10, 000 approx workforce

6 lakhs unemployed professionals are willing to work and are actively searching for jobs in Haryana.

A significant number are involved in part-time businesses run from home-based establishments. The absence of inclusive policies that cater to both the workers and enterprises alike has only accentuated the problem. https://economictimes.indiatimes.com/news/india/ficci-recommends-haryana-government-to-legalise-the-grey-office-market/articleshow/92395384.cms

5. 'सीएम हेमंत के मामले में नामी वकीलों पर खर्च का ऑडिट करेगा CAG', बीजेपी MP निशिकांत दुबे का दावा *(navbharattimes.indiatimes.com)* June 23, 2022

झारखंड में गोड्डा से बीजेपी सांसद निशिकांत दुबे (Nishikant Dubey) ने दावा किया है कि भारत के नियंत्रक महालेखा परीक्षक (CAG) ने उनके पत्र का संज्ञान लिया है। साथ ही मुख्यमंत्री हेमंत सोरेन (Hemant Soren) के माइनिंग लीज और उनके भाई बसंत सोरेन के केस में नामी-गिरामी वकीलों पर झारखंड सरकार की ओर से किए गए खर्च का ऑडिट कराने का फैसला लिया है।

निशिकांत दुबे ने अब किया ये ट्वीट

निशिकांत दुबे ने गुरुवार को एक ट्वीट किया। उन्होंने लिखा, 'CAG ने मेरे पत्र का संज्ञान लेकर मुख्यमंत्री हेमंत सोरेन के माइनिंग लीज के अलावा मेरे केस, मुख्यमंत्री और उनके भाई के केस में हाईकोर्ट, सुप्रीम कोर्ट और चुनाव आयोग जैसे व्यक्तिगत जिरहों में नामी गिरामी वकीलों पर जनता का पैसा झारखंड सरकार की ओर से लुटाने पर ऑडिट करने का फैसला किया।'

'निजी केस की पैरवी में सरकारी पैसे का इस्तेमाल'

इससे पहले बीजेपी सांसद की ओर से हेमंत सोरेन से जुड़े मामले में नियुक्त वकीलों पर हो रहे सरकारी खर्चे की राशि विधि और कैबिनेट सचिव के वेतन से वसूलने की मांग की। उन्होंने सीएजी को लिखे पत्र में

कहा कि हेमंत सोरेन के खिलाफ चल रहे पीआईएल और चुनाव आयोग में चल रहे PIL, चुनाव आयोग में चल रहे मामलों में सरकारी खर्चे पर वकील नियुक्त किया गया है।

लगातार हेमंत सरकार को घेर रहे निशिकांत दुबे

निशिकांत दुबे के मुताबिक, सरकार ने इन मुकदमों में कपिल सिब्बल, मुकुल रोहतगी और पल्लवी लांगर को हेमंत सोरेन का पक्ष पेश करने के लिए नियुक्त किया है। राज्य के महाधिवक्ता और उनकी टीम भी हेमंत सोरेन का पक्ष पेश कर रही है। जबकि हेमंत सोरेन राज्य सरकार नहीं हैं, वह एक निजी व्यक्ति हैं। इसके बावजूद हेमंत सोरेन और अन्य के खिलाफ चल रहे मुकदमे में सरकारी खजाने से करोड़ों रुपये खर्च किए जा रहे हैं। राज्य की गरीब जनता से टैक्स के रूप में वसूली गई राशि का इस तरह के किसी व्यक्तिगत मुकदमे पर खर्च करना सही नहीं हैं। https://navbharattimes.indiatimes.com/state/jharkhand/ranchi/bjp-mp-nishikant-dubey-says-cag-to-audit-expenses-on-eminent-lawyers-cm-hemant-office-of-profit-case/articleshow/92408560.cms

6. कैग की सलाह पर कृषि विभाग कर रहा अमल, कर्ज के मर्ज की दवा है खेती-बागवानी *(jantaserishta.com)* June 22, 2022

शिमला: हिमाचल प्रदेश 63 हजार करोड़ रुपए के कर्ज के बोझ तले दबा है. कंप्ट्रोलर एंड ऑडिटर जनरल ऑफ इंडिया (Comptroller and Auditor General of India) की रिपोर्ट में हर बार राज्य सरकार को डेब्ट ट्रैप में बुरी तरह फंसने की बात कही जाती है. कैग रिपोर्ट में चेतावनी दी जाती रही है कि हिमाचल को कर्ज का बोझ कम करने के लिए प्रयास करना चाहिए, नहीं तो प्रदेश ऐसे जाल में फंस जाएगा, जहां से निकलना मुश्किल होगा.कैग की खेती-बागवानी की सलाह: कैग ने राज्य सरकार को कर्ज का बोझ कम करने के लिए खेती-किसानी और सिंचाई योजनाओं को हर किसान के खेत-बागीचे तक पहुंचाने की सलाह दी है. कैग की इसी सलाह पर कृषि विभाग ने काम शुरू किया है.जीडीपी में खेती -बागवानी का योगदान: हिमाचल प्रदेश की जीडीपी में खेती और बागवानी का बड़ा योगदान है. राज्य की जीडीपी में कृषि, बागवानी और संबद्ध सेक्टर का योगदान 13.7 फीसदी के करीब है. प्रदेश में 10 लाख के करीब किसान परिवार हैं. विशेषज्ञों का मानना है कि हिमाचल प्रदेश में यदि खेती-बागवानी में सिंचाई की सुविधा बढ़ती है तो जीडीपी में योगदान 30 फीसदी तक हो सकता है. ऐसे में हिमाचल में 90 फीसदी आबादी की आय बढ़ेगी और इसका लाभ राज्य को होगा.

जिम्मेदारों ने मानी कैग की सलाह: कृषि मंत्री वीरेंद्र कंवर का कहना है कि राज्य सरकार कैग और विशेषज्ञों की सलाह के अनुसार काम कर रही है. कृषि सेक्टर में कई योजनाएं लागू की गई और किसानों को उनका लाभ मिल रहा है. इसी तरह बागवानी मंत्री महेंद्र सिंह ठाकुर का कहना है कि निचले क्षेत्र के बागवानों को एचपी शिवा योजना से लाभ मिलेगा. कोरोना काल में भी खेती और बागवानी ने आर्थिकी को संभाला था. वहीं, किसान सभा के अध्यक्ष डॉ. केएस तंवर का कहना है कि प्रदेश में 20 फीसदी जोत सिंचाई सुविधा के अंतर्गत है. ऐसे में कृषि व बागवानी सेक्टर कैसे फल-फूल सकता है. जब तक हर खेत को सिंचाई का पानी नहीं मिलेगा, तब तक सूखे की समस्या से निजात नहीं मिल सकती.

सब मिशन ऑन एग्रीकल्चर मैकेनाइजेशन वरदान: विभाग से प्राप्त जानकारी के अनुसार बागवानी विभाग की सब मिशन ऑन एग्रीकल्चर मैकेनाइजेशन (एसएमएएम) किसानों के लिए वरदान साबित हो रही है.

इसके लिए किसानों को उपकरणों पर 50 हजार रुपए की सब्सिडी मिल रही, लेेकिन अगर किसानों का समूह पंजीकृत हो तो मशीनों का भी बैंक बना सकते हैं. उस स्थिति में उन्हें 80 फीसद तक की सब्सिडी देने का प्रावधान है. 9- 10 मशीनों तक 8 लाख तक की आर्थिक सहायता मिलेगी. शिमला में ही दो मामलों में किसानों ने नई मिसाल पेश की है. उन्होंने पैसे एकत्र कर पहले मशीनें खरीदी, फिर विभाग से सब्सिडी हासिल की. अब बीज, बुआई से लेकर खेतीबाड़ी के तमाम कार्य मशीनों से हो रहे हैं. इससे समय की बचत तो हो रही है, कृषि लागत भी कम हुई, जो कार्य मैनुअल आधार पर दो दिन में होता था, अब दो घंटे में हो रहा है.

जय किसान बागवान समूह ने 9 मशीनें खरीदी: शिमला के गुम्मा क्षेत्र में जय किसान बागवान समूह देयांगल ने 9 मशीनें खरीदी,सभी गुणवत्ता वाली है, पहले इसकी स्वीकृति प्राप्त की. पैसे एकत्र किए. 10 लाख का खर्चा आया. 15 दिनों के अंदर सब्सिडी समूह के बैंक खाते में आ गई. यही नहीं बागवानी निदेशक डॉ .आरके परूथी ने देयांगल में फार्म की व्यवस्था खुद जांची. उन्होंने किसानों की पहठ थपथपाई. उन्होंने कहा कि ऐसे किसान दूसरों के लिए प्रेरणास्रोत बनेंगे.दो समूह को सब्सिडी मिली: बागवानी विभाग के उपनिदेशक डॉ. डीआर शर्मा ने कहा कि यह योजना 2018-19 में आई थी. तब से 738 किसानों को लाभ हुआ है. अब मशीनों के बैंक पर जिले में दो समूह को 80 फीसद की सब्सिडी मिली है. देयांगल शिमला के किसान भोपाल वर्मा ने बताया कि नर्सरी, जुताई, बुआई से लेकर सिंचाई तक सब अब मशीनों से हो रही है. बागवानी विभाग ने 8 लाख कह सब्सिडी दी है. पहले ही स्वीकृति ले ली थी, इस कारण सब्सिडी के लिए कोई चक्कर नहीं काटने पड़े. सब्जी उत्पादन में लेबर की जरूरत नहीं रहती है. कई व्यक्तियों का काम अकेले मशीन करती है. https://jantaserishta.com/local/himachal-pradesh/agriculture-department-is-following-the-advice-of-cag-agriculture-and-horticulture-is-the-medicine-of-debt-merger-1319106

7. केएचएडीसी अनियमितताओं की जांच के लिए सीए नियुक्त *(jantaserishta.com)*

June 22, 2022

सकल वित्तीय अनियमितताओं और व्यय के गुम खातों पर निरंतर दबाव का सामना करते हुए और भारत के नियंत्रक और महालेखा परीक्षक और स्थानीय निधि लेखा परीक्षा निदेशालय (डीएलएफए) द्वारा घेर लिया गया, खासी हिल्स स्वायत्त जिला परिषद (केएचएडीसी) ने निर्णय लिया है कि एक चार्टर्ड एकाउंटेंट (सीए) नियुक्त करें जो परिषद के वित्तीय खातों में अनियमितताओं की जांच करेगा।

मंगलवार को केएचएडीसी कार्यकारी समिति की बैठक के बाद पत्रकारों को इसका खुलासा करते हुए, मुख्य कार्यकारी सदस्य टिटोस्स्टारवेल चिन ने कहा कि सीए खातों के कर्मचारियों या विभागों के प्रमुखों को खातों, रसीदों और कैशबुक को बनाए रखने के तरीके के बारे में भी मार्गदर्शन करेगा।

उनके अनुसार, सीए अपने खातों को समय पर तैयार करने में परिषद की विफलता सहित अनियमितताओं पर अपनी रिपोर्ट प्रस्तुत करेगा।

चाइन ने कहा कि कार्यकारी समिति ने यह सुनिश्चित करने के लिए हर तिमाही में एक आंतरिक ऑडिट करने का फैसला किया है कि खातों को ठीक से बनाए रखा जाए। हालांकि, जांच रिपोर्ट जमा करने के लिए सीए को दी जाने वाली समयसीमा पर कोई निर्णय नहीं किया गया है।

"हमें सीए से पूछना होगा कि उसे कितने समय की आवश्यकता होगी। लेकिन हम इस बात पर जोर देंगे कि यह जल्द से जल्द किया जाए।"

उन्होंने स्पष्ट किया कि महालेखाकार (एजी) ने केवल 31 मार्च, 2013 को समाप्त वर्ष के लिए केएचएडीसी खातों पर अपनी रिपोर्ट तैयार की।

उन्होंने कहा, "इसके बाद, एजी ने रिपोर्ट तैयार नहीं की है, भले ही उसने 2018 तक परिषद के खातों का ऑडिट पूरा कर लिया हो," उन्होंने कहा, परिषद ने एजी की विभिन्न टिप्पणियों पर चर्चा की।

परिषद की संपत्ति के संबंध में अवलोकन पर, उन्होंने कहा कि परिषद की संपत्ति के ईएम प्रभारी, टीबोर पाथव ने पहले ही संपत्ति के रिकॉर्ड को बनाए रखने और तैयार करने के लिए एक समिति का गठन किया है।

इसके अलावा, चाइन ने कहा कि परिषद ने फैसला किया कि एमडीसी को पहले उपयोगिता प्रमाण पत्र (यूसी) जमा करने की आवश्यकता होगी और उसके बाद ही, विवेकाधीन अनुदान की धनराशि उन्हें जारी की जाएगी। "हम यह निर्णय लेने के लिए मजबूर हैं क्योंकि अतीत में, एमडीसी ने धन का लाभ उठाने के बाद कभी भी यूसी जमा नहीं किया। यूसी जमा न करने से खाते तैयार करते समय एक बड़ी समस्या पैदा होती है, "सीईएम ने कहा। यह याद किया जा सकता है कि सीएजी ने खातों को तैयार नहीं करने और व्यय का रिकॉर्ड बनाए रखने के लिए तीन स्वायत्त जिला परिषदों पर अपनी बंदूक प्रशिक्षित की थी और 1 जून को राज्यपाल सत्य पाल मलिक को एक पत्र लिखकर उनके हस्तक्षेप के लिए प्रार्थना की थी।

कैग ने अपने पत्र में खुलासा किया था कि कमियों के बारे में मुख्य सचिव आरवी सुचियांग को 17 मार्च, 2022 को, संबंधित परिषदों के मुख्य कार्यकारी सदस्यों को 23 मार्च, 2022 को और मुख्यमंत्री कोनराड के संगमा को 30 मार्च को अवगत कराया गया था, लेकिन कोई कार्रवाई नहीं हुई। किसी भी अधिकारी द्वारा लिया गया था।

यहां तक कि डीएलएफए ने भी जीएचएडीसी और जेएचएडीसी दोनों द्वारा विशेष सहायता अनुदान (एसएजी) के तहत केंद्र प्रायोजित योजनाओं के कार्यान्वयन में घोर विसंगतियों का पता लगाया था।

इसने अपने निष्कर्षों पर एक रिपोर्ट संकलित की थी और इसे जिला परिषद मामलों के विभाग को प्रस्तुत किया था, जिसने फरवरी में दोनों जिला परिषदों को पत्र लिखकर निष्कर्षों पर उनकी प्रतिक्रिया मांगी थी, लेकिन अभी तक किसी भी परिषद से प्रतिक्रिया प्राप्त नहीं हुई है।
https://jantaserishta.com/local/meghalaya/ca-appointed-to-probe-khadc-irregularities-1319627

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. GST compensation to States can stop ***(thehindubusinessline.com)*** June 22, 2022

The compensation formula is flawed and there a is risk of making States too dependent on this committed revenue

While the June GST Council meeting is scheduled in Chandigarh, the initial choice of Srinagar was more apt. The verdant settings and cool climate could have mellowed the mood of the Council members getting ready for a fiery battle over extension of the GST compensation payments beyond the June 30 deadline.

It's not difficult to see why many States want extension of these payments. The promise made by the Centre to compensate States for shortfall in GST revenue (if it did not grow at compounded rate of 14 per cent annually) in the first five years after transition to the GST regime, has so far worked well in States' favour. It has helped buttress revenue during the pandemic as well as in the slowdown in 2019-20.

But there are several reasons why it is best to stop these payments. The targeted increase in annual revenue is unreasonably high, going by pre-GST growth rates in tax revenue across States. Uneven tax revenue growth across States has further led to anomalies in GST compensation claims. With some States getting too dependent on compensation payments in recent years, it may be a good idea to wean them from this revenue stream at the earliest.

Faulty design

There are two fundamental flaws in the design of compensation payment. One, expecting that State indirect tax revenue will grow 14 per cent annually in the post-GST period was too optimistic. Annual average growth rate in taxes subsumed by GST between FY13 to FY17 in 28 States was only 8.09 per cent. Data is not available for other States.

If we consider the pre-GST revenue growth in the larger States (see graph), only Bihar recorded growth of over 14 per cent. In fact, the largest States such as Maharashtra, Uttar Pradesh and Tamil Nadu grew their indirect tax revenue between just 5-7 per cent in the pre-GST period.

It's true that States had to forego their right to tax goods produced and shipped to other States under the new GST regime, which is a consumption-based. But they have driven a hard bargain while transiting to the new system. Pre-GST growth in taxes in Odisha, which is among the States that stood to lose in the transition, was only 8.9 per cent.

Now, the varying rate of growth in tax revenue across States has meant that States with lower revenue growth tend to get higher compensation payments, since the targeted growth is same for all States. Instead of a single growth target, different targets could have been fixed for each State based on the consumption pattern and nature of industrial and infrastructure activity.

With the economy of each State being different — some States such as Punjab have a greater share of agriculture in the economy, which typically grows at a lower rate, while others such as Karnataka have a large contribution from fast-growing services sector — pencilling in a single growth rate has led to a great deal of anomaly. The pre-GST rate of growth in taxes in Punjab was 6 per cent, while it was a more robust 12 per cent in Karnataka.

Some States and Union Territories such as Punjab and Delhi started requiring high compensation payments even before the pandemic set in, underlining the discrepancy due to single growth rate for GST revenue. According to PRSIndia, requirement for GST compensation for Punjab accounted for 13 per cent of tax revenue in FY19 and 20 per cent in FY20. Delhi required 12 per cent and 16 per cent in those years.

A moral hazard

This protected increase in GST revenue could be leading to fiscal profligacy in some States. According to PRSIndia, most States were able to achieve 88 per cent of the targeted increase in GST revenue on their own in FY19. This slipped to 77 per cent in FY20 and further to 64 per cent in FY21. Needless to say that the dependence on compensation cess is higher in some States such as Himachal Pradesh, Punjab, and Uttarakhand while others such as Arunachal Pradesh, Manipur and Mizoram have not required any compensation.

Of concern is the fact that compensation payment accounted for more than 20 per cent of tax revenue in FY22 for States/UTs such as Punjab, Bihar, Delhi and Karnataka. States such as Bihar and Punjab have also been recording high fiscal deficits as per cent of GSDP and their borrowings have also been hitting record levels. The protected revenue could be emboldening them to increase expenditure. Surprisingly, Kerala (5 per cent of tax revenue from GST compensation), which is at the forefront in asking for compensation extension is not too dependent on these payments.

Should the payments continue?

The moot point is whether the compensation payments need to continue. There are several reasons why this is unnecessary. One, all-India growth in GST collections in FY22 over FY21 was a robust 19 per cent. Odisha recorded revenue growth of 42 per cent while Punjab grew its GST revenue 24 per cent.

It's clear that the GST system is well on the recovery path and the pandemic related travails seem to be behind, at least as far as GST is concerned. States which produce more than they consume have also recorded high growth in collections. As the economy recovers further, there would no longer be any need to hand-hold the States.

Two, States need to be weaned away from the dependence on the compensation payments to meet their fiscal shortfall. Many States have continued to dole out freebies and unnecessary subsidies even during the pandemic, taking their finances to a dire state. Clearly, the committed payments are giving them room to continue in this manner.

Three, States should in fact be nudged to increase collections through plugging of leakages and improved compliance rather than continuing to depend on these payments.

Four, continuation of the payments can require higher borrowing by the government, which has consequences for bond yields and financial markets.

It may be best to bring the compensation payments to an end now, rather than two or three years later, when States will have another set of arguments, for why it needs to be continued. https://www.thehindubusinessline.com/opinion/gst-compensation-to-states-can-stop/article65554145.ece

9. No forced rewards: Functional autonomy of CPSEs critical to the govt's massive privatisation plans *(financialexpress.com)* June 23, 2022

The general perception is that PSUs are much worse than private-sector peers in terms of operational efficiency, profitability and market capitalisation.

The plan to include dividends and buybacks in the criteria for performance-linked pay of public sector employees exposes the Centre's confused thinking about the companies it owns. The inter-ministerial committee, which proposed the change, thinks the addition of these two yardsticks to the extant one—market capitalisation—will help gauge "total return to shareholders." On the face of it, cash dividends reduce shareholder equity and buybacks inflate the stock value; so, the two act at cross purposes. Both boost immediate rewards to shareholders; however, forced distribution of rewards under an agreement with the promoter will impinge on the operational freedom of the firms, their long-term business and growth prospects, and undermine the return on capital deployed. The ostensible reason for the government's move is to encourage new investors to purchase PSU stocks and aid the ambitious project to privatise most of these firms, except a few "strategic" ones. The real purpose, however, seems to be additional money that could flow into the exchequer as dividend and buyback receipts over the next few years.

The general perception is that PSUs are much worse than private-sector peers in terms of operational efficiency, profitability and market capitalisation. The facts are more nuanced. On an aggregate basis, about 250-odd central public sector enterprises (CPSEs) do make considerable profits (`1.43 trillion in FY19), even as nearly a third are habitual loss-makers, perennially calling on taxpayer money. A comparable incidence of sickness in the private sector gets differential treatment. During commodity price rallies like the current one, CPSE stocks have historically yielded high returns.

Commodity CPSEs have conventionally done well partly because of the assorted privileges they enjoy in the form of direct allotment of various physical (sovereign) assets, assured supply of inputs and even markets and lack of any or sufficient competition. To be sure, these advantages are being progressively withdrawn. But the clutches of sovereign-ordained obligations refuse to fritter away at the same speed. State-run oil marketers continue to be hamstrung by tacit government controls on fuel pricing. Also, CPSEs are required to reserve a quarter of their purchases for MSMEs; the mighty ones are often called upon to play White Knight roles that constrict their autonomy. That said, it is true that the private sector surge over the last three decades has reduced CPSEs' share in gross value added in the economy and their relative shares in respective markets and organised labour.

The performance MoUs militate against steps taken to improve corporate governance in CPSEs, including induction of more non-government directors on the boards. CPSEs have stood the Centre in good stead in supporting gross capital formation in the economy. Over the last few years, several trillions of rupees have been invested by CPSEs under government prodding, even when low capacity utilisation levels made private-sector investors hesitant. There is a big opportunity cost of retaining moribund PSUs under firm bureaucratic grip. To increase investor confidence in these firms, the government must step aside from management and let professional corporate governance flourish. The true value of the stocks can be realised only when CPSEs have a level-playing field, are professionally run, agnostic to ownership, and markets respond in a natural way. https://www.financialexpress.com/opinion/no-forced-rewards-functional-autonomy-of-cpses-critical-to-the-govts-massive-privatisation-plans/2569345/

10. 'India needs $223 bn to meet 2030 renewable power goals' *(millenniumpost.in)* 23 June 2022

India will need $223 billion of investment to meet its goal of wind and solar capacity installations by 2030, according to a new report by research company BloombergNEF (BNEF).

The government has set a target of increasing non-fossil power capacity to 500 GW by 2030. It wants non-fossil fuel power sources to provide half of its electricity supply by 2030.

"To achieve this target, India needs to massively scale up funding for renewables," the report said, adding that $223 billion is required over the next eight years just to meet the solar and wind capacity targets.

At COP26 in November 2021, Prime Minister Narendra Modi announced that India plans to reduce emission intensity by more than 45 per cent by 2030 to below 2005 levels. He also announced a net-zero by 2070 target.

The report 'Financing India's 2030 Renewables Ambition', published in association with the Power Foundation of India, found that corporate commitments from Indian companies could help India achieve 86 per cent of its 2030 goals of building 500GW of cumulative non-fossil power generation capacity, a statement issued by BNEF said.

By 2021, 165 GW of zero-carbon generation had already been installed in the country.

Central Electricity Authority forecasts that the country's reliance on coal to drop from 53 per cent of installed capacity in 2021 to 33 per cent in 2030, whereas solar and wind together make up 51 per cent by then, up from 23 per cent in 2021. Shantanu Jaiswal, lead author of the report and head of India research at BloombergNEF, said: "To date, the growth of renewable energy in India has been funded by a diverse set of financiers. Debt and equity structures have evolved as the market grew and new risks emerged. India's ambitious renewable energy targets now require further scaling up of financing with new instruments and learnings from other global markets".

Yet, the scaling up of renewables in India faces regulatory, project and financing risks, with PPA renegotiation, land acquisition and payment delays cited as key risks by industry stakeholders surveyed by BloombergNEF.

In the short-term, rising interest rates, a depreciating rupee and high inflation create challenges for the financing of renewables. "Scaling up financing to meet 2030 goals requires Independent Power Producers to tap into new or underutilised sources of capital. These could be revolving construction debt, investment infrastructure trusts and funding from retail investors, insurance companies and pension funds.

"Higher funding requirements also need measures that can increase the availability of financing, such as de-risking renewable projects to offering contractual terms that provide greater comfort to investors," Rohit Gadre, an analyst in BNEF's India research team, commented. http://www.millenniumpost.in/business/indian-economy-likely-to-grow-by-75-says-modi-at-brics-483100?infinitescroll=1

11. We should keep close track of our infrastructure push *(livemint.com)* 23 June 2022

India's march towards a $5 trillion economy hinges on infrastructure. A bulk of the discussions on it are centred around two big questions: (a) Is India investing adequately in infrastructure?; and (b) are our investments yielding completed projects on time? The first question has been debated for years and is unlikely to yield conclusive answers, given the dynamic relationship between economic growth and demand for infrastructure. The second must be accorded high priority in an economy striving to make efficient use of the available capital. The timely completion of infra projects requires regular monitoring and time-to-time course corrections. Such monitoring is a regular process that systematically collects data on specified indicators of the extent of progress. This is a demanding task that has been rather neglected in the past, as traditional 'implementation monitoring' is primarily concerned with activities, inputs and immediate outputs.

While there exist multiple sources of data on the progress of projects within the government, timely availability of high-quality data from a dedicated credible source will reduce the need for additional agencies for data collection. It will also provide greater depth, as such agencies would be able to collect information on a regular basis, while evaluators typically only collect data at set points.

A concerted effort towards generating quality data on the state of infra projects should encompass three attributes. First, there is dire need for accuracy, in terms of how well the data describes the real state of progress. Inaccurate data creates problems, as it leads to incorrect conclusions and stalls the announcement of new projects. Second, there should be completeness in the data collected; that is, everything that is supposed to be collected should be available. If data is incomplete, it does not yield usable insights, often leading to time and cost over-runs. Hence, it is important to set goals for data collection in the right format. Third, a much needed attribute is timeliness; that is, the reported data must not be outdated. Data becomes less useful and less accurate as time goes on. Stale data can lead to actions taken that do not reflect the current reality.

The importance of timely data on project status rises if one considers the multiplicity of implementing agencies. Broadly, we could classify big infra projects as implemented by the Centre, states, both combined and private agencies, with varying levels of accountability for completion, across sectors. Given this milieu, improved data quality would lead to better decision-making across governments, decrease risk and help improve India's record of timely completion. However, collecting high-quality data can be a challenge, as the agencies involved require better coordination and integration of data systems across various departments or ministries. It may also require proper tools or processes put in place.

Given that much of the monitoring takes place at Centre's level and the bulk of data generation takes place in states, there exists a need for a concerted effort to coordinate data collection and reporting and improve data quality. This requires a data collection plan to determine the kind of data we need. Any such plan should also define the roles of all personnel involved in collecting the data; it must also establish clear processes for how they communicate between departments on data-related matters so that confusion does not arise. Setting data quality standards should also be an integral part of the data collection plan. This requires clarity on what data to keep, what to get rid of, and what to correct for the sake of consistency across ministries and departments. As data on project progress and budgets undergoes revisions, a set of guidelines for data correction should be evolved; we need conventions and uniform practices for data correction. These must define who is responsible for correcting and refining data and the methods they should use to fix it.

A robust data system would ensure that targets of the National Infrastructure Pipeline are achieved. The challenge lies in data integration and distribution across various tiers of governments, ministries and departments, as data quality issues may emerge in this process, especially if software platforms differ. It is equally important for states to report data on time. The opportunity cost of capital for projects vulnerable to time and cost over-runs must be emphasized to nudge states on that score. We also need reliable reports on the factors hampering the progress of big projects. An inventory of these factors would help decision makers to delineate patterns and account for these right from the project planning stage.

The ease of living and doing business depends critically on infrastructure available in our economy. Given the gestation periods of mega projects, timely monitoring and progress rectifications are imperative. Private entities have their own mechanisms to ensure timely project completion, the good practices of which could be adopted by the government. Considering the extent of debt financing in infra projects and cost inflation, the direct costs of project delays mount over time, and if we account for indirect costs too, then the accumulated depletion of economic benefits is unpardonably steep. Monitoring is an attempt to plug these leakages and all stakeholders will need to work in tandem for its success. A prerequisite for successful monitoring is timely availability of data. But data is only useful if it is of high quality. Bad data is inconsequential at best when we monitor large infrastructure projects, a fact that our generators of data must appreciate. https://www.livemint.com/opinion/online-views/we-should-keep-close-track-of-our-infrastructure-push-11655916954029.html

12. NHAI pays Rs 308 cr arbitral award to IRB Infra SPV in payments dispute *(business-standard.com)* 23 June 2022

The National Highways Authority of India (NHAI), after a Delhi High Court order, has paid Rs 308 crore to IRB Pathankot Amritsar Toll Road Ltd (IRPRL), a special purpose vehicle (SPV) of IRB Infrastructure Developers, over a dispute in payment related to the Pathankot-Amritsar project.

“We deeply appreciate the steps taken by the Cabinet Committee on Economic Affairs for providing interim cashflow access to developers in clear award scenarios till a final verdict is closed,” said Virendra Mhaiskar, chairman and managing director of IRB Infra.

The amount is 75 per cent of the Rs 419 crore arbitral award owed by the highways authority after a court victory in July 2021, said the company. It claimed before the arbitral tribunal that the amount was owed to it as the EPC contractor of Pathankot-Amritsar build-operate-transfer (BOT) project on account of time and cost overruns.

IRB had claimed that the reasons for the delays were not attributable to the company. It sought a 518-day extension in the concession period. The tribunal had ruled in favour of the company, granting an arbitral award of Rs 252 crore and interest of Rs 167 crore.

The nodal highways authority challenged the decision in the High Court, which upheld the tribunal’s decision and directed NHAI to pay up 75 per cent of the arbitral award.

As per the cabinet committee on economic affairs, government agencies must pay 75 per cent of the arbitral award to the concessionaire or contractor against a bank guarantee, if the agency chooses to challenge the award.

The Union cabinet had allowed for this provision in 2019 and codified it into the general financial rule (GFR) in November 2021. The provision was made following a proposal by NITI Aayog, keeping in view the potential of liquidity crunches arising for contractors due to delay in arbitral award payment as agencies would challenge the decisions, increasing the risk of them turning into non-performing assets (NPAs) for lenders. https://www.business-standard.com/article/companies/nhai-pays-rs-308-cr-arbitral-award-to-irb-infra-spv-in-payments-dispute-122062201265_1.html

13. IAF Splits $20 Bn Fighter Jet Procurement Into Two Programmes *(businessworld.in)* 22 June 2022

MRFA numbers effectively reduced to less than half of the stated requirement of 114 foreign fighters as decision on Phase-II pushed into ambiguity a decade down the road

The Indian Air Force (IAF) Multi-Role Fighter Aircraft (MRFA) programme is being split into two parts under different procurement models to address the stated requirement of 114 jets, high-level military sources told BW Businessworld.

Under the revised procurement concept, the first part or phase of MRFA will involve the procurement of 54 foreign jets under the Buy Global (Manufacture in India) category of the Defence Acquisition Procedure (DAP), with the contract being awarded to a foreign OEM. Of these, 18 will be procured in a flyaway condition from the OEM while 36 will be manufactured in India by a local partner selected by the OEM. This partner will be from the private sector.

The IAF is pushing for an early Acceptance of Necessity (AON) for Phase-I from the Defence Acquisition Council, and aims at issuing an RFP by the end of 2022.

Part-II of MRFA is not yet a programme but a concept, sources disclosed. It involves procurement of 60 jets from the Indian production partner selected by the OEM for Part-I. The Part-II procurement model will be Buy Indian, with the Indian production agency being the prime for the issuance of contract.

“Part-II is a concept which may translate into a programme after seven-or-eight years,” official sources said, acknowledging the uncertainty and ambiguity which such a time lag could impose on the project.

The IAF has bounced the revised plan off global OEMs interested in the acquisition. Boeing and Lockheed Martin of the US, Dassault of France, the Eurofighter consortium of Europe, Saab of Sweden and Sukhoi and MiG of Russia are in the IAF’s selection pool which involves eight fighter aircraft types.

OEMs which BW Businessworld spoke with have taken a dim view. “There’s no certainty of Phase-II. Which means that costs of setting up an assembly line in India will have to be amortized over just 54 aircraft (instead of 114), only 36 of which will be manufactured in India. This will push up costs significantly and make the MRFA very expensive for India,” said a senior executive of an OEM. “Business assurance is only from Phase-I, and we need to rework our business case for 54 fighters instead of 114,” he elaborated.

The other significant shift in the MRFA programme is the rejection of the Strategic Partnership (SP) Model by the IAF. "This is mainly on account of the unsatisfactory experience in the abortive Naval Utility Helicopter (NUH) programme, and the Project 75 (I) submarine project under the SP Model," official sources explained.

NUH crashed after prolonged indecision by the Government on whether or not to allow the public sector in a model intended to create an alternate private sector complex in end-to-end manufacturing of a military platform. In Project 75(I), deep reservations were expressed by OEMs on fulfilling deep Transfer of Technology requirements to the Indian Strategic Partner and their relegation as junior associates in the programme.

"The IAF is struggling to define its requirement. It has also struggled to finalise its operating model. This creates uncertainties for creating a business model," observed an executive from another OEM.

By splitting the requirement, and with ambiguity after Phase-I, India could end up paying many times over for aircraft, reasoned another. https://www.businessworld.in/article/IAF-Splits-20-Bn-Fighter-Jet-Procurement-Into-Two-Programmes/22-06-2022-433640/

14. How the Agnipath scheme can help in modernising the armed forces *(businesstoday.in)* June 22, 2022

Agnipath scheme, rolled out recently by the government, has unleashed a huge backlash across India. The backlash by youngsters is emanating because of the uncertainty over job prospects after completing the required 4 years of training under the scheme, and what has compounded the problem is that, as per the scheme, only 25 per cent soldiers will be recruited in defense services. The objective of bringing the scheme was first to lower the age profile of our armed forces and secondly, to bring down the pension payout by the government. What the government would save through the pension payout route would be invested in capital expenditure to modernise our armed forces, which according to experts, is the "need of the hour."

Arithmetic behind the Scheme

In the Union Budget 2022-2023, the government allocated Rs 5.75 lakh as defence budget which was an increase of 25 per cent from Rs 4.78 lakh crore of defence budget in FY22, out of 5.75 lakh crore allotted to the ministry of defence, Rs 2.33 lakh crore is revenue expenditure and Rs 1.52 lakh crore as capital expenditure. Capital expenditure is an expenditure incurred on buying new fighter jets, warships, submarines, etc. Simply put: the money spent on creating assets is called as capital expenditure. Also, out of the total defence budget of Rs 5.75 lakh crore, the pension constitutes 25 per cent of the total budget, the budget estimate for pension payout stood at Rs 1.19 lakh crore in FY23.

"If you see the defence budget, almost about 75 per cent is revenue budget and 25 per cent is left for capital expenditure from where you basically get the money for modernisation. So, the scheme is to reduce the pension liability in defence budget, so that more money is available for modernisation or defence budget, which is very important," explained ex major-general Ak Sivachal.

As many experts have argued, one of the most important objectives of the scheme was to cut down the pension payout and increase the capital expenditure which will help in modernising the defence services. According to estimates, the pension payout is expected to increase with every passing year. In 2020, there were 32 lakh pensioners and every year 50,000 pensioners are being added into this tally. This is being reflected every year in the increasing pension payouts. The actual estimate of pension payout in FY21 stood at Rs 1.28 lakh crore, revised estimate of pension payout in FY22 stood at Rs 1.16 lakh crore and budget estimate of FY23 for pensions is Rs 1.19 lakh crore.

According to media reports, in 2020, army through a proposal had submitted a rough calculation of how much money can be saved by trimming manpower. At that time, the calculation was done for the recruitment of youth for only three years as opposed to the recruitment of youngsters happening for 4-years now under the Agnipath scheme.

According to the proposal, the cost incurred by government for a sepoy for 3-year term engagement was far lesser than the cost incurred on a sepoy for a 17-year engagement. The assessment showed that there would be a prospective lifetime saving of Rs 11.5 crore on one sepoy recruited for a period of 3 -year in comparison to a sepoy who is recruited for a period of 17-yrs.

According to an expert, under the Agnipath scheme, as only 25 per cent soldiers will be recruited after completion of 4 years of term, so going forward this will lead to the reduction in the number of pensioners after some years. If the cycle will continue for 5-10 years, then soldiers eligible for pension in armed forces will reduce substantially leading to a substantial dip in pension payout.

What would be the actual impact of the scheme would be clear after some time, but one thing is pretty clear that the government wants to increase the capital expenditure and wants to modernise the armed forces which can be done only by cutting allocations somewhere else and, in this case, pension seems to be the obvious one. https://www.businesstoday.in/latest/policy/story/how-the-agnipath-scheme-can-help-in-modernising-the-armed-forces-338702-2022-06-22

15. Agnipath scheme is the right step towards transforming the Indian Defence forces *(timesofindia.indiatimes.com)* Colonel Balwan Singh Nagial | June 22, 2022

On 14 June 2022, the Govt of India approved an attractive recruitment scheme for Indian youth to serve in the Indian Armed Forces. The scheme is called Agnipath, and the youth selected under this scheme will be known as Agniveers. This scheme allows patriotic and motivated youth to serve for four years. However, this scheme has attracted criticism, and in certain places, protestors have indulged in acts of violence and arson. Much of the criticism comes from those who had forgotten recruitment history before 1977 when soldiers were recruited initially for seven years (known as colour service) only. With this profile of the soldiers, we fought and won three significant wars.

Short-term assignment of officers/soldiers is a time-tested method to meet the twin objectives: human resources management and reduction in pension budget/defence expenditure. Many countries have adopted this for their armed forces, and the Indian Armed Forces are no exception. Many countries also practised a policy of the serve-as-long-as-required method in World War II when the strength of the military swelled. Even soldiers who won at many fronts were discharged from service in 1946 without any pensionary benefits. In 1947-48, 1962, and

1966 emergency/short service commission of 5 years without pension was announced to counterbalance a deficiency of officers.

I think any efficient short-term engagement scheme should meet the two basic requirements. One, monetarily and benefit-wise, the scheme must be attractive both during service and after discharge. Two, it should not give the idea of being exploitative in nature.
The primary intent of the system is to reduce the growing pension bill for better management of the defence budget and provide a youthful profile to the armed forces. Political leadership also sees this as an employment creation scheme which contradicts the intent of this scheme.

The framework has been created for radical reforms in human resources management and to improve the financial health of the defence sector. Indeed, this reform will affect the composition, culture and character of the Indian armed forces. Now the focus must be on its fine-tuning for transparent, impartial and non-exploitative implementation of this Agnipath scheme.

Since there is unemployment in India, there will be no dearth of volunteers for this scheme. Indian armed forces should refine the recruitment system and get the best soldiers based on merit. Retaining 25% of Agniveers for permanent services will improve the quality of soldiers. This will create a youthful profile of the Indian military. Next 10-15 years, the entire Indian armed forces would consist of Agniveers as regular soldiers.

Post-retirement benefits and placement opportunities need to be addressed holistically, and Govt of India must implement a pragmatic policy to address the issues. It should not be in piecemeals as it is being noticed now. The private sector is a significant source of the creation of jobs; therefore, it should be included in the post-retirement rehabilitation policy of Agniveers. Govt of India and its defence forces must keep an open mind and refine the scheme to make it more attractive, and if need be, midcourse corrective actions should also be taken as and when required.

Retired soldiers have been critical about the intent and think this will erode the time-tested caste/religion/region-based regimental system and unit/sub-unit cohesiveness, which is the fundamental motivation factor, especially during war. For their benefit, the British encouraged, followed and promoted the 'martial races' policy. A regimental system was introduced based on religion/region/caste, and the factor of 'cohesion' was linked to the same by default. In reality, this system wherein reservation is inbuilt goes against the very spirit of the Constitution of India. Agnipath is an all-India, all-class and merit-based scheme that would bring radical changes to the system. Now regimentation will be based on the long-term association, not the caste, creed or religion. Institutional cohesion is built over a period spent and experience of living/training tenures by the individuals.

At present, we see a resistance to change from the outside. Now, this Agnipath scheme has become Agniprikshya for the Govt of India. Agnipath scheme protests, like the farmers' movement, anti- CAA movement, anti-abrogation of Article 370, etc., come from people in general, hardly backed by leaders of opposition political parties. It is challenging for the Govt of India and the Indian Defence forces to set the narrative right to counter the misinformation being spread in the public domain. https://timesofindia.indiatimes.com/blogs/col-nagial/agnipath-scheme-is-the-right-step-towards-transforming-the-indian-defence-forces/

16. Biodiversity loss may push India, China closer to default: Report *(business-standard.com)* 23 June 2022

A "partial ecosystems collapse" of fisheries, tropical timber production and wild pollination would increase annual borrowing costs for 26 nations including the US by $53 billion

Loss of biodiversity across the world may push many developing nations close to default and trigger massive downgrades for China and India, according to the first sovereign credit rating adjusted for ecological destruction.

A “partial ecosystems collapse” of fisheries, tropical timber production and wild pollination would increase annual borrowing costs for 26 nations including the US by $53 billion, according to a team led by academics at Cambridge University.

The research is groundbreaking, extending earlier work on how government finances will be threatened by climate change.

The report said China’s credit rating would drop six notches, adding $18 billion to its annual interest payments for the government and an extra $20 billion to $30 billion of debt for its corporate sector. Malaysia would be cut almost seven notches, with up to $2.6 billion in additional interest payments every year.

The team of economists from the universities of Cambridge, East Anglia, Sheffield Hallam, and SOAS University of London used the World Bank’s simulation of a partial ecosystems collapse to measure the cost nation by nation. The World Bank estimates that the GDP loss would exceed the losses in 2020 caused by Covid-19 in about half the countries for which data is available.

“Many developing nations are at significant risk of sovereign debt default,” under the scenario, the team said. They studied the creditworthiness of nations with a total of $66 trillion in sovereign debt.

“It is not just the financiers that lose out,” said Matthew Agarwala, the lead author from Cambridge University’s Bennett Institute for Public Policy. “Increased sovereign risk sees markets demand higher risk premia, meaning governments -- and ultimately, tax payers -- pay more to borrow.”

Even assuming a business-as-usual scenario where degradation continues at current trends, China and Indonesia would have their sovereign credit ratings downgraded by two notches by 2030 and India and Bangladesh by one.

South Asia is also most exposed to climate change risks. S&P Global Ratings analysis earlier this year showed that it 10 times more economic output was under threat in the region than in Europe. https://www.business-standard.com/article/international/biodiversity-loss-may-push-india-china-closer-to-default-report-122062300108_1.html

17. Bengal govt pauses rural job scheme as Centre holds funds *(newindianexpress.com)* 23 June 2022

KOLKATA: In an unprecedented move, the West Bengal government has decided to press an indefinite pause button on the rural job guarantee scheme in the state as the Centre is yet to approve its labour budget for 2022-23 fiscal. Officials in the districts have been asked not to initiate any work under the MGNREGA.

Sources in Nabanna, the state secretariat, said the decision was followed by the Centre's decision to withhold the release of Rs 6,500 crore under the MGNREGA after a national-level monitoring team had raised questions over the way funds had been spent in some areas and the state government's answers were not satisfactory.

The TMC government's decision of stalling the works under the scheme is said to be significant as the state will go to panchayat elections next year and the scheme benefits the voters in rural Bengal. Earlier, the state government used to allow the MGNREGA works even if there were delays in the approval of the labour budget by the Centre.

"This is because the Centre had never stopped the fund flow under the scheme. But this time the unprecedented decision has been taken because the state is not in a position to afford the risk of launching work under the MGNREGA as there is a realisation that the Centre is unlikely to release the funds in near future," said the official.

The state government's decision has already been communicated to the district magistrates who are sending messages to the block development officers (BDOs). "You are requested to proceed very slowly as the labour budget for this FY is yet to be approved. You are again requested not to approve any material-based scheme until further communication," a message to a BDO reads.

While the Centre pays the entire wage bill for the people employed under the MGNREGA, the state bears 25 per cent of the material cost of the project under the job scheme. https://www.newindianexpress.com/nation/2022/jun/23/bengal-govt-pausesrural-job-scheme-as-centre-holds-funds-2468697.html

18. 'Sham loans, fabrication of books': The Rs 35,000 cr DHFL case, 'India's biggest bank fraud' *(theprint.in)* 23 June, 2022

The CBI is probing what it believes could be India's biggest bank fraud case to date, involving the alleged misappropriation of funds to the tune of Rs 34,615 crore by Dewan Housing Finance Limited (DHFL) in connivance with public servants and others.

In a fresh case filed Monday, the CBI accused Kapil and Dheeraj Wadhawan of DHFL, among others, of misappropriating a significant portion of a sum of approximately Rs 42,871 crore — allegedly sought from a consortium of 17 banks led by the Union Bank of India in the form of loans, advances, and subscription in non-convertible debentures.

Non-convertible debentures are a tool to raise long-term capital through public issue, while advances here refer to a credit facility given to a borrower, which the borrower may use to fulfil any short-term requirement.

These funds were allegedly diverted to DHFL entities as fraudulent loans “without due diligence, without obtaining securities, through falsification of book accounts”, according to the FIR, a copy of which has been accessed by ThePrint.

“DHFL deliberately and wilfully defaulted on the loans and advances availed from the consortium of banks, causing a wrongful loss of Rs 34,614.88 crore to the banks,” a CBI officer told ThePrint on condition of anonymity.

DHFL promoters, including the Wadhawan brothers, are also under investigation by both the CBI and the Enforcement Directorate (ED) in a case of alleged fraud involving Yes Bank. ThePrint reached their legal team by mail for a comment on the fresh investigation but was informed that the case has so far not been assigned to any counsel.

In the Yes Bank cases, the lawyers have said the brothers are cooperating with the agencies and have submitted all the documents required for the investigation.

In the current case, it is alleged that the DHFL promoters disbursed an amount of Rs 14,000 crore as “project finance”, but this sum was instead reflected in their books as “retail loans” to divert funds.

This led to the creation of an “inflated retail loans portfolio”, where over 1.8 lakh false and non-existent loans were created, according to the complaint on which the CBI FIR is based.

The records for these purported loans were kept in a database called the “Bandra Books”, it alleges, adding that they were “subsequently merged with OLPL loans (other large project loans)”.

Before this case, the biggest ever case of suspected bank fraud in India involved ABG Shipyard, in which a private firm has been accused of diverting funds to the tune of Rs 22,842 crore borrowed from banks.

Complaint by Union Bank of India

According to the source in the CBI, a case was registered in this regard on the basis of a complaint dated 11 February 2022, filed by Vipin Kumar Shukla, Deputy General Manager with the Union Bank of India, against the Wadhawans and the director of Sahana Group, Sudhakar Shetty, along with the other accused.

“The offence committed here pertains to criminal conspiracy, cheating, criminal breach of trust, falsification of books and accounts and abuse of official position by public servants,” said the CBI officer.

According to the FIR, DHFL started defaulting on its debt payment obligations to the lenders from May 2019 onwards.

It was during a meeting of lenders on 1 February 2019 that a decision was taken to appoint committees to monitor DHFL’s cash flow, the FIR says. As a result, Alwarez & Marsal was appointed as the agency for “special monitoring”, it adds.

During the same meeting, the FIR says, the lenders appointed audit firm KPMG to conduct a special review audit of DHFL’s finances for the period from April 2015 to December 2018, to check for any diversion or siphoning of funds, or unethical practices. KPMG submitted its review report to the lenders in November 2019.

In February 2020, the FIR adds, the firm was re-engaged by the lenders to conduct an enhanced audit of DHFL's finances, this time for the period from April 2015 to March 2019.

How audit 'blew the lid off'
The CBI officer quoted above told ThePrint that a forensic audit by KPMG in January 2021 found that DHFL disbursed large amounts as loans and advances to as many as 66 "inter-connected entities".

"Out of the 66, 35 such entities were disbursed loans and advances between 2015 and 2018. Out of these 35, 25 entities had minimal operations and were given loans," the source said, adding that the other 31 connected entities were found later.

"In total, there were loans of Rs 29,100.33 crore," said the CBI officer.

According to the FIR, loans and advance aggregating to Rs 24,595 crore were disbursed to 35 of these inter-connected entities from 2015-2018.

The source said "this is how the money was being diverted".

"This money, disbursed as loans to entities that were connected with DHFL, was also used for purchase of shares and debentures. Most of the transactions of such entities and individuals were in the nature of investments in land and properties," the source added.

According to the FIR, the audit also indicated "significant financial irregularities", "diversion of funds through related parties", "fabrication of books to show fraudulent non-existent retail loans", "round-tripping of funds", and "utilisation of diverted amounts for creation of assets by Kapil Wadhawan, Dheeraj Wadhawan and their associates".

The CBI officer said "emails showing that Kapil Wadhawan was in control of multiple entities are also there".

"It also shows that he appointed directors and auditors of these companies and handled secretarial records, managing overall finances of these companies," the CBI officer added.

In its FIR, the probe agency said loans were "disbursed without adequate documentation, without valuation of mortgage securities" to borrowers with "minimal operations", adding that funds were "diverted, utilised for investment in entities belonging to Sudhakar Shetty of Sahana Group in a number of instances".

It added: "Funds were diverted for investments in NCDs (non-convertible debentures), preference shares of promoter group entities or in joint ventures. The ICD (inter-corporate deposit) loans were rolled over without classifying accounts as NPA (non-performing asset). Repayments towards interest, amounting to several hundred crore were not traceable in bank account statements in a number of instances."

'Bandra books'

It has also been alleged in the complaint filed with the CBI that DHFL and its promoters disbursed an amount of Rs 14,000 crore as "project finance" to their own entities, but the amount instead reflected as "retail loans in their books".

"This led to creation of an inflated retail loans portfolio, whereby 1,81,664 false and non-existent retail loans aggregating to Rs 14,095 crore (outstanding as on 31 March 2019) were created," according to the FIR.

"These retail loans, called 'Bandra books', were maintained in a separate database against which loans were shown as disbursed by DHFL and were subsequently merged with OLPL loans (other large project loans)," the FIR added.

Of the amount linked to 'Bandra books', Rs 11,000 crore was allegedly transferred to OLPL and the remaining Rs 3,018 crore was retained as part of the retail portfolio as "unsecured retail loans".

"It is being investigated as to how large-value loans given as OLPL but reflected as small retail loans in Bandra books were not reported by the statutory auditors during audits. It is clear that no accountability was ascribed and thus, the role of public servants will also be probed," said the CBI officer quoted above. https://theprint.in/india/sham-loans-fabrication-of-books-the-rs-35000-cr-dhfl-case-indias-biggest-bank-fraud/1007861/