NEWS ITEMS ON CAG/ AUDIT REPORTS (04.01.2023)

1. 50 ASI-protected monuments untraceable: How did they go 'missing', what happens next *(indianexpress.com)* Updated: January 4, 2023

Fifty of India's 3,693 centrally protected monuments have gone missing, the Ministry of Culture has told Parliament. The submissions were made by the ministry on December 8 to the Parliamentary Standing Committee on Transport, Tourism and Culture as part of a report titled 'Issues relating to Untraceable Monuments and Protection of Monuments in India'.

How does a monument go 'missing'? What does this mean, and what happens now? We explain.

What are centrally protected monuments?
The Ancient Monuments and Archaeological Sites and Remains Act (AMASR Act) regulates the preservation of monuments and archaeological sites of national importance. The Archaeological Survey of India (ASI), which is under the aegis of the Union Ministry of Culture, functions under this Act. The Act protects monuments and sites that are more than 100 years old, including temples, cemeteries, inscriptions, tombs, forts, palaces, step-wells, rock-cut caves, and even objects like cannons and mile pillars that may be of historical significance.

According to the provisions of AMASR Act, ASI officials are supposed to regularly inspect the monuments to assess their condition. Apart from various conservation and preservation operations, ASI officials can also file police complaints, issue show cause notices for the removal of encroachments, and communicate to the local administration the need for demolition of encroachments.

So how can a monument go "missing"?
The ASI was founded in 1861 by Alexander Cunningham, when he realised the need for a permanent body to oversee archaeological excavations and conservation. But while the body remained largely dysfunctional in the 19th century owing to fund crunch, in the decades preceding Independence, it became very active. A bulk of the protected monuments were taken under the ASI's wings during the 1920s and 30s, up till the 50s, officials told The Indian Express.

But in the decades after independence, the focus of successive governments was on health, education and infrastructure, rather than protecting heritage, officials said. Even within the scope of heritage, the aim was to uncover more monuments and sites, instead of conservation. So in due course, ASI officials said, many monuments and sites were lost to activities like urbanisation, construction of dams and reservoirs, and even encroachments.

As per the ASI submission in Parliament, 14 monuments have been lost to rapid urbanisation, 12 are submerged by reservoirs/dams, while 24 are untraceable, which brings the number of missing monuments to 50.

"Even now, we are grappling with an acute manpower shortage to physically man all the big and small monuments which may fall under a particular region," an ASI official said.

The agency told the Parliamentary committee that security guards were posted at only 248 of the 3,693 monuments. "The committee notes with dismay that out of the total requirement of

7,000 personnel for the protection of monuments, the government could provide only 2,578 security personnel at 248 locations due to budgetary constraints," the report said.

Is this the first time monuments have been reported missing?
While ASI officials said a comprehensive physical survey of all monuments has never been conducted after Independence, in 2013, a Comptroller and Auditor General (CAG) report said that at least 92 centrally protected monuments across the country had gone missing.

The CAG report said that the ASI did not have reliable information on the exact number of monuments under its protection. It recommended that periodic inspection of each protected monument be carried out by a suitably ranked officer. The Culture ministry accepted the proposal, but there was hardly any movement.

Which monuments are missing?
The report notes that "out of the 92 monuments declared as missing by the CAG, 42 have been identified due to efforts made by the ASI." Of the remaining 50, 26 have been accounted for, as mentioned earlier, while 24 are untraceable. The Ministry said, "Such monuments which could not be traced on ground for a considerable time because of multiple factors, despite the strenuous efforts of ASI through its field offices, were referred as Untraceable monuments."

These include 11 in Uttar Pradesh, two each in Delhi and Haryana, and in states like Assam, West Bengal, Arunachal Pradesh and Uttarakhand. Official sources told The Indian Express, "Many such cases pertain to inscriptions, batteries and tablets, which don't have a fixed address. They could have been moved or damaged and it may be difficult to locate them."

The Parliamentary panel said it was perturbed to find that the Barakhamba Cemetery in the very heart of Delhi was among the untraceable monuments. "If even monuments in the Capital cannot be maintained properly, it does not bode well for monuments in remote places in the country," it said. Officials told the Express that the particular cemetery may have been lost to the "redevelopment of the New Delhi Railway Station".

Other missing monuments include the Guns of Emperor Sher Shah, Tinsukia (Assam); the Ruins of Copper Temple, Paya, Lohit (Arunachal Pradesh); Kos Minar, Mujesar, Faridabad (Haryana); Kutumbari Temple, Dwarahat, Almora (Uttarakhand); Rock Inscription, Satna (Madhya Pradesh); Old European Tomb, Pune (Maharashtra); 12th Century Temple, Baran (Rajasthan); and Telia Nala Buddhist ruins, Varanasi (Uttar Pradesh).

Could there be more missing monuments?
The CAG audit included a joint physical inspection, along with the ASI, of merely 1,655 monuments out of the 3,678 on the protected list at the time. The 24 monuments reported to be untraceable are from this sample of 1,655 monuments.

"The Committee is perturbed to note that having found out that at least 24 monuments are untraceable out of the sample of monuments studied, no further surveys were conducted for the remaining monuments, even nearly a decade after the original study," the panel said.

So does India now have fewer protected monuments?
The ASI submitted that even as the monuments lost to urbanisation or dams can be deemed gone, it will make one last attempt to locate the 24 untraceable monuments. If any of those can be traced, the missing monuments list will be pruned.

However, deleting the lost/untraceable monuments from the protected list may not be that simple. The deletion requires denotification of the said monument under Section 35 of the AMASR Act, which happens to be a long-drawn process.

Section 35 has the provision to issue notifications only for such Centrally Protected Monuments (CPMs) which, according to the central government, have ceased to be of national importance. The situation of a missing monument cannot be automatically equated with the loss of its historical importance, the committee said.

It recommended that the untraceable monuments may not be removed from the list, because once that is done, there would be no imperative to find them. Since the missing monuments cannot continue to be on the protected list either, the Committee recommended that the list of Untraceable Monuments may be maintained as such and if necessary, the AMASR Act be amended to include this terminology. https://indianexpress.com/article/explained/explained-culture/asi-protected-monuments-untraceable-missing-8359347/

2. 50 ASI-protected monuments go 'missing', says Ministry of Culture – What next? *(financialexpress.com)* January 4, 2023

In its recent submission in the Parliament, the Union Ministry of Culture said that 50 of India's 3,693 centrally protected monuments have gone untraceable, which flagged a matter of grave concern. The report titled 'Issues relating to Untraceable Monuments and Protection of Monuments in India' was submitted to the Parliamentary Standing Committee on Transport, Tourism and Culture on December 8, according to the report published by The Indian Express.

How do ASI-protected monuments become untraceable ?

The Archaeological Survey of India (ASI) was set up in 1869 to oversee archaeological excavations and conservation. According to officials who told IE, scores of protected monuments were taken under the ASI's wings during the 1920s and 30s, up till the 50s.

After the independence, the functioning of ASI was clouded with lackluster approach of the successive governments which shifted more focus on health, education and infrastructure, rather than protecting heritage. According to the ASI officials, many monuments and heritage sites were gradually sunk in activities like encroachments, construction of dams and reservoirs, and fast urbanisation.

Archeological Survey of India begins restoration work of iconic Rumi Darwaza in Lucknow
According to the ASI submission in Parliament, the rapid urbanisation has engulfed 14 monuments. As many as 12 monuments have been submerged by the constructions of reservoirs and dams, while 24 have gone missing.

As per the report, only 248 out of the 3,693 monuments are protected by security guards. Owing to budgetary constraints the government could afford to provide only 2,578 security personnel at 248 locations, the report said.

Missing monuments

The missing monuments include: 11 in Uttar Pradesh, two each in Delhi and Haryana, and in states like Assam, West Bengal, Arunachal Pradesh and Uttarakhand, reported IE.

Other missing monuments include: the Guns of Emperor Sher Shah, Tinsukia (Assam); the Ruins of Copper Temple, Paya, Lohit (Arunachal Pradesh); Kos Minar, Mujesar, Faridabad (Haryana); Kutumbari Temple, Dwarahat, Almora (Uttarakhand); Rock Inscription, Satna (Madhya Pradesh); Old European Tomb, Pune (Maharashtra); 12th Century Temple, Baran (Rajasthan); and Telia Nala Buddhist ruins, Varanasi (Uttar Pradesh).

The monuments which could not be traced on ground for a considerable time, despite several efforts of ASI, were referred to as untraceable monuments, said the Ministry.

So, what will ASI do further?
The ASI could make a last-ditch effort to locate the 24 untraceable monuments. If any of those can be found, the list of missing monuments will be shortened.

First time monuments reported missing?
According to the ASI officials, physical surveys of all monuments were never conducted after Independence. However, a Comptroller and Auditor General (CAG) report in 2013 said that at least 92 centrally protected monuments were deemed to be missing across the country.

According to the CAG report, the ASI lacked information on the exact number of monuments under its protection. The CAG report recommended that each protected monument should be inspected periodically by the ASI officers. However the Ministry accepted the proposal, a suitable action was hardly seen.

Which monuments are protected?
ASI, which works under the aegis of the Union Ministry of Culture, functions under the Ancient Monuments and Archaeological Sites and Remains Act that regulates the preservation of monuments and archaeological sites of national importance.

According to the Ancient Monuments and Archaeological Sites and Remains Act, monuments and heritage sites, which are more than 100 years old, are protected by the ASI. Any object of historical significance like temples, cemeteries, inscriptions, tombs, forts, palaces, step-wells, rock-cut caves, cannons and mile pillars are protected by ASI under the Act. https://www.financialexpress.com/infrastructure/50-asi-protected-monuments-go-missing-says-ministry-of-culture-what-next/2936460/

3. Budget 2023-24: The Moneycontrol Manifesto *(moneycontrol.com)* Updated: January 4, 2023

This budget should be the perfect platform to help India hit the $5 trillion economy target by 2025. Among other things, there is a compelling case to make investments in securities more attractive by introducing a uniform tax rate of 10% for long-term capital gains and 15% for short-term capital gains.

Union Finance Minister Nirmala Sitharaman has said that Budget 2023-24, the last full budget of the government's current tenure, will "set the template" for the next 25 years.

In any historical analysis, 25 years may be a small period. Yet, some periods stand out as they leave a lasting impact.

The period 2023-47 will, perhaps, go down in history as one such.

Year 2022 also marks the beginning of Amritkaal, the 25-year period beginning from the 75th anniversary of the country’s independence on August 15, 1947, up to the centenary of its independence -- towards a futuristic, prosperous, inclusive and developed society, distinguished by a human-centric approach at its core.

Budget 2023 is no longer about the ‘new normal’. It is about the ‘next normal’. The next normal in the next 25 years will be a steady state that is on a constant move, fuelled by powerful technological innovations that will empower consumers, and accelerate efficiencies in production processes by several multiples.

This will force businesses to rapidly adopt newer technologies, triggering changes in growth and revenue assumptions in which existing structures will collapse, to be replaced by new models.

All these will have macroeconomic implications too, with trajectories set to change, and most economies, including India, having gone through a reset mode.

The dominant question, from an Indian point of view, is what would it require, from a policy matrix point of view, to turn India into a darling for investors—foreign and domestic—for decades on end?

The report could do well to touch upon this question with more detail.

Moneycontrol, part of the Network 18 Group and India’s biggest digital destination for news, information, insights, and data on finance, markets, economy and related areas with more 650 million page views a month for news, information and data, is honoured to present the Moneycontrol Amrit Kaal Manifesto.

The Moneycontrol Amrit Kaal Manifesto is an attempt to contribute to India’s public policy discourse, ahead of the Union Budget. It contains a broad matrix of fiscal, public finance and policy measures that our editors and experts believe India should focus on.

Capital Gains Tax

As can be expected, changes on the individual income-tax front and the capital gains tax regime will be the main attention-grabber.

Capital gains tax is levied on gains made through the sale of movable and immovable assets. Depending upon the period of holding an asset, a long-term or short-term capital gains tax is levied.

Different asset classes, such as real estate, equity investments, debt instruments, and mutual funds, among others, attract different rates of capital gains tax. Besides, capital gains tax could differ within the same asset class, too, depending upon the holding period and maturity.

The Long-Term Capital Gains (LTCG) tax for listed securities and equity-oriented mutual funds is 10 percent, and for all other assets, including unlisted securities, it is 20 percent.

On the other hand, short-term capital gains (STCG) tax on listed securities is 15 percent, and for all other assets, including unlisted securities, it is calculated as per the taxpayer's normal slab rates.

The holding period to qualify as LTCG is 12 months for listed securities and equity-oriented mutual funds. It is 24 months for unlisted securities and immovable property, and 36 months for debt securities and debt-oriented mutual funds as well as other assets like gold, REITs/InvITs.

Budget 2023-24 provides a golden opportunity for India to streamline and simplify the complexity in the treatment of capital gains.

To begin with, the government should fix the holding period for all kinds of financial assets at 12 months to qualify as LTCG. The holding period for immovable properties can be raised to 36 months to align with other asset classes.

There is also a compelling case to make investments in Indian securities more attractive by introducing a uniform rate of 10 percent for LTCG and 15 percent for STCG for all financial securities.

Accordingly, the benefit of indexation of purchase cost may no longer be necessary for such assets, for which the LTCG rate is 10 percent.

Individual Income Tax

In Union Budget 2020-21, the government introduced 'a new and simplified personal income tax regime ', under which rates were significantly reduced for individual taxpayers who would forgo certain deductions and exemptions like standard deduction and 80C benefits.

The new tax regime, with lower rates and fewer benefits, was introduced in 2020 but has not found many takers yet. Most taxpayers still prefer the older regime.

Under the new regime, an individual is required to pay tax at the reduced rate of 10 percent for income between Rs 5 lakh and Rs 7. 5 lakh, against the 20 percent in the earlier regime.

Effectively, owing to the rebates under Section 87A, those earning up to Rs 5 lakh do not have to pay any tax -- either under the older regime or under the new regime.
The government came up with a regime to lower personal income tax. People with Rs 8-8.5 lakh income have to pay no taxes, if they take the benefits of 80C, standard deduction and some other benefits.

Under the old tax regime, individuals are allowed to claim various deductions and reduce their tax liability. On the other hand, the new tax regime (introduced in Budget 2020-21) had a better (lower) tax rate, but denied as many as 70 exemptions and deductions (including LTC, HRA, standard deduction, deduction under chapter VI A, etc.)

The new regime will not take over unless the old income tax regime is disincentivised. The simple regime should be broader tax slabs, lower taxes, and very few exemptions.

This budget could well be an opportunity to present a simpler individual income tax slab and rate construct replacing a two-system structure that has been in place since 2020.

Education

The biggest obstacles are going to be the country's long-standing challenges of income inequality and access to quality education. The Union budget needs to talk more about that, starting with access to education.

India is already home to one of the largest millennial populations in the world. In the next decade, the number is only going to grow. It is expected that India will have the highest population of young people by 2030 in the world.

The critical aspect, however, would be to create meaningful employment opportunities for a long period of time.

But the jobs of tomorrow will focus on technologies like AI, cloud and cyber. New skills will be required. Will India's young workforce have the skills to lead the economy forward? It's a fair question and one that will depend largely on what actions both the government and businesses take.

The path forward is clear. It will be harder to get to a $5 trillion economy by 2025, if India doesn’t get this right. India's national education policy is a powerful start, but this is also a critical opportunity for businesses to step up.

The total projected increase in the labour force is estimated to have grown from 480 million in 2011 (in the age group of 15 years and above) to 561 million by 2020.

According to estimates, 40 percent (about 224 million) will be employed in agriculture, 29 percent (about 162 million) in industry and 31 percent (about 173 million) will have to be employed in the services sector.

For the economy to grow at 8-9 percent, it is required that the manufacturing and the services sectors grow at 10-11 percent, assuming agriculture grows at 4 percent. In such a scenario, it is obvious that a large portion of the workforce would migrate from farms (agriculture) to factories and service firms.

However, the skill sets required in the manufacturing and services sectors are quite different from those in the agriculture sector. This implies that there is/will be a large skill gap when such a migration occurs, as evidenced by a shrinking employment in the agriculture sector.

This scenario necessitates skill development in the workforce.

An integrated effort from employers, training providers and government bodies to train people at source, i.e., cluster level or a specific geography, could help mobilise more people for training.

Once the employees reach cities for jobs, they don't have to invest in training and are paid premium salaries, and the employers get employees who are ‘day-one ready’ and then cut down on time and resources in training them.

A single body to enforce guidelines concerning labour and wages would be a much-needed step at the national level which will work with state governments towards implementation.

With a maze of schemes and training initiatives at multiple ministries, it would be imperative for the new ministry to streamline government focus and ensure efficient implementation in the right areas with optimum fund utilisation targets.

A guideline-like compulsory requirement for skilling and training manpower for participating in government projects would be a good start to get employers' commitment to the sector.

Promoting entrepreneurship

Micro, Small and Medium Enterprises (MSMEs) contribute nearly 8 percent to India's GDP, 45 percent to manufacturing output and 40 percent to exports.

They provide the largest share of employment after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and roll out a diverse range of products to meet the needs of the local markets, the global market and the national and international value chains.

Startups generally look for spaces close to where their supporting families and markets are located. Also, the development of smaller parcels is likely to be much less time-consuming compared to bigger projects.

Union ministries should accord priority to such developments, if necessary, by making suitable changes in their ongoing programmes and by higher funding.

The manpower of the District Industries Centres (DICs) should be re-oriented and re-trained for entrepreneurship development, advocacy, mentoring and handholding startup MSMEs (with emphasis on manufacturing).

They may be encouraged to provide such services by building partnerships with professional bodies.

Given that most districts in the country have good infrastructure in DICs (which are now in a state of neglect and decay), the central government may provide funding for its renovation and upgradation, subject to the reform agenda for the DICs, as stated above, being implemented by the states.

Government programmes for funding startups in manufacturing, which have potential for growth, may be provided with higher levels of funding and subsidy.

There should also be focus on entrepreneurial education. One of the main purposes of entrepreneurial education is to produce graduates who are able to succeed and make worthwhile contributions in their organisations.

The experience of large organisations shows that an enterprising employee can be a considerable asset in 'intrapreneurship' (entrepreneurship within an organisation).

Entrepreneurial education can enhance employability through transfer of an individual's skills, knowledge, competencies and attitudes required by the economy and the labour market.

It can further encourage graduates to identify entrepreneurial opportunities and provide them with the knowledge and skills to manage and capitalise on these opportunities.

Startups

One could sense an unmistakable excitement, in any visit to a mall or a neighbourhood shopping complex during this festive season. After two years of a pandemic-pummelled washout, people are spending on both essentials, and aspirational products.

For an economy, which many estimates project will be the primary engine of global growth, this is indeed a happy augury. After all, consumption spending continues to remain one of the strongest pillars of the India growth story.

That said, the warmth in shopping arcades doesn't seem to be distributed equally across India's business landscape. Startups is one such area where the winter chill has arrived far too early.

Startup funding in India during the third quarter (July-September) of calendar year 2022 hit a two-year low at $2.7 billion across 205 deals, according to a latest report by consulting and audit firm PwC.

The report, Startup Deals Tracker - Q3 CY22, said that although it has been argued that there is a substantial committed capital waiting to be deployed (dry powder) in the Indian startup ecosystem, it is becoming clearer that selectivity in deal making will increase, with a focus on the path to profitability, especially in growth- to late-stage companies.

This funding winter comes at a time when India has emerged as a serious contender to become the world's startup capital, with global capital chasing multi-billion dollar ideas in the world's soon-to-be most populous country.

This raises a question on policy, too. More specifically, can India do more in the policy space to make promising startups raise more capital easily to tide over the uncertain funding winter?

Two years ago, the government came out with Press Note 3, aimed at curbing predatory takeovers by foreign entities. It needs to be reviewed in the current economic situation.

As companies across the globe battled uncertainties that the pandemic brought about in 2020, several economies started to raise concerns about opportunistic takeovers of entities stressed by pandemic.

India introduced Press Note 3 (PN3) in 2020, which required all foreign direct investment (FDI) proposals from an entity based in a country that shares a land border with India, or the beneficial owner of an FDI is situated in a country which shares a land border with India — both referred to as 'restricted entities' — to go through the government approval route.

The term 'beneficial owner' has different meanings under different laws in India. Depending on how it is defined, it could mean: (i) an entity with a prescribed shareholding level in the investing entity (as is the case under the Companies Act of 2013), or (ii) the owner or holder of ultimate control over the investing entity (as defined under the Prevention of Money Laundering Act, 2002).

A somewhat similar concept is also used by the Securities and Exchange Board of India (SEBI) to identify the ultimate beneficial owner for the purposes of certain securities laws.

The problem for startups seeking funds is that PN3 has not defined the threshold for identifying the 'beneficial owner'. This ambiguity has also piled up applications from foreign investors seeking government approval, thereby causing delays, and extension of deal timelines.

Budget 2023-24 may be the right opportunity for the government to clarify on these, and ease some of these rules, for funds to flow in quickly, and enable capitalisation of India's promising startup ventures that are not only pioneering a culture of innovation in the country, but also creating jobs by tens of thousands.

Support to states and capex momentum

In public finance, as it is for households, borrowing, in itself, is not a bad idea, if (a) the bulk of the loans are spent on asset creation; and (b) loans are not taken to fund current expenditure on a perpetual basis.

As per the Reserve Bank of India's 'State Finances: A Study of Budgets of 2021-22' report, the combined debt-to-GDP ratio of states, which stood at 31 percent at end-March 2021, and is expected to remain at that level by end-March 2022, is worryingly higher than the target of 20 percent to be achieved by 2022-23, as per the recommendations of the FRBM Review Committee.

According to the Comptroller and Auditor General of India (CAG), the state governments' expenditure on subsidies has grown at 12.9 percent and 11.2 percent during 2020-21 and 2021-22, respectively, after contracting in 2019-20. This has pushed up the share of subsidies in states' total revenue expenditure from 7.8 percent in 2019-20 to 8.2 percent in 2021-22.

A report by Crisil, a credit rating and research organisation, shows that off-balance-sheet borrowings of states are estimated to have reached a decadal high of more than 4.5 percent of gross state domestic product (GSDP), or Rs 7.9 lakh crore, in 2021-22. That marks a rise of more than 100 basis points from 2019-20.

New risks have emerged. The re-launch of the old pension scheme (OPS) by some states, rising expenditure on non-merit freebies, expanding contingent liabilities, and the ballooning overdue of power distribution companies warrant strategic corrective measures.

The power sector, primarily distribution companies (discoms), account for almost 40 percent of the outstanding state guarantees. These were taken to repay the dues of power generation and transmission companies with discoms continuing to make cash losses.

The OPS is mainly an unfunded pay-as-you-go system. Pension expenditure alone accounts for 12.4 percent (average of 2017-18 to 2021-22) of total revenue expenditure of India's 10 most-indebted states. According to the RBI's estimates, pension outgo will continue to be in the range of 0.7-3 percent of GSDP in these 10 states until 2030-31.

Many states can see their finances worsen if they start financing a range of non-asset creating social welfare schemes or ‘freebies’ by borrowing more from the market.

According to a study by PRS Legislative Research, during 2018-21, most states have relied on compensation grants to achieve the guaranteed revenue. This, while in 2018-19, states were able to achieve 88 percent of the target on their own and relied on compensation for only 12 percent.

Budget 2023-24 should continue with long-term loans to states to support their capital expenditure programmes. This will give states more fiscal elbow room to spend and supplement the Centre’s capital expenditure plan, which is essential to create jobs and multiply incomes.

The Centre’s Rs 7.5-lakh-crore capex target for 2022-23 includes a Rs 1-lakh-crore interest-free loan to states with a maturity of 50 years. This capex-only loan has been welcomed by states.

The government must contribute to state capex as well through allocation under capital expenditure to sustain growth. It will be a good idea for the Centre to accelerate merit-based or project-based funding, and discourage states from resorting to inordinate market borrowing.

Government finances

If public investment will remain one of the key growth triggers for the next year, it will have to go hand-in-hand with fiscal consolidation.

The pandemic years have seen the government’s fiscal deficit and stock of debt balloon. Annual deficit roadmaps were disbanded and a medium-term target of 4.5 percent of GDP by 2025-26 was announced even before the pandemic struck.

The International Monetary Fund (IMF) has said India should clearly communicate its medium-term fiscal consolidation plans.

Now, with the debilitating effects of lockdowns and the virus firmly behind us, and tax collections handsomely beating budget estimates, Budget for 2023-24 should make marked progress in improving its finances.

The fiscal deficit should be kept between 5.8 percent and 6 percent in order to stay on the glide path towards a medium-term target of 4.5 percent of the GDP. https://www.moneycontrol.com/news/business/budget/budget-2023-24-the-moneycontrol-manifesto-9810221.html

4. Indian Science Congress: India not producing quality research material, government adviser says *(downtoearth.org.in)* Updated: January 3, 2023

India has some 255 researchers per million inhabitants even as the country produces more than 40,000 PhDs annually, Ajay Sood, principal scientific adviser to the government said at an event at the Indian Science Congress January 3, 2023.

The United States, in contrast, has over 4,300 researchers per million inhabitants, Sood pointed out. “The number of publications in India has increased, but I am not happy about the quality,” he said at a press briefing following the event.

The number of publications in high-impact journals was very low, according to the Comptroller and Auditor General of India (CAG) report released December 20, 2022.

The impact factor is a measure used to evaluate the importance of a journal. An impact factor of 10 or more is considered excellent.

Only five publications had an impact factor of more than 10. The rest was published in journals with an impact factor of less than five.

Sood was joined by M Ravichandran, secretary, Union Ministry of Earth Sciences, S Chandrasekhar, secretary to the Government of India, Department of Science and Technology, N Kalaiselvi, director-general, Council of Scientific and Industrial Research and Alka Sharma, senior advisor of the Department of Biotechnology.

The experts highlighted opportunities and challenges in science and technology in the country. Kailselvi pointed out that India faces challenges in doing science at par with global standards.

During the event, Sood stressed that the government is in the final stages of the National Quantum Mission. The mission will involve four verticals: quantum computing, quantum communication, quantum sensors and metrology, and quantum materials and devices.

Of this, quantum communication is at an advanced stage. Its application is in cryptography, the science of protecting information.

He also highlighted the need to encourage deep-tech start-ups in the country. Currently, India ranks third in the number of start-ups. More than 77,000 start-ups across 656 districts exist in the country as of August 29, 2022. Of them, over 3,000 are deep tech start-ups.

More than 85 per cent of deep-tech start-ups used artificial intelligence, big tech and analytics, Sood said.

Ravichandran said the Blue Economy contributes almost 4 per cent to the gross domestic product. This needs to be increased to 8 per cent. The government is in the process of finalising a policy on the Blue Economy.

The draft policy covers seven areas: Accounting framework (monitoring ocean wealth), coastal marine spatial planning (ocean management), marine living resources (fisheries), manufacturing industries (shipbuilding, net making, deep-sea mining), logistics and shipping, marine non-living resources (energy, minerals and water), and international interface and maritime security (protecting biodiversity and strategic interests).

The earth sciences ministry also plans to increase ocean monitoring, essential to study how the ocean is changing due to climate change.

Buoys and Argo floats — which measure temperature — fell into disrepair due to the COVID-19 pandemic.

Argo floats, for instance, reach up to a depth of 2 kilometres below the surface. After 10 days, it returns to the surface and transmits temperature records to the satellite.

"The buoys were damaged. The observing system reached a standstill," Ravichandran told Down To Earth. "We are filling the gap this year. Hopefully, by next year, we'll be in a good position," he added.

"Every year, we deploy about 50 floats. It is being deployed across the Indian Ocean, and it will last for up to five years," he explained. The ministry plans to use Argo floats that reach 3 km depth. They also aim to study deep-ocean biodiversity, which is poorly understood.

As for deep-sea mining, roughly 95 per cent of the technology is ready. We should reach 100 per cent in the next five years, Ravichandran said.

Deep-sea mining involves extracting ores rich in cobalt, manganese, zinc and other rare metals from the sea floor. He also added that researchers are conducting pilot trials to study the impact of mining operations on biodiversity.

Alka Sharma made a case for biomanufacturing, an alternative route that deploys microbes and plant waste to manufacture environmentally friendly materials such as insecticides, biotextiles, flavours and fragrances, food additives, and the like.

Chandrashekar encouraged research institutes to consider choosing research problems relevant to 2030. "The technologies we have developed over the years were essential. But in that process, we have ignored environmental factors," he said.

For example, he said, the pharmaceutical industries produce more waste than the product. https://www.downtoearth.org.in/news/science-technology/indian-science-congress-india-not-producing-quality-research-material-government-adviser-says-86922

5. 'Rail fracture' caused Suryanagari Express derailment: Officials *(hindustantimes.com)* Jan 03, 2023

Rail fracture is the probable cause of the derailment of the Suryanagari Express in which over 20 passengers suffered injuries, officials close to the development said on Tuesday.

"Preliminary investigations suggest that the reason Suryanagari Express derailed in the wee hours of Monday is due to rail fracture, a condition caused during an extreme cold or heat that causes tension on tracks," a railways official told HT.

As many as eleven coaches of the Bandra Terminus-Jodhpur Suryanagari Express were impacted after a derailment incident that occurred at 3.37am near Pali (between the Rajkiawas -Bomadra section of the Jodhpur division) in Rajasthan, disrupting half a dozen trains scheduled to pass through the section.

Former member traffic, Shri Prakash, termed the derailment due to rail fracture 'a serious matter' and said precautionary steps should be taken. "Derailment of a passenger train due to rail fracture is a serious matter. Rail fractures are not uncommon during extreme temperatures, but a manual inspection is done daily in the wee hours to inspect the same. If this train was derailed due to the fracture, it implies that the fracture would not have been fresh and hence there is a need to investigate if a mandatory manual inspection was conducted on Sunday night."

The derailment comes days after the Comptroller Audit General (CAG) of India report titled 'Derailment in Indian Railways' was tabled in the parliament on December 21 highlighting the major cause of the derailments due to lack of timely maintenance of the tracks. It also specified negligence on the part of zonal railways regarding track monitoring and repairing.

According to the report, the zonal railways could not adhere to the timeline prescribed by the Railway Board (RB) for a schedule of the procedure for completion of enquiry in 49% of derailment cases.

"The railway administration failed in achieving the important objective of monitoring the preventive action in respect of the recommendations made by the inquiry committees as the same has not been made part of the SIMS (safety information management system), the online real-time reporting system," the CAG report stated.

The report further mentioned that the audit scrutiny of ultrasonic flaw detection (UFSD) testing of rails and welds revealed that there were shortfalls in testing during the period of four years (2017-2021). Timely testing by the USFD is expected to help in the early detection of vulnerable points and initiating necessary remedial measures, thus reducing the probability of accidents, it read.

According to the report, a total of 422 derailments were attributable to the 'engineering department' and the major factor responsible for derailment was related to the 'maintenance of track' (171 cases).

"IR may develop a strong monitoring mechanism to ensure timely implementation of maintenance activities by adopting fully mechanized methods of track maintenance and improved technologies," the report stated. https://www.hindustantimes.com/india-news/rail-fracture-caused-suryanagari-express-derailment-officials-101672745055958.html

STATES NEWS ITEMS

6. Report by CAG body slams govt's unnecessary supplementary grants *(indianexpress.com)* Updated: January 4, 2023

Maharasthra: Unnecessary supplementary grants are budgetary irregularities, the report of the Principal Accountant General (Accounts and Entitlement) – I, a body under the Comptroller and Auditor General of India, has said on out of regular budget funds from the previous fiscal.

Incidentally, the report was tabled on December 30, 2022, during the Winter Session of the state legislature where the Eknath Shinde-Devendra Fadnavis government presented the highest-ever supplementary demands worth Rs 52,327 crore for 2022-23. According to the Finance Accounts and Appropriation Accounts of Maharashtra government, supplementary grants worth Rs 23,142.25 crore proved to be unnecessary in 2021-22.

"An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure," the report noted.

It added that major defaulting departments that had not submitted utilisation certificates (UCs) during 2021-22 are urban development (Rs 13,645.33 crore), school education and sports (Rs 7,750.21 crore), planning (Rs 4,723.17 crore), rural development and water conservation (Rs 3.029.19 crore) and tribal development (Rs 2.220.48 crore).

As per Bombay Financial Rules, 1959, UCs in respect of grants-in-aid received by the grantee should be furnished to the authority that sanctioned it within 12 months from the date of receipt of grant or before applying for a further grant, whichever is earlier. To the extent of non-submission of UCs, there is a risk that the amount shown in finance accounts may not have reached the beneficiaries.

The report noted that Maharashtra had a revenue deficit of Rs 16,374.32 crore while the state's fiscal deficit was Rs 64,301.86 crore (2.01 per cent of Gross State Domestic Product of Rs 31,97,782 crore). During the Covid-19 pandemic, the revenue deficit was Rs 41,142 crore in 2020-21.

The state, however, registered an improvement in its total public debt despite an increase to Rs 4,83,035 crore in 2021-22, which was 15 per cent of the Gross State Domestic Product (GSDP) in comparison to the previous fiscal when the public debt of Rs 4,28,482 crore – 16 per cent of the GSDP. Maharashtra also showed improvement in collection of Sales Tax/VAT (Rs 45,924 crore in 2021-22 compared to Rs 33,160 crore in 2020-21), state excise (increased to Rs 17,221 crore from Rs 15,089 crore) and taxes of vehicles (increase to Rs 9,080 crore from Rs 6,655 crore). https://indianexpress.com/article/cities/mumbai/cag-report-govts-unnecessary-supplementary-grants-8359618/

7. Maharashtra's revenue deficit was Rs 16,000 Cr, fiscal deficit Rs 54,000 Cr in 2021-22: CAG report *(freepressjournal.in)* January 03, 2023

The Comptroller and Auditor General of India (CAG) said the during 2021-22 Maharashtra had reported Revenue Deficit of Rs 16,374 crore and Fiscal Deficit of Rs 64,301 crore which represents 0.51 per cent and 2.01 per cent of the Gross State Domestic Product (GSDP) respectively.

The Fiscal Deficit constituted 16 per cent of total expenditure. CAG in its report on the Maharashtra government's Finance Accounts and Appropriation Accounts for 2021-22 said the deficit was met mainly from Public Debt (Rs 54,553 crore), net increase in Public Account (Rs 17,325 crore) and increase in cash balance at the end of the year (Rs 7,577 crore). The CAG report was tabled in the state legislature on the concluding day of the winter session on December 30.

Expenditure breakup
Around 36 per cent of the revenue receipts (Rs 3,33,312 crore) of the State Government was spent on committed expenditure like salaries and wages (Rs 41,936 crore), interest payments (Interest Payments Rs40,158 crore) and pensions (Pensions and Other Retirement Benefits Rs 38,513 crore).

Liabilities of the State Government increased by Rs 58,119 crore from Rs 5,48,176 crore in 2020-21 to Rs6,06,295 crore during 2021-22. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by Rs 54,553 crore -from Rs 4,28,482 crore in 2020-21 to Rs 4,83,035 crore at the end of the current year)-which was a rise of more than 31%.

Trends
Utilisation of Public Debt receipts for servicing of debt showed a decreasing trend from 207 per cent in 2018-19 to 75 per cent in 2020-21, whereas it slightly increased to 77 per cent in 2021-22.

‘’It is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government could not utilise the borrowed funds fully on capital assets in the year 2021-22,’’ observed the CAG.

During the year 2021-22, total contribution to Defined Contribution Pension Scheme was Rs 5,110.87 crore (Employees contribution Rs. 1,967.65 crore [Tier I – Rs. 1,826.29 crore and Tier II – Rs. 141.36 crore] and Government contribution Rs. 3,143.22 crore). The Government transferred Rs. 6,702.99 crore to the Public Account under Defined Contribution Pension Scheme.

The Government contribution to NPS (National Pension Scheme) was more by Rs 586.41 crore which resulted in the understatement of Revenue deficitand Fiscal deficit to that extent. https://www.freepressjournal.in/mumbai/maharashtras-revenue-deficit-was-rs-16000-cr-fiscal-deficit-rs-54000-cr-in-2021-22-cag-report

8. After 7 Years of Launch, Assam Police’s Criminal Tracking System (CCTNS) Remains Underutilised *(guwahatiplus.com)* Jan 03, 2023

The Crime and Criminal Tracking Network and Systems (CCTNS) project envisaged various benefits to the Police Department which included making available enhanced tools for investigation, a centralised crime and criminal information repository along with criminal images and fingerprints with advanced search capabilities, and resultant enhanced ability to analyse crime patterns.

However, even after ten years of project initiation and seven years of CCTNS being implemented in Assam at a cost of ₹67.08 Crore, the required centralised repository with details of crime and criminals has not been created within the CCTNS system in Assam.

The requirement of 100% connectivity to all the police stations and higher offices in the state remained unaddressed which was observed by the Comptroller and Auditor General (CAG) and was mentioned in the CAG report tabled in the Assam State Assembly recently.

One of the objectives of the CCTNS was to improve the delivery of citizen-centric services through the effective usage of Information and Communications Technology (ICT).

As a part of it, several citizen services were launched by Assam Police using the CCTNS. There are two types of services provided under it - Direct Services, which are completely rendered by Assam Police. It includes:
- Complaint
- Servant verification
- Tenant verification
- Employee verification

- Strike/protest & procession permissions
- Missing person information
- Lost and found

The second is Indirect services, which are rendered in collaboration with other departments viz., Passport verification. It includes:

- Passport Service
- Permanent Residence Certificate
- Character Certificate

Regarding complaints, the CAG report said that on analysis of the complaint received between January 2014 to March 2021 it was observed that out of 1,546 total complaints received, only 299 (19.34%) were processed i.e., 80.66% of the complaints were not even assigned an enquiry officer.

Regarding employee verification, on analysis, it was found by CAG, that out of 25,321 requests received from 2016 to 2020, only 13,622 (54%) were processed and out of the requests processed, 6,350 (47%) were processed with delays beyond the stipulated time of 45 days as approved by State Apex Committee Meeting held on January 27, 2017.

The CAG report said that while analysing the character verification process, it was observed that out of 2,07,579 requests received from 2016 to 2020, 1,89,107 (91%) were processed, out of which, 91,495 (48%) requests were delayed beyond the stipulated time of 15 days as approved by State Apex Committee Meeting held on January 27, 2017.

"On examination of the database, it was observed that from 2017 to 2020, a total of 48 requests were received seeking permission for the event, but none of the requests was processed in any way. Thus, it was seen that the functionality though available online was not being attended by the Assam Police," said the CAG report regarding the event performance request.

Similarly, the tenant verification service was launched on paper only, as the applications received were not processed, said the CAG report. On analysis, it was observed by CAG that a total of 98 requests were received for tenant verification from 2016 to 2020 but none of the requests was assigned an enquiry officer till the date of the audit (April 2021).

Services like procession requests, protest requests and domestic help verification also witnessed minimal requests from the public which again went unattended.

"Hence, it was seen that under Citizen Services most of the services offered were not even operational. Lack of training on the part of operators may be one of the reasons for the lack of processing of requests. Thus, it was seen that Citizen Services were a failure from implementation, monitoring and service delivery perspective," said the CAG report.

The State Apex Committee, CCTNS, Assam decided on January 27, 2017, that the State and district should prepare a plan for public awareness to popularise the online system of Citizen Services under the CCTNS project to adopt the Digital India concept of faceless, cashless and wireless transactions.

MHA released ₹4 Lakh to the Government of Assam for awareness and promotion of Citizen Services. These services need to be promoted by Police Headquarters through print media, visual media, bulk SMS, Flex, Banners, and Hoardings so that awareness can be created among citizens for the utilisation of services.

"Scrutiny, however, revealed that no Citizen Awareness Programme was conducted by the department till February 2021 and central funds thereof were lying unutilised till February 2021 although Citizen Services were launched in February 2015. Poor awareness may have led to poor uptake of citizen services, with further impact on non-attainment of intended benefits of the project," said the report.

CAG noted that despite signing agreements with service providers and allocation of funds of ₹67 Crore, 28 of the total 502 locations (348 police stations, 154 higher offices) remained unconnected.

The CAG found that while Assam Police proposed to train 23,659 personnel for implementation of CCTNS, till February 2021, only 10,595 were imparted training. And while 4,461 investigation officers were selected, only 1,291 got the required training to work using CCTNS. https://www.guwahatiplus.com/exclusive-news/after-7-years-of-launch-assam-polices-criminal-tracking-system-cctns-remains-underutilised

SELECTED NEWS ITEMS/ARTICLES FOR READING

9. Govt eases Minimum Public shareholding norms for PSUs *(businesstoday.in)* Updated Jan 04, 2023

The Centre has amended the securities contracts (Regulation) Act for Strategic disinvestment to exempt listed companies like it in which the government and public sector undertakings (PSUs) together or individually hold majority stake from the minimum public shareholding norm.

As per the latest Gazette notification, government can exempt any listed central, state or PSU owned entity from the minimum public shareholding. Exemption shall be valid for the period specified by the government. This exemption shall continue for the said period even in case of change of control.

According to the market regulator SEBI norms, a company is required to have a minimum public shareholding of 25 per cent within one year of the merger/acquisition of a company or three years after listing.

This decision by government of exempting minimum public shareholding for Public sector banks, and CPSEs will help in proceeding with IDBI Stake sale.

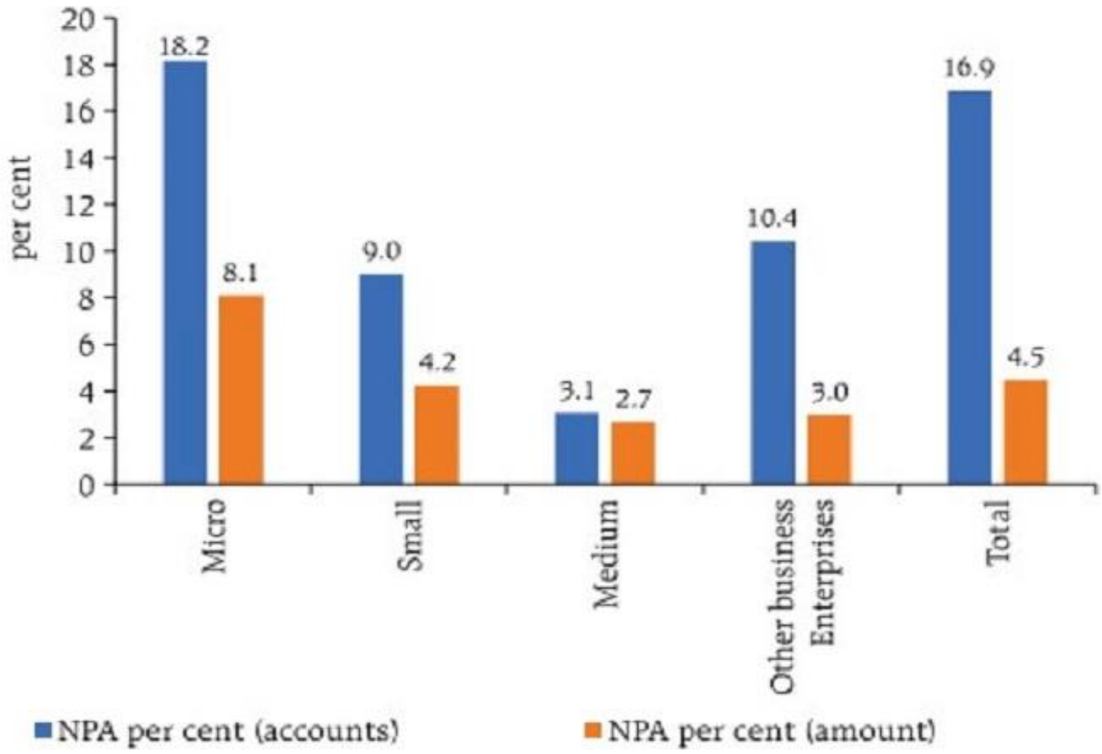
The public holding in IDBI Bank is just 5.28%, which is majority-owned by LIC and the government. On October 7, the Centre invited expression of interests for IDBI Bank and offered to sell a total of 60.72% stake in the bank, including 30.48% from the government and 30.24% from LIC, along with the transfer of management control in IDBI Bank. Yet, both the government and LIC together will have a 34% residual stake in the lender (19% by LIC and 15% by the government). https://www.businesstoday.in/latest/economy/story/govt-eases-minimum-public-shareholding-norms-for-psus-358885-2023-01-04

10. Nearly 17% of ECLGS loans have turned into NPAs: RBI report *(financialexpress.com)* Updated: 03 Jan 2023

One-sixth (one in every six loans) or 16.9 per cent of total loan accounts, which raised credit under the Emergency Credit Line Guarantee Scheme (ECLGS), have turned non-performing assets (NPAs) as of September 2022, said the Reserve Bank of India (RBI) in its December 2022 Financial Stability Report. "The September 2022 position of the ECLGS lending indicates that distress continues in the MSME sector," the report said.

As of September 2022, Rs 2.82 lakh crore were disbursed by banks and other lenders in around 1.04 crore loan accounts of MSMEs and other businesses under ECLGS, according to the report's data. This indicated that roughly 17.72 lakh accounts (one-sixth of around 1.04 crore accounts) slipped into the NPA category as of September 2022.

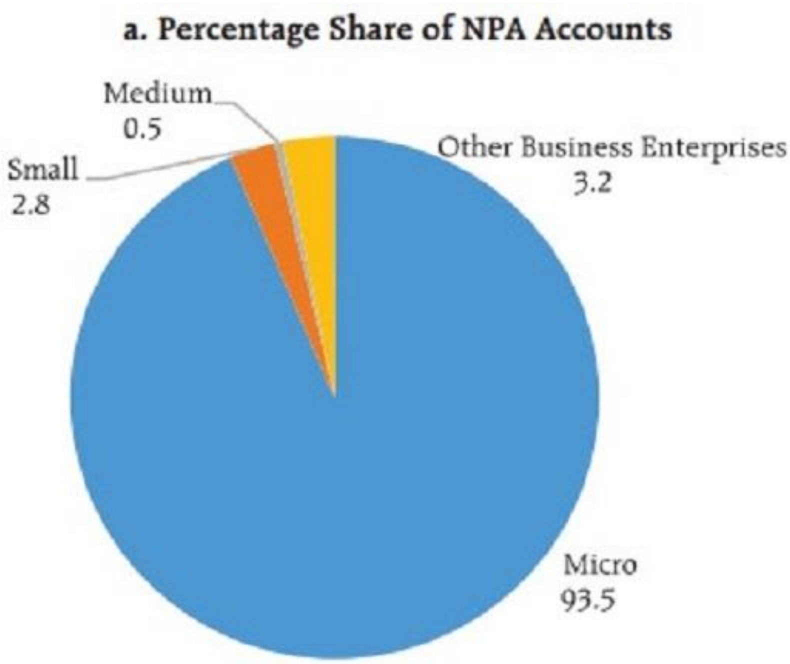
Unit-type wise NPA



"If one-sixth of the accounts, which were normal as of February 28, 2020, have gone bad, think of those accounts which were SMA (special mention accounts) 2,3 and NPA before that due to demonetisation, GST and economy slowdown. In our opinion, the total of such accounts, which have gone bad in the last 36 months, would have crossed more than 35 per cent but we have no data except seeing the reality on the ground which we don't want to accept," KE Raghunathan, National Chairman, Association of Indian Entrepreneurs told FE Aspire.

On the other hand, in terms of the amount, 4.5 per cent of the credit raised turned non-performing as of September 2022 with a 43 per cent share of micro units, 25 per cent of small units, 10 per cent of medium enterprises, and 22 per cent of other business enterprises that secured credit under ECLGS.

Even though micro enterprises segment availed a quarter of loans disbursed under the ECLGS, their share in overall NPAs stood much higher at 93.5 per cent in comparison to 3.2 per cent share of other business enterprises, 2.8 of small enterprises, and 0.5 per cent of medium units.



Moreover, services and trade businesses, which formed one-third of the ECLGS disbursements, remain stressed with little more than half of the total delinquency under the ECLGS, the report noted. While services businesses had a share of 28 per cent in total NPAs, traders had a share of 23 per cent. Textiles and food processing segments had NPA share of 5 per cent and 6 per cent respectively and other industries had a share of 11 per cent.

ECLGS was launched in May 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible MSMEs and other businesses in recovering post-Covid. Banks were provided with a complete credit guarantee for loans given by them under the scheme to eligible MSMEs. The admissible guarantee limit under the scheme was increased from Rs 4.5 lakh crore to Rs 5 lakh crore earlier last year, with the additional guarantee cover of Rs 50,000 crore earmarked exclusively for the hospitality and related enterprises including the civil aviation sector. https://www.financialexpress.com/industry/sme/msme-fin-nearly-17-of-eclgs-loans-have-turned-into-npas-rbi-report/2935541/

11. What demonetization really achieved *(livemint.com)* Updated: 04 Jan 2023

Let's recall the lofty intentions behind demonetization. The primary objective was to suck out black money from the system and move India towards a digital super-highway where cash was no longer king. The attempt delivered on some counts, especially in real estate. And it may have paved the way for making the gold market more transparent too. Over the decades, many Indians have parked illicit cash in property and gold. Still, cash retains its popularity despite the emergence of digital platforms, and for a simple reason – it offers anonymity in financial transactions, unlike digital transactions which leave a trail.

The immediate impact of demonetization

The economic misery aside, almost 99% of the demonetized currency – or about ₹15.44 trillion – found its way back to the banks. Less than 1% stayed outside the formal banking system.

Two factors may have contributed to the demonetization calculations going awry -- First, many Indians do not hoard black money in cash in big quantities, but instead prefer to park it in property and gold. Also, many Indians appear to have found people who didn’t have black money to convert their stash to white. So, black money was routed through different channels into the banking system, converting it to white money.

Does it mean that demonetization completely failed in its efforts to shrink the black market? Not quite.

The long-term impact on real estate

Demonetization has been a catalyst in making real estate deals more transparent. As cash deals reduced in the property market in the aftermath of demonetization, it capped speculative purchases and sales, and developers shifted their focus from luxury projects to affordable and mid-segment housing. It made the real estate market transparent and more end-user driven.

Property broker Anarock said in November 2021 that cash transactions in the primary residential market had shrunk. “Black money (or cash transactions) in the housing market has reduced by at least 75-80% since DeMo (demonetization) in late 2016," it said. Anarock data was based on discussions with developers across the top seven cities, home loan disbursal data of banks, feedback from its 1,500-plus sales agents and review of registration documents.

DeMo has changed the very fundamentals of real estate in India, it said, adding that “Housing sales happen because of actual demand, not as a means to launder black money." This trend has also picked up pace with the introduction of RERA and GST.

The impact of demonetization on the gold market has been less evident. Still, the government’s thrust on the digital economy paved the way for the emergence of digital gold after demonetization, a step towards making the gold market more transparent. A recent survey by consumer data intelligence company Axis My India showed there’s growing awareness about digital gold in India – 35% of the people surveyed were aware of it while 10% had already invested in it.

Why cash is still king

At the time of demonetization, India had banknotes of about ₹18 trillion in circulation. By March 2018, it had touched 19.4 trillion, and by December end 2022, that figure had crossed ₹32 trillion. So, cash with the public has surged after demonetization.

Clearly, despite the emergence of UPI and other digital platforms that ensure seamless transactions, cash has remained popular. The reason: Cash offers anonymity which digital transactions don’t. India – and the world – has long become used to the anonymity of physical cash transactions.

A digital currency – the digital rupee, for instance – that has all the properties of physical cash will have an immediate edge over other digital money platforms, particularly for high-value transactions. Currently, Indians use Paytm, Google Pay, PhonePe, and other digital platforms, for small-value transactions.

The RBI has assured that the digital rupee will mimic physical cash, including ensuring anonymity. While it could eat into the share of physical cash, particularly in big cities, it may take years for Indians to accept and trust transactions in e-rupee, particularly the promise of anonymity. https://www.livemint.com/opinion/online-views/mint-explainer-what-demonetization-really-achieved-11672777182584.html

12. In dire need *(millenniumpost.in)* 3 Jan 2023

2022 ended with 8.3 per cent of the job seekers in India being unemployed. The rate of unemployment in the urban area was 10 per cent and the rural unemployment rate was 7.7 per cent on December 31, 2022. The latter is considered more severe mainly because the causes of rural unemployment are more deep-rooted and hence, are more difficult to address, compared to urban unemployment.

Factors such as decreasing land holding size, lack of infrastructure — especially irrigation infrastructure, lack of other job opportunities and continuous depletion of forest resources are considered the main reasons for rural unemployment. These are either irreversible or difficult to change overnight.

The central Indian belt is characterised by undulating terrain, the absence of perennial streams, people's dependency on the forest for daily life and lack of irrigation infrastructure, which make it the worst-affected region in terms of rural employment generation. This area is also the heartland of the Adivasi people.

Low holding size Agriculture Census 2015-16 by the department of agriculture & farmers welfare, Government of India showed that the average size of operational holdings decreased to 1.08 hectares in 2015-16 from 2.28 hectares in 1970-71. The marginal farmers constitute more than 68.5 per cent of the total cultivators and their average holding size is 0.38 ha.

This situation is even worse in the central plateau area. The percentage of marginal farmers is more within Adivasi communities — around 77 per cent in Jharkhand and 76 per cent in Odisha are marginal farmers. This minuscule amount of land can't employ all the labour forces in the households beyond the Kharif (monsoon) season unless there are irrigation facilities for a second crop. Even in the Kharif season, the entire labour force of the household is not fully deployed. As a result, most marginal farmers look for wage employment as agricultural labour during the Kharif season as well.

Lack of irrigation facilities

Around 49 per cent of the net sown area in India is irrigated, the agriculture census report showed. For marginal farmers' land, it is around 54 per cent. In the central plateau, however, the situation looks critical. Around 19 per cent of Adivasi lands in Jharkhand and only 7 per cent of Adivasi lands in Odisha have all-season irrigation facilities, SAL 21 showed.

The usual irrigation models such as large dam or river lift irrigation schemes are either not feasible or not beneficial to marginal farmers. In-situ water harvesting, soil moisture conservation, and small diversion structures, among others, are some of the alternative solutions. There is, however, a need for developing context-specific irrigation prototypes for different areas within the central plateau.

Lack of other work opportunities

There has been a 48 per cent increase in the total production of food grains in the last 20 years, according to data shared by the Press Information Bureau, Union Ministry of Agriculture &

Farmers Welfare March 3, 2020. Increased food production, no doubt, has created jobs in the agriculture sector in rural areas.

However, that increase in production has not at all been sufficient to absorb the entire rural workforce. Mechanisation and an increase in rural population by 17 per cent during the same period have created more unemployment in the rural areas. The lack of employment opportunities forces villagers to migrate to cities in search of menial jobs. The MGNREGA was enacted to give employment opportunities to rural employment seekers. But gradually, the focus of MGNREGA shifted to asset creation and as a result, it became more supply-driven rather than catering to the employment demand of job seekers in the rural area.

Need for sustained action

Because of the above factors, rural unemployment in India is chronic, especially in central India. Changing this situation, therefore, needs careful planning and sustained action on a long-term basis. A key strategy may be to create irrigation infrastructure and bring more areas of small and marginal farmers under a second crop. However, this needs long and intensive engagement to develop context-specific prototypes for water harvesting and irrigation in the central plateau region.

The focus of MGNREGA has to be re-shifted to employment generation. Asset creation can be a by-product and not the main aim. There have been demands from many corners to increase the days of work to 200 days from the current 100 days and increase the wage rate.

At the same time, the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 has to be implemented in its right spirit. The Adivasis and other forest-dwelling communities should get the right to protect, regenerate, conserve or manage any community forest resource for sustainable use. https://www.millenniumpost.in/opinion/in-dire-need-504238

13. Culture of random, centralised monitoring is killing the spirit of MGNREGA *(downtoearth.org.in)* Updated: 03 Jan 2023

We do not need systems that alienate people from work and give further control to bureaucracy and frontline functionaries who are responsible for large-scale corruption

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been plagued by lack of funding, delayed payments and inadequate work. This has impacted the lives of the country's rural population.

The sizeable MGNREGA allocations in the pandemic-hit financial year 2020-2021 and in 2021-22 helped millions of rural households earn from the schemes and cope with their economic vulnerabilities.

However, this financial year's inadequate budget allocation (2022-2023) has again put the workers in a spot. The work availability is deficient and those who have worked under different schemes are made to wait for a long time to get their wages.

The COVID-19 pandemic showed the significant role played by MGNREGA in supporting rural households.

In fiscal years 2020-2021 and 2021-2022, the total expenditures incurred in the programme were Rs 1.11 lakh crore and Rs 1.06 lakh crore, respectively, according to government data.

While 111.9 million workers from 75.5 million households worked in 2020-21, 106.2 million workers from 72.6 million families worked under MGNREGA in 2021-2022.

However, in 2022-2023, the overall budget allocations have been reduced to Rs 73,000 crore, reducing the scope of employment and the possibility of creating quality rural assets.

As a result, only 73.5 million workers from 53 million households could currently avail of MGNREGA work.

Even when the accessibility is so low, the budget utilisation is quite high, resulting in a significant delay in processing wages from the central government.

Nearly Rs 7,700 crore is pending to be disbursed(including both wage and material) from the central government, according to the government's response in a parliamentary session held recently.

Centre has not released wages to West Bengal since December last year, which means the workers are unpaid for more than a year now. It looks like the central government has been particularly unkind to the state of West Bengal.

The current equation between the Bhartiya Janata party, which is ruling at the centre and Trinamool congress, the ruling party in West Bengal, is well known to everyone and this hints at a vendetta politics being played by the central government.

The workers, as a result, are made to suffer. Out of Rs 4,447 crore pending wages, West Bengal's share is Rs 2,744 crore, according to the response filed by the government in Parliament.

Nearly 170 million households have formally registered with MGNREGA (households with job cards). Out of the 170 million households, around 103 million have worked in MGNREGA in the last three financial years. These households are known as active job card holders.

The average number of workdays at the household level hovered around 50 days in the last two financial years. The current per person per day cost for running the programme is Rs 297(including wage, material and administrative expenses).

The cost will at least go up to Rs 310 in the next financial year, with wage revisions happening in March. Keeping this in mind, the government must allocate at least Rs 2 lakh crore to start with, even to ensure that 103 million active job card-holding families can get work for at least 60 days.

More households are expected to register during the next financial year.

Decentralised monitoring

The government has recently constituted a committee headed by former bureaucrat Amarjeet Sinha to recommend structural reforms in MGNREGA.

The committee would closely look at the root causes of current discrepancies and leakages persisting in implementing the schemes and is expected to advise on streamlining leakage-free implementation in the future.

While it is a welcome move to carry out thorough processes for understanding gaps in the system, the problems are well-known to everyone. Corruption in government schemes and programmes results from administrative lapses and malpractices. It requires stringent and consistent monitoring and review through independent agencies.

The Act provisions for social audits by independent agencies, which must be strengthened across all states.

What we have seen in the past does not show the government's intent to strengthen decentralised independent monitoring. Rather it randomly picks a few states, sends central teams there and stops fund release, citing examples of local corruption.

The leakages in MGNREGA funds are not limited to a handful of states or districts; it is widespread and systemic. Periodic central monitoring does not solve this. Rather, it kills the spirit of the programme by diminishing the idea of decentralised governance — a fundamental idea of the programme.

Moreover, the non-release of funds to states further slows down the implementation and demotivates the genuine workers who are made to wait long for their rightful wages.

The central government should ensure that social audit agencies are constituted in all states and are independently registered as a society.

In the past, Rajasthan, Jharkhand, Andhra Pradesh and Telangana had demonstrated robust social audit processes. However, in most states, the audits have been either weakened or entirely stopped due to pressure from influential local elites and political leaders.

We need to establish a strong and consistent social audit system that timely reports on actions taken and recoveries against malpractices.

The government should take proactive steps to establish a robust system of decentralised monitoring and actions by regularly strengthening independent social audits rather than promoting a culture of random, centralised monitoring that does not address the systemic bottlenecks.

Complex administrative processes and technological interventions should be removed to make operations transparent. Accountability should be promoted through decentralised governance mechanisms.

The newly introduced digital attendance system at the worksite, National Mobile Monitoring System, further complicates the operations on the ground.

We do not need systems that alienate people from work and give further control to bureaucracy and frontline functionaries who have been the main players behind large-scale corruption at worksites.

Instead, the government should equip Gram Panchayats for decentralised participatory planning, sanctioning schemes and making payments.

The true realisation of decentralised governance can only be achieved by making Gram Panchayats more competent through power devolutions.

Simple decentralised processes using user-friendly technologies can solve implementation challenges, while established social audit systems can bring transparency and accountability in governance and address corruption. https://www.downtoearth.org.in/blog/governance/culture-of-random-centralised-monitoring-is-killing-the-spirit-of-mgnrega-86918

14. India, ADB sign $1.2 bln loan agreements for infrastructure projects in several states *(livemint.com)* Updated: 03 Jan 2023

The Indian government and the Asian Development Bank (ADB) on Tuesday signed a loan agreement of $1.22 billion to improve the connectivity of key economic areas in several states in India.

The official statement from the finance ministry said that agreements would cover projects for improving the power sector and highways in the northeastern states of Tripura and Assam, metro rail connectivity in the southern city of Chennai, and improvement of key economic areas in the western state of Maharashtra.

Here's a detailed look into the various development projects

$350 million loan to improve in Maharashtra
At least 319 kilometers (km) of state highways and 149 km of district roads will be upgraded incorporating climate and disaster-resilient features to strengthen the state’s core road network in the 10 districts.

In addition, the project will construct 5 km of major district roads connecting Nanded and neighboring Telangana.

The project will promote gender equality and social inclusion in highway programs, schools, health, and social services and set up integrated service centers to provide basic sanitation, education, and other services, a statement from the ministry of finance read.

$300 million loan to improve connectivity in Assam
The roads to be upgraded under the project, including six road sections in the state’s western, central and southern regions, are connected to SASEC corridors linking India with Bhutan and Bangladesh, and are expected to boost cross-border trade and transport. The project will complement the multimodal logistics park being built in Jogighopa and a another proposed in Silchar to serve road, rail, inland waterway, and air transport facilities.

$350 million loan to expand metro rail network in Chennai
The investment project supports the development of three new metro lines—3, 4, and 5.

For Line 3, the project will construct 10.1 kilometers (km) of the elevated section between Sholinganallur to State Industries Promotion Corporation of Tamil Nadu-2, including 9 metro stations and system components.

For line 4, the project will help construct 10 km of the underground section between Lighthouse and Meenakshi College including 9 stations.

For Line 5 it will finance 31 km of system components, such as electrical, mechanical, power, and telecommunication infrastructure, between Chennai Mofussil Bus Terminus to Okkiyam Thoraipakkam. The stations will incorporate disaster- and climate-resilient features and will be responsive to the needs of the elderly, women, children, differently abled, and transgender people.

$220 million loan to strengthen power sector in Tripura
The Project will fund the replacement of Rokhia power plant with a highly efficient combined cycle gas turbine that will reduce greenhouse gas emissions through fuel saving, modernize the state's power distribution network and build institutional capacity.

It will also promote gender equality through pilot testing of gender and socially inclusive workplace practices. The project will support at least 15 selected women self-help groups (SHGs) under Tripura rural livelihood mission targeting socio-economic empowerment of the rural poor and women of the state that will include farming and non-farming sector. https://www.livemint.com/news/india/india-asian-development-bank-sign-1-2-bln-loan-agreements-for-infrastructure-projects-in-maharashtra-chennai-assam-and-tripura-11672758047166.html

15. India approves green hydrogen mission initial outlay at over Rs 19,000 crore *(cnbctv18.com)* 4 Jan 2023

The Union cabinet approved an initial outlay of Rs 19,744 crore for the National Hydrogen Mission, Union minister Anurag Thakur said on Wednesday. He added that incentives worth more than Rs 17,000 crore will be allotted for electrolyser and green hydrogen manufacturing in the country, while "Rs 400 crores will be spent on developing green hydrogen hubs in the country."

According to the International Energy Agency, an electrolyser is a "critical technology" for the production of low-emission hydrogen from renewable or nuclear electricity.

What else is planned under this mission?
Anurag Thakur said:
> Investments will be made for infrastructure development, shipping and transportation.
> Dedicated R&D fund will be setup with efforts to bring in private sector and venture capital investments.
> Empowered group will be setup and will include green hydrogen experts. Empowered group of secretaries to hold inter ministerial consultations on implementation of the scheme.

Earlier in the day, sources had said, "Of the Rs 19,744 crore, Rs 17,490 crore will be allocated for Strategic Interventions," sources said. They added, "By 2030, India is likely to achieve 5mmt of hydrogen production capacity, while Rs 8 lakh crore is expected in investments."

Prime Minister Narendra Modi had announced the launch of National Hydrogen Mission during his Independence Day speech on August 15, 2021. The Ministry of New and Renewable Energy had then accordingly prepared a draft Mission document. The proposal was passed by the Union cabinet on Wednesday, January 4.

The National Green Hydrogen Mission plan aims to provide direct incentives for green hydrogen manufacturing to the tune of approximately Rs 13,000 crore. It envisages incentives for electrolyser manufacturing to the tune of nearly Rs 4,500 crore.

The mission will be spearheaded by the cabinet secretary, empowered group of secretaries. National Hydrogen Energy expert group and mission secretariat.

What is National Hydrogen Mission

The Centre's National Hydrogen Mission emphasises on generating hydrogen from green power sources. It focuses on developing "India as a global hub for manufacturing of hydrogen and fuel cells technology across the value chain".

In a press released issued on March 2022, the government said, "The mission would put forward specific strategy for the short term (four years), and broad strokes principles for long term (10 years and beyond)."

"The aim is to develop India into a global hub for manufacturing of hydrogen and fuel cells technologies across the value chain," the government said in another press release.

On February 17, 2022, the Ministry of Power's orders said, "Manufacturers of Green Hydrogen / Green Ammonia shall be allowed to set up bunkers near Ports for storage of Green Ammonia for export / use by shipping. The land for the storage purpose shall be provided by the respective Port Authorities at applicable charges."

"The number of bunkers to be set up would depend on demand for exports and marine application," RK Singh, Union Minister for Power and MNRE, had informed the Lok Sabha in March 2022.

Why green hydrogen, and not grey or blue?

Hydrogen is classified into three categories — grey, blue and green — depending on the nature of the method of its extraction. "There is a growing focus on increasing production of green and blue hydrogen due to its no carbon emission and use of carbon offset technology, respectively," the government noted.

Also, "India has a huge edge in green hydrogen production, owing to its favourable geographic conditions and the presence of abundant natural elements", it said. The Centre further highlighted that the demand for hydrogen is expected to see a five-fold jump to 28 MT by 2050, where 80 percent of the demand is expected to be green in nature. https://www.cnbctv18.com/economy/india-cabinet-approves-green-hydrogen-mission-explained-narendra-modi-15578611.htm

16. **Strive for ascension** *(millenniumpost.in)* 3 Jan 2023

A simplified tax regime is imperative to avoid evasion, boost India's economic performance and promote it to a developed status

Prime Minister Narendra Modi has set an ambitious target of making India a developed nation by the time we celebrate 100 years of our independence. While the Prime Minister's inspiring vision of a progressive India by 2047 invokes the collective spirit of over 1.4 billion Indians to bring about this envisaged change, it is critical to understand what makes India a developing country and what needs to be acted upon for it to become a prosperous nation in the coming years?

India was classified as a 'third-world' country at the time of its Independence from British rule in 1947. But, over the past seven decades, its economy has grown from Rs 2.7 lakh crore to USD 3.5 trillion, overtaking the economy of our colonial rulers, and making it the fifth-largest in the world. India's growth trajectory pegged at almost seven per cent for 2023, is more than double the world average and the fastest among major economies. Many experts are also of the strong view that the country's economy could increase to become the world's third-largest by 2050, after the United States and China.

While these figures indicate robust growth momentum, one must also keenly view other important parameters such as per capita income, the level of industrialization, the general standard of living, the human development index, the amount of infrastructure and so on which gauge how well we are doing.

In my view, India at 75 is a mélange of development and lost opportunities. On one hand, we have achieved much in terms of advancement in science and technology, education, sufficiency in food production, power, and road infrastructure among others, while on the other hand, several challenges exist, and a lot remains to be done if we want to attain developed country status.

One area where India has struggled most over the years is its tax-to-GDP ratio. According to a World Bank paper (2018), tax revenue above 15 per cent of a country's GDP is key to economic progress. This level of taxation ensures that countries have the money necessary to invest in the future and achieve sustainable socio-economic growth.

India's gross tax to GDP was 9.88 per cent in 2019-20, 10.11 per cent in 2020-21 and 11.7 per cent in 2021-22. While it indicates an upward trend, it is much lower than the emerging market economy average of 21 per cent and the OECD average of 34 per cent. Advanced countries generally have a far higher ratio. Nations such as Denmark, France, Finland and Italy had a tax-to-GDP ratio as high as 40-45 per cent as of 2020 whereas Asian economies such as Singapore, Malaysia, Indonesia and the Philippines have a ratio between 10-16 per cent.

A low tax-to-GDP ratio poses significant challenges for the government to spend money on creating necessary infrastructure in the economy and raising investment. It also stresses spending on national security, the welfare system, public goods and so on. Therefore, it is essential to take the requisite steps to increase the country's tax-to-GDP ratio. Measures such as getting the informal sector into the formal fold, rationalising tax structures and having stringent penalties for defaulters are imperative to address three core issues for India – widening the tax base, improving compliance and yielding higher tax revenue.

On one hand, data indicates that a meagre five per cent of Indians pay direct taxes, while on the other hand, we are seeing rising incomes, consumption and spending in our country. A survey by economic research outfit PRICE (People Research on India's Consumer Economy) states that the share of the middle class, with an annual household income of Rs 5-30 lakh has more than doubled from 14 per cent in 2004-05 to 31 per cent last year. The consumer durables sector in India is also seeing revenue growth of 15-18 per cent this financial year, with Indians spending more on refrigerators, washing machines, air conditioners and so on (CRISIL Report 2022).

Deloitte's latest analysis indicates that consumers are willing to increase spending on both travel and hotel stays. It also estimates that India's automobile industry is expected to grow at a high pace in the next six months as consumers' intent to buy a vehicle grew by 9 per cent over the past four months.

While the above indicates rising incomes and strong domestic consumption, driving economic growth, the anomaly of a small number of taxpayers and tax base not growing commensurately remains.

Further, in India, there are various ways through which people evade taxes, be it through smuggling of goods, evasion of income tax, customs and excise duties and so on. A report by the State of Tax Justice states that India is losing more than USD 10.3 billion (around Rs 75,000 crore) in taxes every year due to international corporate tax abuse and private tax evasion. According to finance ministry reports, the central GST authorities had detected evasion of Rs 70,206 crore between July 1, 2017 (launch of GST) and January 2020. Experts go on to suggest that the incidence of GST evasion could be much higher if cases detected by state GST authorities are also considered.

Illicit trade in the form of smuggling across borders, which is primarily undertaken to evade taxes, also causes significant losses to the nation's exchequer. A FICCI CASCADE report released in September 2022 estimated that the value of the illicit market in five key Indian industries, including mobile phones, FMCG-household and personal goods, FMCG-packaged foods, tobacco products, and alcoholic beverages was Rs 2,60,094 crore for the year 2019-20, resulting in an employment loss of 15.96 lakh.

The report also values tax loss to the government due to illicit goods in the above industries to the tune of Rs 58,521 crore, with two highly-regulated and taxed industries, tobacco products and alcoholic beverages, accounting for nearly 49 per cent of the overall tax loss.

More often than not, excessive taxation is cited as the reason for high tax evasion. A World Bank paper of 2018 found that India's GST is relatively more complex with its high and multiple tax rates when compared with 115 other countries, where 49 have one rate, 28 have two and only 5 countries, including India, use four non-zero rates. Commenting on these, the paper said high and multiple rates make the system complex, add to the cost of compliance, and incentivise tax evasion.

The Laffer Curve, which shows the relationship between tax rates and the amount of tax revenue collected by governments, also points to the fact that an optimal tax rate maximizes total government tax revenue. If we look at Singapore for instance, which is a vibrant Asian economy, the fundamental tenet of its tax policy is to keep tax rates competitive, both for corporations as well as for individuals. With GST at 7 per cent and personal tax at 0-22 per cent, the island city-state has not only become a global hub for international investment and commerce but also ensures that necessary revenue is collected to meet the country's socio-economic objectives. Due to its reasonable and simplified tax policies, it also rates high on tax compliance.

Therefore, it is evident that a country's tax system is a decisive factor in its economic performance. In India, the Modi government has taken several steps to have a well-balanced tax policy, improve compliance and strict action against tax evaders. As a result, India is witnessing record-breaking earnings from Goods & Services Tax. It is also seeing a healthy upward trend in the percentage of returns filed as well as in the number of e-way bills generated. While the Government of India has demonstrated stability as a cornerstone of its taxation regime, sustaining this trend through policy interventions should continue to be a top priority. This will clearly improve compliance, widen the tax base and maximise revenues for priority areas of the government, ultimately leading to nation-building. As we embark on our journey towards making a 'Viksit Bharat' during India's 'Amrit Kaal', a benign, broad-based progressive tax regime will most certainly be fundamental for a thriving national economy and will serve in the best interest of the nation in realizing the vision of a developed India. https://www.millenniumpost.in/opinion/strive-for-ascension-504239

17. Subsuming electricity into GST *(business-standard.com)* January 3, 2023

Improving the business environment is key to India’s development. Indian economic ambitions cannot be realized without cheap and reliable electricity for industry. According to the International Energy Agency (IEA), the electricity cost faced by the Indian industry is much higher as compared to other countries. For energy-intensive industries, high electricity prices play a crucial role in increasing their cost of doing business and adversely affecting their global competitiveness.

One of the main reasons for the high electricity prices faced by Indian industries is the exclusion of electricity from GST. The exclusion of electricity from GST means that there is no mechanism to get an input tax refund for taxes paid on the inputs used for generating electricity. It is important to note that in India the applicable GST rate on coal is 5 per cent. In addition, 5 per cent GST is also payable on transportation of coal by trains. Since electricity is out of the purview of GST, this entire amount is passed on by generators to end consumers as power producers cannot claim credit for taxes and cess paid on coal and transportation of coal. All this leads to a high electricity tariff.

Industries, the end-users of electricity, not only face high electricity prices but they also do not get any input tax refund for the taxes paid on electricity, which is an input in their production. It is important to note that electricity is one of the key inputs in the industrial production and no input tax credit for it ultimately makes the Indian products expensive and less competitive internationally. Besides the high electricity costs because of the no-input tax credit and cascading tax effect, industries also bear the brunt of cross-subsidy. Cross subsidization of electricity is charging higher prices from industrial users to make up for under-charging from residential consumers and agriculture. This further adds an extra layer of pricing for the industry.

Totalling up all of these effects (no input tax credit, tax cascading and cross-subsidy) could lead to increased costs and lower margins for several industries, particularly the energy-intensive industries. For the textile industry, for example, these embedded taxes amount to about 2 per cent of the price. Therefore, it's high time to subsume electricity into GST.

Subsuming electricity into GST will not only make the input tax credit available to energy-intensive industries but will also end the cross-subsidization of electricity prices. If electricity is subsumed under GST, then all sectors across all states will pay a uniform GST tax. Moreover, as per Article 279A (5) of the Constitution, electricity can be easily subsumed into GST without requiring any amendment in the constitution; it can be done just by the recommendation of the Goods and Services Tax Council.

NITI Aayog has also recommended subsuming electricity into GST. Currently, the state VAT on electricity varies across states and also across sectors within a state. The think-tank has also recommended doing away with this system of differential electricity state VATs and replacing it with a uniform 18 per cent GST on electricity across all states and sectors.

NITI Aayog arrives at a 16.6 per cent revenue-neutral rate for electricity across states; this rate ensures that the country as a whole doesn't lose on revenue if electricity is subsumed under GST. Indeed, some of the states will lose revenue if electricity gets subsumed under GST. But with any GST rate above 16.6 per cent, the center's CGST collection from electricity will be more than enough to compensate the states for their losses. To compensate the states losing tax revenues due to this alteration, the think tank has come up with a very comprehensive three-stage compensation plan as well. With the compensation mechanism in place, no state will suffer any loss in its revenue due to the inclusion of electricity into GST.

Moreover, subsuming electricity into GST will not only reduce the cost of doing business for Indian industries but will also put an end to the massive distortions and inefficiencies in the use of electricity by the agriculture and residential sector due to the availability of power to them at either zero or very low prices. Therefore, subsuming electricity into GST becomes important.

Now, the question arises if subsuming electricity into GST can lead to such tremendous improvements in economic efficiency and ease of doing business, why has the government not undertaken this reform so far? The answer lies in the political difficulty of ending the cross-subsidy. Currently, the agriculture and domestic sectors in most states are paying either zero or very little tax on electricity; but, if electricity gets subsumed under GST, all the sectors (including agriculture and residential sector) will have to pay uniform rate of tax (say 18 per cent GST). To make this reform politically feasible, the government may consider providing direct cash transfers to farmers and poor households in lieu of power subsidies.

Moreover, it is important to note that the existing power subsidies (for the agriculture and residential sector) are highly regressive in nature as well. Tongia (2021) argues that in India the richer households capture much more in benefits from these power subsidies than the poorest. Because upper-income households consume a lot more energy-consuming appliances and gadgets than poor ones. Providing cash transfers to the poor instead of power subsidies to all households and farmers may prove to be a better equity instrument. Therefore, we believe that subsuming electricity into GST will not only improve economic efficiencies and reduce the cost of doing business but will also help the government to more efficiently serve its equity objective. https://www.business-standard.com/article/economy-policy/subsuming-electricity-into-gst-123010300936_1.html

18. BJP seeks CBI probe into PMAY ‘irregularities’ *(indianexpress.com)* Updated: January 4, 2023

The BJP on Tuesday demanded a CBI inquiry into the alleged “irregularities” in the list of beneficiaries for the Pradhan Mantri Awas Yojana (PMAY) in West Bengal, over which protests have erupted across the state.

Union Minister of State for Education Subhas Sarkar said just like the central agency probes in teachers recruitment scam, a CBI inquiry was the need of the hour with regard to “irregularities” in PMAY also.

Speaking to mediapersons in Bankura, Sarkar said, “A few months ago, everyone in the state was talking about the school recruitment scam because it was rampant. The court had ordered a CBI inquiry into it. Today, the same kind of complaints are being raised over discrepancies in the implementation of PMAY. Common people are protesting outside local panchayat offices and BDO office to register their complaints. This is no less than the teachers’ recruitment scam. Under such circumstances, people will definitely demand for a CBI inquiry. If they want this, we as their representative will have to press for it.”

The BJP MP said, “We have to fight the TMC at every level. If their leaders come to villages to tell lies, beat them up. Drive them out from the villages”.
Meanwhile, BJP national vice-president Dilip Ghosh targeted the Block Development Officers (BDO) in the state for being hand in glove with the irregularities in the Centre’s schemes. He even threatened to gherao BDO offices across the state if they did not mend their ways.

“The Central fund should come directly to panchayats from where it will be used for the implementation of various schemes. But unfortunately the panchayats here have become dens of corruption. The BDOs are the biggest dacoits. They have a feast with TMC leaders in the evenings and divide the money among them. We have started holding protests outside the office of the BDO. We will gherao such offices in future,” said Ghosh.

The Trinamool Congress criticised the BJP for resorting to central agencies to target the opposition. TMC spokesperson Debangshu Bhattacharya said, “It is the people of the state who have given BJP a befitting reply in Assembly polls. Today they are even behind the CPI (M) and relegated to the third position. A CBI inquiry means that matter will be sent in the cold storage given the track record of the central investigation agency. CBI inquiry means shielding the BJP leaders. Therefore, people do not want a CBI probe.”

Meanwhile, the BJP has filed a Public Internet Litigation (PIL) in the Calcutta High Court seeking a proper investigation into the matter and stopping the distribution of funds for this scheme. Party’s Purulia district president Vivek Ranga has filed the PIL, which is likely to come up for hearing later this week. https://indianexpress.com/article/cities/kolkata/bjp-seeks-cbi-probe-into-pmay-irregularities/