

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (26.08.2022)**

**1. 'Freebies', a judicial lead and a multi-layered issue** ([thehindu.com](http://thehindu.com)) UPDATED: AUGUST 26, 2022

**While it is useful to start with the definition of 'subsidies', the issue of 'tax preferences' also merits attention**

The Prime Minister's recent comment on "freebies" handed out by governments has reignited the debate on the economic rationale for granting subsidies. Market fundamentalists have seized the opportunity to press home the point yet again that subsidies are, per se, undesirable for they contribute to suboptimal outcomes for the economy. This unbridled affront on subsidies does not make a distinction between transfer payments that are made for running social welfare schemes (without which disenfranchised citizens of this country cannot hope to survive). When this debate began to go astray, it needed a strong reminder by the Supreme Court of India that in the on-going debate on subsidies and "freebies", a distinction had to be made between expenditure made on social welfare schemes and "irrational freebies" offered to voters during elections.

### **A closer look at the Budget**

The lead given by the Supreme Court to engage in a discussion on subsidies must be seen as the starting point to deal with an issue that is truly multi-layered. This becomes evident from a close reading of the Union Budget and the manner in which the various governments have presented data pertaining to subsidies and transfer payments. A more critical aspect is to understand why it is imperative for the Government to continue with agricultural subsidies and extend support to ensure that health and educational services are available to all. This issue needs to be raised as the narrative of market fundamentalists routinely harps on reducing government spending. But before delving into the intricacies of the way these payments have been presented for public consumption, it may be useful to start with the definition of what can be considered "subsidies".

Although 'subsidy' is among the most discussed issues, a legally acceptable definition of this instrument is hard to come by. One exception is the Agreement on Subsidies and Countervailing Measures (ASCM) of the World Trade Organization. According to ASCM, a subsidy shall be deemed to exist if there is a financial contribution by a government or any public body where government practice involves a direct transfer of funds (e.g., grants, loans and equity infusion), and/or government revenue that is otherwise due is foregone or not collected, and/or a government provides goods or services.

'Subsidy' can also be any form of income or price support granted by the government. This is a comprehensive definition of what subsidies are, for it includes not only direct transfer payments by the governments but also taxes and charges that are not collected. This aspect has gone under the radar in the on-going discussion.

The Union Budget has provided data on direct subsidies and transfer payments from 2006-07 in a statement titled "Revenue Foregone under the Central Tax System" annexed to the Receipts Budget. Thus, the Union Budget includes all categories of

subsidies that figure under the ASCM definition. However, from the Union Budget 2015-16 onwards, the title of the annexure was changed to “Statement of Revenue Impact of Tax Incentives under the Central Tax System”. So, replacing the term “revenue foregone” with “tax incentives” in the title of the Annexure was just a change in semantics.

### **Policy and measures**

Tax policy includes a range of measures that include special tax rates, exemptions, deductions, rebates, deferrals, and credits, all of which affect the level and distribution of tax. These measures are often called “tax preferences”, which are built into both direct and indirect tax regimes for realising specific benefits serving the greater public good. For instance, the Income-tax Act includes “tax preferences” to promote savings by individuals and for enhancing exports, creation of infrastructure facilities and scientific research and development by corporates. On the other hand, customs duty concessions are intended to promote exports. The more substantive point here is that tax preferences are considered as implicit (indirect) subsidies to preferred tax payers; therefore, they merit attention in the current debate on justification of subsidies.

Data on revenue foregone was first provided along with the Receipts Budget of 2006-07 covering both direct and indirect taxes. As regards direct taxes, which we shall consider here, data on its major components are obtained from the returns filed electronically by corporate and non-corporate assesseees. The significance of revenue foregone in the case of direct taxes was underlined in a 2016 Comptroller and Auditor General of India (CAG) report in 2016, which showed that revenue foregone in 2010-11 was 21% of direct tax revenue and had decreased to 15% in 2014-15. However, a subsequent report showed that the share had climbed again to reach 22% of tax revenue in 2019-20.

There are several important facets of the “tax preferences” provided by the Government in respect of direct taxes that are germane to this debate on subsidies. First, as compared to individuals, corporates have been enjoying a larger share for all years except in 2019-20 when the share of individuals inexplicably increased. The figures of 2019-20 are significant also because “tax preferences” for corporates registered an increase, even as corporate taxes were reduced. And, finally, while the Finance Minister spoke about eliminating “tax preferences” available to income-tax payers in lieu of lower tax slabs, which is optional at present, the corporate sector enjoys “tax preferences” as well as lower tax rates.

A related issue that must be mentioned here is that handouts from the Government, whether they are in the form of “tax preferences”, tax-cuts and the plethora of incentives are given for realising specific objectives. If these objectives are not realised, as for instance, the corporate tax cuts effected in 2019-20 did not result in higher private investment as the Government had expected, should this tax cut not be considered “freebies”?

### **Fading support**

This brings us to a much larger issue of targeting agricultural subsidies and also support provided to public health and education for making these services available to all. Market fundamentalists have forever opposed these subsidies/support by arguing that they are a wasteful use of resources. But this argument has gained currency since

every Central government in the past three decades has adopted policies to whittle down support to these sectors extended by the government. Public health and education have consistently been undermined to create space for private players. And, in agriculture, the Government had brought the controversial farm laws for dealing with the issue of increasing farm subsidies.

### **An underinvestment**

While adopting policies targeting these sectors, successive governments have paid little attention to the dismal reality of under-investment in these sectors. Public expenditure on health has struggled to cross 1.5% of GDP, which is significantly lower than those in other major economies. In education, the Kothari Commission's target set in 1966, that public investment should be increased to "6 percent of the national income as early as possible" is but a distant dream.

That agriculture has remained the neglected sector hardly needs to be emphasised. The most galling fact is the astonishingly low share of the country's investment that this sector receives. At the turn of the millennium its share was 10%; in recent years, it has almost halved. As the crisis in agriculture has deepened as a result of this chronic underinvestment, subsidies have been the palliatives extended by the Government for farmers to merely protect their livelihoods. Will the naysayers still call agricultural subsidies "freebies"? <https://www.thehindu.com/opinion/lead/freebies-a-judicial-lead-and-a-multi-layered-issue/article65811227.ece>

## **2. Infravisioning: A Historic Reform in Public Procurement ([bqprime.com](https://www.bqprime.com)) 25 Aug 2022**

India has seen a historic reform in public procurement. Why is it historic? For decades, the Indian industry, particularly those engaged in infrastructure—developers, construction companies, operators—have been complaining about what they call this L1 tender system, where without much focus on quality, the person who submits the lowest cost tender is chosen that has been often attributed for all the ills plaguing Indian public works—the L1 license tender raj.

The second thing that infrastructure players have been complaining for decades is delayed payments. There seems to be no control on timely payments by sarkari entities.

On Oct. 29, 2021, we had this bombshell of a notification from the Finance Ministry. The Department of Expenditure seeks to completely change the historical paradigm of public procurement and it's steered by none other than the Finance Secretary TV Somanathan. It required a significant amount of push by Somanathan and his colleagues and a tremendous amount of bureaucratic and political capital to push this through the system.

So, what are these reforms? These reforms for Indian infrastructure and public works are in three broad buckets. The first one is the order and the discipline for timely payments. The second is the dismantling of the lowest cost tender or the L1 raj. The last one is clear guidelines on not fooling around with arbitration awards, but honouring them in cases where the sarkari entity has lost the arbitration.

## **Push For Timely Payments**

For decades, the Indian industry has stood at the door of bureaucracy asking for payments, which would come as late as 90 days, 120 days, one year, who knows. This time, the notification says 75% of a running bill has to be cleared in 10 working days and the balance 25% within 28 working days of a contract being closed.

The final bill is to be cleared within three months of completion of works, a provision to pay interest may be put in. In bureaucracies, there is a major difference between can, shall and may. Large parts of this notification of clearing these payments on time are shall, only the interest cost is may.

The responsibility of the officers concerned has been clearly documented and they are accountable for unwarranted delays. And equally importantly, this notification now instructs that online system for bills and payments monitoring or an e-platform is made available for contractors to track, which means anybody who will work on public goods, on public works for the government will now have the privilege of logging in and seeing the status of the submitted bills and when the payment is going to be released; and if there is something holding it up, what is holding it up.

Ending The L1 Tender Raj Bucket number two is the famous L1 tender Raj bidding. Biddings comes in different forms and shapes. For consultancies, there are three procurement methods already in place, and these are pretty well-known among consulting engineering firms. The first, a quality and cost-based selection called QCBS, is for everybody. All engineers and consultants who work for the National Highways Authority of India are familiar with this system that the tenders or the bids are evaluated on the basis of 80% technical score and 20% financial score. This is called QCBS quality and cost resolution.

The other is the old LCS least cost system called L-1 and there is SSS or the single-source selection. These three have been historically allowed and now the notification allows a fourth method called the fixed budget selection, where the price is fixed and only merit is to count. This is fine for consultancies, but the bigger picture is what are the bidding norms for works contracts.

Till now, all public works in our country were based on selection of the lowest cost tender or the L1 raj. This notification, in a sense, breaks down this decades-old hindrance and allows quality and cost-based selection of consultancies as long as the sponsoring authority—a government department, a ministry, a PSU—defines it as a quality-oriented procurement or QOP. Which means, if you are issuing a tender for a simple stone boundary wall, let's say in a village panchayat that is not a QOP and then you could still follow L1 because these are commodity bids.

But if their project is defined as a project of quality, let us say a major project for tunnelling in the Himalayas or a significant irrigation project or an 8- to 10-lane highway with bridges and overlays and underpasses. All these can be declared quality-oriented procurement and in these projects, the sponsoring authority is allowed to select the bidder based on 30% technical score and 70% financial score.

Why 30-70? Why 30% technical and not 80% technical as is allowed in the case of consultancies? We will come to that later.

For non-consulting services, it allows QCBS or quality-based system where order value is less than Rs 10 crore. For example, if at a major airport, a medical company or a hospital were to set up hundreds of kiosks for Covid-19 testing, that is a non-consulting service but it's a service and in the selection of the service, even the same 30-70 norm can be incorporated where the order value is less than Rs 10 crore.

There has always been a controversy in India about the applicability of single bids. That is when a tender is out, no other person, no other company bids. In this notification, single bids have been allowed, subject to the fact of certain caveats that they have been widely advertised and are not completely wacko. But broadly, single bids are to be considered. So, this is the major reform after timely payments on bidding, which is the beginning of the process of dismantling the L1 raj.

### **Targeting Delays**

The third bucket is arbitration awards. All of us know, there are constant disputes between a private sector provider of construction and related services and a sponsoring authority. There are 'n' number of jhagras and disputes, which ultimately go to arbitration. For one of the largest construction companies, an arbitration process today can stretch as long as 10 to 14 years till it sees final resolution. This is a system that has broken down, and every government officer or institution now finds it convenient every time it loses an arbitration award, to kick the process upstairs to the next higher court, thereby delaying the process inordinately.

So, what does the government say in its notification of Oct. 29, 2021? It says that we recognise the negative and obstructive behaviour by state-run entities. You can't get a more transparent statement from the central government. Having recognized that, it says where an award against a government entity has been lost by the state entity, 75% of the award shall, not may, be paid to the contractor and may include interest against bank guarantee. This decision was actually taken by the PMO five years ago, but it was not honoured and today, this rule, like all the other clauses contained in this notification, is now part of the general financial rules of the Union of India and, therefore, you can't now fool around with it. You have to follow them.

Even while challenging an arbitration award the government had lost, the routine was that the officer concerned would challenge it in a casual manner. That itself has been stopped and the notification says that challenging an arbitration award that the government has lost can only be done with full application of mind by a duly constituted special committee of the board of that particular entity.

The top three buckets relate to what I call a historic reform in public procurement.

### **What More Is Needed**

#### **Special Cases**

There are issues to be addressed. For example, why is the technical score given at only 30% and not 80% as in consultancies? You could argue that if it is very complicated tunnelling in the Himalayas, then only very specialised companies with knowledge and competence would be allowed to bid for that tender and be evaluated on their competence and past track record. Therefore, there is a clear case for arguing with the government that in special cases, provisions should be allowed to take the technical score as high as 80% as done for consultancies. There is a case for

increasing the technical score from 30%. But we do recognise it's a beginning and I am sure as this whole format comes down, these refinements will be taken care of.

### **Threat of Encashing Guarantees**

There is next the scourge of arbitrary bank guarantees and threats of blacklisting.

This is standard procedure in construction and EPC bids in Indian infrastructure and related projects that on the whims and fancies of the procurement agency, if there is a dispute, a bank guarantee is encashed, without giving notice or without giving time for a cure period. And even junior officers in state public works departments or even in central entities can threaten a private company by saying, "You don't follow my instructions; I will blacklist you."

This business of arbitrary encashing of bank guarantees and constant threats of blacklisting—sometimes without substantive reasons—has not been addressed in this notification and in future needs to be addressed. All of us know that in public tendering, there is always that one bad apple that gives a bid that is either extraordinarily low, or extraordinarily high in the case of revenue sharing and other methods like auctions. That vitiates the entire bidding tendering process.

### **Irrational Bids**

We must have a system for weeding out irrational bids, whether that is done statistically or through committees empowered to do it. It is still to be addressed. The future modifications to this notification must address that.

Swiss Challenge is a method of procurement that is popular for infrastructure projects the world over, which is a private sector player thinks of a creative project, brings it to the government and asks for the privilege of implementing it. India still doesn't have a clear policy on what is called Swiss Challenge and that now needs to be built into the procurement process.

All public procurements have a system where an independent engineering firm clears the bills and assures quality. That system today, in a sense, is not really fulfilling its purpose. For the simple reason that the independent engineer is not paid by the government but is paid by the private sector company whom it is supposed to audit and monitor. It's built for failure. So, the independent engineer system needs to be modified.

### **Safety Net For Bureaucrats**

There is a need to protect bureaucrats against post facto investigation. Newspapers were full of the news about ex-Coal Secretary HC Gupta sent to jail for rigorous imprisonment for his role in the so-called coal scam. If the newspapers, commentators and editorials raise the question that if bureaucrats are not empowered to take decisions, then I am afraid major infrastructure projects will come to a halt.

A system needs to be created where bureaucrats are protected in genuine cases against post facto investigation, where there are no allegations of personal corruption against them, and decisions need to be taken by committees.

## **States Must Follow Up**

A very important point in this Oct. 29, 2021 historic reform is the fact that it is only restricted to central government entities. It is only restricted to the central government works contracts and related consulting and service assignments which are issued by the ministries and departments of public sector units. But procurement and public works is a state subject and 60% of public works in this country are done by the states. This public procurement constitutionally belongs to the states wherever the state is spending money on it.

It is a crying need for all of us who are concerned with the infrastructure sector to now rally state governments to come around to this point of view that the centre's historic initiative in reforming public procurement processes now needs to cascade down to the states. Not only should media do it, not only should state finance ministers wake up to it, but the Indian industry led by the different industry associations should now stand at the door of state governments, particularly their finance departments, and say, "The central government has done it, this is good for the industry, why don't states adopt it and it should be taken up in Mission Mode."

## **Time-Bound Process, Fair Price Escalation**

There are two other smaller issues. The future additions and modifications to this notification should take care of the fact that the bid process cannot be indefinite. Sometimes bids are asked for and a decision is not communicated for nine months to 12 months, by which time inflation has eaten away margin, prices have changed, conditions have changed. There must be a definite time limit when you call for a bid to say that the decision has to come, and I would argue it should not come later than three months. That's enough to evaluate the bids. That means taking care of price escalation in works contracts.

Today, there are very huge inflationary pressures in the economy. A large portion of that affects the construction trade, steel, cement, and building materials. All of that push up the costs, which were not seen at the time of the tender. Public works tenders do have a provision for providing price escalation, but the formula used there is not practical.

To give an example, the entire cost of package of works contracts has increased by anywhere from 16-20% because of the current bout of inflation, but the formula used for giving them compensation, as per the CPWD contracts, compensates them for only about 6-7%. You are hit by about 10% in your construction contracts, where your margin may not be more than 9% or 10%. So, issue of price escalation for works contracts needs to be taken care of in future additions.

## **Effective Implementation**

Now, a very important question is consequences management. What is going to happen if people don't follow these rules. These rules for timely payments, the process of procurement, the bidding process of QCBS quality and financial scores and honouring arbitration awards have been incorporated in the general financial rules of the Union of India. Every member of the bureaucracy and the political system has to follow it.

So, how will you follow it? The best method is CAG audits it and pulls up officers who do not follow these rules. As recently as July 1, 2022, about six or seven months since the notification was issued, the Central Vigilance Commission pushed aside all historical notifications on public procurement and incorporated these changes in its public procurement manual.

It has now gone into the DNA of the audit and vigilance process of this country. Any officer who violates this is not only auditable, but the CVC can pick it up for non-compliance. This is a serious offence and it can't get more serious than that. This is consequence management.

From now onwards, just watch out for the central CAG audits and the strictures of the CVC where an entire range of procurement authorities of the central government now are faced with these historic reforms of payments in 10 days, honouring arbitration awards and having the facility for QCBS in quality-oriented projects. Which is why I have called it a historic reform. <https://www.bqprime.com/opinion/infravisioning-a-historic-reform-in-public-procurement>

### **3. Group of lawyers demands probe into 'illegal acts' of CJI Ramana while setting up mediation centre** ([theprint.in](https://theprint.in)) August 25, 2022

Several mediators and arbitrators have urged the central government for a probe into the "illegal acts" of Chief Justice of India (CJI) N. V. Ramana for his alleged role in the setting up of the Hyderabad-based International Arbitration and Mediation Centre (IAMC).

As many as 65 legal professionals, arbitrators and mediators, including Sriram Panchu, a senior advocate at the Madras High Court, have signed the representation dated 15 August.

ThePrint has a copy of the representation.

The centre was established under a trust "formed" by Justice Ramana, and that he is also the author of the deed of the public charitable trust, they claimed, adding that Justice Hima Kohli and the recently retired L. Nageswara Rao were trustees.

While the former is a sitting Supreme Court judge, the latter's last day in office was 7 June. The controversy comes at a time when Justice Ramana will be demitting office on 26 August.

CJI Ramana had inaugurated the IAMC in December last year in the presence of Telangana Chief Minister K. Chandrasekar Rao at Nanakramguda on the outskirts of Hyderabad.

The representation claimed that the CJI was "promoting the centre and using his official position to solicit business for the centre". "Justice Ramana has obtained large financial benefits from the government of Telangana amounting to approximately Rs 250 crore, by obtaining 5 acres of land at Hi-Tech city" for the centre, it alleged.

Through such actions, it claimed, Justice Ramana has ventured into a "business activity of administering arbitration and mediation for commercial matters by charging



a fee, while occupying his position as the Chief Justice of India”, which goes against the Code of Conduct for judges.

Panchu, one of the signatories, had written an article in June that was critical of the role of former and sitting judges in the setting up of the Hyderabad centre. Retired Haryana High Court judge K. Kannan and senior advocate Gopal Sankaranarayanan had then come out to rebut the charges.

### **Request for CAG inquiry**

The signatories, meanwhile, claimed that they intend to “highlight some serious concerns affecting the rule of law, due process of law and judicial propriety, affecting the credibility of judicial administration and delivery of justice”.

It then urged the central government to form a high-level committee to conduct an inquiry into “illegal acts, including the illegal establishment of the IAMC and the transfer of public land to the centre, and also frame appropriate guidelines relating to the conduct of judges while in office and restraining them from involving in private ventures and obtaining huge amounts of public assets and monies”.

The group also requested the Comptroller and Auditor General (CAG) to investigate the allegations, “since it involves a large-scale misuse of public funds and assets by the Government of Telangana overlooking procedure and propriety”.

Over the past few months, the legal community has been divided over the role of former and sitting judges in the setting up of the IAMC. It began with an op-ed written in The Wire by Panchu who highlighted concerns similar to those raised in the representation.

He alleged that the trust had “apparently sought land and largesse from the state government of Telangana, which has happily obliged”. The centre reflected a trend of judges “using judicial office to benefit former colleagues, or themselves by way of post-retirement benefits”, he claimed.

The article was rebutted in a column by retired judge Kannan, and in another by senior advocate Sankaranarayanan. Both the columns were published in LiveLaw. <https://theprint.in/judiciary/group-of-lawyers-demands-probe-into-illegal-acts-of-cji-ramana-while-setting-up-mediation-centre/1100034/>

#### **4. सरकार कहती है 'जरूरी नहीं है आधार- वोटर आईडी लिंक करना', लेकिन का नून कहां छोड़ता है इसकी गुंजाइश ([abplive.com](https://abplive.com)) August 26, 2022**

Aadhaar-Voter ID Linking Is Voluntary: भारत के चुनाव आयोग (Election Commission) ने मतदाता सूची में डुप्लीकेट मतदाता को हटाने के लिए 1 अगस्त से आधार (Aadhaar) को मतदाता पहचान पत्र (Voter IDs) से जोड़ने के लिए एक अभियान शुरू किया है. संसद में केंद्र सरकार ने कहा था कि यह प्रक्रिया स्वैच्छिक (Voluntary) होगी, लेकिन हाल के हफ्तों में, कई मतदाताओं को चुनाव अ

धिकारियों के फोन आए हैं. इसमें कहा गया है कि दोनों दस्तावेजों को जोड़ना जरूरी है, जिन मतदाताओं ने अभी तक इन दस्तावेजों को लिंक नहीं किया है, उन पर दबाव बनाने के लिए चुनाव अधिकारी सरकार के आधार-

वोटर आईडी लिंकिंग स्वैच्छिक है आदेश का ही हवाला दे रहे हैं. यहां जानिए कैसे आधार-वोटर आईडी लिंक करना स्वैच्छिक होते हुए भी क्यों आसान नहीं है.

### **आधार- वोटर आईडी लिंक करने का दबाव**

12 अगस्त को राज्य चुनाव आयोग के ब्लॉक लेवल के अधिकारी का फोन दिल्ली के एक लेखक और सार्वजनिक नीति पेशेवर मेघनाद एस (Meghnad

S) को आया था. लेखक मेघनाद ने बताया,

"अधिकारी ने मुझसे कहा कि अगर मैं ऐसा नहीं करता हूं, तो मेरा मतदाता पहचान पत्र एक साल में रद्द कर दिया जाएगा." आधार (Aadhaar) भारतीय निवासियों को उनके बायोमेट्रिक डेटा (Biometric

Data) के आधार पर आवंटित 12 अंकों की विशिष्ट (Unique) पहचान संख्या से बताता है. जब मेघनाद ने अधिकारी से पूछा कि इस प्रक्रिया को अनिवार्य क्यों बनाया गया है, तो उन्हें बताया गया कि "ऊपर से आदेश" आया है.

लेखक मेघनाद ने अपनी और इस अधिकारी के बीच आधार और वोटर आईडी लिंक करने की बातचीत को ट्विटर पर पोस्ट कर दिया. इस पोस्ट के बाद दिल्ली के मुख्य निर्वाचन अधिकारी के कार्यालय से एक एक व्यक्ति ने उनसे संपर्क किया. इस व्यक्ति ने उन्हें बताया कि आधार और वोटर आईडी लिंक करने की प्रक्रिया स्वैच्छिक है और उनका मतदाता पहचान पत्र रद्द नहीं किया जाएगा. लेखक ने ब्लॉक स्तर के अधिकारियों को इस मामले में भ्रम की स्थिति पैदा करने के लिए जिम्मेदार ठहराया. उन्होंने कहा कि उन्हें "फिर से प्रशिक्षित करने की जरूरत है."

दरअसल यह ब्लॉक स्तर के अधिकारियों की गलती नहीं है. यह प्रक्रिया ही एक ऐसे कानून से चलती है जिसने नागरिकों के लिए अपने आधार नंबर को अपने वोटर आईडी से जोड़ने से बचना लगभग असंभव कर दिया है. इसके अलावा ब्लॉक स्तर के अधिकारियों पर अपने वरिष्ठ अधिकारियों का इन दोनों दस्तावेजों को तेजी से जोड़ने का दबाव भी है.

### **कानूनी तंत्र**

बीते साल दिसंबर में केंद्र सरकार विपक्ष के भारी विरोध के बीच इस लिंकिंग को सक्षम करने के लिए चुनावी कानून संशोधन (Electoral Laws Amendment) विधेयक लेकर आई थी. तब विपक्ष ने तर्क दिया कि यह कदम निजता (Privacy) के मौलिक अधिकार का उल्लंघन करेगा. हालांकि उसी वक्त कानून मंत्री किरेन रिजिजू

(Kiren

Rijju) ने दावा किया था कि यह प्रक्रिया स्वैच्छिक होगी. इस मुद्दे पर भारत का कानून कुछ और ही सलाह देता है. कानून कहता है कि मतदाता सूची (Electoral Roll) में नाम शामिल करने के लिए आने वाले किसी भी आवेदन को अस्वीकार नहीं किया जाएगा और न ही किसी व्यक्ति के नाम को आधार संख्या (Aadhaar Number) न देने या बता पाने पर मतदाता सूची से बाहर किया जाएगा." हालांकि इसके साथ ही यह भी जोड़ दिया गया कि आधार न दे पाने वाले आवेदक को इसके "पर्याप्त कारण" बताने होंगे.

हालांकि ये 'पर्याप्त कारण' क्या हो सकते हैं? सरकार ने यह साफ नहीं किया है. सरकार को इस बात को साफ करना चाहिए कि कोई व्यक्ति स्वेच्छा से किन वजह से आधार देने को बाध्य नहीं है. केंद्र सरकार ने जून में कानून को लागू करने के लिए नियमों को अधिसूचित किया. नियमों के तहत इसमें इकलौता "पर्याप्त कारण" जिसके तहत कोई व्यक्ति अपने आधार को चुनावी कार्यालय में जमा करने से बच सकता है वो यह है कि उसके पास आधार ही न हो. हालांकि ऐसे मामलों में 11 अन्य पहचान प्रमाण (Identity Proofs), जैसे ड्राइविंग लाइसेंस और पासपोर्ट, का इस्तेमाल मतदाता पहचान पत्र को प्रमाणित करने के लिए किया जा सकता है. यहां तक कि सभी राज्यों और केंद्र शासित प्रदेशों के मुख्य निर्वाचन अधिकारियों को 4 जुलाई को यह निर्देश भेजे गए कि आधार जमा करना स्वैच्छिक होगा. इसमें ये भी कहा गया कि वोटर आधार संख्या न होने पर ही इसे देने से इंकार कर सकता है.

आधार को बारीकी से ट्रैक करने वाले संगठन आर्टिकल 21(Article 21) की वकील और ट्रस्टी मानसी वर्मा (Maansi Verma) ने कहा, "नियमों और फॉर्मों को पढ़ने वाला कोई भी अधिकारी इस निष्कर्ष पर पहुंचेगा कि आधार और वोटर आईडी लिंकिंग जरूरी है." इसके अलावा नियमों के तहत इस लिंकिंग प्रक्रिया को पूरी करने के लिए 1 अप्रैल, 2023 की कट-ऑफ तारीख दी गई, लेकिन अगर कोई आधार या किसी अन्य पहचान पत्र को वोटर आईडी से लिंक करने में असफल रहता है तो क्या होगा यह साफ नहीं किया गया है. निर्वाचन अधिकारियों को निर्देश में कहा गया है कि यदि वे अपना आधार विवरण जमा नहीं करते हैं तो उन्हें मतदाता सूची से नाम नहीं हटाना चाहिए. ट्रस्टी वर्मा ने कहती कि आधार और वोटर आईडी पर बने इस भ्रम से सरकार को फायदा होता है: "अगर लोग इस बारे में अनिश्चित हैं कि आधार- वोटर आईडी से न जोड़ने पर क्या होगा, तो वे दोनों दस्तावेजों को जोड़ देंगे."

## मतदाता सूची से नाम हटाने की चेतावनी

देशभर के मतदाताओं को चुनावी अधिकारियों के फोन आते रहते हैं कि अगर वे अपने मतदाता पहचान पत्र को आधार से जोड़ने में विफल रहते हैं तो उनका नाम मतदाता सूची से हटा दिया जाएगा. कुछ मामलों में, अधिकारियों के पास पहले से ही मतदाताओं के आधार नंबर थे और उन्होंने केवल इसकी पुष्टि करने के लिए लोगों को फोन किए. दिल्ली के सुदीप्तो घोष (Sudipto Ghosh) के पास भी ऐसा ही फोन आया था. तब उन्होंने कहा, "जब मैंने उनसे पूछा कि उन्हें मेरा नंबर कैसे मिला, तो उन्होंने मुझे बताया कि बहुत से लोग अपना एपिक (Electors Photo Identification Card-EPIC) बनाने के लिए आधार नंबर का इस्तेमाल करते हैं." हालांकि, घोष इस बात से हैरान थे कि उन्होंने अपने आधार का इस्तेमाल कर अपना वोटर आईडी नहीं बनाया था. तो फिर उन के पास फोन कैसे आ गया. घोष बताया,, "मैंने उनसे कहा कि वे मेरा आधार नंबर काट दें." हालांकि घोष को ये नहीं पता चल पाया कि अधिकारी ने उनकी बात मानी या नहीं.

## लक्ष्य और समय सीमा

ब्लॉक स्तर के अधिकारियों ने कहा कि वे केवल वही कर रहे थे जो उनके वरिष्ठों ने उनसे करने को कहा था और उन्हें इस काम को पूरा करने के लिए लक्ष्य दिए गए थे. एक अधिकारी ने कहा,

'हमें अगस्त के अंत तक 100 फीसदी लिंकिंग करने का निर्देश दिया गया है. चुनाव आयोग के ब्लॉक लेवल के अधिकारियों को उस वक्त और दबाव पड़ा जब उन्हें लगा कि उनके उच्च अधिकारी आधार से वोटर आईडी लिंक करने के काम को बेहद गंभीरता से ले रहे हैं. इस का एक उदाहरण 19 अगस्त को सामने आया जब असम चुनाव आयोग ने ट्वीट किया. इस ट्वीट में मैं एक ब्लॉक स्तर के अधिकारी को बधाई दी गई थी, जिन्होंने अपने क्षेत्र में मतदाता पहचान पत्र के साथ आधार को जोड़ने का 100 फीसदी लक्ष्य हासिल किया था.

एक अन्य अधिकारी ने बताया कि कैसे सीनियर अधिकारियों ने इस काम के लिए दबाव बनाया. उन्होंने बताया कि उनके सीनियर अधिकारियों ने विभिन्न ब्लॉक अधिकारियों के काम की प्रगति की एक दिन ही में तीन बार लिस्ट डालीं. इस ब्लॉक लेवल के अधिकारी का कहना था कि यदि कोई अधिकारी इस काम में सक्रिय नहीं हो रहा है, तो सीनियर निजी संदेश भेजकर कारण पूछते हैं. इस अधिकारी ने कहा, "कभी-कभी हमें लोगों से झूठ भी बोलना पड़ता है और कहना पड़ता है कि आपका वोटर आईडी हटा दिया जाएगा. इससे लोग अपने आधार नंबर साझा कर सकते हैं." इस अधिकारी ने आगे कहा, "यदि वे अपना आधार नंबर साझा नहीं करते हैं, तभी हम कोई अन्य पहचान का सबूत मांगते हैं."

लिंक करने की परेशानी

कई आधार और डिजिटल अधिकार कार्यकर्ताओं ने इस लिंकिंग को लेकर चिंता जताई है. सबसे पहली बात तो ये साफ ही नहीं है कि ये परेशानी किस हद तक है.. आर्टिकल 21 की वकील और ट्रस्टी मानसी वर्मा ने बताया,

"हम नहीं जानते कि मतदाता सूची में कितने डुप्लिकेट वोटर मौजूद हैं." उन्होंने आगे बताया, "फिर, यह भी पता नहीं है कि आधार को लिंक करने से यह परेशानी कैसे हल होगी. यहां तक

कि जब आधार में भी डुप्लिकेट हैं." गौरतलब है कि नियंत्रक और महालेखा परीक्षक (Comptroller And Auditor General) की एक हालिया रिपोर्ट में कहा गया है कि डुप्लिकेट होने के कारण करीब पांच लाख आधार कार्ड हटा दिए गए थे. वकील वर्मा सवाल करती है कि तो डुप्लिकेट वोटर आईडी हटाने का आधार आधार दस्तावेज कैसे हो सकता है?" जब वहीं डुप्लिकेट हैं तो.

यह भी आशंका जताई जा रही है कि इससे मतदाताओं का मताधिकार छीन लिया जाएगा. इससे पहले, तेलंगाना और आंध्र प्रदेश में मतदाता पहचान पत्रों को आधार संख्या से जोड़ने के बाद लगभग 55 लाख मतदाताओं ने अपने नाम मतदाता सूची से हटे हुए पाए थे. नतीजा ये हो सकता है कि इस लिंकिंग की वजह से वास्तविक मतदाताओं के नाम भी वोटर लिस्ट से हटाए जा सकते हैं. साल 2020 के एक अध्ययन में पाया गया कि जब नकली राशन कार्ड धारकों को बाहर करने के लिए राशन कार्डों को आधार संख्या से जोड़ा गया, तो बाहर जाने वाले 90 फीसदी नाम वास्तविक राशन कार्ड धारकों के थे.

इसके अलावा, सुरक्षा संबंधी चिंताएं भी हैं, क्योंकि भारत में डेटा संरक्षण कानून नहीं है. इस वजह से मतदाता प्रोफाइलिंग और लक्षित प्रचार (Targeted Campaigning) के लिए इस जानकारी के दुरुपयोग की संभावना से इंकार नहीं किया जा सकता है. आधार और मतदाता पहचान पत्र को जोड़ने से नागरिकों के मौलिक अधिकारों का भी उल्लंघन हो सकता है. 24 अगस्त 2017 को 9 जजों वाली सुप्रीम कोर्ट की संविधान पीठ ने सर्वसम्मति से निजता के अधिकार को मौलिक अधिकार बताया है. पीठ ने कहा था कि निजता का अधिकार संविधान के अनुच्छेद 21 के तहत दिए गए जीने के अधिकार और व्यक्तिगत स्वतंत्रता का हिस्सा है. <https://www.abplive.com/news/india/govt-says-aadhaar-voter-id-linking-voluntary-but-law-leaves-little-room-to-avoid-it-explained-2200563>

## **STATES NEWS ITEMS**

### **5. CAG Report on Maharashtra's Finances amid pandemic: 'Fiscal deficit maintained; delay in submission of utilisation certificates' ([indianexpress.com](https://indianexpress.com)) August 26, 2022**

The Comptroller and Auditor General (CAG) of India's report on Maharashtra's finances for the year that ended on March 31, has said that during the Covid-19 pandemic in 2020-21, the state government managed to contain fiscal deficit to Gross State Domestic Product (GSDP) ratio at 2.69 per cent, as against the target of 4 per cent, due to reduced expenditure.

The report was tabled in state legislature on Thursday — the last day of the Monsoon Session.

However, the revenue deficit of Rs 17,116 crore in 2019-20 increased to Rs 41,141.85 crore in 2020-21. During 2020-21, the fiscal liability (total outstanding to debt) to GSDP ratio at 20.15 per cent was higher than the targets prescribed in the Maharashtra Fiscal Responsibility and Budgetary Management Act, 2005.

During the five-year period of 2016-21, the state could achieve revenue surplus only during Rs 2017-18 and 2018-19.

The CAG observed that the extraordinary situation of the pandemic, the complete lockdown and then gradual removal of restrictions had impacted economic activities. As compared to the previous year, while the state's tax revenue declined steeply by 13.07 per cent, capital outlay decreased by 18.48 per cent and market borrowings increased drastically by 51.59 per cent.

The outstanding debt (fiscal liabilities) of the state government increased from Rs 3,95,858 crore in 2016-17 to Rs 5,48,176 crore at the end of 2020-21. The outstanding debt grew by 12.43 per cent due to an increase in the outstanding internal debt worth Rs 46,903 crore and loans from the Union government worth Rs 14,025.29 crore, which included Rs 11,977 crore in lieu of GST compensation.

The CAG has, however, flagged delay in submission of utilisation certificates (UC). The Bombay Financial Rules, 1959, provides that for grants received during a year for specific purposes, UCs should be obtained by departmental officers from grantee institution and after verification, the UCs should be forwarded to the accounting officers.

As per the CAG, as on June 30, 2021, 28,240 UCs amounting to Rs 42,861.97 crore was outstanding. The report said that the urban development department has the largest pendency of UCs worth Rs 11,404.99 crore, followed by school education and sports departments (Rs 8398.14 crore). <https://indianexpress.com/article/cities/mumbai/cag-report-on-maharashtras-finances-amid-pandemic-fiscal-deficit-maintained-delay-in-submission-of-utilisation-certificates-8112166/lite/>

**6. Maha's tax revenue hit by 13% in FY 20-21 due to Covid-19: CAG report** ([hindustantimes.com](https://www.hindustantimes.com)) Updated: Aug 26, 2022

Mumbai: Comptroller and Auditor General (CAG) has stated that the Covid-19 pandemic, subsequent lockdowns and high spending to mitigate the virus had an unprecedented impact on the state's finances. Maharashtra's tax revenue in FY 2020-21 dropped steeply by 13.07%, capital outlay declined by 18.48% and market borrowings increased drastically by 51.59%.

According to the CAG report tabled in the state legislature on Thursday, revenue receipts in FY 20-21 decreased to ₹2,69,468 crore from ₹2,83,190 crore due to a drastic drop in tax revenue from sources like GST, sales tax, stamp duty and registration, vehicle tax, among others.

The revenue expenditure, however, increased to ₹3,10,610 crore from ₹3,00,305 crore in FY 2019-20. The drop in revenue was attributed to the economic crisis driven by the pandemic and a natural rise in expenditure, causing in the multifold rise in borrowings. Consequently, the total debt rose to ₹5,36,199 crore in FY 20-21 from ₹4,79,899 crore in the year before that.

The pandemic also affected the growth of the Gross State Domestic Product (GSDP) which was (-)5.57% as it dropped to ₹26,61,629 crore in FY 2020-2021 from ₹28,18,555 crore in 2019-2020. The CAG also rapped the state government for poor spending of budgetary allocation. "The budgetary exercise carried out by the government needs to be more realistic as 20% of the total provision remained unutilised. The expenditure incurred during FY 2019-20 was 8% less than the original budget. The supplementary budget constituted 16% of the original budget," the report stated.

"Supplementary provision of ₹13,226 crore obtained during the year proved unnecessary as the actual expenditure on the grants (₹1,47,153 crore) did not reach the levels of the original provisions of ₹2,03,836 crore," the report stated.

It has also recommended that the state should assess and formulate a realistic budget based on reliable assumptions considering the needs and capacity of the departments and their capacity to utilise the allocated resources.

According to the officials from the finance department, the state finances went for a toss due to a drastic drop in the revenue receipts. "Not only in Maharashtra, but the crisis was faced by all states and even the central government in FY 2019-20 because of the pandemic and lockdowns. The situation improved in FY 2021-22 and the economy is now on a recovery path," the official said.

The CAG has, however, hailed the state government for the number of attempts it took to contain the fiscal deficit below 3% keeping it at 2.69% in FY 2020-21. The revenue deficit increased to ₹41,142 crore in FY 2020-21 from ₹17,116 crore in 2019-20. <https://www.hindustantimes.com/cities/mumbai-news/mahas-tax-revenue-hit-by-13-in-fy-20-21-due-to-covid-19-cag-report-101661453152603.html>

## **7. CAG pulls up BMC for poor performance in property tax collection ([timesnownews.com](https://timesnownews.com)) Updated: Aug 25, 2022**

Mumbai: The Comptroller and Auditor General (CAG) of India, in its report tabled in the state assembly, has criticised the Greater Mumbai Municipal Corporation (BMC) for its dismal performance in collecting property tax. As per the CAG report, the property tax collection efficiency of Mumbai is just 28 percent, far below from the performance of other urban local bodies, where the average rate stands at 53 percent.

"The average property tax collection efficiency during five fiscal years 2015-16 to 2019-20 in the 44 urban local bodies was 53 per cent. But the rate for Municipal Corporation of Greater Mumbai during the said period was only 28 percent," the report stated.

Even among municipal corporations, the average rate of tax collection stands at 47 percent, far above Mumbai, the report suggests. CAG also pointed out that the Property Tax Board (PTB) which assists urban bodies for proper property tax management was also not constituted by the BMC.

The BMC, however, has recently taken steps to recover pending property tax dues for the year 2019-20 which will amount to Rs 300 crore. The government had earlier exempted property tax of residential properties measuring up to 500 sq. ft but later clarified the general tax component alone was exempted.

"BMC has recovered the property tax bill of 2020-21 excluding general tax which is 15 percent of the total bill. We are in the process of sending bills for 2019-20," senior civic officials said earlier.

The CAG, in its report, further pointed out several mismanagements in collecting taxes across the urban local bodies. It also cited the disparities between demand and collection of the tax. The property tax demand had increased by 153 percent during the period 2015-16 to 2019-20, but the collection has declined to around 25 percent. The report also noted that the Geographic Information System (GIS) mapping of the properties was not completed in 34 out of 44 total urban bodies. <https://www.timesnownews.com/mumbai/cag-pulls-up-bmc-for-poor-performance-in-property-tax-collection-article-93782384>

## **8. Mumbai: CAG raps BMC for not levying property tax on government properties ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) August 26, 2022**

The comptroller and auditor general (CAG) of India has said property tax collection had a low efficiency of 53% across urban local bodies (ULBs) in Maharashtra from fiscal 2015-16 to 2019-20, and the Greater Mumbai municipal corporation was among the worst performers with collection touching barely 28%. The major reason, it said, was that tax was not being levied on most central and state government properties across ULBs.

The report tabled in the state legislature on Thursday said among ULBs, average collection efficiency in municipal corporations was 47%, way better than BMC.



The CAG pointed to the lacuna caused by not constituting a property tax board which was proposed to assist ULBs to put in place an independent and transparent procedure for assessing tax.

"Charges in lieu of property tax on Central and State Government properties were not levied in majority ULBs ...average property tax collection in the ULBs was not only low but the majority...failed to improve the buoyancy in property tax by levying property tax on capital value," it said.

In its assessment, CAG underlined the disparity between demand and collection and said property tax demand rose 153% between 2015-16 and 2019-20. "However, the collection has declined from 30.03 per cent during 2015-16 to 25.13 per cent during 2019-20. Out of total property tax demand of Rs 1,00,607.04 crore in the 44 ULBs during 2015-16 to 2019-20, majority Rs 84,777.14 crore (84 per cent) demand pertained to MCGM alone," its report said.

While giving examples of poor tax collection, CAG said Nashik and Amravati municipal corporations did not levy charges in lieu of property tax on government properties. Sinnar Municipal Council was not levying property tax on vacant land.

As per a Urban Development Department order in June 2017, Geographic Information System (GIS)-based taxation was to be implemented across municipal areas to expand tax base by bringing unassessed properties into the net. Audit observed that GIS mapping of properties was not completed in 34 out of 44 ULBs.

CAG has urged the state to ensure ULBs levy property tax on capital value and complete GIS mapping of properties in a time-bound manner. Interestingly, only three, including Greater Mumbai, out of 44 were levying property tax on capital value, the auditor noted. <https://timesofindia.indiatimes.com/city/mumbai/mumbai-cag-raps-bmc-for-not-levying-property-tax-on-government-properties/articleshow/93787103.cms>

## **9. Delhi: Board Members Flag Concerns over Govt's Ambitious Scheme for Construction Workers** ([newsclick.in](https://www.newsclick.in)) 26 Aug 2022

**At a recent meeting, some 'Kushal Karmi Yojna' board members said the scheme will burn a hole in workers' pockets without making any substantial change in wages.**

In a board meeting of the Delhi government's recently floated policy 'Kushal Karmi Yojna', concerns were raised by some members of the Delhi Building and Other Construction Workers Welfare Board (DBOCWWB) that the scheme would dry up the finances of the board without bringing any substantial changes in the wages of construction workers, sources close to matter and requesting anonymity told NewsClick.

One of the most ambitious projects of the Delhi government, the 'Kushal Karmi Yojna', intends to upskill 20,000 construction workers annually. The 15-day training programme includes an hour-long theory class and seven hours of practical training every day.

The programme aims to train workers in three domains: construction, barbinding and shuttering. At the end of the training, a worker is entitled to receive Rs. 4,200 as wage loss compensation. The project launched its pilot on July 7, 2022 with an enrolment of 200 workers. The pilot batch ended on 26th July 26, according to sources.

This project is being headed by the Delhi Skill and Entrepreneurship University (DSEU) along with three partners -- Simplex, NREDCO and India Vision Foundation. The DBOCWVB would pay Rs.12,080 for the 15-day training in three categories: Rs 5,880 to the training provider, Rs 4,200 to workers as wage-loss compensation, and Rs 2,000 to DSEU to implement and assess the programme.

For the 15-day training, the government aims to spend Rs 241.60 crore on 2,00,000 workers in a year. The fund has three components: the highest amount will go to partner companies, which is Rs 117.60 crore (48.67%), Rs 84 crore (34.77%) for workers and Rs. 40 crore (16.56%) to DSEU. In addition to tools and consumables, boarding and lodging facilities for the scheme have not been accounted for, said sources.

As per the Modified Model Welfare Scheme guidelines, under the 'Skill Development' section, Kushal Karmi Yojna's expenditures shouldn't be more than 10% of the construction workers' cess collected by the welfare boards in the previous year. However, in reality, the expense is more than 964.3% of the permissible level. In 2021-22 (FY) the cess collection by the board was Rs 227 crore. Also, there have been talks about extending the training to three months with an estimated cost of Rs 1,249.60 crores, annually.

The recent specific board meeting took place after one and a half years on August 8. As per the DOBWVB rules 2002 and Section 253, the meeting should take place every two months.

The August 8 meeting, according to some board members, witnessed several concerns being raised. Apart from the overall concerns on this particular scheme, the other issues raised were delays in board meetings, approval and launch of schemes without discussions with the board and issuing labour cards online that were allegedly leading to misuse of funds.

According to some board members, the issues that were neither addressed nor was any entry made in the official logbook. A purported letter accessed by NewsClick sent to the board's secretary confirms the same.

"The board is not engaging in a democratic decision-making process. Currently, all the decisions are being taken single-handily by the deputy CM and board chairman Manish Sisodia. As per the law, the decisions should be discussed in the board meetings before going ahead; however, the rules and regulations are being pushed aside, resulting in a completely undemocratic process and unplanned way of funds. There was not a single board meeting in the last one and a half years despite several reminders," Ramendra Kumar, board member and general secretary of Delhi Nirmal Majdoor Sangathan told NewsClick.

Arun Kumar Jha, the present secretary of the board, however, insisted that all the decisions were taken in accordance with the rules. In response to a written query by NewsClick, he said: "The Board already decided and approved for imparting vocational training to construction workers vide Notification dated 2012 and accordingly, provisions were made in Rule 283(A). This, at present, is being implemented as a pilot project by engaging Delhi Skill & Entrepreneurship University as PMU. The entire scheme is being implemented as per the guidelines issued by MoLE from time to time and fulfilling all nodal formalities".

It is also important to note that the DBOCW Advisory Committee, formed to strengthen the board, has not held a single meeting since its formation three years ago.

"The board is just a casual affair for the government. The policies are being implemented without discussing the budget or outcomes. This policy will not bring fruitful results as it doesn't deal with the root problem of minimum wage in Delhi," Thaneshwar Dayal Adigaur, a member of the DBOCW Advisory Committee, told NewsClick.

Adigaur was referring to a Business Standard report: A wait for compensation, better wages, that said that construction workers have not seen any increase in their wages after getting the training. The report further stated that all the workers who participated in the training were not even getting the minimum wage, as mentioned by the Delhi government's labour department order.

Girdhari Kewat, one of the trainee workers, told NewsClick that he was happy with the training because he got to learn a lot about his work but admitted that it did not result in an increase in his wages.

The government is yet to release the compensation of the workers who participated in the training. Contrary to the official's version that the government had not received the bank information of the enrolled workers to proceed with the compensation, Kewat said he had submitted his bank details during the time of the training itself.

"No, my wage has not increased, though I learned a few new things. We also did not receive the Rs.4,200 yet as wage loss for training, I had submitted my bank details during the time of the training only. It's been a month," Kewat told NewsClick.

The board was established in 2002, by the then Delhi Chief Minister Shiela Dikshit. The primary aim of this board is to assist and strengthen construction workers through different welfare schemes.

As a result of these initiatives, the board's primary funding source is not through the Centre or state government but rather the 1% cess collected from every employer involved in building or other construction works of the state government or a public sector undertaking. Along with construction workers, the board utilises this fund for different welfare schemes, including social security, health care, maternity leave and pensions, among others in Delhi.

In 2021, the Comptroller and Auditor General (CAG) report on social, general and economic sectors for the year ending March 2019 tabled in the Delhi Assembly was

also critical of the board's functioning, especially regarding the fund allocation. The report clearly stated that the board is spending low on welfare activities and board is not functioning as per the laws. <https://www.newsclick.in/Delhi-Board-Members-Flag-Concerns-Govt-Ambitious-Scheme-Construction-Workers>

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

#### **10. The Mystery of the MoD Granting Emergency Materiel Purchasing Powers to the Services, Yet Again ([thewire.in](http://thewire.in)) August 26, 2022**

**The ambiguity is that these financial powers, when granted earlier, were not delegated for any specific period and hence, could not have elapsed, warranting their renewal by the DAC earlier this week.**

The latest episode in the South Block's mystery serial centres around the emergency financial powers 'granted' by the Ministry of Defence's (MoD's) Defence Acquisition Council (DAC), on August 22, to the armed forces for the next six months to buy urgently-needed materiel for immediate operational employment.

However, one needs Hercule Poirot, the fiercely-moustached fictional Belgian detective from Agatha Christie's whodunnits, to try and solve the secret behind this delegation of power that seems locked in an enigma within a conundrum. The facts of this cliff-hanger, as Poirot would inscrutably say, challenge the little grey cells, mon ami.

This latest financial fiat emanated against the backdrop of the Indian Army's (IA) stand-off with China's Peoples' Liberation Army (PLA) along the disputed Line of Actual Control (LAC) in Eastern Ladakh, which has endured since May, 2020. What, indeed, is even more surprising is that over two years later, the services, particularly the IA, remain in the process of procuring 'urgently-needed' equipment to make good the gaps in their materiel inventories.

According to media reports, the services have, once again, been authorised to exercise these purchasing powers multiple times over the next six months to acquire diverse equipment, preferably from indigenous sources, worth up to Rs 300 crore each time, via an abridged fast-track procedure (FTP) to hasten procurements. One proviso, however, requires equipment thus acquired to be inducted into service 'within months' of the buy, a period which could probably stretch up to a year.

But this is nothing new.

The IA and Indian Navy (IN) vice-chiefs of staff and the deputy chief of staff of the Indian Air Force (IAF) have enjoyed financial powers for the past 15 years to procure equipment from local and foreign vendors from their respective capital budgets. In 2007, the financial limit was first pegged at Rs 10 cores, rising 30 times over the next 12 years to Rs 300 crore in February, 2019.

The ambiguity is that these financial powers were not delegated for any specific period and hence could not have elapsed, warranting their renewal by the DAC earlier this

week. Therefore, its puzzling why these very same powers have been 'granted' yet again for the next six months when they were already in play and valid.

To add further to this riddle, similar 'emergency powers' were, once again, accorded to the three services after the 2019 terrorist attack on a paramilitary convoy in Pulwama in southern Kashmir, in which 41 people died, to buy whatever equipment they needed to deal with the security situation along the Line of Control (LoC) with Pakistan and for counter insurgency operations (COIN).

Oddly, the FTP was also initially promulgated in September, 2001 to meet urgent operational requirements, even though the services had not been delegated the financial powers for capital purchases at the time. However, they later became entitled to pursue the FTP route once the financial powers were delegated to them, 2007 onwards.

Considering that the services were already authorised to follow the FTP to expeditiously buy equipment annually up to Rs 300 crore as many times as they needed, subject only to availability of funds, even Poirot would rightly deduce that the DAC's July 22 directive was jejune.

But that still does not rob it of curiosity or speculation and with all such instances, especially with regard to weighty matters like materiel procurements, there are some possible explanations, albeit feeble.

One such explanation is that the DAC, which is procedurally required to give 'in-principle' approval for all acquisitions via the FTP, has relinquished its authority to the services, leaving it entirely to the latter to decide what equipment and ordnance needed buying, and how to go about acquiring them.

If so, this would, in effect, mean that the services would be free to import urgently-needed kit through the FTP conduit, which otherwise needed DAC authorisation, according to an April, 2022 amendment to the Defence Acquisition Procedure-2020 (DAP-2020).

The other likely explanation is that the financial powers, which till now were being exercised by the vice- and deputy chiefs of staff of the three services, have now been delegated to the Army Commanders and their equivalents in the other two services, who have also wielded 'Special Financial Powers' for over two decades to effect revenue purchases to remain operationally active.

Whatever be the reality, the DAC's July 22 decision was seemingly a brazen admission of the MoD's inability to ensure the timely acquisition of varied military equipment through the DAP-2020, and all its preceding editions, since 2002.

To put it succinctly, this is a damning self-goal by the ministry, but good for the services if it results in faster equipment procurement, especially for the IA, which is readying to deploy along the LAC in harsh wintery climatic conditions in Ladakh's cold desert for the third consecutive year.

Perhaps, it's also time to holistically re-examine the 657-page DAP-2020 at the present juncture when India faces serious military threats along its vast unresolved frontiers. <https://thewire.in/security/financial-powers-to-services-for-materiel-acquisition>

## 11. Backend botch-ups hamper Direct Benefit Transfer payments ([moneycontrol.com](https://moneycontrol.com)) August 26, 2022

### **More than half the payment failures may be due to incorrect Aadhaar details, or bank accounts that are wrongly flagged as inactive**

Mere enrolment in a welfare scheme does not sufficiently determine whether beneficiaries are protected by a social protection safety net. For example, even after successful enrolment in a cash transfer scheme the safety net can be compromised when credit failures occur.

As in the case of Sunita, an MGNREGA labourer from Uttar Pradesh, many others are experiencing back-end issues with respect to their Direct Benefit Transfer (DBT) payments. Beneficiaries are often entirely unaware of the status of their payments and the follow-up required.

Sunita is a daily wage labourer in the Jalalabad district of Uttar Pradesh. She sometimes supplements her precarious income by claiming employment under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). This is common practice in her village, and permits residents to earn Rs. 204 for a day's work.

In May 2020, Sunita was allotted 13 days of work digging a pond site in a village in Jalalabad. In the following weeks, she waited for her wages (amounting to approximately Rs. 2,600) to no avail. As per scheme rules, she is entitled to receive her wage within a fortnight of completing any work. This protocol was not followed for reasons unclear.

Sunita was not the sole aggrieved – most MGNREGA workers from her village had not received their wages. Enquiries with the Block Development Officer (BDO) revealed that failure to link workers' Aadhaar cards with their job cards, and spelling errors in workers' names, were among the reasons for the payment failures.

This demonstrates a commonly occurring problem in processing DBT payments – the failure of payments due to bank account-related and Aadhaar-related documentation.

Results from the three-state Dvara-Haqdarshak survey of 1,500 DBT beneficiaries reveal that 18 percent of the payment issues reported were bank account and Aadhaar-related. Among Aadhaar-related issues, errors in the beneficiary's Aadhaar details (36 percent) and pending KYC forms (32 percent) were the most common.

We validated these findings through interactions with stakeholders (such as district and block officers) and interviews with civil society volunteers. They confirmed that issues with Aadhaar details in the National Payments Corporation of India (NPCI) 'mapper' (which facilitates DBT payments), and closing / freezing of bank accounts

are persistent issues which cause DBTs to fail. Issues with a beneficiary's Aadhaar details, such as wrongly spelt names, lead to rejections by the DBT back-end.

Some beneficiaries even find that their accounts are restricted from receiving incoming DBTs as they are flagged as inactive by banks, sometimes wrongly.

Some of these issues continue to occur in spite of notifications by the ministry of finance instructing banks to eliminate some types of failures.

Indeed, analysis of official administrative data published on the publicly-available PM Kisan dashboard reveals that 51 percent of payment failures may be attributed to Aadhaar-related problems.

This implies that beneficiaries' Aadhaar details may not be captured in the NPCI mapper, or that the submitted Aadhaar number already exists in the mapper, but for a different citizen.

A district agricultural officer in Raipur, Chhattisgarh, has confirmed that issues in PM-Kisan data often arise due to incorrect / incomplete seeding of citizens' Aadhaar numbers with their bank account details.

We make the following policy recommendations to make payment processing more inclusive. We advocate the overall reduction of payment errors while equipping citizens with the requisite tools to rectify them, should they occur.

#### 1. Publication of DBT transaction failure data:

At present, there is limited information in the public domain regarding the outcomes of DBT payments. The NPCI publishes annual data on the volume and value of successful DBT transactions under the Aadhaar Payments Bridge System (ABPS).

Beyond this source, there is no regular publication of data about failures in DBT payments – even though the 'DBT file' created during disbursement captures the reason for transaction failures.

Publishing such data could improve transparency in the DBT system and foster a better understanding of why welfare payment failures occur.

Such reports may also provide details at some level of disaggregation – say, the number of transactions failed (with root causes) by location type (urban / rural), welfare scheme, gender and so on.

Over time, the regular publication of such transaction failure data would prompt improvements in the system. A similar protocol may be applied to grievance data for complaints about payment processing.

#### 2. Improve channels of communication with the citizen:

Our field interactions indicate that DBT beneficiaries often rely on banks to provide updates on the payment status of DBT transfers. Most citizens approach the local bank

/ banking agent to enquire whether a welfare payment has been made into their accounts. If the bank / banking agent cannot provide a satisfactory update, beneficiaries are unlikely to be able to diagnose potential issues.

We propose that crucial details about the payment status of a DBT must be communicated to citizens by a designated governmental entity within the DBT architecture. Government-to-citizen services (G2C) communication must be transparently allocated to a public authority rather than be left to banks.

The communication must be designed to apprise citizens of all updates to their payment status – from the generation of the Fund Transfer Order (FTO) until successful credit.

In case of failure, the specific reason for credit failure must be mentioned, along with information on the steps required to resolve the issue. These details should be regularly updated on the beneficiary's online record and communicated through an SMS notification / IVR call in the local language. <https://www.moneycontrol.com/news/business/economy/backend-botches-hamper-direct-benefit-transfer-payments-9088881.html>

**12. 2050 net-zero target can boost India's GDP by 7.3 pc by 2032: Report ([financialexpress.com](https://www.financialexpress.com)) August 26, 2022**

Should India ramp up its ambition to achieve net zero emissions by 2050, it could boost GDP by 7.3 per cent (USD 470 billion) and create almost 20 million additional jobs by 2032, a new research shows. Achieving net zero emissions by 2070 could boost India's economy by as much as 4.7 per cent above the projected baseline growth in GDP terms by 2036 — worth a total of USD 371 billion, illustrates modelling and research commissioned by the High-level Policy Commission on Getting Asia to Net Zero.

Launched in May, the commission has four members — former Australian prime minister Kevin Rudd, former United Nations secretary general Ban Ki-Moon, former vice chairman of Niti Aayog Arvind Panagariya, and global head and director of Climate Business, International Finance Corporation, Vivek Pathak. The commission launched the "Getting India to Net Zero" report on Friday, which said India achieving net zero by 2070 would boost annual GDP by up to 4.7 per cent by 2036.

Net zero will also bring notable benefits for Indians. The transition will see a net increase in employment opportunities, creating 15 million jobs beyond a baseline scenario by 2047. Households could save as much as USD 9.7 billion in energy costs by 2060, it said. Yet, achieving net zero emissions will require India to grapple with a series of challenges, the foremost being finance: according to the modelling, India will need around USD 10.1 trillion in cumulative economy-wide investment to meet its 2070 target. While India could decarbonise using carbon revenues or other domestic tax-raising mechanisms to fund green investments, leveraging international support would free up domestic finance for development, poverty reduction and management of social impacts, helping mitigate the negative impacts on households from higher prices and taxes, the commission said.



The report comes ahead of a pivotal moment for Asian and Indian leadership especially, with India assuming the G20 presidency in 2023 and the Asia Pacific Group hosting COP28. At the 26th Conference of Parties to the United Nations Framework Convention on Climate Change in Glasgow last year, Prime Minister Narendra Modi announced that India will achieve net zero emissions by 2070. Net zero means achieving a balance between the greenhouse gases put into the atmosphere and those taken out.

The commission said policies, especially to boost renewables and electrification, could make net zero possible by mid-century. "Ending new coal as soon as possible by 2023 and transitioning from unabated coal power by 2040 would be particularly impactful for reaching net zero emissions closer to mid-century," it said.

Rudd said, "India's net zero ambitions are not just important for the global fight against climate change – they can also be a boon for the country's own sustainable and inclusive development." Ban Ki-moon, the current president and chair of the Global Green Growth Institute, said, "The time is ripe for India to formalise and implement its 2030 and 2070 emission targets and to continue to strengthen them. India is already feeling some of the worst impacts from emissions and pollution, with extreme heat, floods, premature deaths and more." Panagariya said India promises to emerge not only as a model for healthy, sustainable and strong economic growth, but also as a global manufacturing hub for the global net-zero economy. As the host of the G20 in 2023, India can showcase its action and encourage other countries to follow suit, cooperate and invest, he added. <https://www.financialexpress.com/economy/2050-net-zero-target-can-boost-indias-gdp-by-7-3-pc-by-2032-report/2644823/>

### **13. Climate Risk and Indian Pension Funds ([moneylife.in](https://www.moneylife.in)) Aug 25, 2022**

Since Reserve Bank of India (RBI) published its discussion paper on climate risk for stakeholder consultation it is somewhat puzzling to notice that other financial regulators have not taken a similar approach to gauge the extent of climate risk in their respective domains. Climate risk, being a systemic risk, will impact the entire financial sector.

Let us take the case of pension funds. Globally, since the signing of UN Climate Change Conference (COP26), major pension funds such as the Ontario Teacher's Pension Fund of Canada, the Danish ATP, APG of the Netherlands and pension funds in UK and the US are taking climate risk seriously. And why not—with roughly US\$28trn (trillion) of assets, pension funds will be instrumental in financing the transition to net zero.

Extrapolating the global trends to India, climate risk has not featured in pension fund regulatory and development authority's (PFRDA's) agenda, if we survey the recent annual reports.

Following the spirit of RBIs discussion paper, the logical question to ask will be: what the exposure of Indian pension funds to climate risk and what should be the approach going forward, given the answers to the first question.

The answer to the first question can be approached from different angles. But, to begin with, unlike banks, pension funds are somewhat different as they undertake consumption smoothing while banks undertake maturity transformation. Within pension funds themselves, another difference arises in the way consumption smoothing is organised, that is defined benefit (DB) or defined contribution (DC), and this mix differs across geographies.

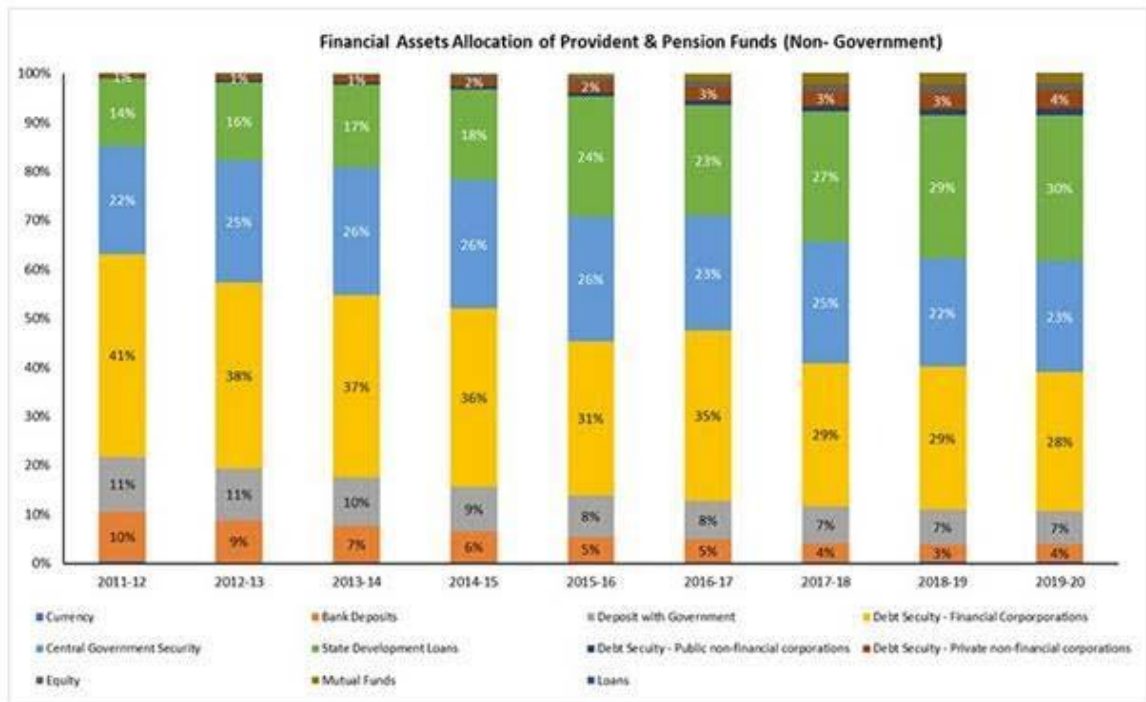
In case of banks, the organisation is based on the principle of fractional banking which is universal. As a result, most soft standards that have evolved, such as the task force on climate-related financial disclosures, have focused on banks.

The primary motivation for pension fund to account for climate risk, in say strategic or tactical asset allocation, also differs depending upon the type of funds. For standard DB funds, climate risk influences both asset and liability side. Impact of climate change on mortality or asset returns will have a bearing on solvency of DB funds. Then, the idea of inter-generational equity, that is the bedrock of climate debate, is also applicable to DB funds.

In case of DC funds, which most of the Indian funds are, the primary concern is the impact on asset returns and contribution at risk due to climate-induced background risk. Background risk entails changes in wage growth or employment rate in climate sensitive sectors which are covered under one or another occupational pension plan.

The climate risk analysis of the Indian pension sector is also constrained by the topology of the sector with multiplicity of sponsors. If we separate the national pension scheme (NPS), the four other major funds; namely, the EPFO (employees provident fund organisation) and a long list of exempted funds under EPFO, Seamen's Provident Fund by ministry of shipping, Coal Miners Provident Fund under ministry of coal and Assam Tea Plantation Provident Fund all have considerable background risk induced by climate change. With the exception of EPFO, the sector-specific climate risk will apply to the other three funds. We have still not touched gratuity funds and superannuation funds with life insurance companies.

Given this diversity, there is no unified data on entity-specific and geographical exposure of Indian pension fund assets. This makes assessment of physical and transition risk a challenging proposition. What best is available and published by RBI is thus used. The evolution of pension fund assets in flow of funds accounts since 2011 is shown below:

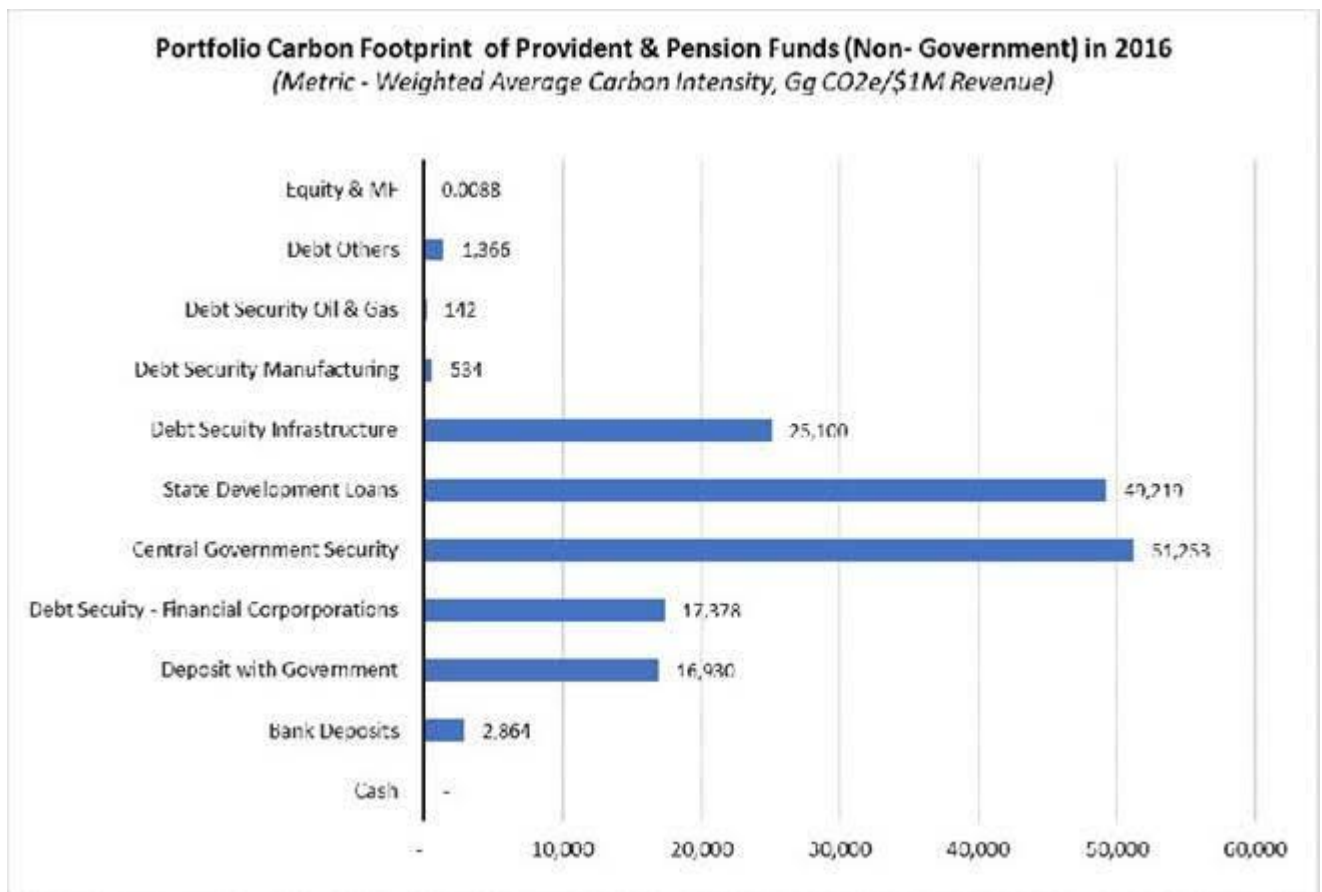


Clearly, three asset classes stand out: debt securities issued by financial corporations, Central government securities and state governed security or SDLs. The exposure to public and private non-financial corporations is to the tune of 5%. Thus, in a way, predominant exposure is sovereign in nature and climate risk is contained.

The exposure to financial corporations, which includes regulated entities of RBI, in the future will be decided by the stand taken by RBI after the stakeholder consultation. It may be worthwhile for PFRDA and other pension funds to submit a response to this discussion paper.

Now, climate risk management for pension funds involves assessing the carbon footprint of the investment portfolio. 'Portfolio carbon footprinting' is emerging as a standard tool for buy side institutional investors and an initial baseline is what we are concerned with.

Using some assumption and results from the previous work and refining the instrument-wise flow of funds exposure to non-financial corporations, using data on sector-wise primary market issuances in corporate bonds market, a somewhat granular assessment of portfolio carbon footprint is possible. The carbon footprint of equity exposure is done using the S&P BSE ESG 100 Index (USD) fact sheet.



Clearly, pension funds in India are exposed to both physical and transition risk arising out of exposure to infrastructure debt. Contrary to our expectations, their financing of oil and gas is quite low. Their main cause of concern should be the exposure to RBI-regulated entities and transition risk therein.

In conclusion, we have traversed an uncharted territory and ended with some unique figures and perspectives in respect of climate risk of Indian pension funds. With no assurance on technology transfer or foreign funding promised to India under international agreements, Indian pension funds may be a source of financing path to net-zero. To begin with, proposed sovereign green bonds may be open for Indian pension funds. It is high time that respective sponsors and PFRDA take notice of this risk and make necessary adjustments as pension funds also perform the function of consumption smoothing across states (good times vs bad times). <https://www.moneylife.in/article/climate-risk-and-indian-pension-funds/68163.html>

**14. Not just sweetened but simple and efficient tax system needed** ([livemint.com](http://livemint.com)) Aug 26, 2022

**The finance ministry is working to declutter the tax system. What can it do to offer a better option?**

Two years ago, Finance Minister Nirmala Sitharaman gave income-tax payers the choice to pay tax at lower rates, provided they gave up tax exemptions available to them such as on income from interest earned from saving bank accounts and

deductions from income for repaying home loans. The choice created a dual tax system, even as most taxpayers have stayed on with the older regime of higher tax rates, three income brackets and many deductions. Only a few have shifted to the new concessional tax regime of six slabs, no deductions and lower rates. This is unnecessarily messy.

According to a Mint exclusive report, the finance ministry is working to declutter the tax system. This is welcome. The ministry, according to the report, is likely to sweeten the no-deductions-lower-rates option by lowering the tax rates further. How can it be made to work successfully this time?

What is needed is a simple and efficient tax system in which compliance is easy for taxpayers and evasion tough. Plus, the tax treatment of savings must change so as to encourage people to save smartly—given the absence of adequate and proper social security system in the country and a large portion of the population being of working age.

Let's first understand the new regime introduced in FY 2021. In this option, income between Rs. 5 lakh and Rs. 7.5 lakh is taxed at 10%, while income between Rs. 7.5 lakh to ₹10 lakh attracts 15% tax. Whereas in the old regime, the entire income up to Rs. 10 lakh is taxed at 20% flat.

The earlier ₹10 lakh-plus slab that attracts 30% tax is broken into three parts—with rates of 20% for Rs. 10-12.5 lakh, 25% for Rs. 12.5 lakh-15 lakh and then 30% for Rs. 15 lakh and above.

While rolling out the new option, the government showcased with illustrative examples how for the same income, tax outgo in the new regime is lower. Yet, only few taxpayers have opted to give up tax exemptions and deductions. Most have preferred to stay with the old scheme.

The reason being that giving up tax breaks—such as on savings parked with the public provident fund or the premium paid on life insurance—require fundamental rejig in long-term financial and retirement planning.

These considerations are likely to continue to dominate taxpayers' choices. So, there is no guarantee that sweetening of the exemption-free tax regime by further lowering of the tax rates will have many more takers.

The income tax system must be reformed in more fundamental ways. One, the government must scrap the dual tax system, and have one regime only. Two, tax slabs must be compressed to two or three. This will bring down what is called the 'bracket creep' where inflation drives an individual to pay tax at a higher rate, even if her income has not risen in real terms. A liberal tax rate structure should go hand in hand with removing deductions. Three, reform in the tax treatment on savings should not be delayed.

The government could look at doing away with the tax breaks for savings schemes such as for investments in the PPF and post office savings, and instead raise the threshold limit for paying income tax. Savers should not be influenced in their financial

planning decisions by tax breaks on offer. At the same time, the tax system should not treat returns or earnings from investments differently from earnings from other sources of income.

What in tax jargon is called the exempt-exempt tax treatment method should be rolled out. In this, no saving is taxed, but only income from an asset would be taxed. Meaning the gains from, say a home sale, are not taxed if invested in shares and vice versa.

Broadly, this principle is followed now in the sale of housing properties. If proceeds from the sale of a house are invested in a new house, then the capital gain on the sale is spared from tax. Extending this to all financial assets to encourage churning merits consideration. This will allow people to defer their tax liability to the point when the amounts are withdrawn, and leave more financial savings.

A fallout would be that India would end up taxing retirement savings. For a country that does not have a proper social security system, that calls for relief or compensation. Lower tax rates and wider slabs, as proposed in the sweetener, however, will take care of that. <https://www.livemint.com/opinion/online-views/not-just-sweetened-but-simple-and-efficient-tax-system-11661464149959.html>

#### **15. DoT tweaks rules to set up 5G infra ([livemint.com](https://www.livemint.com)) Aug 26, 2022**

In a major move which will aid faster 5G rollouts, the telecom department amended right of way rules where cap has been fixed for deploying telecom infrastructure while a central government portal GatiShakti Sanchar will provide approvals required by any department or state government.

Mint had first reported in April of policy changes in the telecom sector for right of way to streamline applications and permissions. The changes have been made to the Right of Way rules issued back in 2016.

According to the amendments, caps have been set at ₹1000 per km for aerial optical fibre cable, ₹300 per annum for urban area, ₹150 per annum for rural areas per street furniture, ₹1000 per pole for the setting up small cells on poles.

The department also launched the 5G RoW application form on the GatiShakti Sanchar Portal, which provides a common mechanism for all stakeholders including central and state government, central land-owning authorities such as railways and defence, local bodies, and service providers for deploying mobile towers and fibre.

Telecom minister Ashwini Vaishnaw said that the changes will help in rapid scale up of 5G services in India that are expected to be launched by October.

"5G requires more towers, poles, fibre, and bandwidth. This will require the telecom industry to launch more telecom infrastructure. By October, 5G will be launching and then we will rapidly scale up to sub-urban and rural areas," he said.

Industry lauded the move saying that the clarity for all stakeholders would provide huge relief to carriers.

SP Kochhar, director general, COAI, said, "This will ensure the speedy roll-out of the technology and make the dream of 5G enabled India comes true. Access to the existing infrastructure, deployment of new infrastructure, and the high cost involved in it were major challenges the telecom sector always came across which will now be eased." <https://www.livemint.com/industry/telecom/dot-amends-row-rules-for-aiding-fast-tracking-of-5g-infra-11661438003867.html>

## **16. Uttar Pradesh gearing up to reintroduce decentralised system of foodgrain procurement ([hindustantimes.com](https://www.hindustantimes.com)) Aug 26, 2022**

After the Centre's nudge to states, Uttar Pradesh is gearing up to adopt the decentralised system of procurement of foodgrains for the public distribution system (PDS) and other welfare schemes more than a decade after it discarded the system.

People aware of the development said that the consensus to reintroduce the decentralised procurement system was arrived at in a high-level meeting chaired by chief secretary Durga Shankar Mishra here last week. The new arrangement, according to them, may come into force for the paddy procurement marketing season 2022 scheduled to start from October-November or the next wheat purchase marketing season from March-April 2023.

"Under the prevailing centralised procurement, we purchase wheat and paddy from farmers at the minimum support price (MSP) fixed by the Centre. Subsequently we transfer all the stocks to the Food Corporation of India (FCI) godowns. The FCI later reimburses the procurement bills to us and also reallocates wheat and paddy to the state as per its PDS requirement, a senior food and civil supplies department officials said.

U.P.'s monthly PDS foodgrain requirement is a little more than 8 lakh metric ton (MT).

"The decentralised system, on the other hand, requires us to procure, store and issue foodgrains under the PDS and other welfare schemes on our own. The FCI accepts only the surplus food grains after deducting the needs of the state or allots food grain to it in case of the procurement that is lower than the state's requirement," the official explained.

The Central government, according to him, has been mounting pressure on states, including Uttar Pradesh, for a long time to adopt the decentralised procurement, pointing out that this system seeks to ensure that MSP is passed on to the farmers. The system aims to enhance the efficiency of procurement and to encourage procurement in non-traditional states, thereby extending the benefits of MSP to local farmers as well as saving on transit losses and costs.

The Centre introduced the decentralised procurement scheme for states in 1997-1998 and U.P. adopted this system for around a decade before it discarded the same in 2010 after some bitter experiences.

"The main problem that U.P. faced after adopting the decentralised purchase was that its subsidy bills would remain pending with the Centre (FCI) for months," retired additional food and civil supplies commissioner (marketing) AK Singh said.

“Besides, the state did not have the requisite know-how and infrastructure to handle the decentralised procurement,” he added.

U.P. has been wary since and avoiding to again adopt the same system. The state is apprehensive that decentralized procurement might lead to an extra burden on its exchequer since it will have to invest a lot in creating required infrastructure, including setting up more godowns and training the staff, apart from fearing that subsidy bills may not be cleared promptly.

“The chief secretary, in the meeting last week, said that there had been more than a decade since U.P. gave up the decentralised procurement. He said a lot of things had changed in the meantime and told the food and civil supply department officials that there was no harm in retrying the decentralised procurement in the state,” another official revealed. <https://www.hindustantimes.com/cities/lucknow-news/uttar-pradesh-gearing-up-to-reintroduce-decentralised-system-of-foodgrain-procurement-101661454720173.html>