

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (28.01.2023 to 30.01.2023)**

### **1. वायु सेना के 'पायलटों का अधूरा प्रशिक्षण' विमान 'दुर्घटनाओं के लिए जिम्मेदार?' (punjabkesari.in) 29 January 2023**

हालांकि भारतीय वायुसेना विश्व की चौथी सबसे बड़ी वायुसेना है जिसके जवानों ने देश-विदेश में नाम कमाया है परंतु बार-

बार भारतीय वायुसेना के लड़ाकू विमानों का दुर्घटनाग्रस्त होना चिंता का विषय बन रहा है क्योंकि इनके परिणामस्वरूप बड़ी संख्या में हमारे पायलटों की जान भी जा रही है।

5 जनवरी को रीवा में वायु सेना का एक ट्रेनी विमान दुर्घटनाग्रस्त हो जाने से प्रशिक्षक कैप्टन विमल कुमार की मृत्यु तथा ट्रेनी पायलट कैप्टन सोनू यादव गंभीर रूप से घायल हो गए थे। और अब 28 जनवरी की सुबह मध्य प्रदेश में भारतीय वायुसेना के 2 शक्तिशाली 'फ्रंट लाइन' के लड़ाकू विमान सुखोई-30 और मिराज-

2000 ग्वालियर के एयरबेस से नियमित परिचालन के लिए अभ्यास उड़ान भरने के कुछ ही समय के भीतर दुर्घटनाग्रस्त होकर टुकड़े-टुकड़े हो गए। विमानों का मलबा मुरैना के जंगल और राजस्थान के भरतपुर में मिला है।

प्रत्यक्षदर्शियों के अनुसार पहाडगंज इलाके में उन्होंने आकाश में एक विमान जलता हुआ देखा और फिर उसके टुकड़े जमीन पर गिरे। उस समय ये विमान 'केलारस' कस्बे के ऊपर से गुजर रहे थे। दुर्घटना के समय सुखोई-30 में 2 तथा मिराज-

2000 में एक पायलट था क्योंकि मिराज-

2000 को उड़ाने के लिए सिर्फ एक ही पायलट की जरूरत होती है। विमान में आग लगते ही सुखोई-

30 के 2 पायलट बाहर निकल आए परंतु उनका पैराशूट झाड़ियों में फंस गया जिससे वे घायल हो गए जिन्हें ग्रामीणों ने बाहर निकाला और बाद में उन्हें इलाज के लिए हैलीकाप्टर से ग्वालियर ले जाया गया। इनमें से एक घायल पायलट को घातक चोटें आई हैं जबकि मिराज-2000 के पायलट की मौत हो गई।

भारतीय वायुसेना की शक्ति कहलाने वाले ये दोनों ही विमान लम्बे समय से इसका हिस्सा रहे हैं। जैश-ए-मोहम्मद के आतंकी ठिकानों को तबाह करने के लिए 26 फरवरी, 2019 को नियंत्रण रेखा पार करने वाले भारतीय वायुसेना के 12 लड़ाकू जेट विमान मिराज-2000 ही थे। इससे पूर्व 1999 के कारगिल युद्ध में भी पाकिस्तान के विरुद्ध मिराज-2000 विमानों ने महत्वपूर्ण भूमिका निभाई थी। सुखोई लड़ाकू विमान भी लगभग 20 वर्षों से भारतीय वायु सेना के पास हैं।

सैन्य मामलों के विशेषज्ञ बी.एस. जसवाल के अनुसार, “सुखोई 30 और मिराज-2000 दोनों में एक साथ तकनीकी खराबी आना असंभव है। हो सकता है कि वे कोई अभ्यास कर रहे हों जिसके दौरान किसी एक विमान में गड़बड़ी आ जाने से वह दूसरे विमान से टकरा गया हो।” दुर्घटना के कारणों का तो ब्लैक बॉक्स से ही पता चलेगा क्योंकि ऐसे अभ्यास में सुरक्षा का बहुत ध्यान रखा जाता है। बहरहाल दुर्घटना के कारणों की जांच के लिए वायुसेना ने ‘कोर्ट ऑफ इन्कायरी’ का आदेश भी दे दिया है। इस तरह की घटनाओं के लिए भारत के कम्प्ट्रोलर एवं ऑडीटर जनरल (कैग) भी अतीत में अपनी एक रिपोर्ट में पायलटों के समुचित प्रशिक्षण के अभाव को जिम्मेदार ठहरा चुके हैं।

कैग की यह रिपोर्ट भारतीय प्रतिरक्षा तंत्र के लिए एक चेतावनी है क्योंकि वायु सेना के विमान चालकों को समुचित प्रशिक्षण दिलवाकर टाली जा सकने वाली विमान दुर्घटनाओं से न सिर्फ बहुमूल्य प्राणों की हानि हो रही है बल्कि विमान नष्ट होने से देश को भारी आर्थिक क्षति होने के साथ-

साथ देश की प्रतिरक्षा क्षमता भी प्रभावित हो रही है। अतः जहां प्रशिक्षण में त्रुटियों संबंधी जांच करने की आवश्यकता है इसके साथ ही विमानों के रखरखाव में त्रुटियों और इस बात की जांच भी की जानी चाहिए कि कहीं इस तरह की दुर्घटनाओं के पीछे किसी अन्य शक्ति का हाथ तो नहीं!—विजय कुमार <https://www.punjabkesari.in/article/news/air-force-s--incomplete-training-of-pilots--aircraft--responsible-for-accidents-1761154>

## 2. India’s apex court in an unwanted credibility question! ([weeklyblitz.net](https://www.punjabkesari.in/article/news/air-force-s--incomplete-training-of-pilots--aircraft--responsible-for-accidents-1761154)) January 29, 2023

It’s unusual in India to discuss any issue related to the Supreme Court (SC) in public domain. But a recent controversy, where the country’s apex court had seemingly an indirect involvement, tempted the conscious people to raise the question, how as many as 6000 workers remain underpaid (below the prescribed monthly wages) even though the particular exercise was ‘monitored’ by the highest court in the world’s largest democracy. The legitimate query would be where now those young part-time employees would go for justice (under the law of the land) against their exploitation!

The issue caught public attention instantly as the Comptroller and Auditor General of India, the statutory auditor (established under Article 148 of the Constitution of India), detected massive financial anomalies involving millions of Indian Rupees in the process of National Register of Citizens (NRC) updation for Assam in northeast India. The country’s supreme audit institution in its report ending 31 March 2020 (which was recently placed in Assam State legislative assembly for discussion) recommended legal actions against the former State NRC coordinator Prateek Hajela and the system integrator (the country’s most acclaimed Wipro limited).

The CAG report clearly stated that due to lack of proper planning hundreds of software utilities were added in a haphazard manner to the core one. Asserting that highly secure and reliable software was necessary for the exercise, but no due process like selection of vendors following a national tender was followed. Due to the lack of proper planning, while developing the

important software, a haphazard addition of over 200 software utilities to the core one was done.

Finally, the CAG report claimed that the intended objective of preparing an error-free NRC was not fulfilled.

But the Union government in New Delhi had to spend Rs 15,790 million (around Rs 81 = USD 1) and around 50,000 government servants were also engaged for over four years in the process, understandably performed under the direct supervision of the Supreme Court (where the State government in Dispur had the responsibility to provide logistic support only). But confusions surfaced, how around 6000 part time data entry operators (DEOs) were paid lower than the country's prescribed monthly salaries in the exercise under monitorship of a SC bench.

CAG has identified the flaws and documented that the system integrator (Wipro) paid less than the country's minimum wages to DEOs. The NRC authority sanctioned Rs 14,500 (to 17,500) per DEO per month, but Wipro paid only Rs 5,500 (to 9,100) every month to each of them.

Mentionable is that Assam government in 2015 hiked the daily minimum wages for skilled, semi-skilled and unskilled workers in various sectors, where it is directed that even an unskilled worker can legally claim Rs 240 per day (read Rs 7200 per month), where the skilled one employee should get minimum Rs 350 per day (Rs 10, 500 per month).

The difference of wages allowed undue benefit of Rs 1,550 million to the system integrator and sub-contractors asserted the CAG report. Wipro had the responsibility to supply DEOs, but its officials in Assam engaged many sub-contractors (including some Guwahati-based senior television journalists). Moreover, a contract deviation resulting in an unauthorized expenditure of Rs 102 million for the evaluation of third-party monitoring consultants and an excess expenditure of Rs 17.8 million for the process management expense was detected. Temporary misappropriation of Rs 12 million against 128 additional generators, hardware and consumables were also identified.

For records, the NRC updation process began in December 2014 with an initial project cost of around Rs 2880 million and was supposed to be completed within 14 months (by February 2015). But the timeline for the project went on lingering and the final draft was published in August 2019 only. Because of the time overruns, the project cost escalated up to nearly Rs 16 billion by March 2022. Though claimed by Hajela as the draft NRC was the final one (which was shamelessly propagated by a section of Guwahati scribes in their television talk shows as being the best one), it is yet to be officially notified by the Registrar General of India.

NRC, which was supposed to enroll the names of all genuine Indian citizens (or their ancestors) residing in Assam prior to 25 March 1971, included a total of 3,11,21,004 citizens' names out of 3,30,27,661 applicants (thus the final draft excluded around 19 lakh people as they could not provide valid documents). Assam, which had its first prepared NRC in 1951, used to face an influx of migrants from erstwhile East Pakistan and present-day Bangladesh. Rapid demographic changes had alerted the indigenous communities of Assam, which resulted in the anti-foreigners movement of the Eighties.

The historic six-year long agitation, led by All Assam Students' Union (AASU) and Asom Gana Sangram Parishad, culminated in 1985 after signing an accord in New Delhi. Shockingly, the agitating leaders agreed to accept all migrants prior to 25 March 1971 in Assam, whereas

the country as a whole maintains a different cut-off year (1951) for claiming Indian citizenship. Lately the exclusive cut-off date for Assam has been challenged in the apex court by a civil society group (Matiur Rahman led Sanmilita Maha Sangha). The concerned SC verdict may also impact on the acceptability of Assam NRC (as it followed 1971 as the base year).

Mentionable is that Hajela's immediate successor Hitesh Devsarma filed two official complaints (one with the criminal investigation department of Assam Police and other with the CM's vigilance and anti-corruption wing) alleging corruption and money laundering by his predecessor (Hajela). Devsarma before his retirement as the State NRC coordinator also named some other officials and outside people suspected to be involved in the scam. Later in various public discourses, Devsarma claimed that the NRC draft has included thousands of illegal migrants' names thanks to the tempered software.

He argued that the faulty software was used to make it possible for including the doubtful citizens in the list that ignored the 'family tree match scanning' practices. Hence Devsarma demanded that the intention must be probed as a serious crime under anti-national activities. He strongly claimed that Hajela intentionally ordered the concerned party to design the software with no facility of quality checking.

Not only from Devsarma, Hajela is also facing a number of FIRs from different organizations including Assam Public Works (APW), which too demanded a thorough probe against the IAS officer, presently posted in Madhya Pradesh.

Aabhijeet Sarma, president of APW (key petitioner in the NRC case) also lodged a police complaint against Wipro citing a massive corruption in the NRC updating process. He even sent a letter to Azim Premji, chairperson of Wipro Technologies, informing him of the company's role in the process during 2015-2019. Another letter was sent by Guwahati-based journalist Biswajit Nath, but nothing had reportedly come from the office of Premji, who is otherwise recognized as a philanthropic entrepreneur of the country.

Speaking to this writer, APW chief Sarma even expressed annoyance against the then SC chief justice Ranjan Gogoi while commenting, "In 2017, we publicly stated that the DEOs were deprived of their minimum monthly payments. Many DEOs approached the State labor commissioner and some came to the street demanding their legal dues. Shockingly, CJI Gogoi took offence at us for disclosing the corruption of Hajela and rebuked me following which I had to submit a prayer of apology in the court. If the issue was thoroughly probed at that time, it would have been resolved to a greater extent."

Meanwhile, various organizations, civil society groups and political personalities of Assam expressed serious concern over the development as they could not accept the present fate of NRC after the CAG's sensational revelation. AASU adviser Samujjal Bhattacharya promptly described those involved in the NRC scam as enemies to the indigenous population. Speaking to a number of local media outlets, Bhattacharya asserted that the people of Assam would never forgive those corrupt elements. Demanding exemplary punishments to them, the AASU leader reiterated that Assam must have an error-free NRC.

Nonetheless, the concerned section of people expects a high-level probe into the NRC scam and irregularities with an aim to book the culprits under the laws irrespective of their social standings. State chief minister Himanta Biswa Sarma has already assured appropriate actions against those involved in the irregularities. It may also be logical for him to take necessary

initiative to erase any negative impression created against the SC for not adhering to the country's minimum wages act while offering salaries to thousands of DEOs (by a few journalists turned sub-contractors) in the State. <https://www.weeklyblitz.net/opinion/indias-apex-court-in-an-unwanted-credibility-question/>

### 3. **A fiscal council for India** ([orfonline.org](https://orfonline.org)) January 27, 2023

Fifty-one countries have legislated a publicly financed Independent Fiscal Institution (IFI) to provide unbiased analysis of public spending, forecast the economic outcomes thereof and review government performance versus fiscal rules (targets) to improve fiscal and financial stability.

Supreme audit institutions (like the Comptroller and Auditor General in India) do this regularly ex post facto and only from an accounting point of view. In contrast, IFIs work ex-ante, in real-time, to measure and signal to voters the economic competence of governments in achieving their own fiscal targets. This helps political parties in the opposition to demand granular performance whilst business gets insights, for making decisions affected by inflation or high deficits. Can this disruptive mechanism, which relies on access to government documents for independent assessments, technical excellence, and the willingness of the government to stomach evidenced appraisal, work in the Indian context?

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#### **Independent fiscal institutions**

The first IFI was conceived in the Netherlands in 1945 to popularise macroeconomic modelling for government forecasts and analysis, helmed by Jan Tinbergen, a Dutch economist, who went on to become a Nobel Laureate in 1969.

IFIs are effective only if their independence is respected, and their impartiality is nurtured. In the United States (US), the Congressional Budget Office was created in 1974 (in the aftermath of the 1970s stagflation) to assist congressional committees in examining budget proposals sent by the President for approval. The United Kingdom adopted this practice more recently in 2010, post the “Western Financial Crisis” driven rush for fiscal resilience in 2009.

Expectations were that the Office for Budget Responsibility (OBR) located within the executive could work autonomously. Sadly, within twelve years, on September 2022, the Tory government of Prime Minister Liz Truss and chancellor Kwasi Kwarteng, impatient with the constraints of “Treasury Orthodoxy” (fiscal constraints) and eager to emulate Thatcherite economic unorthodoxy, tabled a “mini budget”—later dubbed “reverse Robinhood” proposal—slashing the top tax rate and scrapping the cap on banker bonuses—the biggest tax cut in 50 years. It also proposed populist subsidies for household energy bills inflated by the Ukraine crisis. It chose to bypass the OBR which previews all budget proposals.

In the United States (US), the Congressional Budget Office was created in 1974 (in the aftermath of the 1970s stagflation) to assist congressional committees in examining budget proposals sent by the President for approval.

Markets, sensing spending splurge fueled inflation, sold off “gilts”. The interest rate on 10-year treasury bonds soared from 4 to 5 percent. The GBP depreciated to a never before US\$1.08

forcing the Bank of England to intervene. It was downhill thereafter, till the PM resigned a month later. The case for IFI compulsory preruleview could not have been better made.

Till 2008 only 12 countries had developed similar institutions. Of these, oddly, four were in developing economies—Iran (1991), Uganda (2001), Kenya, and Vietnam (both 2007). The 2008/09 Financial Crisis brought a rush of 20 new institutions – of which 16 were complying with a European Union directive. More followed subsequently. Three notable exceptions are China, Japan, and India. Asia in general has not been warm to the idea except for Vietnam and South Korea.

### **FRBM review committee 2016**

In 2016, the Union government constituted a committee to review the working of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 versus its broad objectives of fiscal consolidation. The mandate (abbreviated version) of the review committee was to review the efficacy of the fiscal rules established under the Act and to suggest alternatives.

The report submitted in 2017 to the Union government, recommended, as one of the actionable steps, the constitution of a permanent, autonomous IFI (Fiscal Council) of three members, appointed by the government to provide a debt and fiscal sustainability analysis based on fiscal rules (targets for debt and deficits) established under the Act; prepare multi-year fiscal forecasts; produce an annual fiscal strategy report assessing the fiscal performance of the Union government; prepare the annual Macroeconomic Framework Statement; improve the quality of fiscal data; prepare a comprehensive statement of liabilities; respond to requests from the government for policy advice; advise the Union government on the suitability of invoking the escape clause route for fiscal rules and recommend the re-entry path to be followed, post deviations from fiscal rules.

An IFI-style institutional innovation had not been specifically requested by the government nor did it seem urgent to institute one. In 2016-17, the general government (union and state governments) fiscal deficit was at 6.9 percent of GDP, reducing to below the norm of 6 percent in the succeeding two years with the primary deficit at 2.2 percent, reducing to 1.1 percent of GDP. Over the same period, liabilities of the general government rose from 68.8 percent to 70.5 percent of GDP—admittedly, a hefty 10 percentage points out of kilter with the prescribed cap of 60 percent of GDP. However, buoyant growth of 8.3 percent in Gross National Income (constant) in 2016-17, possibly lulled the government into dismissing the trend of decreasing growth—6.9 and 6.6 percent in the following two fiscal years, as a temporary aberration, due to the economic dislocation from the twin blows of demonetisation and introduction of the omnibus Goods and Services tax.

### **India's respectable macroeconomic indicators**

Things are no different now. India's fiscal resilience is illustrated by macroeconomic indicators no worse than most advanced economies – inflation at 5.7 percent (core inflation at 6 percent) versus double-digit inflation in Latin America, 9.2 percent in the Eurozone and 6.5 percent in the US. A fiscal deficit of 6.4 percent (Union government) trending lower to around 6 percent next fiscal versus 5.5 percent in the United States and 4.2 percent in the Eurozone. India's swollen stock of general government liabilities at 83 percent of GDP and an adverse current account deficit are both likely to benefit from lower fiscal deficits. The INR depreciated over the last year by 8.2 percent against the US dollar, versus 8.6 percent depreciation in the GBP and 6.1 percent in the Chinese Yuan. Despite global uncertainty, there are no imminent signs of fiscal instability in India.

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### **Equanimity breeds complacency**

One adverse outcome of this equanimity is that fiscal reform is likely to be on the back burner beyond trimming the deficit to levels compatible with the 60-percent debt to GDP fiscal rule. India needs more coherence, transparency, and collaboration in the manner fiscal policy and rules are shaped. An autonomous fiscal council is one way of forcing change. The primary characteristic of an IFI is its assured non-partisan nature, independence from government capture and the right to communicate freely with the public. Embedding it within the executive, as the FRBM review committee suggested, would expose it to the kind of capture that autonomous regulatory agencies in India have experienced or for it to be ignored, as in the UK last year.

### **Embedding structural independence**

In the Indian context, independence could be enhanced by embedding the functions of the fiscal council in the Finance Commission (FC) via amendments to Article 280 of the Constitution of India and to the Finance Commission (Miscellaneous Provisions) Act 1951. Since the FC is presently appointed quinquennially for a short period, it does not enjoy the benefits of safeguards on arbitrary dismissal, as afforded to the Comptroller and Auditor General and Chief Election Commissioner. Converting the FC into a permanent body would require a symmetric application of safeguards against arbitrary dismissal.

Parliamentary democracies such as the UK tend to embed their IFI within the executive. But there are exceptions, like Australia, Canada, Italy, Kenya, and South Africa, where the IFI is associated with the legislature—a safeguard against executive overreach. France and Finland, pair the IFI with an existing financial institution, as is proposed here.

Many IFI functions are presently executed by different branches of government. Concentrating these disparate components into one agency can enhance the network effects of specialisation and reduce the incremental cost of the enlarged mandate. The existing core functions of the FC relating to inter-governmental transfers would also benefit from a permanent presence, particularly for monitoring outcomes. The FC has brand recognition amongst state governments which account for around 60 percent of public developmental expenditure and are critical for fiscal stability. The skill sets—econometric analysis of fiscal parameters and the analysis of fiscal flows for sustainable and equitable development—are quite similar.

The FC has brand recognition amongst state governments which account for around 60 percent of public developmental expenditure and are critical for fiscal stability.

One advantage is that the trust established by the FC, across levels of government, would leverage a quick start for the fiscal council. Real autonomy for the FC with an enlarged mandate can be strengthened by co-opting the leader of the opposition in Parliament in the selection and thereby also, in the disciplining of the FC chair and members.

An IMF 2013 working paper concludes that IFIs add technical rigour to fiscal management thereby, improving fiscal performance. As significant is the transparent ecosystem most well-managed and fiscally prudent economies have, within which an IFI thrives. It is noteworthy that half of G20 members have IFIs. India helms the G20 this year and expects to expand its

leadership in other multilateral and plurilateral fora. Best then to choose the route adopted by like-minded fellow travellers, rather than travel alone. <https://www.orfonline.org/expert-speak/a-fiscal-council-for-india/>

#### **4. 'Rationalise the Number of Monuments of National Importance', Says Economic Advisory Council Led by Sanjeev Sanyal ([swarajyamag.com](http://swarajyamag.com)) January 27, 2023**

The Economic Advisory Council to the Prime Minister (EAC-PM) in a recent report, has suggested that the number of 'Monuments of National Importance' (MNIs) be rationalised, and their criteria for selection be revamped.

In a report titled 'Monuments of National Importance — Urgent Need for rationalisation' authored by Sanjeev Sanyal, the EAC-PM has pointed out that the Archaeological Survey of India (ASI), 's list of MNIs has risen to an 'unwieldy' 3,695.

The report then goes on to point out several flaws with the Ancient Monuments and Archaeological Sites and Remains (AMASR) Act of 1958 which governs MNIs, and the current list of monuments and argues for their rationalisation.

First off, once a monument comes under the MNI list, a 100-meter radius of the monument is then considered a 'prohibited area' — where there is a ban on construction activities. This severely hampers economic activity in historical cities like Delhi with 173 MNIs.

The definition of the term 'national importance' has itself been left open, with neither the AMASR Act nor the National Policy for Conservation (2014), defining it.

Further, the Act does not define a substantive process or criteria for identifying a monument of national importance.

Thus, when the Act was passed, it blindly added the already existing List under colonial rule, which contained 2,584 monuments, and the 736 monuments added in between 1947 and 1958.

ASI continues to have no comprehensive database of all the 3,695 monuments, which would have information on their historical significance, geographical description, cultural, and archaeological significance.

National Monuments Authority, set up after the 2010 amendment to AMASR Act, was supposed to frame by-laws for each MNI, but has done so for only 126.

Moreover, the list itself contains many MNIs with no national, historical, or cultural significance.

For instance, it includes 75 graves/cemeteries of British officers and soldiers! Neither are the graves of any architectural significance, nor were these persons of any historical significance, for their graves to be preserved by an independent, sovereign nation.

Similarly, protecting 109 Mughal era 'Kos Minars' — brick or mortar columns marking milestones on Mughal highways — need not be treated as 'national monuments', albeit in need of protection, nonetheless.



The list also contains several movable antiquities such as sculptures, statues, cannons, etc. which are being treated as monuments.

The report argues that antiquities should be removed from the list immediately, since it is not only difficult to provide protection but also because the ‘prohibited’ area restrictions around them inhibits developmental activities.

Even strange, is the finding that several of these monuments were untraceable. The report quotes a previous finding by the Comptroller and Auditor General (CAG) that 92 of the monuments could not be found, after a physical verification of 1,655 out of the 3,695 monuments. The actual numbers therefore, could be even higher.

The report says that the geographical distribution of MNIs is highly skewed, with only five states accounting for 60 per cent of listings, and historically important states like Bihar and Kerala, having lower than a fair share.

The report also points out the woefully small expenditure on MNIs, with the 2019-20 budgetary allocation being a paltry ₹428 crore, or ₹11 lakh per monument.

The report argues for ASI to have substantive criteria and detailed procedures for declaring MNIs, a measure requiring only an executive order.

It also asks for monuments with local importance to be handed over to states, and standalone antiquities and untraceable monuments to be taken off the list.

It also suggests increasing budgetary allocations and realising alternate revenue streams to be leveraged and the proceeds to be handed over directly to the ASI.

While the rationalisation of the list would increase allocations to each monument, increasing revenue from ticketing, filmmaking, etc. would improve caretaking for lesser-known, but historically significant, monuments.

Several places such as Jogeshwari caves in Mumbai and memorial place of Raja Raja Chola at Udayalur, lie in ruins.

The report also argues for setting up ‘Cultural Boards’ at every MNI to educate the public about the historical and cultural significance of these monuments, a basic facility lacking at many MNIs today. <https://swarajyamag.com/news-brief/rationalise-the-number-of-monuments-of-national-importance-says-economic-advisory-council-led-by-sanjeev-sanyal>

**5. FSSAI notifies financial regulations, to form finance committee** ([thehindubusinessline.com](https://www.thehindubusinessline.com)) January 28, 2023

### **Accounts to be audited annually by CAG**

The Food Safety and Standards Authority of India (FSSAI) notified financial regulations on Friday. According to the FSSAI (Finance) Regulations, 2023, it will maintain a Food Safety and Standards Authority of India Fund.

This fund will include grants given to the food authority by the Central government among others. This will be audited by the Comptroller and Auditor General annually, it added.

“The Food Authority shall maintain the Food Safety and Standards Authority of India Fund to further the objectives of the Act,” it said. It added that “financial receipts” will include grants made to the FSSAI by the Central government and sums realised by way of fees, penalties and statutory charges.

“Income received out of the investments made from the fund and income earned in the form of testing charges, consultancy, grants and donations among other sources” will also be part of the fund.

The notification added that there will be a Finance Committee. The Chairman of the committee will be Executive Director-Finance of FSSAI. The committee will have a representative from the Ministry of Health and Family Welfare and two members nominated by the FSSAI among others.

“The Finance Committee shall provide overall inputs on financial matters of the Food Authority and more specifically relating to review of budget of the Authority (including performance budget); estimation of grant in aid from the Central Government and other receipts; audit of accounts of the Food Authority through auditors appointed for this purpose; investment of surplus funds; advice on budget allocations for various work programmes,” the notification added.

The Chief Financial Authority, which is the CEO of FSSAI, will develop financial report formats and present the financial reports to the Finance Committee outlining the Authority’s financial and cash position, and adherence to the budget. “

The accounts of the Authority shall be audited by the Comptroller and Auditor-General of India or any other person appointed by them on their behalf annually,” it added. <https://www.thehindubusinessline.com/economy/fssai-notifies-financial-regulations-to-form-finance-committee/article66440660.ece>

## **STATES NEWS ITEMS**

**6. ‘Rising debt, low revenue’ — delay in salaries of govt employees highlights Andhra’s fiscal trouble ([theprint.in](https://theprint.in)) 27 January 2023**

**RBI while analysing financial status of states last year termed Andhra as one of top 10 high-debt states. According to CAG it used 65-81% borrowings for debt repayment between 2016-17 & 2020-21.**

Hyderabad: For nearly four months now, delayed dispersal of his salary has forced Srikanth Raju (43), an employee of the Andhra Pradesh government, to take out private loans to pay off his home loan EMIs. Raju, who works with the state Women and Child Welfare department, told ThePrint, “Bank’s due date for payment of my home loan installment is the fifth of every month and I have been getting my salary on the seventh, or later. I cannot default on the EMI as it will hurt my Cibil score (credit history).”

His 70-year-old mother, who depends on his late father's pension for her expenses, has also been receiving it late, claimed Raju. "She needs money for medicines, but sometimes the pension comes on the 20th or so. So, I have to give her some money at the beginning of the month," he said, adding that delays in the dispersal of his salary have been consistent for the past four months.

Askara Rao, general secretary of the Andhra Pradesh Government Employees Association claimed delays in dispersal of salaries started even earlier, about six months or so back.

In what raises serious questions over Andhra Pradesh's fiscal health, state government employees — both current and former — have sought the YSR Congress Party (YSRCP) government's help for timely disbursement of their salaries.

Last week, members of the Andhra Pradesh Government Employees Association met Governor Biswa Bhusan Harichandan and presented him with a memorandum. Accessed by ThePrint, it sought his intervention to correct the "autocratic and exploitative" attitude of the Chief Minister Y.S. Jagan Mohan Reddy-led government vis-à-vis the "inordinate" delay in dispersal of salaries and pensions of government employees.

Special chief secretary (finance) in the Andhra Pradesh government, Shamsheer Singh Rawat, said in a press statement last week that this was not the norm and only on rare occasions has there been a slight delay in dispersal of salaries. In most cases, 90-95 per cent of the salaries are released before the fifth of every month, he maintained.

ThePrint reached state Finance minister Buggana Rajendranath's office on text messages for comment, but did not receive a response till the time of publication of this report. The article will be updated when a response is received.

Government employees meanwhile claimed even dispersal of salaries on the fifth was a delay and referred to an existing government order which they said calls for dispersal of salaries by the first of every month.

Besides emphasising the untimely dispersal of salaries and pensions, the memorandum to the Governor also pointed out lapses in payment of other financial benefits, such as arrears of allowances. Last year, a mysterious deduction of a certain amount from employees' provident fund savings had prompted a response from the state government that said the deduction was the result of a "technical glitch" that will be 'rectified' soon.

Meanwhile, retired civil servants claimed it was "evident that the state does not have enough" funds. "For the past few months, I have been getting my pension only after the 12th or so. I am aware that IAS officers in service in the state have been getting salaries after the 10th of the month," said a retired IAS officer, who spoke to ThePrint on condition of anonymity.

Three serving IAS officers who did not wish to be named also confirmed to ThePrint that there have been delays in the dispersal of their salaries.

Andhra Pradesh is expected to present its budget sometime in March.

### **Where Andhra is going wrong**

The state government's debts have been ballooning for the past few years. Andhra Pradesh's debt in 2014, at the time of bifurcation and creation of Telangana, was 97,000 crore rupees. In five years, till 2019, under the former Chandrababu Naidu-led government, it jumped to 2.59 lakh crore rupees. The latest estimates show that it has almost doubled in the past four years.

Economic slowdown, even before the pandemic, was one reason for the state's mounting debt and lower revenues. And the termination of Goods and Services Tax (GST) compensation to states in June last year will make matters worse, said experts. Another factor contributing to the slowdown is the central Ujwal DISCOM Assurance Yojana (UDAY) scheme, which allows states that own power distribution companies to take over 75 per cent of those companies' debt accrued till September 2015, and pay the lenders back by selling bonds.

The state's net debt for FY 2022-23 was estimated at Rs 4.85 lakh crore, up from Rs 3.98 lakh crore in FY 2021-22.

Terming Andhra Pradesh as one of the states with the highest debt burden, the Reserve Bank of India (RBI) had flagged the state's high debt-to-GSDP (Gross State Domestic Product) ratio — an indicator of a state's capability to fund its expenditure without depending further on debt. A lower debt-to-GSDP ratio indicates better sustainability.

Where did Andhra Pradesh fail to balance its finances? Economic and political analyst D. Papa Rao pointed out that the state was already in a revenue deficit situation when Andhra Pradesh was bifurcated in 2014.

“Both (Chandrababu) Naidu and Jagan do not have a development model vision for the state. When Andhra was bifurcated, the state was already in revenue deficit condition. Naidu's large share of focus was on the capital which was just one part of the state and did not materialise, there was no policy outlook. Then when Jagan came in, his focus was welfare schemes which will help him politically in the next election,” he told ThePrint.

An analysis of the state's finances, based on budget sheets, show that from FY 2021-22 show Andhra Pradesh's expenditure exceeds the revenue it earns, and the additional expenditure could have been funded through debt and borrowings.

Simply put, a state's budget is split between its revenue expenditure and capital expenditure (CapEx). While revenue expenditure covers salaries, interest payments, and allocation for welfare schemes, capital expenditure is the money spent on infrastructure projects, education, health sector, agricultural projects.

While revenue expenditure yields no returns to the government, focus on capital expenditure is expected to yield returns, albeit in the long run.

For instance, in FY 2021-22 (considering estimates available in last year's budget), revenue (estimate) was Rs 1,54,273 crore, but the revenue expenditure (estimate) was Rs 1,73,818 crore — meaning the state would have spent Rs 19,545 crore more than what it earned, similar to the state of its fiscal health the previous year (FY 2020-21). In such a situation, any state has to resort to loans or debt to fund the additional expenditure.

Moreover, Andhra Pradesh allotted Rs 18,529 crore as capital expenditure, to be funded through borrowings or loans in FY 2021-22. Another Rs 48,083.92 crore — about 30.5 per cent of revenue — was set aside for welfare schemes and freebies in that same fiscal year, similar to the allocation for welfare schemes in the state’s annual budget for FY 2022-23.

In FY 2021-22, interest payments and pensions accounted for about 20 per cent of revenue expenditure. Though it is counted as revenue expenditure, the state did not disclose the amount spent on salaries that year.

In contrast, the state spent about 31 per cent of its revenue on interest payments and pensions, and another 9.9 per cent on salaries in FY 2020-21.

In the FY 2022-23 budget estimates, Andhra government pegged its revenue at Rs 1,91,225 crore and expenditure at Rs 2,08,261 crore — extra spending of Rs 17,361 crore, besides another additional spending of Rs 30,680 crore on capital expenditure.

Fiscal deficit, a measure which indicates the difference between the income and expenditure, has been on the uptick in the state for the past four years. RBI, in one of its reports, said Andhra’s fiscal deficit exceeded the limit in set by the 15th Finance Commission in 2020-2021. The situation in current FY is expected to be a bit better, comparatively.

An analysis of the state’s debt over the years shows that an average 27 per cent of the debt raised in a particular year is being spent on interest rates alone. And with every passing year, the debt is rising, as are the interest rates, but with very minimal wealth creation in the state, which can be measured in terms of CapEx.

Why Andhra Pradesh has fallen short of generating adequate revenue is another key question stemming from where things stand.

### **Andhra going the ‘Sri Lanka’ way?**

Experts pointed out that the striking imbalance between Andhra Pradesh’s revenue expenditure and CapEx is a matter of concern.

“Andhra Pradesh financially is in a tough situation. Lot of importance is being given to welfare schemes,” Krishna Reddy Chittedi, assistant professor at the School of Economics, University of Hyderabad, told ThePrint.

“Ideally, 30-40 per cent (of revenue) should be spent on CapEx (which can yield returns for the government) and if that can be maintained, a state can be considered healthy. Rest of it can be on revenue expenditure. But if you look at the figures, that’s not the case.”

He added, how can the state clear its debt easily when it is “evident” that it is largely dependent on borrowings and loans to sustain its expenditure.

“It’s like fresh loans are being raised and part of it is being used to make interest payments. Revenue-generating sources are minimal and so is focus on wealth creation. how long can the state depend on loans when it is unable to pay them back,” he remarked.

The opposition has in the past criticised the YSRCP government by suggesting that Andhra Pradesh might head the ‘Sri Lanka way’ in a few years if this fiscal crisis continued.

The RBI, following the Sri Lankan financial crisis, had last year analysed states' financial status and termed Andhra Pradesh as one of the top 10 high-debt states in the country.

Stressing on the need for income and wealth creation, the Comptroller and Auditor General (CAG) said in a 2021 report that Andhra used approximately 65 to 81 per cent of borrowed funds for repayment of debt during FY 2016-17 and FY 2020-21, indicating that it was borrowing primarily to restructure previous debts, rather than for infrastructure creation.

The report also said that the state had exceeded its own Fiscal Responsibility and Budget Management (FRBM) Act targets.

“Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding debt is not sustainable,” the CAG had noted.

There are at least twenty welfare schemes in Andhra Pradesh which can be classified as direct cash transfer or indirect monetary benefit schemes. As of May 2021, nearly two years after coming to power in the state, the YSRCP government had reportedly spent about Rs 1.31 lakh crore on direct and indirect welfare schemes.

Among these are ‘Amma Vodi’ — annual cash benefit to mothers for sending children to government schools — and the ‘YSR Cheyutha’ — financial assistance of Rs 75,000 for women aged 45-60 years hailing from SC, ST, BC, and minority communities, to improve their livelihood.

Another such welfare scheme is the ‘YSR Vahana Mithra’, which provides financial assistance of Rs 10,000 per annum to self-owned auto/taxi drivers to meet expenses incurred on insurance, fitness certificate, repairs, and other requirements. There are similar schemes for weavers, among others.

“We cannot generalise all welfare schemes as freebies, nor are we against the idea of welfare. But, are the welfare schemes helping in eradicating poverty, is the government seeing a reduction in PDS (public distribution system) card holders, are they really making families financially independent is the question. At this point it looks like people are dependent on the government for money. State is not creating any employment in the state or skill development which can benefit it in the long run,” claimed Reddy.

Telugu Desam Party (TDP) leader and former state finance minister Yanamala Ramakrishnudu had alleged last year that the growth rate of Andhra when TDP handed it over to YSRCP (10.2 per cent) is now at minus 2 per cent. Citing previous CAG reports, he had also alleged that there has been misappropriation of funds in the state, claiming that nearly Rs 1,00,000 crore worth of expenditure is unaccounted for in Andhra Pradesh.

The RBI in a report earlier this month said states' fiscal deficit could narrow in FY 2022-2023, and the debt burden may ease as a result of broad economic recovery and higher revenues. <https://theprint.in/economy/rising-debt-low-revenue-delay-in-salaries-of-govt-employees-highlights-andhras-fiscal-trouble/1337148/>

**7. Birmitrapur legislator seeks CAG audit into DMF expenditure in Sundargarh** ([newindianexpress.com](https://www.newindianexpress.com)) 30 January 2023

ROURKELA: Birmitrapur MLA Shankar Oram has urged Comptroller and Auditor General (CAG) Girish Chandra Murmu to conduct an audit of District Mineral Foundation (DMF) expenditure in Sundargarh district.

Shankar had written a letter to Murmu in this regard on November 12 last year. Since, there has been no response from the CAG yet, the legislator said he would personally meet the CAG and provide details of corruption, violations of norms, diversion and misuse of DMF funds in non-deserving areas and projects.

In the letter, Shankar, who is also the DMF trustee, sought an audit into allocations, approvals and expenditure on DMF projects undertaken in the district. He claimed despite being a legislator and a DMF committee member, he was kept in the dark over approval of projects and allocations.

The MLA said, to his knowledge, for many years expenditure has been incurred from the DMF for projects originally declared by the state government to be implemented with its own funding. Such diversion of funds were done without approval of the DMF committee.

“The district collectors (past and present) when asked are either responding or displaying sign boards on the DMF project sites. It seems there is an unholy nexus between some officials and local politicians to misuse funds violating procedural approvals,” Shankar stated in the letter. He said the maximum irregularities occurred between July 2019 and May 2022.

Apart from Shankar, Sundargarh MP Jual Oram, MLA Kusum Tete, Rajgangpur MLA CS Rajen Ekka, Bonai MLA Laxman Munda, Hemgir and Koida block chairpersons, one zilla parishad member and two sarpanchs are in the board of trustees of DMF. The Sundargarh collector is the ex officio chairman and managing trustee of the DMF, while heads of line departments are the ex officio members of the trust board.

Tete said in 2021 she had written to the then collector to provide details of expenditure carried out from DMF, Odisha Mineral Bearing Areas Development Corporation (OMBADC) and state government funds. Stating she is still waiting for a response, the legislator said she would also urge the CAG for an audit into spending and allocations under the fund.

Meanwhile, against total DMF collection of Rs 5,368.19 crore till November, 2022, Rs 7,568.63 crore has been sanctioned for completed, ongoing and upcoming projects in the district. <https://www.newindianexpress.com/states/odisha/2023/jan/30/birmitrapur-legislator-seeks-cag-audit-into-dmf-expenditure-in-sundargarh-2542635.html>

**8. Thiruvananthapuram Corporation in a fix after CAG report on corruption by official** ([newindianexpress.com](https://www.newindianexpress.com)) 29 January 2023

THIRUVANANTHAPURAM: Thiruvananthapuram Corporation is likely to feel the heat of a CAG (Comptroller and Auditor General) report that points out that a corporation official embezzled money meant for supporting poor women. The ruling Left front has been facing several allegations including charges of corruption and nepotism.

The preliminary report of the CAG states that an official of the corporation created fake beneficiaries and swindled Rs 5.6 crore under the scheme which gives subsidy to women's groups to start small enterprises. The scheme provides a subsidy of Rs 3 lakh for loans taken from nationalised or scheduled banks. The scam took place during 2020-22.

As many as 215 groups were given subsidies during this period. Of these, only 10 groups actually took out loans. According to the CAG report, the remaining 205 groups are fake. Accounts were opened in service cooperative banks in the name of these groups, and documents were falsified to show that they got loans. <https://www.newindianexpress.com/cities/thiruvananthapuram/2023/jan/29/thiruvananthapuram-corporation-ina-fix-after-cag-report-on-corruption-by-official-2542328.html>

### **9. Vizhinjam port: Adani's slide puts CPM, Congress in a fix ([newindianexpress.com](https://www.newindianexpress.com)) 29 January 2023**

THIRUVANANTHAPURAM: The Adani Group's slide in the stock market following the Hindenburg report has put the Congress and ruling CPM in a piquant situation as the anti-Vizhinjam port agitators are all set to raise questions on Adani's credibility.

After the Hindenburg report accused the conglomerate of market manipulation and fraudulent accounting, the state leadership of the two parties are tight-lipped. Those who oppose the port construction point out the doubts they had raised earlier in awarding the project to Adani.

They demand a relook into the way the agreement was signed. Joseph C Mathew, who had approached the court against the port construction, told TNIE that there was suspicion in the way in which the-then UDF government brought in the mortgage provision in the agreement with Adani after all other bidders retracted.

**“The CAG has pointed out that in the absence of competitive bids, the government should have proceeded with the re-tendering process. The Hindenburg report has revealed huge debts incurred by the company,” he said. Another complainant A J Vijayan told TNIE that with the publication of the report, the future of Adani Group is in question.**

“If this is the start of Adani's fall, then the future of the Vizhinjam project and the state of Kerala will also be in trouble. The agitators, who have kept away from open protests of late, point out that the way in which the Oommen Chandy government awarded the project work to Adani and the LDF government's silence after it came to power are suspicious. As there is a truce between the government and the Latin Archdiocese, they don't want to come out in the open.

The national leadership of the Congress had come down heavily on Adani and demanded a detailed probe into the findings in the RBI and SEBI reports against Adani. However, the state Congress leadership, which had openly supported the agitators, chose to keep mum on the recent developments related to Adani.

The CPM maintains a critical view on crony capitalism and the nexus between big corporates and the BJP government at the Centre. However, they are yet to respond as the party central committee meeting is being held in Kolkata. “The CC didn't discuss the Hindenburg report,” a senior leader told TNIE.



“The CC might take up the issue in the deliberations ahead,” he said. However, it is interesting to see whether the state CPM leaders who are always vigilant against the nexus between corporates and governments, will speak against Adani Group.

CPM, which was in Opposition when the agreement was signed, had alleged that the government was handing over the project worth Rs 6,000 crore to the Adani Group. Although it had formed a judicial commission to investigate the allegations, the commission gave a clean chit to Oommen Chandy.

Meanwhile, the state BJP unit is taking a guarded approach on the issue as Adani Group is reportedly close to the NDA government at the Centre. <https://www.newindianexpress.com/states/kerala/2023/jan/29/vizhinjam-port-adanis-slide-puts-cpm-congress-in-a-fix-2542320.html>

#### **10. UDF white paper pins blame on LDF Govt, Centre for Kerala's financial crisis ([onmanorama.com](https://onmanorama.com)) 29 Jan 2023**

Thiruvananthapuram: A white paper on Kerala’s finances published by the Opposition United Democratic Front (UDF) blamed the Left Democratic Front Government for plunging the state into ‘severe financial crisis’.

The Left Government failed miserably in realization of taxes in the last five years and caused the exchequer a loss of Rs 70,000 crore, states the white paper.

While the actual tax amount collected in 2016-17 fell short of the target by a whopping Rs 5,437.23 crore, there was a shortfall to the tune of Rs 13,492.79 crore in 2021-22. The development activities funded through borrowings should yield returns in the future to enable the authorities in repaying the loans. However, the huge borrowings availed by the Pinarayi Vijayan Government have left the state in a dangerous debt trap, the white paper charged.

Much of the borrowed money was used to meet day-to-day expenses. This means the steep rise in total expenditure is not due to developmental expenses for the future but non-developmental ones with no scope for any returns. This year too, there is a possibility of the developmental expense share further sliding down, it blamed.

#### **'Faulty GST rollout, note ban'**

The white paper, which faulted the state government for not making proper arrangements for tax collection while implementing the GST (Goods and Services Tax), goes on to blame the Centre for the manner of GST implementation and its decision to ban high-value currencies.

#### **Per capita debt doubles in five years**

The UDF white paper on the state’s finances says that the per capita debt of Kerala has gone up over double in five years. Till 2016, the total debt of the state was Rs 1,57,370 crore. In the past five years, it has gone up to Rs 333,592 crore. The per capita debt of Malayali which was Rs 46,078.04 has now shot up to Rs 105,000.

As per the 2022-23 Budget estimate, the total debt of the State would go up to Rs 371,692.19 crore. If Rs 13,000 crore in KIIFB repayment and Rs 7,800 crore for social welfare pensions are also included, the total debt of Kerala will further increase to Rs 400,000 crore.

The government had said that the majority of the projects announced in the Budget will be implemented through KIIFB. So far clearance has been given for spending Rs 73,908 for 962 projects.

The loan that KIIFB has taken until 2021-22 is Rs 13,468.44 crore. The government has given Rs 10,135 crore to KIIFB from collections under various heads, including petroleum cess and motor vehicle tax. A total sum of Rs 23,604.29 crore was received by KIIFB as loan and government aid. It spent up to Rs 20,184.54 crore until June 2022 and it holds Rs 3,419.75 crore as balance.

The white paper asks how KIIFB will be able to implement projects worth Rs 50,000 crore with this above said money in its kitty.

### **Exhaustive report**

A Financial Planning subcommittee of the UDF, headed by C P John, prepared the white paper on the basis of documents such as Assembly questions and answers, replies under the Right to Information Act, and reports of the Comptroller and Auditor General (CAG).

The document, prepared ahead of the February 3 budget presentation by Finance Minister K N Balagopal, was officially released by Opposition leader V D Satheesan by handing over a copy to Muslim League leader P K Kunhalikutty in the presence of UDF Convenor M M Hassan.

Debt has been mounting dangerously and what was happening now had been prophesied by the white paper of the UDF in 2020, Satheesan said.

Deputy Leader of the Opposition P K Kunhalikutty said that even the ruling front MLAs are complaining that no project is getting implemented in their constituencies and the crisis that plagues KSRTC is spreading to other firms as well. <https://www.onmanorama.com/news/kerala/2023/01/29/udf-white-paper-blames-state-govt-centre-for-kerala-fiscal-mess.html>

### **11. Congress slams TS government for ignoring health sector in fresh chargesheet ([deccanchronicle.com](https://www.deccanchronicle.com)) Updated: January 29, 2023**

HYDERABAD: The Congress on Saturday released its second chargesheet as part of 'Haath se Haath Jodo' Abhiyan, highlighting the TRS government's alleged failure and its unfulfilled promises in the health sector.

Monitoring committee convener A. Maheshwar Reddy conducted a review meeting at Gandhi Bhavan before releasing the chargesheet.

"After having come up with an overall chargesheet, we will now release a department-specific chargesheet. The Congress is ready for a debate with the ruling party or at least they should come up with clarification if our charges are wrong," said Maheshwar Reddy, while briefing the media later.

The chargesheet recalls how the state government drew condemnation for the inept handling of the Covid crisis. The government not only failed to take serious steps to prevent the spread of the pandemic but also helped corporate companies mint money.

Speaking about the TRS 2014 manifesto, the Congress wanted to know the fate of 30-bed hospitals at the Mandal level, 100-bedded hospitals at the constituency level, and a super-specialty hospital on par with NIMS in each district headquarters.

“To make matters worse, the government withdrew rules mandating doctors’ stay in villages because of which quality healthcare took a beating in rural areas. Supply of medicines has been short and hospitals are understaffed,” he pointed out.

Referring to the CAG report, he questioned the status of the party’s promises on strengthening emergency services like 108 and 104 and creating individual health profile records.

“With around `800 crore arrears pending, Arogyasri network hospitals have threatened to stop services,” Maheshwar Reddy added. <https://www.deccanchronicle.com/nation/politics/290123/congress-slams-ts-government-for-ignoring-health-sector-in-fresh-charg.html>

## 12. After Himachal, Rajasthan, Cong in Karnataka favours bringing back OPS if voted to power ([indianexpress.com](http://indianexpress.com)) Updated: January 30, 2023

The Congress in Karnataka is likely to follow in the footsteps of party governments in Rajasthan and Himachal Pradesh by announcing a return to the Old Pension Scheme (OPS) for government employees, in the event of the party being elected to power in the 2023 Assembly elections.

Although there has been no formal announcement or election promise of a return to the OPS as yet, several feelers have been given by party leaders in the past few weeks — including an assurance by state Congress chief D K Shivakumar that he was on the side of government employees, during a protest held in December in Bengaluru for the OPS.

“Our Delhi leaders have given us some essential advice. We have collective leadership. We will hold discussions and make an announcement. We will stand with you,” Shivakumar had said, adding that they would hold consultations with the Congress leadership in Rajasthan, where the OPS has been brought back. “We are looking at how we can overcome the economic effect of a change in policy. We are talking to officials,” he had said.

The chairman of the Congress campaign committee in Karnataka, M B Patil, has also said that the party will implement the OPS if voted to power.

Congress leaders privy to the discussions said the OPS would be reintroduced in some form, while keeping the overall financial burden and economic interests of the state in mind.

During the introduction of the New Pension Scheme in 2006, a statement by the Finance Department had noted: “The average annual growth rate of pension payments over the past 40 years has been as high as 21 per cent, which indicates that the pension liability is increasing significantly.”

The pension cost of Rs 2,157 crore in Karnataka in 2004-05 was 8.2% of the revenue receipt of Rs 26,162 crore, and the actual pension cost of Rs 19,216 crore in 2022 was 10% of the

revenue receipts of Rs 1.95 lakh crore, according to data from CAG audit reports for Karnataka finances. The pension cost increased by 2% in 2021-22 over the cost in the 2020-21 fiscal year.

The Himachal strategy

One of the reasons attributed to the Congress victory in Himachal Pradesh was its support for OPS. This is why the party is inclined towards bringing back the scheme in Karnataka. But, with pension costs increasing, it remains to be seen if it will be a financially sound move.

State employees constitute about 1 per cent of the state's voters.

“Rightly or wrongly, it was declared ahead of the Himachal Pradesh polls that the Congress would revert to the OPS. The Congress victory in Himachal has been attributed to this promise by some people. Similarly in Rajasthan, the government has announced a return to the OPS. This is why the party leadership is inclined towards bringing back the OPS, with some amendments,” a senior state Congress leader said.

The Congress is likely to make a briefly-worded promise regarding the same in its Karnataka election manifesto. The nitty-gritty of setting up an expert committee to work out the form and structure of the scheme will be decided once the party is elected to power, the leader said.” The party hasn't yet decided upon the OPS for Karnataka, but since it has been implemented in other Congress-ruled states, there can't be a different stand in Karnataka.”

At the protest rally held in December by government employees, Shivakumar had stated that the issue was being discussed at the highest level in the party. “We have discussed this with our party president Mallikarjun Kharge and state leaders like (former CM) Siddaramaiah and (Congress manifesto committee head) G Parameshwara. In the discussion, we spoke about your protests and the decisions taken by the Rajasthan and Himachal governments. Kharge has told Siddaramaiah to make all preparations on this issue,” Shivakumar had said.

“Many of you have been protesting since 2004. You have a right to protest. The government is looking at the pension scheme with a business mindset. There is no rule that says the policies of previous governments must not be changed. The government needs funds and must collect revenues and work to create an equitable society. As politicians, we must adopt a policy of live and let live. This is the policy of the Congress party,” Shivakumar had said.

The issue of reverting to the OPS was raised in the Karnataka legislature as well in December by Opposition members. Chief Minister Basavaraj Bommai had called for more debate on the issue before arriving at any conclusion. “The government should not take any unilateral decision since we will all be responsible for the impact on the public,” Bommai had told the Assembly. “We have to keep the future position of the state exchequer in mind. We have to consider many things.” <https://indianexpress.com/article/political-pulse/after-himachal-rajasthan-cong-in-karnataka-favours-bringing-back-ops-if-voted-to-power-8410448/>

**13. DERC directs power discom NDMC to pay licence fee, late payment charge since 2003-04 ([theprint.in](https://theprint.in)) 27 January, 2023**

The national capital's power regulator DERC has directed the New Delhi Municipal Council (NDMC), a deemed power distribution licensee, to pay a licence fee at the rate of 0.05 per cent of the annual billed amount and a late payment charge, effective from 2003-04.

Taking suo motu cognizance of the non-payment of licence fee by the NDMC, under section 142 of the Electricity Act, 2003, the Delhi Electricity Regulatory Commission (DERC) had reserved its judgement in August last year which was pronounced earlier this month.

The commission has directed the NDMC, having over 46,000 consumers in Lutyens' Delhi, to comply with its direction within a period of three months.

A senior NDMC officer said a comment on the issue can be made after going through the DERC order.

A copy of the DERC order stated that the Accountant General (Audit) on March 8, 2019 had made an audit observation that the NDMC is a deemed licensee to supply electricity in the area under its Jurisdiction.

It was also observed that the NDMC, being a deemed distribution Licensee under The Electricity Act, 2003, is liable to pay 0.05 per cent of the annual amount billed from the year 2003-04 onwards and an interest at the rate of one per cent per month on the delayed payment.

The NDMC counsel appearing in the matter had argued that under section 197 of New Delhi Municipal Council Act, 1994, the council is a deemed licensee under the old Act. Therefore, they continue to be a deemed licensee and are not required to take a licence under section 14 of The Electricity Act 2003.

It was observed by the DERC, however, that by enactment of The Electricity Act, 2003, the earlier Electricity Act, 1910 was repealed.

Section 14 of The Electricity Act, 2003 deals with the grant of licence.

The commission said that licences to discoms BRPL, BYPL and TPDDL, have been in line with the Delhi Electricity Reforms Act (DERA), 2000, under which they pay a fee equivalent to 0.05 per cent of the amount billed during the previous financial year.

It further said that only those provisions of DERA are protected under section 185(3) of The Electricity Act 2003 that are consistent with its provisions.

“The provision about exclusion of NDMC as contained in DERA, 2000 cannot get shelter of section 185(3) of The Electricity Act, 2003. Thus, after coming into force of the enactment of The Electricity Act, 2003, the argument of the NDMC that it is not required to pay licence fee loses ground and has no merits,” the DERC said in the order.

The NDMC counsel had argued that the Delhi Electricity Reforms Act, 2000 under which the Delhi Electricity Regulatory Commission Comprehensive (Conduct and Business) Regulations, 2001 were framed as an enactment in the schedule to The Electricity Act, 2003.

“Regulation 1(4) of the DERC Regulations, 2001 is saved by virtue of Section 185 (3) of The Electricity Act, 2003, and therefore, the DERC Regulations, 2001 (including provisions relating to License Fee) do not extend to the NDMC,” he had submitted.

The commission, however, ruled that Section 12 of The Electricity Act 2003, provides that no person shall distribute electricity unless he is authorised to do so by a licence issued under Section 14 or is exempted under Section 13 of the 2003 Act.

“NDMC is not exempted under Section 13 of the Electricity Act 2003, it has to distribute electricity under a licence, whether obtained on application or as a deemed licensee,” it said.

It was also noted by the DERC in its order that the Electricity Act, 2003 does not prohibit it to levy licence and that the commission has to have a “non-discriminatory approach”.

The commission concluded in its order that the NDMC being a deemed licensee, the provisions of licence fee and interest on delayed payment of licence fee would also be applicable to it in order to create a level-playing field for other discoms, including the BRPL, BYPL and the TPDDL. <https://theprint.in/india/derc-directs-power-discom-ndmc-to-pay-licence-fee-late-payment-charge-since-2003-04/1338749/>

#### **14. Mumbai: MNS leader smells a scam, BMC chief Chahal orders an inquiry (mid-day.com) 28 January, 2023**

Civic chief Iqbal Singh Chahal has ordered an inquiry into the appointment of contractors from companies allegedly associated with a Yuva Sena leader that provided food, sanitizers and laundry services to two hospitals during the Covid-19 pandemic. Maharashtra Navnirman Sena leader Sandeep Deshpande had alleged various scams during the pandemic, but this is the first time Chahal has ordered an inquiry.

Deshpande met Municipal Commissioner Chahal on Wednesday. He claimed the contract awarded to companies associated with Yuva Sena leader Vaibhav Thorat entailed supplying food to patients in two field hospitals, providing laundry services and sanitizers. “Hand-in-glove with some BMC officials, the leader supplied only 30 per cent to 40 per cent of the materials. But the bills were charged for 100 per cent materials,” said Deshpande.

“If this case is thoroughly investigated, it will be clear how the BMC officials also support politicians when it comes to scams. It is necessary to complete the investigation as soon as possible and take action,” Deshpande added. Thorat denied the allegation. “The companies are not related to me. The allegations are false,” he said.

Chahal has asked Additional Municipal Commissioner Ashwini Bhide to conduct the inquiry and prepare a report in three weeks.

According to sources, Deshpande raised various scams at least five times during the pandemic and also demanded an inquiry into Chahal. Recently Chahal faced an Enforcement Directorate inquiry in a case of corruption during the pandemic. The Comptroller and Auditor General of India is also conducting an inquiry into the BMC COVID-19 expenditure. <https://www.mid-day.com/mumbai/mumbai-news/article/mumbai-mns-leader-smells-a-scam-bmc-chief-chahal-orders-an-inquiry-23267620>

**15. Haryana IPS promotions: Issue stuck in probes, grievances** ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) Jan 29, 2023

CHANDIGARH: An attempt to create additional ex-cadre posts for IPS officers has turned out to be a major challenge for the Haryana government as well as police department. Representations made by aggrieved officers at various levels have made it tough for the government to take final call or to implement an additional creation of ex-cadre of DGPADGPs of the state.

As of now, there are 22 DGP- and ADGP-level officers working in the state in violation of rules by the department of personal and training (DoPT), Government of India. According to rules, there have to be just 25% ex-cadre posts of the total IPS strength in the state. Accordingly, for Haryana, for 79 posts only 19 posts are to be ex-cadre.

As a result, there had been issues of professional growth and promotions of 1994, 1996, 1998 and 2000 batch officers, which has now impacted many. Notably, in first week of January, the DPC has announced the names of promoted IAS officers, but the promotion of IPS officers is still hanging fire. It was alleged that certain 1994 batch officers were promoted without them completing the 25 years of service.

In the latest development, now the governor's secretariat has sought clarification from the chief secretary over this issue on the representation made by one more IPS officer who claimed to be one of the victims of such out of turn promotions and ex-cadre posts.

According to information, the issue came to light in June last year when an IPS officer had partitioned to the Haryana Vidhan Sabha and the issue has been referred to the public accounts committee. All this began when government had promoted four officers to accommodate one officer who was quite close to senior politicians of the state.

An Association of Haryana's IPS officers too had called on chief secretary to settle the issue.

Meanwhile, acting on the query raised by assembly speaker, Haryana government had rescinded that the state government is capable of creating more ex-cadre posts.

The issue had reached the Union home ministry, which has cautioned Haryana as well as other states in September against creation of new ex-cadre posts. In September, the Comptroller and Auditor General's office gave permission to conduct audit of the issue related to ex-cadre posts.

Now, Haryana DGP P K Agrawal too has requested the state government to increase ex-cadre posts, including the four posts of DGP, which too is hanging fire. <https://timesofindia.indiatimes.com/city/chandigarh/haryana-ips-promotions-issue-stuck-in-probes-grievances/articleshow/97412588.cms>

**16. A.G. West Bengal lifts team championship title** ([thelivenagpur.com](https://thelivenagpur.com)) January 28, 2023

A.G. West Bengal emerged Team Champions as their team defeated A.G. Kerala 3-1, in the ongoing Indian Audit & Accounts Department (IA&AD) Inter Zonal Badminton Tournament, 2022-23 which is being conducted under the aegis of Accountant General Recreation Club (AGRC) of the Office of The Principal Accountant General (A& E) II, Maharashtra at

Divisional Sports Complex, Mankapur, Nagpur. Praveer Kumar, Principal Accountant General (A&E), Maharashtra, Nagpur is the patron of the Tournament.

The Prize Distribution is slated to be held on January 30, 2023 at Divisional Sports Complex, Mankapur, Nagpur at the hands of Y.L.P. Rao, Principal Chief Conservator of Forest, Maharashtra at 4.00 pm.

In the Team Championship Finals, Akash Thakur of A.G. West Bengal defeated Jamshed T.K. of A.G. Kerala – 21-12, 21-18, G. Aditya Bipineedu defeated Benet Antony – 21-11, 21-7 to make it 2-0 for A.G. West Bengal. In the doubles match, A.G. Kerala duo of Arun George/Manjush Mohan KK pulled one back as they defeated G. Aditya Bipineedu/Akash Thakur 14-21, 16-21, to make it 2-1, but Iman Sonwal of A.G. West Bengal defeated Arun George to make it 3-1 and lift the Team Championship Title.

In the Women Singles quarter finals, P Nishtha of DGA Kolkata got Bye, while Bhavya Rishi of Delhi Audit defeated Yoshita Mathur of A.G. Gwalior 21-17, 21-15, Namita Pathania of Delhi Audit beat Dipali Gupta of A.G. Bihar, 21-10, 22-20, Shenan Christian of A.G. Ahmedabad defeated T. Deepthi of A.G. Telangana, 21-4, 21-3 to sail into the semi finals of the tournament.

In the Mens Singles, Abhishek Saini of A.G. Himachal Pradesh, Ajay Meena of A.G. Mumbai, D. Sarath of PDA Secunderabad, Laa Talar of A.G. Arunachal Pradesh, Kartik Jindal of A.G. Himachal Pradesh, Gurav Parmar of A.G. Gwalior, Rohit Yadav of A.G. Telangana, Aditya Bapineedu of A.G. West Bengal booked their places in the Quarter finals.

In Mixed doubles, Sangram Chutia and Ningshi Hazarika of A.G. Assam, Tushar Sharma of Delhi Audit and Barma Meena of A.G. Uttar Pradesh, Gurav Deswal of Delhi Audit and Priyanka Kumawat of A.G. Uttar Pradesh, Benet Antony and Ashna Roy of A.G. Kerala booked their semi-final spots.

In Women Doubles, Dipali Gupta of A.G. Bihar & Ningshi Hazarika of A.G. Assam who beat Priyanka Kumawat and Barma Meena of A.G. Uttar Pradesh, 14-21, 21-17, 21-12 set up a title clash with Namita Pathania and Bhavya Rishi of Delhi Audit who had defeated Yoshita Mathur of A.G. Gwalior and Karma Meena of A.G. Mumbai: 18-21, 21-16, 21-8

In Men Doubles event, Benet Antony & Arun George of A.G. Kerala, Himangshu Saroha and Tushar Sharma of Delhi Audit, Sanjay Thakur and Rajesh Verma of A.G. Bhopal, Iman Sonwal and Brijesh Yadav of A.G. West Bengal, sailed into the Semi Finals.

### **Scores in Brief:**

Team Championship (Finals): A.G. West Bengal beat A.G. Kerala 3-1

i) Akash Thakur bt Jamshed T.K. – 21-12, 21-18

ii) G. Aditya Bipineedu bt Benet Antony – 21-11, 21-7

iii) G. Aditya Bipineedu/Akash Thakur bt Arun George/Manjush Mohan KK – 14-21, 16-21

iv) Iman Sonwal bt Arun George – 21-8, 21-11



Womens Singles (Quarter Finals):

- i) P Nishtha (Bye)
- ii) Bhavya Rishi(Delhi Audit) bt Yoshita Mathur (A.G. Gwalior)- 21-17, 21-15
- iii) Namita Pathania (Delhi Audit) bt Dipali Gupta (A.G. Bihar) – 21-10, 22-20
- iv) Shenan Christian (A.G. Ahmedabad) bt T. Deepthi (A.G. Telangana)- 21-4, 21-3

Men Singles (Pre-Quarter Finals):

- i) Abhishek Saini(A.G. Himachal Pradesh): (Bye)
- ii) Ajay Meena (A.G. Mumbai) bt B. Kiran Mouli (A.G. Karnataka) : 21-13, 21-10
- iii) D. Sarath (PDA Secunderabad) bt Ravijot Singh( A.G. Punjab) : 21-13, 22-20
- iv) Laa Talar (A.G. Arunachal Pradesh) bt Jaswinder Singh(A.G. Mumbai) : 21-12, 21-18
- v) Kartik Jindal (A.G. Himachal Pradesh) bt Kumar Rana Boruah (A.G. Manipur) : 21-12, 21-18
- vi) Gurav Parmar (A.G. Gwalior) bt Prasanth Reddy (A.G. Telangana) : 21-12, 21-18
- vii) Rohit Yadav (A.G. Telangana) bt Sahil Katlaria ( A.G. Punjab) : 21-12, 16-21, 21-14
- viii) Aditya Bapineedu ( A.G. West Bengal) : (Bye)

Mixed Doubles (Quarter Finals):

- i) Sangram Chutia & Ningshi Hazarika(A.G. Assam) (Bye)
- ii) Tushar Sharma (Delhi Audit)& Barma Meena (A.G Uttar Pradesh) bt Romit Dudejam& Shenan Christian (A.G. Ahmedabad) : 19-21, 21-16, 21-19
- iii) Gurav Deswal (Delhi Audit)& Priyanka Kumawat (A.G Uttar Pradesh) bt Brijesh Yadav & Amrita Mukharjee (A.G. West Bengal) : 21-16, 17-21, 21-16
- iv) Benet Antony & Ashna Roy (A.G. Kerala) bt Rajesh Verma (A.G. Bhopal)& Karma Meena (A.G. Mumbai): 21-15, 21-15.

Women Doubles (Semi Finals):

- i) Dipali Gupta (A.G. Bihar) & Ningshi Hazarika(A.G. Assam) bt Priyanka Kumawat & Barma Meena( A.G. Uttar Pradesh) : 14-21, 21-17, 21-12

ii) Namita Pathania & Bhavya Rishi (Delhi Audit) bt Yoshita Mathur (A.G. Gwalior) & Karma Meena (A.G. Mumbai) : 18-21, 21-16, 21-8

Men Doubles (Quarter Finals):

i) Benet Antony & Arun George ( A.G. Kerala) bt Gyanhand & Ranjith Bantha (A.G. Odisha): 21-11,21-13

ii) Himangshu Saroha & Tushar Sharma (Delhi Audit) bt Rohan Parashar & Gurav Parmar (A.G. Gwalior) :21-18, 21-17

iii) Sanjay Thakur & Rajesh Verma (A.G. Bhopal) bt Arjun Reddy & Prasanth Reddy (A.G. Telangana): 21-14, 17-21, 21-14

iv) Iman Sonwal & Brijesh Yadav (A.G. West Bengal) bt Datul Chuhan & Kartik Jindal (A.G. Himachal Pradesh): 21-10, 21-12

<https://thelivenagpur.com/2023/01/28/a-g-west-bengal-lifts-team-championship-title/>

17. Visva

Bharati: विश्व-

भारती ने जमीन विवाद मामले में अमर्त्य सेन को लिखा पत्र, कहा- जमीन से तत्काल छोड़ें कब्जा ([amarujala.com](http://amarujala.com)) 27 Jan 2023

विश्व भारती विश्वविद्यालय की जमीन पर अनधिकृत कब्जे को लेकर विश्वविद्यालय प्रशासन ने नोबेल पुरस्कार विजेता अमर्त्य सेन को तीन दिनों में दूसरा पत्र लिखा है। इसमें उनसे कहा गया है कि वे उस जमीन को विश्वविद्यालय को सौंप दें, जिस पर शांति निकेतन में कथित तौर पर उनका कब्जा था। वहीं दूसरी ओर अर्थशास्त्री अमर्त्य सेन ने दावा किया था कि शांतिनिकेतन परिसर में उनके पास जो जमीन है, उनमें से अधिकांश को उनके पिता ने बाजार से खरीदा था, जबकि कुछ अन्य भूखंड पट्टे पर लिए गए थे।

24 जनवरी के पत्र में लिखा है कि आपके पास 1.38 एकड़ भूमि का कब्जा है, जो आपके 1.25 एकड़ के कानूनी अधिकार से अधिक है। वहीं,

27 जनवरी को लिखे गए पत्र में कहा गया है 'जितनी जल्दी हो सके विश्वभारती को भूमि वापस कर दें क्योंकि भूमि के कानूनों को लागू करने से आपको और विश्वभारती को भी शर्मिंदगी उठानी पड़ेगी, जिसे आप बहुत प्यार करते हैं।'

इसके साथ ही पत्र में संकेत दिया गया है कि यदि सेन की ओर से अभी कदम नहीं उठाए गए तो विश्वविद्यालय कानून के तहत कार्रवाई करेगा। विश्वभारती के एक अधिकारी ने बताया कि पत्र को उनके शांति निकेतन निवास पर पहुंचा दिया गया है।

वहीं, विश्व भारती विश्वविद्यालय ने पश्चिम बंगाल सरकार को पत्र लिखकर आरोप लगाया था कि इसके दर्जनों भूखंडों को निजी पार्टियों के पक्ष में गलत तरीके से नामांतरित किया गया है।

विश्वविद्यालय द्वारा तैयार की गई अनधिकृत कब्जे वाले लोगों की सूची में नोबल पुरस्कार से सम्मानित और प्रख्यात अर्थशास्त्री प्रोफेसर अमर्त्य सेन का भी नाम शामिल है।

### 1980 से 1990 के बीच तैयार किए गए गलत रिकॉर्ड

विश्व भारती संपदा कार्यालय के अनुसार ऐसे गलत रिकॉर्ड 1980 और 1990 के दशक में तैयार किए गए थे। इनमें से अधिकांश भूखंड शांति निकेतन के पुरवापल्ली इलाके में स्थित हैं, जिसे आश्रमवासियों (विश्व भारती की स्थापना के दौरान आश्रम स्कूल और इससे जुड़े परिवार) और प्रख्यात व्यक्ति के आवासीय हब के रूप में जाना जाता है।

विश्व भारती के कार्यालयों के दस्तावेजों को शिक्षा मंत्रालय को भी भेजा गया। इसके सीएजी की रिपोर्ट में खुलासा हुआ कि विश्वविद्यालय की भूमि का अतिक्रमण 1990 के दशक के अंत में हुआ। प्रोफेसर सेन ने 2006 में 99 साल के पट्टे वाली भूमि को अपने नाम पर हस्तांतरित करने के लिए तत्कालीन कुलपति को पत्र लिखा था। इसके बाद कार्यकारी परिषद द्वारा निर्णय लेने के बाद ऐसा किया गया था, लेकिन अतिरिक्त भूमि विश्वविद्यालय को वापस नहीं की गई थी। <https://www.amarujala.com/india-news/visva-bharati-issues-fresh-letter-to-amartya-sen-on-land-issue-2023-01-27>

## SELECTED NEWS ITEMS/ARTICLES FOR READING

### 18. Over 800 central sector infrastructure projects delayed; road transport and highways has maximum late projects ([financialexpress.com](https://www.financialexpress.com)) January 29, 2023

About 835 central sector infrastructural projects have been delayed with respect to their original schedules, showed a government report. The latest flash report, published by the Infrastructure and Project Monitoring Division (IPMD), shows that the road, transport, and highways sector has the maximum number of delayed projects in the country.

The IPMD falls under the Ministry of Statistics and Programme Implementation. It monitors the implementation status of projects costing more than Rs 150 Crores.

The IPMD December 2022 report shows that there are 428 delayed projects in the Road Transport and Highways sector, followed by 117 in Railways, 88 in the Petroleum, 36 in coal, 55 in power, 27 in water resources, 4 in Health and Family Welfare, 15 in urban development, 24 in civil aviation, and many others.

The total original cost of implementation of these 1,438 projects was Rs 20,35,794.75 crores and their anticipated completion costs likely to be Rs 24,86,069.52 crores. This shows that there is a cost overrun of Rs 4,50,274.77 crores.

In a statement, the IPMD said, “Out of the 1438 projects, 8 projects are ahead of schedule, 253 are on schedule, 835 are delayed, 343 projects reported cost overrun and 165 projects reported both time and cost overrun with respect to their original project implementation schedules.”

Sectorwise list of few projects having a maximum percentage of Cost Overruns

**Road Transport and Highways:**

For laning of Ghaghra Bridge to Varanasi (PKG-II)

Four laning of Sultanpur to Varanasi (PKG-I)

Construction of eight lane access controlled expressway carriageway from Rajasthan/MP border to JODM

Four laning of Solan-Kaithlighat section of NH-22 (Now NH-5)

Rehabilitation and Upgradation of existing NH-565 from KM86.057 TO 133.922 of Nagarjunasagar Dam T

**Railways:**

Lalitpur-Satna-Rewa-Singruli NL

Madurai-Tuticorin Via Aruppukkottai

Udhampur-Srinagar-Baramulla

New BG Line from Byrnihat to Shillong

Ramganjmundi-Bhopal

**Urban Development:**

Mumbai Metro Line 3 (Colaba-Bandra-SEEPZ)

Chennai Metro Rail LTD (Phase 1)

Kochi Metro Rail Project

Ahmedabad Metro Rail Project Phase 1

Nagpur Metro Rail

The IPMD report further shows that the Muneerabad-Mahaboobnagar rail project is the most delayed project by 276 months followed by the Udhampur-Srinagar-Baramulla rail project (247 months), and Belapur-Seawood-Urban Electrified Double Line (by 228 months). <https://www.financialexpress.com/infrastructure/over-800-central-sector-infrastructure-projects-delayed-road-transport-and-highways-has-maximum-late-projects/2963250/>

**19. Welfare schemes will falter in the absence of accurate population data ([indianexpress.com](https://www.indianexpress.com)) Updated: January 30, 2023**

The Census is necessary since it forms the basis of all the plans and programmes that the government wants to implement. Postponing the Census has immediate and long-term negative consequences for India. The government should take urgent steps to conduct the Census

India aspires to be a \$10 trillion economy by 2035. To achieve this, conducting population Census, due in 2021 but postponed indefinitely because of Covid, is necessary. Census data is essential for planning at the village or block level to usher in economic and social development, ensure better governance, and increase the transparency of public schemes and programmes.

There are many reasons why conducting a Census has become a prerequisite for economic development. At present, the biggest challenge facing demographers, planners, and other stakeholders is how to estimate the district population — the district is the basic administrative unit for governing, planning, and executing government projects and schemes. In the absence of updated Census data, demographers estimate the annual population count at the district level using past Census information for the intercensal or postcensal period. Say, to estimate the population of a district in India in the year 2015, they use the district-level population growth

rate between the 2001 and 2011 Census. Such demographic exercises give reasonably fair estimates when the year of population estimation is within the range of a maximum of 10 years. Beyond this period, estimations can be erroneous, particularly at the district level due to dynamic patterns of population components, among them fertility, mortality and migration. Many districts of India are experiencing a faster demographic transition with varying fertility and mortality rates. So using the growth rate of 2001-2011 for the period after 2021 becomes more of an assumption-based model than a model that reflects empirical reality. Covid-19 further makes the situation complex as it impacts the fertility and mortality situation in the country. Since many states (and districts) lack a complete civil registration system with a full count of birth and death data, demographers face enormous challenges in providing population counts at the district level. For the above reasons, in several instances, estimates tend to be far off the mark, especially for newly formed districts and states.

Second, migration data collected in the Census has great implications for economic activities and social harmony. As India progresses economically, the pattern of migration within the country, within states as well as outside the country has been changing in unprecedented ways. For instance, even in smaller towns and cities, job patterns have changed. The migration pattern in India in the present decade is very different from what the data in Census 2001 and 2011 suggest. Hence, in the absence of Census data, it is difficult to draw conclusions about migration in India.

Third, the Census counts everyone across regions, classes, creeds, religions, languages, castes, marital status, differently-abled populations, occupation patterns etc. Most national-level surveys such as NFHS and NSSO do not have representative data at the population subgroup level, unlike the Census. The existence of numerous faiths and languages as well as the expansion or extinction of such communities will be known only via population Census.

India has a long history of conducting Census without interruption from 1881 with the rare exception of Assam in 1981 and Jammu Kashmir in 1991 due to sociopolitical unrest and secessionist movements. A regular Census at the national and sub-national levels has been a matter of pride for India. It has to be continued until India achieves a fool-proof civil registration system and a dynamic National Population Register.

Conducting the population Census is a mammoth task, of course. Full involvement of the government system is necessary to organise it. But the Census is necessary since it forms the basis of all the plans and programmes that the government wants to implement. Postponing the Census has immediate and long-term negative consequences for India. The government and other stakeholders should take urgent steps to conduct the Census as early as possible. <https://indianexpress.com/article/opinion/columns/welfare-schemes-will-falter-in-the-absence-of-accurate-population-data-8411575/>

## **20. Fast-tracking resolution ([thehindubusinessline.com](https://www.thehindubusinessline.com)) January 29, 2023**

The IBC law has been subject to chopping and changing since its inception nearly seven years ago. But the latest round of proposed amendments to expedite resolutions are arguably the most sweeping in scope since the inception of the law in 2016.

The proposed amendments are a response to some basic infirmities in the IBC, whose merits as a creditor-in-control debt resolution model cannot, however, be disputed. These infirmities, broadly speaking, are: delays by lenders in approaching the National Company Law Tribunal

with NPA cases, delay by the NCLT in admitting such cases, and delay in the process itself. The salient features of the proposal are: speeding up the admission of cases; a clear framework for out-of-court approaches in order to fast-track resolution; and a new waterfall mechanism where operational creditors could get a better due. It also suggests clubbing defaults in the case of group entities for efficient resolution; and contrarily, ring-fencing unviable parts of a business to arrive at a resolution that is restricted in scope to the affected assets.

With respect to speeding up admissions, the latest proposal seeks to remove the discretionary power of the adjudicating authority (AA) once default has been established by information utility. To ensure fast track resolution, an “informal” out-of-court settlement may be initiated by “unrelated” financial creditors with the AA overseeing the process. The pre-pack insolvency resolution process, introduced for the benefit of MSMEs in the wake of Covid, where the financial creditors cobble a plan and get the court’s nod, is sought to be extended to all entities. However, in pursuing these fast track options, it must be kept in mind that the moratorium on assets may not hold, posing a risk to the going concern. In the case of pre-pack, the debtor remains in possession. Therefore, while expanding the scope of pre-pack it is important to ensure that errant promoters do not benefit.

The law would require tweaking to deal with ‘group resolutions’ where defaults tangled between parent and group companies would have to be seen as one. The principle of separating a defaulting project from the rest has been spelt out specifically with respect to real estate, keeping the interests of home buyers in mind. However, it is as yet unclear how this segregation can be made, except by creating a special purpose vehicle. More detailed rules are called for. Similarly, the proposals rightly suggest that the approval of the resolution plan should be separated from the distribution of proceeds.

To deal with distribution, a new waterfall mechanism has been suggested where the financial creditors will get up to 100 per cent of the liquidation value, while the rest of the proceeds realised on resolution of the debt will be distributed ‘rateably’ between stakeholders. With liquidation value acquiring significance, it will be important to arrive at it credibly. These changes will help IBC deliver on its promise better. <https://www.thehindubusinessline.com/opinion/editorial/fast-tracking-ibc-resolution/article66446861.ece>

## **21. Govt to use emergency law to maximise coal power output: Report ([moneycontrol.com](https://www.moneycontrol.com)) January 30, 2023**

India plans to use an emergency law next month to force power plants that run on imported coal to maximise output, two government sources told Reuters on Monday, in preparation for expected record consumption this summer.

Many Indian coal-fired plants, including those those owned by Adani Power and Tata Power in India's western Gujarat state, have not operated at full capacity in the recent years because they have found it difficult to compete with power generated from cheap domestic coal.

Federal power ministry officials will work with those involved in debt restructuring of financially stressed power plants to make them functional, the sources said.

The ministry did not immediately respond to a request for comment.

India expects its power plants to burn about 8% more coal in the financial year ending March 2024, with increased economic activity and erratic weather to continue boost growth in demand for power.

India's industrial western states Maharashtra and Gujarat, which have registered a steep rise in power demand in recent months, demanded invocation of the law, the sources said. The law is being invoked for the second time in as many years. <https://www.moneycontrol.com/news/business/economy/govt-to-invoke-emergency-law-to-force-imported-coal-based-utilities-to-operate-report-9963491.html>

**22. India asks utilities to not retire coal-fired power plants till 2030** ([moneycontrol.com](https://www.moneycontrol.com)) January 30, 2023

**The energy-hungry nation said last May it plans to reduce power generation from least 81 coal-fired plants over the next four years, but the proposal did not involve shutting down any of its 179 coal power plants. India has not set a formal timeline for phasing down coal use.**

India has asked utilities to not retire coal-fired power plants till 2030 due to a surge in electricity demand, according to a federal power ministry notice reviewed by Reuters, just over two years after committing to eventually phase down use of the fuel.

The energy-hungry nation said last May it plans to reduce power generation from least 81 coal-fired plants over the next four years, but the proposal did not involve shutting down any of its 179 coal power plants. India has not set a formal timeline for phasing down coal use.

"It is advised to all power utilities not to retire any thermal (power generation) units till 2030 and ensure availability of units after carrying out renovation and modernisation activities if required," the Central Electricity Authority (CEA) said in a notice dated Jan. 20 sent to officials in the federal power ministry.

The CEA, which acts as an advisor to the ministry, cited a December meeting where the federal power minister had asked that ageing thermal power plants not be retired, and to instead increase the lifetime of such units "considering (the) expected demand scenario".

The federal power ministry did not immediately respond to emailed requests for comment.

India, the world's second largest-consumer, producer and importer of coal, fell short of its 2022 renewable energy addition target by nearly a third. Coal accounts for nearly three-quarters of annual electricity generation.

Power demand in India has surged in the recent months due to extreme weather, rising household use of electricity as more companies allowing employees to work from home, and a pickup in industrial activity after easing of coronavirus-related restrictions.

Peak power demand met - a measure of maximum power supplied during the day - rose to a record of as much as 210.6 GW on Jan. 18, 1.7% surpassing the previous peak of 207.1 GW at the height of an intense heatwave last April that caused India's worst power crisis in six and a half years.

"Peak power demand has already risen 5% this year. If it increased by another 3-4%, we could be staring at another crisis," a senior official at a utility in a southern Indian state said.

"There is no question of retiring old coal units," the official said, speaking on condition of anonymity because he is not authorised to speak to the media. <https://www.moneycontrol.com/news/business/economy/india-asks-utilities-to-not-retire-coal-fired-power-plants-till-2030-9960891.html>

### **23. Attracting pvt capital for National Infra Pipeline** ([financialexpress.com](https://www.financialexpress.com)) January 30, 2023

The National Infrastructure Pipeline (NIP) 2020-25 was always envisaged to be a key facilitator for inclusive economic development by prioritising investments in a cross-country network of state-of-art infrastructure spanning roads, railways, ports, airports, urban infrastructure, irrigation, health and education. Now, around three years post its launch, while overall NIP investments have been reasonable, this has been driven primarily by the government and public investments.

Annual infrastructure investments are estimated to range between Rs 15-16 trillion over the last 2-3 years. Out of this, annual budgetary outlays from the Government of India (GoI) has contributed around Rs 3-4 trillion, primarily accounted for by roads & highways (around `60,000 crore), railways (`80,000 crore), urban development (`60,000 crore) and rural water & sanitation (`65,000 crore). State governments are estimated to have contributed around 22-23%, with banks & NBFCs accounting for another 21-22%. Private sector investments have, however, been limited to 20-25% of aggregate investments during this period.

In 2023-24, projected infrastructure investments under NIP are around Rs 15.4 trillion. There is also expected to be an additional back log of around Rs 12-13 trillion from 2020-22 primarily due to shortfall in investments on account of Covid-19, which may need to be provided for over the next two years. In terms of funding, GoI budgetary spend is not likely to increase significantly due to continued demands in terms of high fertiliser import subsidy and other social commitments like providing free ration under the National Food Security Act, assured income support under schemes like MGNREGA, PM-Kisan etc. The situation is similar for state governments which are faced with gross fiscal deficit of over 3%, which is the threshold limit under the Fiscal Responsibility Legislation. Attracting higher private financing preferably with a longer tenure thereby avoiding asset liability mismatches, therefore, becomes important. Two specific measures have been discussed below for achieving this objective.

First, the government may consider setting up a national level mechanism for facilitating asset backed securities (ABS) based on existing infrastructure loans. The designated institution can (a) purchase infrastructure loan portfolios from banks & NBFCs, including those for supporting climate friendly projects like developing additional renewable capacity, implementing mass transit projects, water & waste recycling etc. and (b) package the purchased loans into market-based ABS with differing seniority/risk levels as well as varying tenures, for offering to institutional investors through private placement. The initial equity capital of the proposed entity could be co-funded by the government together with one or more development finance institutions. The platform may be best managed by a credible and reputed investment banking-cum-fund management agency selected through a public procurement process based on demonstrated expertise and experience in this area.



The proposed facility would effectively function as take-out financing for banks and financial institutions involved in lending to infrastructure (including green) projects, thereby providing them additional funds to undertake additional lending. Subject to proper structuring of the asset backed securities, the mechanism would help to convert existing loan portfolios to different instruments with varying risk and tenure profiles, thereby appealing to a wider cross section of investors. Countries like Singapore have benefited from similar arrangements.

The second immediate intervention can be to scale up existing credit guarantee facilities for infrastructure projects being developed under public private partnership (PPP). While there are existing credit guarantee facilities for infrastructure projects, the quantum of support is not adequate vis-à-vis annual infrastructure PPP project investments. For the facility to be successful and ensure standardisation of appraisal & other operational processes, it would need to be positioned as an exclusive single window mechanism, covering all PPP projects requiring GoI guarantees.

The guarantees extended under this mechanism would need to cover (a) breach of contract risk including failure to make contractually agreed payments or implement pre-agreed tariff; (b) changes in laws/regulations; (c) delays/failure in land acquisition; (d) delays/failures in approval of licences/permits; (e) delays/failures relating to financial close; (f) termination risk etc. There would need to be a strong underlying recourse mechanism in the form of an agreement between the credit guarantee institution, implementing agency (Central or state government) and the ministry of finance, GoI to (a) release funds in the event of the guarantee being triggered due to an event of default and (b) subsequent transfer of funds by the ministry of finance to the credit guarantee institution from the budgetary allocation of the concerned implementing agency.

Operationalising the above facility is likely to increase private interest in infrastructure projects being implemented on PPP basis as it would facilitate availability of long-term financing from financial institutions. It is also likely to reduce cost of borrowing and direct government financing for infrastructure projects. Additionally, extension of guarantees to infrastructure bonds would enhance their credit assessment/rating and may lead to interest from long term investors like domestic pension funds and insurance companies which are required to follow minimum rating thresholds in respect of their investments. Similar models have been successfully leveraged in the European Union, Indonesia and some other countries.

These measures are likely to go a long way in attracting additional private investment in implementing the NIP, thereby enhancing economic growth and creating the required infrastructure network for inclusive growth in the future. <https://www.financialexpress.com/infrastructure/attracting-pvt-capital-for-national-infra-pipeline/2963414/>