NEWS ITEMS ON CAG/ AUDIT REPORTS (23.08.2022)

1. Why the debate around revdi culture is crucial for India *(indianexpress.com)* Updated: August 23, 2022

India faces a critical question after 75 years of Independence: Do we prioritise the use of public funds to develop our human potential, or do we give them away in corporate tax cuts and corporate loan write-offs in the hope that it will set off a virtuous cycle of development?

That's the question at the heart of the ongoing debate on freebie vs revdi politics with Prime Minister Narendra Modi making veiled barbs at Delhi Chief Minister Arvind Kejriwal's and the Aam Aadmi Party's welfare model.

Over the last seven years of its rule in Delhi, the AAP government has given birth to a distinct welfare model that prioritises investment in Delhi's citizens. Transforming public education and public healthcare is at the heart of the AAP's welfare model. Delhi government schools have seen an unprecedented transformation, be it in terms of their physical infrastructure, provision of world-class training for principals and teachers at reputed institutions such as IIMs in India and abroad, and innovative curriculum that has transformed the quality of learning in classrooms.

As a result, government schools in Delhi are now consistently performing better than their private peers and close to four lakh children have moved from private to government schools. The transformation has caught the attention of the world with the former US First Lady Melania Trump choosing to visit a "happiness class" in a Delhi government school in 2020 and The New York Times doing a front-page feature on the transformation of lives of millions of poor families in Delhi due to the AAP government's education model.

The establishment of a universal healthcare system under the AAP government in Delhi presents a unique model too. Over 500 mohalla clinics provide free diagnosis, medicines and tests to around 65,000 people every day, while 38 government hospitals provide free and quality treatment to lakhs of patients every year, irrespective of their income levels or cost of treatment. A large-scale expansion is underway that will see the capacity of clinics, as well as hospitals, double by 2025. None of this comes cheap. The AAP government spends 40 per cent of its budget on education and health — the highest by any government in India.

The AAP government in Delhi also gives free electricity and water subsidy up to a certain level of consumption, spending close to 5 per cent of its budget on these two schemes. These targeted subsidies serve to boost the productivity of the most vulnerable citizens of Delhi besides allowing them to live a life of dignity. Yet, as per the CAG, the AAP government is the only government in India that has been running a revenue surplus budget each year for the last five years, doubling its budget from Rs 30,000 crore to Rs 60,000 crore during this period.

Contrast this with the expenditure by BJP governments in Gujarat, Madhya Pradesh and Uttar Pradesh — the three most prominent examples of BJP's welfare model —

which have been spending only 18 to 20 per cent of their budgets on education and health sectors for the past decade. None of them even claim to offer free and quality education or public healthcare system for all. Each of these states, much like the rest of India, is seeing a continuous migration of students from government to private schools, with Gujarat alone shutting down many government schools in the past decade. Accessing government schools and hospitals in these states is a mark of deprivation, not choice.

Nationally, too, the BJP government has fallen consistently short of its own targets of investing in education and health sectors. The Ayushman Bharat Yojana (PMJAY), touted as the silver bullet for meeting public healthcare needs for the masses, provides coverage for only a fraction of the population through the private sector-led insurance model, without ensuring accessible and quality health infrastructure across India. The pandemic exposed the shortcomings of this approach. India ranked 94 out of 107 nations in the Global Hunger Index in 2020, and 131 on the UN's Human Development Index.

Has skimping on education and health meant that BJP-ruled states and the Centre are doing well fiscally? Not if you look at their budgets. The UP government has declared a fiscal deficit of Rs 81,000 crore for 2022-23, whereas Gujarat and MP have declared a fiscal deficit of Rs 36,000 crore and Rs 52,000 crore, respectively. The CAG has even called out Gujarat being at the risk of falling into a debt trap.

But it is the finances of the central government that should worry all of us. Since 2015, its total debt has ballooned from Rs 53 lakh crore to Rs 136 lakh crore. A series of corporate tax cuts have resulted in huge forgone revenues, during a period that also saw unemployment in India rise to the highest in 45 years. Around Rs 10 lakh crore of bad loans of rich corporates have been written off, largely from the books of public sector banks that operate under the close supervision of the government with seemingly little consequences for the 12,265 wilful defaulters.

So this is what the freebie politics debate boils down to. At one end is PM Modi and the BJP's welfare model that consistently skimps on investing in the people of India and has no model of human development to showcase anywhere in India but regards giving runaway tax cuts and loan write-offs to corporates as an article of faith. At the other end is CM Kejriwal and the AAP's welfare model that regards investing in education, health and basic services of the people of India as an article of faith and has done it successfully in Delhi while at the same time being prudent in managing public finances.

The ongoing debate on revdi politics puts forth these two very contrasting visions of what will make India great. And that is why it is the most important debate of our times. https://indianexpress.com/article/opinion/columns/why-the-debate-around-revdi-culture-is-crucial-for-india-8105660/

2. 'Freebies' are not bribes, and four other things the Supreme Court said in 2013 *(thenewsminute.com)* AUGUST 22, 2022

A political party promising a colour TV, grinder, cycles, or free housing, electricity and employment, cannot be considered bribery or corruption. This was the main conclusion that the Supreme Court came to in 2013 in the Subramaniam Balaji vs Government of Tamil Nadu case in 2013, when a petitioner went to court against the distribution of free colour TVs by the DMK government in state after it won the 2006 Assembly elections. The SC looked at the question of 'free gifts' from the government, or 'freebies', and whether they're violative of the Constitution.

As the apex court is hearing another petition on the question of 'freebies', on the back of comments by Prime Minister Narendra Modi against what he calls 'Revadi Culture', here's a look at what the Supreme Court bench of Justices P Sathasivam and Ranjan Gogoi said in 2013 in the Subramaniam Balaji case.

1. **Promises made by political parties, including the promise of free gifts, cannot be called bribery or corruption.**

The court was considering the question, "Whether the promises made by the political parties in the election manifesto would amount to 'corrupt practices' as per Section 123 of the Representation of People Act."

The SC decided that such promises cannot be called corruption or bribery because the Representation of People Act speaks of candidates and not political parties as a whole. "The manifesto of a political party is a statement of its policy. The question of implementing the manifesto arises only if the political party forms a Government. It is the promise of a future Government. It is not a promise of an individual candidate," the court said.

The court further said that promises in an election manifesto include things like employment and the development of some neighbourhoods, and all of them cannot be called bribery or corruption. "it is not within the domain of this Court to legislate what kind of promises can or cannot be made in the election manifesto," the SC said.

2. **If a government gives items for free to its people to improve their standard of life, that is in accordance with the Directive Principles of State Policy.**

The SC was dealing with the question, "Whether the schemes under challenge are within the ambit of public purpose and if yes, does it violate Article 14?" The court decided that all these items promised by political parties would improve the lives of people, and therefore, they are in accordance with the Directive Principles of State Policy.

The Directive Principles of State Policy are enumerated in Part IV of the Constitution; these are guidelines that governments in India must follow while making laws and policies for the welfare of people. They stand a step below Fundamental Rights, in that a citizen cannot go to court if a Directive Principle has been violated. The Directive Principles remind the state of what it should aim for.

"The concept of State largesse is essentially linked to Directive Principles of State Policy," the SC said, "Whether the State should frame a scheme, which directly gives benefits to improve the living standards or indirectly by increasing the means of livelihood, is for the State to decide and the role of the court is very limited in this regard."

The court further said that the definition of what is ‘necessary’ for livelihood changes from time to time, and that the court cannot tell a state whether colour TVs are a public good or not. The SC can only intervene if what the state is doing is unconstitutional, the court held.

3**. Giving ‘freebies’ is not against the Right to Equality promised by the Constitution.**

On the question of Article 14 (Right to Equality), the petitioner in the case said distributing ‘freebies’ treats ‘unequals as equals’ and is therefore unconstitutional. The petitioner was referring to several schemes promised by the DMK during elections that benefited certain groups of people. For instance, only those who had ration cards that provided them with rice were eligible for electric fans, mixies and grinders.

The court however held that since the said schemes are in furtherance of Directive Principles, the principle of ‘do not treat unequals as equals’ is not applicable in this case, since the state is not placing any financial liability on citizens.

“While implementing the directive principles, it is for the Government concerned to take into account its financial resources and the needs of the people,” the court said, “If certain benefits are restricted to a particular class that can obviously be on account of the limited resources of the State. All welfare measures cannot at one go be made available to all the citizens. The State can gradually extend the benefit and this principle has been recognized by this Court in several judgments.”

4. **The court cannot make guidelines or laws on what election promises should be allowed and what shouldn’t.**

The court also considered the question, “Whether the apex court has inherent power to issue guidelines by application of Vishaka Guidelines principle.” The Vishaka Guidelines were given by the Supreme Court in 1997 in the context of the Bhanwari Devi gangrape case. The guidelines talk about the responsibility of an employer to provide a safe working environment to women. The petitioner wanted the Supreme Court to similarly issue guidelines on promises and distribution of ‘freebies’.

The SC however said in the case of Vishaka Guidelines, the court stepped in because there was no law protecting women from sexual abuse in the workplace; and since no legal lacuna exists on the question of election manifestos and practices, there as no need for the SC to step in. The court’s stance was that since the Representation of People Act thoroughly governs matters to do with elections, there was no legal vacuum, and therefore the court does not have the powers to set guidelines on what promises can and cannot be made by political parties.

5. **The CAG cannot tell a state government how to spend their money — that’s for the government to decide.**

The fourth question the court considered was, “Whether the Comptroller and Auditor General of India (CAG) has a duty to examine expenditures even before they are deployed.” On this, the court ordered that the CAG is only an auditor, and cannot dictate how governments spend their money.

"CAG examines the propriety, legality and validity of all expenses incurred by the Government. The office of CAG exercises effective control over the government accounts and expenditure incurred on these schemes only after implementation of the same. As a result, the duty of the CAG will arise only after the expenditure has been incurred," the court said.

The current case in the Supreme Court filed by a BJP member, Ashwini Upadhyay. It was last heard on August 11. The court has observed that "legislation barring political parties from offering voters freebies is not advisable," adding that "de-registering them for making such promises would be "anti-democratic." The next hearing is scheduled for August 21. https://www.thenewsminute.com/article/freebies-are-not-bribes-and-four-other-things-supreme-court-said-2013-167076

STATES NEWS ITEMS

3. Maharashtra to relaunch Jalyukta Shivar Abhiyan across 25k drought-prone villages *(indianexpress.com)* Updated: August 23, 2022

The state government is set to relaunch its flagship project Jalyukta Shivar Abhiyan across its 25,000 drought-prone villages.

Highly placed sources in the government said, "The Jalyukta Shivar Abhiyan (JSA), which had made good progress, was stopped during Maha Vikas Aghadi (MVA) government. We have decided to implement it across 25,000 villages."

Those villages will be skipped where JSA projects completed between 2014 and 2019 had achieved the twin objective of tackling water scarcity and increasing ground water levels. Sources said, "For a re-look, JSA has to be seen in totality. So, we are taking it up across all short-listed drought-prone villages."

Devendra Fadnavis, who was leading the BJP-Shiv Sena coalition government as the then CM, had launched the JSA in 2014 with the aim to make the state drought-free. Under the scheme launched in phases, 25,000 drought-prone villages were selected and various water conservation projects, such as building canals, bunds and ponds, and deepening and widening of existing water structures, were launched. Initially, the scheme received overwhelming response but a change of power saw the MVA shelving the project.

Soon after taking oath of office as the Deputy Chief Minister, Fadnavis directed the water conservation department to revive JSA.

Through JSA, 6.41 lakh works were completed in 22,586 villages between 2014 and 2019 and the total expenditure incurred was Rs 9633.75 crore. It may be recalled that a report by the Comptroller and Auditor General (CAG) drew attention to irregularities in some works under JSA.

"Even after spending Rs 9,633.75 crore, the project has had little impact in achieving water neutrality and increasing ground water level," CAG noted, raising objection to the "lack of transparency" and "lack of monitoring" which, it said, defeated its stated purpose of creating adequate water storage in villages.

CAG findings were based on surveys in 83 of the total 120 shortlisted villages. https://indianexpress.com/article/cities/mumbai/maharashtra-jalyukta-shivar-abhiyan-drought-prone-villages-8104706/lite/

4. Gauhati High Court directs government to place CAG report before PAC *(sentinelassam.com)* Aug 23, 2022

The Gauhati High Court has directed the State Government to place report of the Accountant General (Audit), Assam before the Public Accounts Committee (PAC) related to embezzlement of a large amount of public money meant for public purposes.

The Amguri Naba Nirman Samity had filed a Public Interest Litigation (PIL) in the Gauhati High Court (PIL/3/2022) seeking a " writ in the nature of Mandamus by directing the respondents to cause a high-level enquiry to find out the corrupt officials of Food, Civil Supplies and Consumer Affairs Department of Assam who are involved in the corruption of misappropriating the public money and to do the needful for punishment of such officials in accordance with law; direct/command the State Government officials/respondents to take into account the Audit reports of Accountant General (Audit), Assam and do the needful to fix responsibilities upon the erring officials of the Food, Civil Supplies and Consumer Affairs Department of Assam and to recover the misappropriated money for proper utilization of the same in its true perspective".

The court was informed that as per the report of the Accountant General (Audit), Assam, for the period from 01.02.2010 to 31.01.2011, certain irregularities had been flagged against officials of Food, Civil Supplies and Consumer Affairs Department, Government of Assam. Considering the large-scale embezzlement of public funds, the petitioner sought a probe by an independent agency.

The court observed that the allegations made in the petition were based on the CAG report and hence it would be appropriate to direct the State Government to place the same before the Public Accounts Committee. The court order stated, "Accordingly, the State Government is directed to place the CAG report before the Public Accounts Committee to verify the contentions raised by the petitioner as regards embezzlement of large amount of public money meant for public purposes. The State Government will accordingly cause the matter to be placed before the Public Accounts Committee within a period of eight weeks from the date of receipt of a certified copy of this order." https://www.sentinelassam.com/guwahati-city/gauhati-high-court-directs-government-to-place-cag-report-before-pac-608680

5. Another scam in Assam Social Welfare Department! *(sentinelassam.com)* August 23, 2022

GUWAHATI: Scam had been the middle name of the State Social Welfare Department during the Congress regime. Of late, another scam that had taken place toward the end of the last BJP government came to light in the department.

In 2019-20 and 2020-21, the department bought spoons, plates, aluminium saucepans, iron cauldrons, plastic containers etc., for 37,104 Anganwadi centres at prices many times higher than the market rates, leading to the excess payment amounting to several crores of rupees from the state exchequer.

The department paid Rs 110 for each plate, Rs 2,205 for each saucepan, Rs 2,801 for each iron cauldron, Rs 1,400 for each plastic container etc. Every department has a procurement committee that fixes rates. The then Director of the Social Welfare Department headed the procurement committee. It had the Joint Secretary, Joint Director, Finance and Account Officer, Financial adviser and others as members. The moot question now is: how and why did the procurement committee fix such abnormal prices of the items?

According to sources, the government has sought a detailed report from the Social Welfare Department. The government will fix the responsibility for this misuse of funds.

Soon after assuming office, the Sarbananda Sonowal-led government in the state ordered an inquiry by the Vigilance and Anti-Corruption Cell into the Rs 2,000-crore scam that had taken place during the Congress regime in the Social Welfare Department. One of the allegations was that a section of officials in the department had been swindling yearly Rs 150 crore in the name of nine lakh ghost children for 15 years. The Vigilance and Anti-Corruption Cell arrested several officials of the department, besides grilling former Congress ministers Gautam Roy and Akon Bora.

In another case, an NGO did a PIL in the Gauhati High Court alleging misappropriation of Rs 270 crore of central funds from 2009-2018 in the name of pre-school education kits. The hearing of the case is underway. The CAG also pointed out several times in its annual reports that the department had procured various items at higher rates.

After assuming office, Chief Minister Himanta Biswa Sarma reviewed the affairs of the Social Welfare Department and said that he would not let the writ of contractors run in the department. He streamlined many of the procedures in the department.

RTI activist Dilip Nath's query revealed the anomalies in the Social Welfare Department. https://www.sentinelassam.com/topheadlines/another-scam-in-assam-social-welfare-department-608782

6. ‘Adani should go back’: Fishermen intensify protest against Vizhinjam port *(thefederal.com)* August 22, 2022

Ever since the construction of Vizhinjam International transhipment terminal began in 2015, the fishermen community has been raising concerns about coastal erosion, displacement and job loss. The construction of the port, which was expected to be completed within two years, is still going on.

The community, on strike since July 20, has undertaken a massive agitation organised under the leadership of the Latin Catholic Church at Thiruvananthapuram.

On the seventh day of the strike, hundreds of fishing boats from the southern districts gathered in the sea surrounding the port. A large number of fishermen broke the barricade right in front of the port and entered inside shouting slogans 'Adani should go back'.

The ongoing strike was triggered off on July 20 with demonstration and dharna at the secretariat raising seven demands, including the implementation of a complete rehabilitation package and an independent and comprehensive study on the environmental and social impact of the project.
'Just promises from government'

"We have been raising this demand since the inception of the project in 2015. Governments used to give us promises every time we protested and we waited for the promises to happen. Nothing has happened so far, hence we are into this indefinite strike," says Patrick Michel, the convenor of the action committee who is also the president of Kerala Latin Catholic Association.

The Rs 7,525-crore deep-water, multi-purpose, international seaport and container transhipment terminal at Vizhinjam, owned by Adani group, is located 16 km south-west of Thiruvananthapuram town and 17 km south of Thiruvananthapuram International Airport (which is also run by the Adani group). Of the total area of 142 hectares, 53 hectares would be acquired by filling the sea with sand.

The ongoing construction of breakwaters has created massive changes in the direction of the sea waves, causing coastal erosion across the entire coast of the project area. The protesters allege that the construction of the breakwaters is quite unscientific and not substantiated by any proper study.

"Both the UDF and LDF governments promised us to conduct scientific examination of the environmental impact, but all the studies conducted so far were sponsored and had been done with vested interest. We demand to put the construction on hold and to go for an independent and scientific assessment of the situation," says Patrick.

Apart from a proper study, the protesters are also demanding immediate implementation of a comprehensive displacement package. According to the action council, the government has so far given rehabilitation only to 152 families. "Thousands of families are badly affected. In Valiyathura (a fishing village at Vizhinjam), 350 families live in camps," says Patrick.

'Breakwaters causing accidents'

According to them, around 400 houses have been washed off by high waves which is a direct impact of the construction of breakwaters.

The action council has also asked for adequate compensation for those who have lost livelihood due to displacement as well as coastal erosion. The action council says it will not stop the protest unless the government gives instruction to stop the ongoing dredging activities for the construction of the port.

The construction of breakwaters has also caused accidents in the sea, say the activists supporting the fishermen on strike. “The basic construction for the structure of the Vizhinjam commercial port is the breakwater. Not even 10 per cent of the construction is yet finished. It is a bare fact that the ongoing dredging and construction of breakwater have been a threat to the Vizhinjam fishing harbour. Many boats have met with freak accidents and the sea has become rougher at the entrance of the harbour,” A J Vijayan, an expert on coastal issues and the former spokesperson of National Fish workers Forum told The Federal.

The demand put forward by the action council also includes compensation to the victims of sea accidents caused by the construction of the port. The seven-point agenda of the protest also includes compensation of minimum wages for fishermen on the days on which they are forced to stay back from work.

Warning by CAG report

The Comptroller and Auditor-General (CAG) in a report in 2017 had warned that the project was going to be a huge loss for the government. Towards the end of the concessional period (40 years), the government of Kerala would have incurred a loss of Rs 5,608 crore, it said.

CAG also reported that the conditions of the agreement were prepared in favour of the concessionaire (the Adani group) and not in favour of the interest of the state. Even the pre-qualification criteria for the tendering process were flawed, according to the CAG report of 2017. The standard concession period for PPP projects is 30 years and it is extended to 40 for Vizhinjam project. “By allowing 10 years‟ extra concession period, the Concessionaire would be collecting additional revenue of Rs 29,217 crore,” the report said. https://thefederal.com/states/south/kerala/adani-should-go-back-fishermen-intensify-protest-against-vizhinjam-port/

7. Reasons for vice chancellors' fall from grace in Kerala Kerala *(onmanorama.com)* August 23, 2022

Priya Varghese, wife of Chief Minister Pinarayi Vijayan's private secretary K K Ragesh, scoring top marks in the interview for associate professor of Malayalam in Kannur University was just one in a series of instances where people close to the ruling party, the CPM, were seen to land plum posts in varsities.

Priya at least has the cover of UGC Regulations 2018, which says that the selection will be based solely on the performance in the interview no matter the academic pedigree of contesting candidates. But in certain other recent appointments, there was not even the pretense of abiding by the law.

Take for instance the selection of assistant professor in the Malayalam department of Sree Sankaracharya University of Sanskrit, Kalady. Three subject experts who were part of the seven-member interview team openly questioned the first rank given to R Ninitha under the Muslim reservation category.

They said that the candidate was originally given fewer marks than was found in the rank list published by the university. Ninitha is the wife of CPM leader M B Rajesh, now the Kerala Assembly Speaker.

In the very same university, in another set of appointments, Vice Chancellor Dharmaraj Adat chose candidates who were rejected by the screening committee. This came to light when one of the screening committee members wrote to the Governor informing him how the selection process was subverted.

In yet another instance, a teacher who was debarred from examination duties by the Kerala University for his role in the 2019 PSC civil police officer recruitment fraud that saw SFI leaders scoring top ranks, was recently awarded the first rank in an assistant professor interview. This interview is now under the Supreme Court's scanner.

Then there was the Kerala University's choice for the editor-in-chief of the Malayalam Lexicon. The candidate was a Sanskrit scholar but had not studied Malayalam. It was said that she was not fluent in Malayalam either. She resigned when the Governor, as Chancellor, called her for an interview. She is the wife of the officer on special duty in the Chief Minister's office.

This is not all. There are many other appointments of wives and close relatives of CPM leaders to various teaching posts in universities where it is alleged merit was shoved aside with the active connivance of no less an authority than a vice-chancellor.

Chancellor's fury

It looked like nepotism was becoming the norm until Kannur Vice Chancellor Gopinath Ravindran decided to go ahead with the appointment of Priya Varghese in defiance of Kerala Governor Arif Mohammed Khan. This was the point when Khan decided enough was enough. The Governor not just stayed Priya's appointment but also instituted a probe into the appointments to various posts in universities in the past three years.

Realising that the Governor could undo the advantage of having its own men as vice-chancellors in universities, the LDF government is making a swift countermove.

Law to keep VCs in thrall

The government is about to table the University Laws (Amendment) Bill, 2022, which will reduce the Governor's say in the appointment of vicechancellors. As per existing laws, the 'search committee' for the selection of VCs has three members; a nominee each of the Governor, the University Senate and the chairman of the UGC.

The new bill will add two more nominees affiliated to the Kerala government; the vice chairman of Kerala State Higher Education Council and a Syndicate nominee. This will give the state government a majority in the 'search committee', rendering the Governor's likes or dislikes irrelevant.

Even as it stands, the state government has the upper hand as the Governor's nominee has been traditionally chosen by the state. However, Khan's aggressive ways have given rise to concerns that he might insist on a nominee of his choice. If this happens, the Governor's man and the Centre's UGC nominee together would have a majority in the threemember 'search committee'. The new Bill, therefore, is an attempt to thwart any move to take the vice chancellor out of the control of the state government.

Vice of loyalty

“This desire to have a pliable vice chancellor is not just a CPM trait. Even under the UDF, vice chancellors were chosen on the basis of their caste or religion and, more importantly, for their loyalty,” said professor M N Karassery, who had retired as head of the department of Malayalam, Calicut University. “Before settling on a name, it is quite common for politicians to assess who among the candidates will do their bidding without asking questions,” he added.

According to Karassery, things got worse after Pinarayi Vijayan came to power. “Now, the VCs and pro-VCs and registrars are being used to get things done in the most shameless manner. Appointments of close relatives and children of friends and even drivers have become so rampant that we have stopped noticing,” he said.

Karassery termed as “the height of arrogance” the appointment of a person with no expertise in Malayalam as the chief editor of the Malayalam Lexicon. “It was like saying we will do as we please,” Karassery said.

VC as a job seeker

Former Kerala University Pro Vice-Chancellor J Prabhash said that the fall in the VC's stature happened in the nineties, after the introduction of neoliberal policies. “The old value system was lost. Personal gain became the sole driving force. Such a philosophy governed the appointments of VCs, too,” Prabhash said. “Till then, even if VCs had political leanings, they were men of great stature who could not be influenced by people in power. Now, it is not academic credentials but just loyalty. And this too, not loyalty to the party but loyalty to the leader,” he said.

There was also a time when a VC post was not advertised like it is today. “We sought out the most eminent academicians and actively wooed them. Now, it is the other way around. Anyone can apply for the VC post and the shortlisted candidates, like in the case of any other ordinary job, are grilled by a panel. A VC post has been effectively downgraded,” Prabhash said.

Karassery remembers a time when giants like John Matthai, the legendary economist who was India's first railway minister and then its finance minister, was Kerala University Vice Chancellor, and even a Chief Minister of the stature of E M S Namboodiripad had to take an appointment to meet him.

"Now we have vice-chancellors who will stand up and fumble with words when a minister's PA calls," a former University registrar said, half in jest.

Strictly confidential
There was a time when there were men of steel at all levels in the universities. An incident that took place at Calicut University will demonstrate this. It was the early seventies and Muhammad Gani was the vice-chancellor, its first. Gani was a person held in such awe that the then education minister C H Muhammad Koya had famously said that he had never dared to ask him for favours.

One day an old pal of Gani made a visit to the VC's office. Gani was elated. When he realised that his friend's daughter had just completed her MA in one of the affiliated colleges and was waiting for results, the VC picked up the phone and called his controller of examinations Chellappan Pillai.

In his stately voice, Gani told Pillai of his friend's daughter, gave him her examination number and asked him to fetch the girl's marks. There was a brief pause before Pillai replied. “This is a highly confidential matter. I am unable to share it with you sir before the results are officially published.”

Gani profusely apologised before putting down the phone.

Stifling of debate and dissent
Several professors Onmanorama talked to said that dissenting voices have become increasingly rare in university bodies like the senate, syndicate and academic councils.

“Most of these bodies are stuffed with party loyalists and have ceased to be academic bodies. The stranglehold of CPM-affiliated teachers' and employees' associations is so complete that it is their writ that runs through universities. Vice-chancellors desperate to hold on to their jobs defer to their wishes. I know of many qualified people who have refused to apply to senior faculty positions in our universities. They know they don't stand a chance,” a serving associate professor said on condition of anonymity.

Falling standards of teaching are reflected in the growing interest among students to study abroad.

A Ministry of External Affairs Figure shows that 18 lakh Indian students, a large chunk of them from Kerala, will be studying in foreign universities by 2024.

What makes students fly
It is not just the lure of foreign education that is driving our students away. It is an indisputable fact that our universities are not doing enough. For instance take Kerala University, the state's oldest and which now boasts of the highest NAAC (National Assessment and Accreditation Council) grading of A++.

The UGC had in January 2017 mandated that the syllabus should be revised every three years. A recent CAG investigation has noticed that the syllabus of 28 out of 142 courses have not been revised for a long time.

It has been 12 years since the syllabus of law was revised, seven years since Computer Science was revised, eight years since the syllabus of MSc Microbiology was revised, and 16 years since the syllabus of Master of Fine Arts course was revised.

On top of this is the increase in contract appointments. UGC regulations do not permit contract teachers to be more than 10 per cent of the total number of faculty positions of the college/university. In Kerala University, it is more than 23 per cent. And this trend of appointing contract teachers has caught on in the last few years. What was 14.08 per cent in 2017 is 23.49 in 2021.

The CAG audit has also observed that most contract staff did not have the qualifications mandated under the UGC regulations. It was found that 108 of the 174 teachers appointed in the 34 University Institutes of Technology (UITs) were appointed without NET/SET/PhD qualifications.

A namesake department
Here is a small nugget that would offer an insight into how Kerala University treats technologies of the future. The department of Nanoscience and Nanotechnology has been functioning since its establishment in 2016 without any sanctioned faculty post. https://www.onmanorama.com/news/kerala/2022/08/22/analysis-reasons-vice-chancellors-fall-from-grace-kerala.html

8. हरियाणा की 21 माइक्रोब्रेवरी की बीयर में एल्कोहल की मात्रा ही नहीं पता, गुणवत्ता पर संदेह *(amarujala.com)* Aug 23, 2022

हरियाणा की 21 माइक्रोब्रेवरी की बियर में एल्कोहल की मात्रा ही पता नहीं है। इनकी बीयर के नमूने सरकारी आबकारी प्रयोगशाला में विश्लेषण के लिए नहीं भेजे जा रहे। बीयर की गुणवत्ता पर भी संदेह है। इन माइक्रोब्रेवरी में 2 फरीदाबाद, 15 गुरुग्राम पूर्व, 2 गुरुग्राम पश्चिम और 2 पंचकूला की हैं। भारत के नियंत्रक महालेखापरीक्षक यानी कैग ने अपनी रिपोर्ट में इसका खुलासा किया है। 31 मार्च 2021 को समाप्त वित्त वर्ष की ऑडिट रिपोर्ट के अनुसार प्रदेश सरकार ने 2020-21 की आबकारी नीति में हर महीने एक बार माइक्रोब्रेवरी से बीयर के नमूने लेकर पास की सरकारी आबकारी प्रयोगशाला में भेजने का प्रावधान किया था। इसके पीछे मकसद कम अल्कोहल वाली शराब पीने की आदत लोगों में डालना था। अल्कोहल की मात्रा और गुणवत्ता रिपोर्ट माइक्रोब्रेवरी के बाहर प्रदर्शित की जानी थी।

कैग ने गु ुरुग्राम पूर्व, पश्चिम, फरीदाबाद और पंचकूला आबकारी जिले के दस्तावेजों को जुलाई से दिसंबर 2021 के बीच जांचा, जिसमें पाया गया कि बीयर के नमूने जांच के लिए प्रयोगशाला में नहीं भेजे जा रहे। जिससे माइक्रोब्रेवरी में परोसी जाने वाली बीयर में एल्कोहल की मात्रा और गुणवत्ता का पता नहीं लगाया जा सका। आबकारी एवं कराधान विभाग ने नीति में शामिल प्रावधानों को सख्ती से लागू कराने के लिए कड़े कदम भी नहीं उठाए। चारों जिलों के उप आबकारी एवं कराधान आयुक्तों ने कैग को दिए अपने जवाब में कहा है कि लेखापरीक्षा के दौरान उठाए गए बिंदुओं पर अमल करेंगे। भविष्य में बीयर के नमूनों को हर महीने जांच के लिए प्रयोगशाला में भेजा जाएगा। https://www.amarujala.com/haryana/panchkula/the-quantity-of-alcohol-in-the-beer-of-21-microbreweries-of-haryana-is-not-known-panchkula-news-pkl460154586

SELECTED NEWS ITEMS/ARTICLES FOR READING

9. The GST regime is at a crossroads *(thehindubusinessline.com)* Aug 22, 2022

With the GST compensation period coming to an end, many States are facing a fiscal crisis, putting a question mark over the GST regime

On August 10, the Centre, in a rare gesture of magnanimity, released ₹1,16,665.75 crore, which was the estimated equivalent of two instalments (as opposed to one) of sharable taxes it must release to the States. It claimed that it had (in its 'generosity') doubled the "normal" monthly devolution of ₹58,332.86 crore.

This gesture was not without motive. July marked the first month after the termination of the practice of compensating States for shortfalls in accruals from imposts that had been subsumed under the Goods and Services Tax (GST), relative to a sum reflecting a 14 per cent annual increase starting 2015-16 in revenues. It was this compensation to protect revenues, promised to State governments ceding their Constitutional right to impose separate indirect taxes, that had persuaded them to accept the new regime.

However, neither was there any clear specification of what the base year values were for individual States and all States and union territories put together, or whether the growth rate mentioned was a compounded rate starting 2015-16. Such matters were glossed over in the rush to implement the new regime.

In the original agreement the compensation was assured for five years, with transfers backed by a fund built using a time-bound compensation cess imposed by the Centre on a set of luxuries. The temporal nature of the assurance implicitly assumed that by the end of the 5-year period the success of the new tax regime would have taken revenues from the taxes concerned to levels that at the minimum would reflect the promised 14 per cent annual increase. Only in the interim, if at all, would compensation have to be delivered, which it would irrespective of circumstances.

Tepid tax revenues

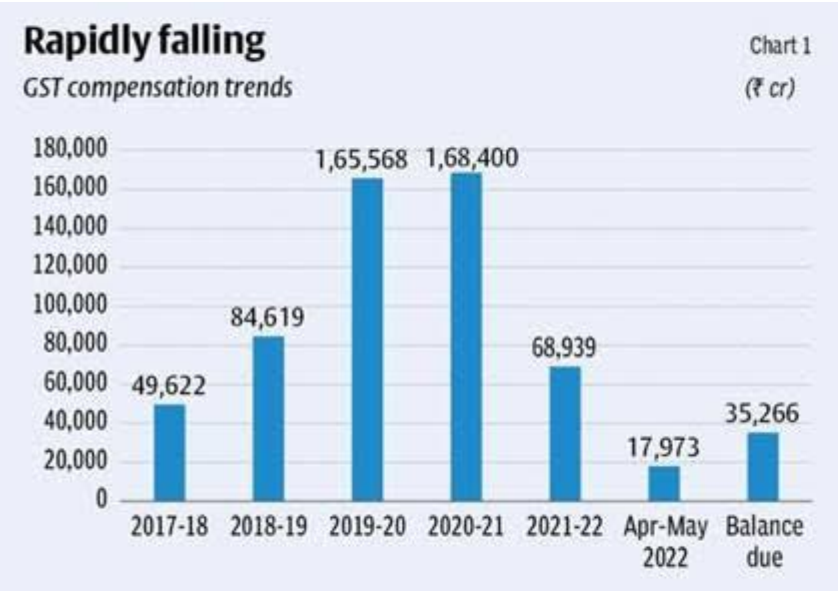
In practice, revenues from the new taxes were far less buoyant. Estimates vary, but one from two economists at the Indian Institute of Management, Indore suggests that by 2018-19, well before the pandemic struck, the compound annual rate of growth of revenues of the States since 2015-16, through State-level and integrated imposts under GST, was only around 4.5 per cent.

So, States had to be compensated. When the Covid-19 pandemic squeezed revenues at both the Central and State levels in 2020-21, the shortfall widened and the collections from the compensation cess fell short of the required transfers.

Reneging on its promise, the Centre declared that since the revenue shortfall reflected not just the effects of the 'implementation' of the GST system but an 'Act of God' in the form of the pandemic, it would be responsible for only that part of the shortfall attributable to the GST regime per se. It reluctantly agreed to cover the rest of the transfer due to the States, with market borrowing incurred on their behalf, with the interest and amortisation payments due on that borrowing being met from future accruals to the compensation fund backed by the compensation cess.

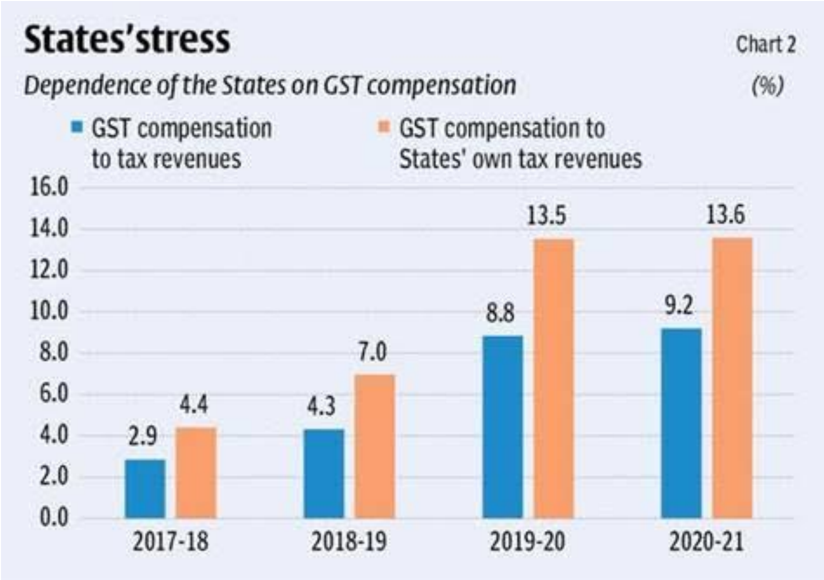
According to data annexed to a written reply to a question in the Rajya Sabha by Minister of State for Finance Pankaj Chaudhary on July 19, GST compensation released by the Centre to the States and Union Territories rose from ₹49,622 crore in 2017-18 to ₹84,619 crore in 2018-9 and ₹1,65, 568 crore in 2019-20. The figure stagnated at ₹1,68,400 crore in 2020-21 because of the decision of the Centre to hold back on transfers, choosing instead to ‘compensate’ States with borrowing to the tune of ₹1,10,000 crore.

Surprisingly, even as a feeble recovery from the pandemic-year recession began in 2021-22, the Centre’s compensation fell to ₹86,912 crore for the period stretching from April 2021 to May 2022 (Chart 1), supplemented with receipts from enhanced borrowing to the tune of ₹ 1,59,000 crore. The Centre expects to pay out another ₹35,266 crore for June 2022, the last month for which compensation was due as per the original agreement.



States’ dependence

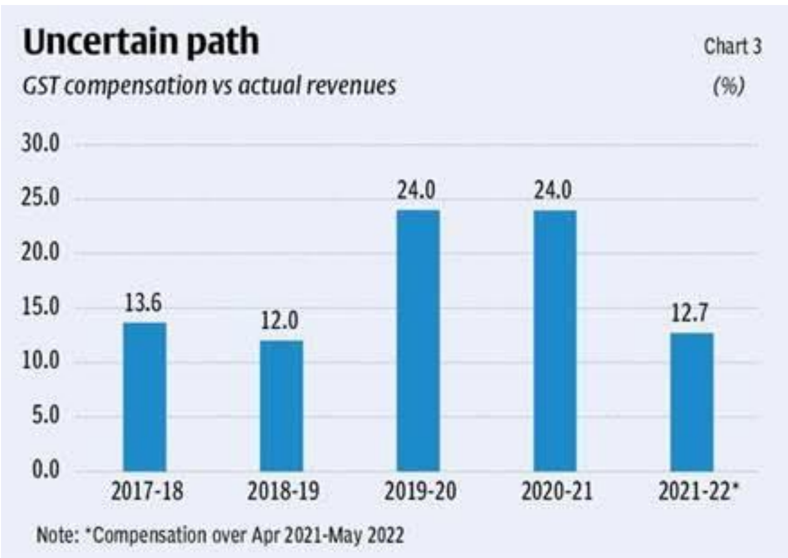
What is telling here is the dependence of the States on compensatory transfers for revenues. The actual GST compensation received by the States rose from 2.9 per cent of their tax revenues in 2017-18 to 4.3 per cent in 2018-19, and then jumped to 8.8 and 9.2 per cent respectively in 2019-20 and 2020-21 (Chart 2). Relative to the States’ own tax revenues the corresponding figures were 4.4 per cent in 2017-18, 7 per cent in 2018-19, 13.5 per cent in 2019-20 and 13.6 per cent in 2020-21.



What is noteworthy here is that the spike in dependence on GST compensation occurred in 2019-20, which was a pre-pandemic year. This should have risen sharply in the next year as well, when State revenues fell following the pandemic-induced collapse in economic activity. It did not rise further only because of the government's decision to hold back on compensation payments based on the 'Act of God' principle. The revised estimates for revenue receipts for all States together for 2021-22 have yet to be officially collated, so the most recent trend is not clear.

Compensation path

However, if we examine the ratio of GST compensation to GST revenues accruing to the States, the figure fell from a much higher 13.6 per cent in 2017-18 to just 12 per cent in 2018-19, before rising to 24 per cent in both 2019-20 and 2020-21. But counting the compensation paid for the 14-month period April 2021 to May 2022, the figure stood at 12.7 per cent relative GST receipts in 2021-22 (Chart 3).



By using the borrowing route, the Centre had clearly been reducing its own compensatory commitment to the States. The decline in 2021-22 is not because of an increase in GST revenues accruing to the States, with preliminary estimates for all major States suggesting that those revenues actually fell (from ₹7.02 lakh crore to ₹6.84 lakh crore). It was just that the compensation paid to the States fell even more (from ₹1.68 lakh crore in 2020-21 to just ₹86,912 crore for April 2021 to June 2022), for reasons that are unstated.

Revenue squeeze

It should be clear from these trends that if five years with the GST is any indication, it has been a failure relative to the promise with which it was introduced. With the practice of compensating the States for a revenue shortfall coming to an end in June, the States face the prospect of a sharp squeeze in their revenue base as a result of their accession to the GST regime.

Many States have demanded that the compensation cess and scheme of compensating the States be extended for another five years. The Centre, ignoring the absence of consensus on the matter in the GST Council, has in effect turned down the request of the States. But it has indeed extended the period for which the compensation cess will be imposed, to garner the revenues needed to meet the servicing costs of the debt it took to compensate States during the two pandemic years 2020-21 and 2021-22, in order to reduce the draft on its own resources.

Meanwhile, a crisis is brewing, with the enhanced fiscal pressure forcing States whose governments are not politically subordinate to the party in power at the Centre to rethink their participation in the failed GST regime. They are likely to be emboldened by the fact that the Supreme Court has held that the decisions of the GST Council are not binding on State governments, that can choose their own tax composition and rates. If that happens, the GST failure will be complete. https://www.thehindubusinessline.com/opinion/the-gst-regime-is-at-a-crossroads/article65798626.ece

10. Why GSTAT is the need of the hour *(financialexpress.com)* Aug 22, 2022

Where there is a law there is litigation!

Under the pre-GST regime, the CESTAT (Customs Excise and Service Tax Appellate Tribunal) played an important role when it came to dispensing indirect tax litigation. And the expectation continues.

Although GST has recently turned five, it has witnessed a myriad of burning issues – right from the transitional provisions to the constitutionality of certain GST provisions. While the Government is taking adequate steps to address various industry concerns and contain unnecessary litigation, the pressing need for the establishment of the Goods and Service Tax Appellate Tribunal (GSTAT) remains clouded even today.

In the present-day scenario, the majority of disputed matters are stuck at the First Appeal level. Very few have moved directly to the High Court, considering the cost and time involved. Given the interpretational issues and gap in self-assessment of tax liabilities due to a lack of understanding of the law, there has been a huge rise in litigation. Non-establishment of GSTAT till date has only resulted in a huge backlog of cases and is increasing each day.

During the 47th GST Council meeting in June 2022, a Group of Ministers (GoM) was constituted to address various concerns raised by the States in relation to the constitution of the GSTAT. While we do not know when the Tribunal will see the light of the day, through this article, we have tried to discuss the issues faced by taxpayers due to the piling up of litigation.

In several cases, the Appellate authorities have rejected the export refund claims and in the absence of GSTAT, taxpayers have been left remediless against such adverse orders thereby blocking huge working capital for them. This is also leading to financial burden on the trade which earns precious forex through exports. As and when the refunds would be granted, it is likely to result in another tussle to obtain the interest of 6% on delayed refund, where the cost of capital is way too high.

Another concern for the taxpayers is interest exposure. The delay in formulation of GSTAT and in turn, settlement of the cases will eventually expose the taxpayers to heavy interest liabilities at 18% (which is much higher than the prevailing bank lending rate). Considering the best-case scenario wherein GSTAT gets established and fully functional even by July 2024, interest liability will be approximately more than 100% of the tax liability for demands pertaining to FY 2017-18!

The challenges faced are not limited to adverse appeal orders but are even faced where the First Appellate authorities rule in favour of taxpayers. It is often noticed that when favourable orders are passed, the Revenue may delay the implementation on the grounds of their intention to further litigate the matter before GSTAT.

However, in one of the cases, Delhi High Court has taken cognizance of this challenge and held that taxpayers cannot be asked to wait endlessly for the respondents to contest the order of the Commissioner (Appeals).

While there is an alternative remedy of the filing writ petition before the High Courts, it is pertinent to note that these Courts of law are generally not inclined to entertain writs involving “disputed questions of fact”. The Tribunals are treated as ‘final fact-finding’ authorities and in the absence of GSTAT, most of the issues under litigation involving disputes on facts are stuck up.

It would be alarming to learn that as per a copy of letter of the Additional Chief Secretary, Tax and Registration dated 21 February 2019, around 320 writ petitions have been filed against the orders of the First Appellate Authority in the State of Uttar Pradesh alone, on account of non-establishment of the GSTAT. If this figure is extrapolated for all the States, it will be a huge number! This clearly demonstrates how undue pressure is added on the already occupied High Courts!

As the old adage goes, “Justice delayed is Justice denied”. Hence, to allay the concerns, GST Council should take up setting-up of GSTAT on top priority! https://www.financialexpress.com/economy/why-gstat-is-the-need-of-the-hour/2640209/

11. Jan Dhan, a financial inclusion game-changer *(thehindubusinessline.com)* Aug 22, 2022

The reach of the scheme can be further extended by improving financial literacy and adopting secure digital technologies

Financial inclusion is a key driver of sustainable economic development and has been featured as a separate target in eight (SDG1, SDG2, SDG3, SDG5, SDG8, SDG9, SDG 10 and SDG 17) of the 17 Sustainable Development Goals of 2030. Financial inclusion has multi-faceted benefits not only in the form of promoting inclusive sustainable growth, but also encouraging social justice by providing avenues for savings, channelising savings into productive investment, and ensuring access to credit from formal financial institutions to the poor, saving them from the clutches of usurious informal sources.

Financial inclusion has remained one of the key developmental priorities since Independence. The government and the RBI have undertaken numerous initiatives to ensure access to financial services to all sections of society.

These policy measures include nationalisation of 14 major banks in 1969, the lead bank scheme, introduction of priority sector lending requirements for banks, establishment of regional rural banks and expansion of bank branch network, banks and self-help group linkages programme, nationwide programme for financial inclusion under Swabhiman scheme, initiating business correspondent (BC) model, providing credit and remittance facilities, and introducing financial literacy programmes.

However, the benefits of these policy measures have not reached large sections of the population, especially the low-income group, women and informal workers. According to Census 2011, around 42 per cent of households in all, and a little less than half of the households in rural India, did not have access to banking/financial facilities (PMJDY 2014).

Objectives of PMJDY

The Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched by the government on August 28, 2014. The major objective of the scheme is to provide universal access to banking facilities to every household, and access to credit, insurance and pension facilities to every adult individual. Unlike previous initiatives on financial inclusion, PMJDY targets households and sub-service areas comprising 1,000-1,500 households. Further, this scheme covers both rural and urban areas along with other services like RuPay debit card with inbuilt insurance cover of ₹1 lakh, life cover of ₹30,000 and overdraft facility of up to ₹5,000.

More than 12.5 crore accounts were opened in the first nine months of the launch of the scheme. This scheme was extended beyond 2018 with some changes, which include a shift in focus from ‘every household’ to ‘every unbanked adult’, increase in accidental insurance cover on RuPay cards from ₹1 lakh to ₹2 lakh for accounts opened after August 28, 2018, increase in overdraft facility from ₹5,000 to ₹10,000 and increase in the upper age for overdraft from 60 to 65 years.

Subsequently, to reach out to the un- and under-served sections of society, JAM trinity (linking of Jan Dhan Yojana, Aadhaar and mobile numbers) was initiated to transfer government subsidies and benefitsdirectly into accounts of the intended beneficiary. These changes have resulted in a three-fold growth in PMJDY accounts from 17.9 crore in August 2015 to 43.04 crore in August 2021, with a CAGR of 14.62 per cent in a span of seven years of its operation.

It is interesting to note that out of 43.04 crore Jan Dhan accounts, 55.47 per cent (23.87 crore) account-holders are women and 66.9 per cent (28.70 crore) of such accounts are in rural and semi-urban areas. Remarkably, the proportion of inoperative Jan Dhan accounts has also declined substantially from 24 per cent to 14 per cent during 2015-2021. Also, total deposits in such accounts increased 6.38 times and RuPay debit card issued almost doubled during August 2015 to August 2021. Presently, around 72.5 per cent of such account-holders have a RuPay card.

The JAM trinity was further leveraged by the government to mitigate the impact of the Covid pandemic through immediate Direct Benefit Transfer (DBT) to rural households under Gareeb Kalyan Yojana, stimulus package under the AtmaNirbhar package, loans to MSMEs, etc.

The UPI system has played crucial role in bringing large excluded sections within the ambit of financial services, lowering overall infrastructure cost of banking services in remote and underserved areas through its instant single click app-based transfer.

There is a robust customer protection through a two-factor authentication system. Despite its slow start in 2016, the total number of transactions on UPI has reached 6.2 billion, worth ₹10.62 trillion, in July 2022.

Clearly, the volume and frequency of digital financial services have accelerated recently.

But there are certain challenges hindering the growth in access to banking services, especially in rural areas which include large number of dormant accounts, lack of training to banking correspondents, lack of knowledge about functioning of ATMs, e-banking and government schemes among customers, poor digital infrastructure, risk of cyber frauds, data privacy, etc.

To achieve the cherished goal of providing access to financial services to each adult, emphasis should be given on quality rather than quantity, financial literacy and credit counselling programmes, adoption of secure digital technology with adequate safeguards and consumer protection measures. https://www.thehindubusinessline.com/opinion/jan-dhan-a-financial-inclusion-game-changer/article65798125.ece

12. Revitalising the regulators *(millenniumpost.in)* 22 Aug 2022

Electricity Regulatory Commissions (ERCs) were founded in 1998 and received impetus through the Electricity Act of 2003. Given powers under Section 79 and 86, they work closely with the government and are responsible for promoting competition and efficiency in the electricity sector. ERCs have been overtaken by recent government initiatives in several matters, including the renewable thrust and the quest for universal access. Shortage of specialists with analytical skills and slow uptake of newer technologies also affect their performance in the critical area of demand estimation.

Demand estimation is a pivotal process in the functioning of a DISCOM. For assessing the power purchase required by DISCOMs from the GenCos, DISCOMs undergo this process every financial year. On this basis, DISCOMs decide the need to add any additional generation capacity by signing Power Purchase Agreements (PPAs) — both short and long term — to meet the power shortfall. It is the responsibility of the ERCs to provide a sanity check so that demand is not under- or over-estimated.

There is no standardised method of predicting this demand across the country. Most states predict this demand using CAGR (Compound Annual Growth Rate), which measures the growth of any metric over time. However, the CAGR-based approach has forecasted sales exponentially rather than on a linear line. For demand estimation, the regulators calculate and approve the CAGRs of different years. Wherever the CAGR is found abnormal, demand is projected using 'reasonable/normalised' CAGRs, and no explanation is given. The CAGR approach also does not consider the change in the nature of the load, as the increasing usage of more energy-efficient appliances has resulted in a decrease in normative consumption per household. This has led to consistent over-projection of electricity demand from DISCOMs on a year-by-year basis. Uttar Pradesh's over-projection has increased tenfold from an acceptable 4 per cent in the first year to 40 per cent in FY 2019-20. Similarly, in Jharkhand, the extent of over-projection reached 35 per cent in FY 2019-20. The overestimation has led the states to sign long-term Power Purchase Agreements (PPAs) with thermal power generators above their actual capacity requirements.

States like Andhra Pradesh and Delhi have applied reforms in demand estimation techniques to attain overall financial stability. In Delhi, this method relies on a tweaked CAGR approach where the year is divided into two parts based on the season, and separate CAGRs are considered for both. Since the load is 70 per cent domestic, it creates a massive differential in power consumption in the two halves. This has resulted in only a 1.57 per cent overestimation in FY 2019-20. In Andhra Pradesh, DISCOMs have leveraged machine learning techniques by using a time series forecasting model dependent on regression analysis which considers all historical values. This approach gave only a deviation of 2.28 per cent in FY 2021-22. The 'AP Model' has saved Rs 2,342 crores in power expenses in 2019-20 and 2020-21 by planning their power purchases well and promoting the use of spot and open markets to purchase any shortfall in power.

In recent years, ERCs have become the government's followers, not advisors, in terms of schemes and policies. The UDAY scheme, where the states were required to take over 75 per cent of DISCOM debt and push DISCOMs towards efficiency improvements, and the Saubhagya Scheme in 2018 for universal electricity access are examples. Incentives were promised to DISCOMs if there was a considerable improvement in distribution losses, and the ERCs set ambitious targets for the same. However, the rise of connections to remote areas has resulted in increased distribution losses leading to massive deviations from the targets. In Uttar Pradesh, the approved distribution loss deemed by the regulator for 2020 was 11.54 per cent, but the actual distribution loss had a significant discrepancy of 20.15 per cent in FY 2019-20. The harsh and unrealistic trajectories have led to overbooking sales in the lower income BPL categories and unmetered agriculture categories to cover the distribution losses. In UP, DISCOMs questioned the regulator's move to not give a realistic distribution loss target considering the effect of Saubhagya/Har Ghar Bijli Yojana, the COVID pandemic, and that the DISCOMs had made extensive efforts to comply with the targets but were still not able to achieve the target by a significant amount. Maintaining this impossible loss reduction trajectory further impacts the DISCOMs, resulting in severe under-recovery of the power purchase cost and is highly unsustainable in the long run. However, despite the DISCOM's concerns, the regulators did not substantially relax distribution loss trajectories. Furthermore, many schemes are launched yearly for the sector's welfare, which have roots in voter populism and giving away power at highly subsidised or free rates — leading to unsustainable deficit levels for the states. The hands of ERCs have been tied in this case, and they are put in a position where they merely have to comply with directives.

In many cases, ERCs have also not adequately followed the implementation of schemes. The ERCs have created specialised tariff designs to cater to the economically weaker sections of society. However, the inclusivity criteria for power allocated to these sections have no factual basis and have changed drastically across the years. In UP, in FY14, it was as high as 159 units but slipped down to 60 units by FY16, and on a similar note, it increased by more than 60 units in two years. Moreover, the impact of government schemes is also very unclear. Consider the Saubhagya Scheme; in 2018, the Ministry of Power claimed that there had been 100 per cent electrification in 25 states. However, there was an apparent discrepancy between the data in the reports released by the regulators and what was claimed by the government. For example, between October 2017 and March 2019, 7.98 million households were electrified in UP by the Saubhagya portal; however, the connections claimed on the DISCOMs side were only 5.6 million. Analysing the data, it is also found that the high percentage of electrification is linked with significantly lowering the targets over the projection of the scheme.

With India's ambitious goal to achieve 500GW of renewable energy by 2030, the new focus is on transitioning from thermal power to RE-based sources. Overall, there have been positive interventions in this sector but ERCs have failed to play their envisaged role on some accounts. Consider the PM KUSUM scheme, aimed at providing energy security to farmers in India by installing solarised pumps, thus reducing environmental pollution and decreasing DISCOM load in the most subsidised category of consumers. However, the uptake of this scheme has been very slow, with only 23 per cent pumps reportedly installed as of February 2022, and there is virtually no mention of the scheme in the state filing reports. In Gujarat, the regulators had considered only 30 per cent of the projections under this scheme due to its slow execution. In Andhra Pradesh, the scheme was still said to be under the purview of the regulators and the state government and had not come to its implementation stage. It seems like there is a gap between the schemes and their desired effect on the ground. The situation is further worsened due to the lack of workforce and lack of advisory given by the regulators, resulting in delayed compliances and improper implementation.

India has set ambitious targets for the power sector and has undertaken various reforms in the distribution sector to achieve the same. There exists a lot of procedural rationality among the regulators in terms of transparency and communication between stakeholders but there's an apparent lack of substantive rationality in terms of the actual decisions taken by the regulators. Seeing the impact of schemes, we can conclude that the regulators are being overtaken by the government and are not able to play their envisaged role due to not being adequately equipped. There is a need for regulators to reinvent themselves. A concerted approach is required among all stakeholders to help India achieve its lofty goals and come at the forefront of the world in energy policy. http://www.millenniumpost.in/opinion/revitalising-the-regulators-490454

13. Electricity Bill 2022 is a remedy worse than the disease afflicting India's power sector *(theprint.in)* Updated: 22 Aug 2022

The Narendra Modi government has introduced the Electricity Amendment Bill 2022 to reform the power sector. The 'objects and reasons' for the Bill, which has been referred to the Select Committee, is to amend the Electricity Act 2003 that has "brought about major changes and improvements in generation, transmission, distribution, trading and use of electricity by promoting competition therein and protecting interest of consumers by ensuring supply of electricity to all areas." The 'objective' statement of the 2022 Amendment Bill goes on to say that because of "the continuing as well as new challenges of sustainability of the power sector, contract enforcement, payment security mechanism, energy transition and the need to provide choice to consumers in order to promote competition and the like, it has become necessary to make certain amendments in the Act."

First set of reforms

First, a brief recap on the original World Bank (WB) initiated and USAID sponsored reforms that commenced in 1996 based on the report submitted by US Consultants that suggested creation of 'Independent organisations' with 'unbundled functions' replacing the State Electricity Boards [SEB]. These organisations would then be turned into 'privately owned firms', which would provide much of the growth in the power sector since "the quest for profit will motivate their activities, and they will have a greater commercial orientation than most Government-owned organisations." With one stroke, privatisation and profit became the new mantra of reform.

Under this reform agenda bank-rolled by the World Bank and Asian Development Bank (ADB), generation of electricity was to be privatised first with cost of power pegged high. While sovereign guarantees and special escrow mechanism were provided to pay for high-cost private power, embargo was placed on NTPC and SEBs not to create additional generation capacity. Hoping to pluck low-hanging fruits, Independent Power Producers (IPPs) owned by Multinational Utilities entered the fray in a row. But due to the near-bankruptcy of SEBs, this did not work. Instead, scandals like ENRON happened. In 2002, WB and ADB panicked and withdrew from India's power sector. IPPs also trooped back! Despite the Electricity Act 2003, to facilitate private investment and promoting competition, the power sector continued its descent into chaos resulting in massive debt burden of the SEBs that peaked in 2011 and kept on mounting.

Second set

In July 2012, US President Barack Obama declared that "India needs a second wave of reforms." And as if on cue, Government of India went again to the World Bank which did a fresh diagnosis in 2013 and suggested the following reforms on the distribution side of electricity:

1.Ring-fence urban and rural customers and consider license, franchise, or PPP models only in urban areas. 2. State DISCOMS remain responsible for rural supply. 3. Establish urban franchises and encourage them to gradually expand their services to cover rural areas. 4. Rationalise domestic tariff to improve targeting and reduce fiscal burden. 5. Multiple supply licensees on the consumer-end to compete with each other and retail consumers having the option to migrate from one supplier to another. 6. CERC/SERCs to issue Multiple supply licenses and in the interim state-owned DISCOMS will continue to supply electricity. 7. Retail supply to consumers opened up to multiple players, mostly private to usher in competition, providing choice to the consumers. 8. Power from newer and expensive projects to be balanced out among supply licensees to ensure a level playing field for the new players. 9. Charging nominal fee for getting supply licenses.10. The SERCs will only prescribe a price cap, as done in the telecom sector initially. 11. Distribution wire business to remain with the incumbent DISCOM. 12. Industrial consumers with load of over 1 MW to seek mandatory open access at market rates and move out of the regulated tariff regime.

The Electricity Amendment Bill 2022 is almost a carbon copy of these suggestions and its real purpose is to bail out the private players who had messed-up the power sector and are in deep financial trouble. Taking advantage of the liberal provisions of the Act, these worthies set up Mega and Ultra-Mega-Power Plants thereby substantially increasing the installed capacity in the private sector, share of which is 49.5 per cent now as against almost nil before the reforms. All of them have entered into Power Purchase Agreement (PPA) with various Discoms/Utilities in the country. Since the demand did not catch up and the cost of power purchase was high, Discoms could not buy the power so produced. Even where power was bought, they could not pay for it. Private players also skewed the power-mix in favour of thermal generation, leading to an acute mismatch and idling of the thermal capacity leading to sharp downslide of the average Plant Load Factor (PLF) to a dismal 58.87 per cent in 2021-22 [central 69.71; state 54.50 and private 53.62]. This made most of private power plants non-performing with massive stressed assets, the liability of which fell directly on the public sector banks.

Furthermore, the 2022 Bill only takes forward the market-is-solution-for-all-ills theory of Montek Singh Ahluwalia who is the prime architect of Electricity Act 2003. Allowing generating companies to sell directly to distribution companies and bulk consumers, thus creating a competitive market where producers could take investment decisions based on demand, without relying on power utilities or the State Government. This would bring electricity at par with other goods and services, where competition and market forces determine efficiency levels, investments and pricing. “Open Access” to the grid and “privatisation” of power generation were at the core of this theory. But treating electricity at par with goods and services amenable to the market economy reflects a serious deficiency in understanding electricity as a commodity, and the profile of its consumers which range from the richest-of-the-rich to the poorest-of-the-poor.

Let us critically examine some salient aspects of the Electricity Bill 2022:

-Electricity Regulatory Commissions (ERCs) would issue Multiple Distribution Licensees in an area of supply in accordance with criteria prescribed by the Central government. This would lead to "cherry picking" because private players would obviously opt for 'profitable areas' leaving the 'loss-making ones' to the state Discoms. Further, if ERCs fail to grant the licence or reject the application within 90 days, the applicant shall be "deemed to have been granted the licence." Companies thus getting into electricity distribution business by default is a very dangerous prospect opening up the floodgate of corruption and favouritism that can put the consumers at grave risk.

-In the new scenario, cross-subsidising consumers will shift to private companies and subsidised consumers will remain with government company, leading to heavy burden on the State exchequer. The Bill provides for a cross-subsidy balancing fund which is analogous to the Universal Service Obligation Fund that was introduced in Telecom. This fund, specifically created to offset the losses of BSNL while providing only fixed line services in remote areas ended up supporting private operators in providing mobile services there. The same thing would happen in the power sector also.

-The Bill prohibits the regional and the state load dispatch centres (RLDCs and SLDCs) from dispatching electricity, if payment security mechanism has not been provided by the distribution licensee. This, besides distracting these high-tech agencies from their core responsibility of ensuring grid stability would also imply that no electricity would be scheduled & supplied to State Discoms, unless fully paid upfront. This can have dangerous consequences for the states and the consumers.

-Enforcing renewable power purchase obligations with harsh penalties is meant to favour large centralised solar plants owned by corporate business houses withsome charging very high tariffs as per pre-existing PPAs. This would also run counter to the energy transition agenda of decentralised and distributed generation and off-grid supply, particularly to rural consumers.

-Vesting of unlimited and undefined powers with the Centrewill severely compromise the functioning of Regulatory Commissions and would make them subordinate entities of the central government instead of autonomous bodies. This could turn out to be harmful to the interests of the states.

Despite electricity being in the concurrent list, the Centre gave no time to the states to express their views on the proposed amendments and in the process, the basic tenets of federalism were trampled upon. Adopting its provisions blindly would be against the letter and spirit of the Constitution of India. The Bill would further weaken the finances of state Discoms; have adverse impact on utility employees; cripple the states' finances and impose a heavy cost burden on the smaller subsidised consumers, especially the farmers to benefit only corporate business houses. States cannot afford to ignore the far-reaching implications of the Bill on its economy, finances, agricultural and industrial development and social equity and harmony.

The obvious object of the Bill is to turn electricity into a market commodity and introduce competition that would lead to reduction of tariffs and make power affordable and accessible to every consumer, including the poor. But the question is — Is such competition possible in the electrical power supply industry? In this context, a recent communication of Électricité de France S.A. (EDF) with the World Bank becomes relevant: “Modern economic theory tells us that competition is more difficult to introduce in network infrastructure than in other industries, and more difficult in electricity that in other networks. We also know that competition does not streamline regulation but makes it on the contrary more complex and burdensome. Introducing competition creates a “half-free, half slave” sector….” EDF goes on to say that all this talk of privatisation and competition is to open the power sector of developing countries to foreign operators and capital.

This is much truer of India than France. Considering all dimensions, the Electricity Bill 2022 would be a remedy worse than the disease afflicting India’s power sector. https://theprint.in/opinion/electricity-bill-2022-is-a-remedy-worse-than-the-disease-afflicting-indias-power-sector/1093978/

14. NHAI road monetisation slows down *(economictimes.indiatimes.com)* Updated: 23 Aug 2022

The government's move to monetise its road assets seems to have hit the slow track. The National Highways Authority of India (NHAI) is yet to hand over several road projects to the private sector for operation even nearly two months after financial bids for them were opened, people in the know said.

NHAI is yet to decide on the ToT (toll operate transfer) project bundles 9 and 10, they said. The financial bids for these were opened in July.

Earlier, auctions for ToT bundles 6 and 8 were cancelled due to poor response from private operators.

Edelweiss-owned Sekura Roads was the highest bidder (Rs 1,700 crore) for ToT 10, while the government-backed infrastructure fund NIIF had offered the highest bid (Rs 3,011 crore) for ToT 9. However, NHAI has not made any decisions to award these projects, the sources cited earlier said.

"The Internal Valuation Committee of NHAI couldn't meet yet to decide on offering ToT 9 & 10 bundles," said one of the sources.

ToT 9 comprises a 73-km stretch of the Allahabad-Varanasi section of national highway 30, while ToT 10 offers the 125-km Gwalior-Shivpuri section of NH-03 in Madhya Pradesh. The last date for bids was April 28. Under the ToT model, the right to operate, maintain and collect toll over 15-30 years on operational national highway assets will be leased against a one-time, upfront concession fee paid to the government.

"The new ToT bundles are offered with a 15-year concession period, which is too short and it should be increased to a minimum of 25 years' period," said one of the global infrastructure fund managers which did not participate in the recent ToT auctions.

Both ToT 9 and 10 have a concession period of 15 years.

"Getting a bank finance for the debt payments is not at all easy, which is one of the major challenges for bidding ToT auctions," he said, adding that the SBI was the sole financier for ToT bundles 1, 3 and 5.

Email queries sent to NHAI remained unanswered till as of press time.

Besides a few auctions like ToT 1, ToT bundle 3 and ToT 7, none of the other ToT auctions have seen serious participation from global investors.

"Generally, large investors look to invest at least $100-200 million as equity in a deal. However, current ToTs have EV of around Rs 1,000 to Rs 1,400 crore, with equity component of Rs 300-500 crore ($40 to $70 million)," said Vijay Agrawal, executive director, Equirus Capital. "This is a smaller cheque for large global investors. Hence, it is advisable to increase the value of TOT bundles, which will make meaningful sense for large global investors."

In March, NHAI had cancelled the sixth and eighth ToT bundles of its asset monetisation plan, as the offers for the assets were below the expectations.

Sekura Roads (Rs 1,107 crore) and Prakash Asphalting & Toll Highways (Rs 1,314 crore) were the highest bidders for NHAI's auction of ToT bundles 6 & 8.

Canadian institutional investor CDPQ (Indian Highways Concessions Trust) offered a price of about Rs 6,200 crore and won the ToT 7 bundle, where the second bid was offered by Cube in the range of 75-80% lower than the highest bid.

"Return on road assets are getting low year by year. It has come down from 16- 18% to 13-15%," said Agarwal. "However, ToT assets have higher risk of traffic, which increases return expectation for investors. https://economictimes.indiatimes.com/news/india/nhai-road-monetisation-slows-down/articleshow/93716797.cms

15. Why we must re-examine narrative of rural distress *(livemint.com)* Updated: 23 Aug 2022

The narrative of India's hurting rural economy is exaggerated if examined in the light of evidence

In recent years, particularly since the pandemic began in early 2020, public discourse and even policy decisions have operated under the assumption that India's rural economy is hurting and our economic recovery from covid has been uneven, etc. However, the rural economy is multifaceted and the narrative around it needs to broaden to be realistic and true to facts. Currently, it is a mosaic of statistics open to individual interpretation (read imagination).

Going by the last four annual releases of the Periodic Labour Force Survey (2017-18 to 2020-21, July-June), the rural labour market has been witnessing consistently rising labour participation and sliding unemployment rates. However, a rise in the share of self-employed and a decline in the share of regular wage/ salaried and casual labour paint a mixed picture. Demand for work under the Mahatma Gandhi National Rural Employment Guarantee scheme (MGNREGA), a ‘well accepted’ sign of economic distress, continued to be above pre-pandemic levels in the larger part of 2021 and 2022. This has strengthened the belief in broad-based rural distress, a belief that deserves to be re-examined, as we argue below.

For instance, the remarkable evolution of MGNREGS work from being the last resort of village-resident families to becoming more of a smart choice for household asset creation and sustainable income generation deserves more discussion. The share of “works done on individual’s land" (included in the permissible work list in 2009 and expanded since then) has increased from 16% of the total completed works in 2014-15 to 73% in 2021-22. These works include the creation of household assets such as animal sheds, farm ponds, horticulture plantations, vermicomposting pits, etc, in which the beneficiary gets both labour and material costs as per standard rates.

Empirically, these assets have been observed to have a significant positive impact on productivity and income, and a negative association with migration within a short span of 2-3 years (study by Institute of Economic Growth, 2018). For states like Uttar Pradesh and Bihar, its share has shot up from 4% and 2% respectively in 2014-15 to 89% and 71% in 2021-22. The monetary share of works on individual land in total completed works has also risen from about 12% in 2014-15 to 32% in 2021-22. It is smaller compared to the share in the count of works done, as small projects on individual land are smaller than community assets like roads, etc, but the jump is substantial. If the monetary share continuously increases over time, then an interesting question to ponder will be the MGNREGS’s transformation into a grant for asset creation. Of course, we need to ensure that it facilitates genuine asset creation.

That said, this has long-term implications for household incomes and life choices. As per National Bank for Agriculture and Rural Development’s All India Rural Financial Inclusion Survey (NAFIS) 2016-17, more than half of all rural households depend on more than one source of income and have significantly higher incomes than those depending on a single income source. The assets created through MGNREGS on individual land can therefore aid income diversification, lift households’ supplementary incomes, and infuse resilience in rural livelihoods. This could have also contributed to the drop in casual labour and rise in self-employment seen in PLFS data.

At the same time, the agriculture sector, employing close to 60% of the rural workforce, underwent robust growth despite covid, aided by favourable monsoons. This was reinforced by high terms of trade for agriculture in the pandemic period, and manifested in high domestic tractor sales. Moreover, PM-KISAN, now operational for three-and-a-half years, has benefitted close to 120 million farmer households in 2021-22, amounting to more than half of the rural population if we take an average household size of five. For non-agricultural households that are net buyers of food, the PM Garib Kalyan Anna Yojana, in its third year now, has brought much-needed succour.

Next, consider the NFHS data for 2019-21 vis-à-vis 2015-16, which shows a significant improvement on an array of indicators concerning the quality of rural lives. The proportion of rural households living with electricity rose from 83% in 2015-16 to 96% in 2019-21; those with an improved drinking water source increased from 89% to 95%; institutional births increased from 75% to 87%, women with bank accounts used by themselves increased from 49% to 77%, and the proportion of households with any member covered by a health insurance scheme has improved from 29% to more than 42%.

Most indicators concerning the health of rural women and children have improved. These outcome- oriented statistics reveal medium-run progress in rural living standards, aided by the government's policy focus on basic amenities and efficient programme implementation, and complemented by an evolved asset-creating job guarantee scheme. Therefore, the assumption that our rural economy is hurting needs serious re-examination both in public discourse and in policy decisions-related discussions. https://www.livemint.com/opinion/online-views/recent-data-should-nudge-us-to-reassess-claims-of-rural-distress-11661185434634.html

16. Defence Ministry grants emergency purchase powers to armed forces *(indiatoday.in)* UPDATED: August 23, 2022

With an aim of bolstering the preparedness of the armed forces, the Defence Ministry gave permission to armed forces under it to buy critical weapons systems under emergency acquisition powers. The proposal for issuing emergency acquisition powers to defence forces was cleared in a high-level defence ministry meeting on Monday, top government sources told India Today.

The powers were granted at a time when China is showing aggressive manoeuvres on the Taiwan front and holding multiple missile firings and indulging in a display of strength in the region. On the other hand, Pakistani agencies are also trying to carry out operations along the maritime border with India near the Gujarat coast.

The emergency powers allow forces to acquire any new or in-service equipment on a fast-track basis to improve preparedness for conflict situations. The armed forces have to spend funds on the new acquisitions from their own budgetary allocation and they don't have to take the defence ministry's approval for these deals, the sources said.

The Army and the Indian Air Force (IAF) also use these powers to strengthen their small arms, as the Sig Sauer assault rifles have been inducted into all three forces now.

The IAF extensively utilised the emergency procurement powers granted to them in different phases by the government to equip themselves with the necessary weaponry to handle any conflict or aggression by enemies on both sides. The armed forces have a long list of equipment to buy and will use the power to buy both indigenous as well as foreign manufactured products. https://www.indiatoday.in/india/story/defence-ministry-grants-emergency-purchase-powers-armed-forces-critical-weapons-1991398-2022-08-23

17. India's US Predator acquisition program still waits for govt's green signal *(hindustantimes.com)* Updated Aug 23, 2022

While the era of armed drones has dawned in the Indian sub-continent with China supplying to Pakistan, the Modi government is committed to develop the armed UAVs through the 'Aatmanirbhar Bharat' route.

The much-reported Indian acquisition of the United States' Predator drones is still to take off with the entire process at what is called 'pre-acceptance of necessity' (AON) stage, as the Narendra Modi government remains focused on achieving 'Aatmanirbhar Bharat' in the military hardware sector.

According to diplomats based in Washington, D.C. and New Delhi, the decision to move the proposal through the AON and Defence Acquisition Council (DAC) will be done only after the green signal from the government. The initial proposal was that India acquire 30 drones with reconnaissance, surveillance and hunting capabilities; the Army, Navy and Air Force would get 10 each for force application. Originally, the lead player in the acquisitions was the Navy, which already operates two surveillance versions of Predator drones from its base in Tamil Nadu for maritime domain awareness from the Gulf of Aden to the Sunda Straits beyond Malacca.

This week a report by news agency PTI quoted Dr Vivek Lall, CEO of General Atomics, as saying India is in 'advanced stage of negotiations' with the US for acquisition of 30 MQ 9B drones to crank up surveillance capabilities.

While the acquisition of the Predators - if it takes places - from the US through foreign military sales route will be a political decision, the era of armed drones has now dawned in the Indian sub-continent, with countries like China, Pakistan, Iran, the United Arab Emirates, Saudi Arabia, and Turkey equipped with these standalone weapon systems.

A proven and capable system, the Predator is prohibitively costly - the entire project will cost India upwards of $3 billion if approved.

It may be pointed out India is looking for an armed drone but would not like to spend huge amounts for purely a surveillance drone - a job done satisfactorily by the Israeli Heron upgraded drone for the Indian military at much cheaper costs.

Although the Modi government stands committed to developing armed drones through the indigenous route, the matter has acquired urgency with China developing armed drones with both turbo-prop and turbo-fan engines at a rapid pace. It has also supplied Pakistan with the armed turbo-prop version of Wing Loong II drones, while Islamabad is also looking towards Turkey for acquisition of much cheaper but effective Bayraktar TB 2 drone.

It is a matter of concern to India that Turkey, which still thrives on its Ottoman legacy of the past, is involved in upgrading Pakistani weapon systems including submarines.

India, in the meantime, has upgraded its Israeli Heron drones with better data link and force capability. It may not have a Predator in its arsenal but has the capability to take an unmanned aerial vehicle to fight the enemy. https://www.hindustantimes.com/india-news/indias-us-predator-acquisition-program-still-waits-for-govt-s-green-signal-101661226602245.html

18. EPFO Rs 1,000 crore 'scam': Retirement fund body staff under scanner for PF claims fraud *(timesnownews.com)* Updated Aug 23, 2022

Retirement fund body Employees' Provident Fund Organisation (EPFO) has started an investigation into possible wrongdoing by its staff at a Mumbai suburban office, which could involve estimated losses of up to Rs 1,000 crore for the organisation.

Citing people with knowledge of the matter, ET reported that the modus operandi is believed to be creating fake accounts and transferring funds or settling claims in defunct firms such as cash-strapped Jet Airways which later went into the National Company Law Tribunal (NCLT) for transfer of ownership.

"We expect EPFO losses due to this particular fraud to mount to up to Rs 1,000 crore, arising due to violation of rules and tax evasions," Prabhakar Banasure, a member of EPFO's central board of trustees, told the financial daily, highlighting that "offenders should be punished for doing injustice to members' life savings and maligning this apex retirement body."

Officials mentioned that an internal investigation is underway and the vigilance department is scrutinising past records to determine the actual quantum of losses. Plus, a final report will soon be submitted to the EPFO central body.
People cited above are of the view that the scam was allegedly committed in Mumbai's Kandivali office, using employment funds of then pilots, including many expats, and crew members of Jet Airways.

The senior social security assistant of Kandivali PF office, Machindra Bamne, was reportedly suspended over the alleged fraud of Jet employees' PF claims.

Bamne was found to have "received illegal gratification from some members into his bank account for settlement of PF claims related to employees of M/s Jet Airways", regional provident fund commissioner-1 RO, Kandivali East, wrote in an order dated August 18, the financial daily reported, citing the letter.

It is important to mention that many Jet Airways pilots or crew members PF accounts were allegedly misused to divert money, which allegedly benefited some EPFO officials working at Kandivali office.

The publication quoted Banasure as saying, "They were hand in glove with select manipulators on the Jet side before the airline company went to NCLT. I have been raising this matter to competent authorities including EPF chairman."

Another senior social security assistant, Nilesh Kapadia, was also found allegedly involved in the scam. He, however, left the organisation a few years ago, before the scam came out.

As per the EPFO official, Jet Airways employees' PF accounts have been settled without observing standard norms, which resulted in losses to the exchequer as income tax has been dodged. https://www.timesnownews.com/business-economy/industry/epfo-rs-1000-crore-scam-retirement-fund-body-staff-under-scanner-for-pf-claims-fraud-epfo-fraud-mumbai-article-93719583

19. AAP govt ignored panel recommendation, caused ₹900 cr loss in excise policy: BJP *(hindustantimes.com)* Aug 22, 2022

The Bharatiya Janata Party (BJP) on Monday said that important recommendations of the committee constituted by the Aam Aadmi Party (AAP)-led Delhi government were not incorporated in the new excise policy while one key provision of the policy was not implemented resulting in a loss of at least ₹900 crore to the exchequer. The BJP also refuted Delhi deputy chief minister Manish Sisodia's claim that the party has offered to withdraw all cases against him if he quits AAP and joins them.

BJP national spokesperson Gaurav Bhatia said that Delhi chief minister Arvind Kejriwal and his deputy, who is "accused number one in the liquor policy scam", keep changing the goalpost every time the BJP asks them tough questions. Bhatia said that the BJP is a "respected family" and has no place for "corrupt people".

Addressing a press conference, Bhatia said that the committee recommended that wholesale distribution should be kept with the government, retail vending should be given based on a new lottery system to ensure transparency in the process and make provision for a 10% increase in licence fees at the time of renewal.

"But the committee's recommendations regarding the wholesale and lottery system were not incorporated in the policy. Arvind Kejriwal and Sisodia are the first chief minister and deputy CM in the country who don't trust government agencies. The wholesale distribution (L1) was given to private players despite the committee's recommendation causing a loss to the exchequer," said Bhatia.

Instead of a lottery system for retail vends for 32 zones, Bhatia said, "They selected 16 companies and gave them two zones each. They even gave a waiver of ₹144 crore on licence fee and waived off the earnest money deposit of a firm worth ₹30 crore," said Bhatia.

The BJP said that the government incorporated the provision of 10% increase in licence fee at the time of renewal. "But it was not taken, which resulted in a loss of at least ₹900 crore to the exchequer….Every time we ask them tough questions, they keep changing the goal post. We are giving them 24 hours to answer our question," said Bhatia.

The BJP said that the AAP-led Delhi government has no explanation for the increase in commission from 2% to 12% or why no public notice for consultation was issued before the implementation of the policy.

Accusing the chief minister and deputy chief minister of working to benefit the liquor companies and fill its party coffer, BJP MP from South Delhi Ramesh Bidhuri said, "Kejriwal and Sisodia are trying to divert public attention from the liquor scam. They have held meetings with liquor firms and made provisions to benefit them. The meetings were held in a hotel in Delhi. If this is not true, then they should say that they don't know Vijay Nair, Arjun Pandey etc and that Sisodia never went to the hotel. https://www.hindustantimes.com/india-news/aap-govt-ignored-panel-recommendation-caused-900-cr-loss-in-excise-policy-bjp-101661158801548.html

20. Climate crisis driving world to drought *(newindianexpress.com)* 23rd August 2022

In June last year, when the United Nations termed drought as the next pandemic that could rival Covid-19, it was a foreshadowing of a dystopian future straight out of sci-fi films. Only the frightening reality seems to have arrived. Major river systems across Europe and the US have run dry as a climate-driven drought is shaking developed nations out of slumber. River Colorado in southwestern USA, a lifeline for 40 million people from seven states and Mexico, has shrunk, prompting the government to impose mandatory water use cuts and emergency action plans. The river system sustains a $15 billion agriculture industry. Over 40% of the US is witnessing a prolonged drought.

Europe is grappling with one never seen in its recent memory. In France, large stretches of the 600-mile-long Loire river have simply evaporated, leaving the world's most-prized vineyards in the doldrums. River Danube, which traverses through 10 European countries and provides a crucial shipping channel, is in dire straits. Almost a third of Italy's food is produced along the Po river, which is so dried up that it exposed a World War II era bomb in its bed. Similar stories abound across Africa and Asia, triggering fears that the planet is hurtling towards a crisis beyond anyone's comprehension.

The climate crisis has hit home too. Before the monsoon season began, northeast India reported a deluge of unthinkable proportions, leaving close to a million people displaced. Similar disasters have hit Bihar, Odisha and north Indian hilly states. The Ministry of Environment, Forest and Climate Change says the country's monsoon precipitation declined by 6% from 1951 to 2015. The area affected by drought increased by 1.3% per decade with a growing frequency.

A study by two IITs in 2019 revealed that at least 16 of 24 river basins face a high probability of drought due to lowered moisture soil, which could seriously affect India's food security. According to the UN, current emission rates will increase drought frequency and severely impact the bottom lines of developed countries and worsen food security across developing and poor nations already exacerbated by the Russia-Ukraine war. The danger is clear and present. https://www.newindianexpress.com/opinions/editorials/2022/aug/23/climatecrisis-driving-world-to-drought-2490424.html