NEWS ITEMS ON CAG/ AUDIT REPORTS (06.12.2022)

1. CAG Report: वेतन से ज्यादा पेंशन पर खर्च कर रही केंद्र और ये 3 राज्य सरकारें, CAG ने दी जानकारी *(financialexpress.com)* Updated: December 5, 2022

CAG Data: पेंशन पर होने वाला खर्च हाल के वर्षों में केंद्र और राज्य सरकारों के लिए तयशुदा व्यय का अहम हिस्सा बन चुका है. कंट्रोलर ऑडिटर जनरल ऑफ इंडिया यानी सीएजी (CAG) के आंकड़ों के मुताबिक साल 2019-20 के दौरान केंद्र सरकार का पेंशन बिल, 'सैलरी और मजदूरी' पर होने वाले खर्च से अधिक रहा. राज्यवार देखें तो गुजरात, कर्नाटक और पश्चिम बंगाल का पेंशन बिल, वेतन खर्च से अधिक रहा है.

सीएजी की रिपोर्ट के मुताबिक 2019-20 के दौरान केंद्र सरकार का कुल व्यय 9.78 लाख करोड़ रुपये था. सरकार ने इस वर्ष के दौरान 'वेतन और मजदूरी' पर 1.39 लाख करोड़ रुपये खर्च किया. पेंशन पर केन्द्र सरकार ने 1.83 लाख करोड़ रुपये खर्च किए थे. 2019-20 के दौरान 'ब्याज भुगतान और कर्ज चुकाने' पर केंद्र सरकार ने 6.55 लाख करोड़ रुपये किए थे. 2019-20 में केंद्र का कुल तयशुदा व्यय उसके कुल रेवेन्यू एक्सपेंडिचर 26.15 लाख करोड़ रुपये का 37% रहा था. सीएजी की रिपोर्ट में बताया गया है कि 2019-20 के दौरान केंद्र सरकार के कुल खर्च (कमीटेड एक्सपेंडिचर) में 'ब्याज भुगतान और ऋण भुगतान सेवा' का हिस्सा 67% है. बाकी 19 % 'पेंशन' और 14% 'सैलरी व मजदूरी' पर होने वाला खर्च है.

आकड़ों से साफ जाहिर है कि पेंशन पर आने वाला खर्च वेतन और मजदूरी पर होने वाले खर्च से अधिक है. रिपोर्ट के मुताबिक 2019-20 में केंद्र का पेंशन बिल 'सैलरी और मजदूरी' पर सरकार के खर्च का 132 % था. ये सभी आकड़े 2020 में भारत में कोरोना महामारी के आने से ठीक पहले का है. 2019-20 के दौरान गुजरात, कर्नाटक और पश्चिम बंगाल, इन तीनों राज्यों में 'सैलरी और मजदूरी' खर्च से बहुत अधिक पेंशन बिल हो गया.

2019-20 के दौरान गुजरात में पेंशन बिल 17,663 करोड़ रुपये आया है. वहीं राज्य में सैलरी और मजदूरी पर 11,126 करोड़ रुपये खर्च हुआ था. गुजरात में पेंशन बिल और सैलरी खर्च राज्य के खर्च का 159% रहा. इसी तरह, कर्नाटक का पेंशन बिल (18,404 करोड़ रुपये) वेतन और मजदूरी (14,573 करोड़ रुपये) पर राज्य के खर्च का 126 % था और पश्चिम बंगाल में पेंशन बिल (17,462 करोड़ रुपये) था, वहीं सैलरी और मजदूरी (16,915 करोड़ रुपये) पर खर्च राज्य के खर्च का 103% था.

खास बात ये कि ओल्ड पेंशन स्कीम (OPS) चुनावी राज्यों, हिमाचल प्रदेश और गुजरात के विधानसभा चुनाव में एक प्रमुख वादा होने के कारण काफी चर्चा में है. राजनीतिक चर्चाओं के बाहर भी ओल्ड पेंशन स्कीम वाद-विवाद शुरू है. कांग्रेस शासित राज्य- राजस्थान और छत्तीसगढ़ ने पहले ही ओल्ड पेंशन स्कीम यानी पुरानी पेंशन योजना (OPS) को लागू करने का फैसला ले लिया है. गुजरात और हिमाचल प्रदेश में भी कांग्रेस पार्टी की जीत होने पर पुरानी पेंशन योजना को बहाल करने का वादा है.

आंकड़ों से पता चलता है कि 30 राज्यों और केंद्र शासित प्रदेशों का एकमुश्त पेंशन बिल, जिसके लिए तुलनात्मक आकड़े उपलब्ध है, साल 2019-20 में 3.38 लाख करोड़ रुपये रहा, जो वेतन और मजदूरी पर उनके द्वारा हुए कुल ख़र्च (5.47 लाख करोड़ रुपये) का 61.82 प्रतिशत था. पांच राज्यों – उत्तर प्रदेश, बिहार, महाराष्ट्र, तमिलनाडु और ओडिशा में पेंशन बिल, वेतन और मजदूरी पर इन राज्यों के खर्च का 2/3 हिस्से से अधिक था.

पेंशन पर खर्च सरकार के कमीटेड एक्सपेंडिचर के प्रमुख हिस्सों में से एक है. इसके आलावा सैलरी और मजदूरी और ब्याज भुगतान व ऋण भुगतान पर व्यय है. कमीटेड एक्सपेंडिचर यानी तयशुदा खर्च अधिक होने का मतलब है कि सरकार के पास अपनी कमाई (रेवेन्यू) को इन्फ्रास्ट्रक्चर या अन्य स्कीम पर खर्च करने के लिए ज्यादा विकल्प नहीं है. 2019-20 के दौरान, सभी राज्यों का कुल कमीटेड एक्सपेंडिचर 12.38 लाख करोड़ रुपये था (वेतन और मजदूरी पर 5.47 लाख करोड़ रुपये; ब्याज भुगतान व ऋण भुगतान पर 3.52 लाख करोड़ रुपये और पेंशन पर 3.38 लाख करोड़ रुपये), जो 27.41 लाख करोड़ रुपये के उनके कुल राजस्व व्यय का लगभग आधा यानी 45 प्रतिशत था.

राजस्थान में पेंशन पर आने वाला खर्च 2019-20 में 20,761 करोड़ रुपये था. जहां पुरानी पेंशन योजना लागू करने का फैसला किया गया है. राजस्थान में सैलरी और मजदूरी पर राज्य के खर्च (48,577 करोड़ रुपए) का करीब 42.7 % हिस्सा है. इसी तरह, छत्तीसगढ़ का पेंशन बिल (6,638 करोड़ रुपये) राज्य के वेतन और मजदूरी व्यय (21,672 करोड़ रुपये) का 30.62 % था. हालांकि, हिमाचल प्रदेश में, जहां हाल ही में चुनाव संपन्न हुए, पेंशन बिल 5,490 करोड़ रुपये और सैलरी और मजदूरी पर खर्च 11,477 करोड़ रुपये, जो राज्य के व्यय का 47% था. भारतीय रिजर्व बैंक द्वारा 19 नवंबर को जारी हैंडबुक ऑफ स्टैटिस्टिक्स ऑन इंडियन स्टेट्स के हालिया प्रकाशन से पता चलता है कि सभी राज्यों और केंद्र शासित प्रदेशों का कुल पेंशन खर्च 2019-20 में 1.63 लाख करोड़ रुपये से दोगुना होकर 3.45 लाख करोड़ रुपये हो गया है. https://www.financialexpress.com/hindi/india-news/pension-bill-exceeded-salary-wages-spending-for-centre-3-states-cag-data/2901187/

STATES NEWS ITEMS

2. CG में अफसरों-कर्मचारियों ने किया 82.53 लाख का गबन: 16 शहरी सरकारों को नोटिस, कहीं-कहीं तो 10 साल से वसूली नहीं हो पाई *(bhaskar.com)* 05 Dec 2022

छत्तीसगढ़ में अफसरों-कर्मचारियों ने सरकारी खजाने से 82 लाख 53 हजार 999 रुपए का गबन कर लिया है। कहीं-कहीं तो भ्रष्टाचार का खुलासा हुए 10 साल हो गए, लेकिन उनसे वसूली नहीं हो पाई है। महालेखाकार-CAG की ऑडिट आपत्तियों के बाद अब नगरीय प्रशासन विभाग ने 16 शहरों के निगम, पालिका और पंचायतों को नोटिस जारी किया है।

संचालक की ओर से जारी नोटिस में 67 अफसरों कर्मचारियों पर गबन का आरोप है। गबन की सबसे अधिक राशि श्याम रतन जायसवाल के नाम है। ये 2008-9 से 2010-11 तक जरही के मुख्य नगर पालिका अधिकारी थे। इन्होंने दो मदों में 23 लाख 24 हजार 249 और एक लाख 50 हजार 100 रुपए दबा लिए। जगदलपुर नगर निगम में 2014-15 के दौरान आयुक्त रहे रमेश जायसवाल, राजस्व अधिकारी विनय श्रीवास्तव, सहायक राजस्व निरीक्षक चंदन प्रजापति और कैशियर अनिल पिल्लै ने दो बार में 16 लाख 10 हजार 262 और एक लाख 22 हजार 742 रुपए का हेरफेर कर दिया।

अंबिकापुर नगर निगम में 2010-11 के दौरान आयुक्त रहे राकेश जायसवाल, रमेश सिंह और लेखापाल अच्छेलाल साहू के नाम से एक लाख 44 हजार 47 रुपए का गबन दर्ज है। संचालक ने खैरागढ़, छुरिया, जशपुर, खरसिया, मल्हार, मुंगेली, बैकुंठपुर, कोण्डागांव, भानुप्रतापपुर, चारामा, नारायणपुर, सुकमा और दंतेवाड़ा नगर पालिकाओं और नगर पंचायतों को ऑडिट आपत्तियों के साथ कार्रवाई का निर्देश भेजा है। इसमें एक सप्ताह के भीतर कार्रवाई कर रिपोर्ट भेजने का निर्देश दिया गया है। अफसरों का कहना है कि गबन करने वालों पर नियमों के मुताबिक कार्रवाई की जाएगी।

गबन करने वालों में आयुक्त से लेकर दिहाड़ी कामगार तक

प्रदेश के जिन 16 नगरीय निकायों को यह नोटिस जारी हुआ है, उनमें गबन करने वालों का ट्रेक रिकॉर्ड भी गजब है। सरकारी पैसे का गबन करने वालों में आयुक्त और मुख्य नगर पालिका अधिकारियों से लेकर दैनिक वेतनभोगी कर्मचारी तक शामिल हैं। सबसे अधिक संख्या राजस्व निरीक्षकों की है। चारामा में तो चार दैनिक वेतन भोगी कर्मचारियों, सहायक राजस्व निरीक्षक और कैशियर की मिलीभगत से 9 लाख रुपए से अधिक राशि का घपला हुआ है।

गबन के ये मामले 2008-9 से 2018-19 तक के

संचालक की ओर से भेजे गए पत्र में जो मामले हैं वह 2008-9 से लेकर 2018-19 तक के हैं। खरसिया में 2010-11 से 2011-12 के बीच मुख्य नगर पालिका अधिकारी डीआर सिदार ने 1 लाख 15 हजार 540 रुपए का गबन किया। बाद में सिदार तहसीलदार बन गए। खैरागढ़ का गबन 2008-9 से 2010-11 के बीच हुआ। दंतेवाड़ा में गबन का मामला 2018-19 का है।

प्रदेश में ऐसे और मामले आए थे सामने..

राज्य में चर्चित 200 करोड़ रुपए के डामर घोटाले को लेकर दायर याचिका पर राज्य शासन ने एक बार फिर कहा था कि जिम्मेदार और दोषी अफसरों पर कार्रवाई की जा रही है। 4 माह पहले इस पर हाईकोर्ट ने राज्य शासन को लिखित दस्तावेज प्रस्तुत करते हुए एक प्रति याचिकाकर्ता को भी उपलब्ध कराने कहा था।

वीरेंद्र पांडेय ने हाईकोर्ट में जनहित याचिका दायर की थी। इसमें बताया कि हाईकोर्ट ने साल 2019 में शासन के लिखित आश्वासन के बाद जनहित याचिका को हाईकोर्ट ने निराकृत कर दिया था। तब से इस मामले में कार्रवाई नहीं की गई है। याचिकाकर्ता 2014 से कार्रवाई की मांग कर रहे हैं, लेकिन हाईकोर्ट के आदेश के बाद भी शासन इस गंभीर मामले में गुमराह कर रहा है। ऐसे में उन्हें हाईकोर्ट में दोबारा जनहित दायर करनी पड़ी थी।

200 करोड़ का हुआ है डामर घोटाला

याचिका में प्रदेश भर की 21 सड़कों के निर्माण के लिए एशियन डेवलपमेंट बैंक (ADB) से 1200 करोड़ रुपए का कर्ज लेने और उसमें से 200 करोड़ रुपए का घोटाला करने की जानकारी दी गई थी। इस याचिका पर अब शासन की तरफ से फिर से वही पुराना जवाब प्रस्तुत किया जा रहा है, जो संतोषजनक नहीं था। याचिकाकर्ता ने शासन की तरफ से अब तक की गई कार्रवाई पर जानकारी उपलब्ध कराने की मांग की थी।

शासन ने कहा-दोषी अफसरों पर की जा रही है कार्रवाई

याचिकाकर्ता के वकीलों ने सोमवार को याचिका को शासन की कार्रवाई होने तक लंबित रखने कहा था। साथ ही शासन की तरफ से की जा रही कार्रवाई की जानकारी लेने के लिए भी कहा गया। पूर्व में कोर्ट ने याचिकाकर्ताओं के तर्क पर सहमति जताते हुए शासन को जांच और कार्रवाई के लिए समय दिया था। इसके जवाब में शासन ने चीफ जस्टिस अरुप कुमार गोस्वामी की डिवीजन बेंच में बताया कि इस गड़बड़ी के लिए जिम्मेदार और दोषी अफसरों के खिलाफ कार्रवाई करने के लिए अनुमति दी जा रही है। https://www.bhaskar.com/local/chhattisgarh/raipur/news/officers-employees-embezzled-8253-lakh-notice-issued-to-16-city-governments-after-cags-objection-at-some-places-recovery-could-not-be-done-for-10-years-130644300.html

3. 2.53 लाख के गबन के मामले में 16 शहरी सरकारों को नोटिस, CAG की ऑडिट में हुआ खुलासा *(newsplus21.com)* 06 Dec 2022

छत्तीसगढ़ में महालेखाकार-CAG की ऑडिट आपत्तियों के बाद अब नगरीय प्रशासन विभाग ने 16 शहरों के निगम, पालिका और पंचायतों को नोटिस जारी किया है। इन अफसरों-कर्मचारियों ने सरकारी खजाने से 82 लाख 53 हजार 999 रुपए का गबन कर, लेकिन उनसे वसूली नहीं हो पाई है।

सबसे अधिक राशि श्याम रतन जायसवाल के नाम
संचालक की ओर से जारी नोटिस में 67 अफसरों कर्मचारियों पर गबन का आरोप है। गबन की सबसे अधिक राशि श्याम रतन जायसवाल के नाम है। ये 2008-9 से 2010-11 तक जरही के मुख्य नगर पालिका अधिकारी थे। इन्होंने दो मदों में 23 लाख 24 हजार 249 और एक लाख 50 हजार 100 रुपए दबा लिए।

वहीं जगदलपुर नगर निगम में 2014-15 के दौरान आयुक्त रहे रमेश जायसवाल, राजस्व अधिकारी विनय श्रीवास्तव, सहायक राजस्व निरीक्षक चंदन प्रजापति और कैशियर अनिल पिल्लै ने दो बार में 16 लाख 10 हजार 262 और एक लाख 22 हजार 742 रुपए का हेरफेर कर दिया।

इसके अलावा अंबिकापुर नगर निगम में 2010-11 के दौरान आयुक्त रहे राकेश जायसवाल, रमेश सिंह और लेखापाल अच्छेलाल साहू के नाम से एक लाख 44 हजार 47 रुपए का गबन दर्ज है।https://newsplus21.com/cg-news-notice-to-16-city-governments-in-case-of-e/

4. Is there a political deadlock over the Vizhinjam port protests in Kerala? *(sabrangindia.in)* 06 Dec 2022

Local fishing communities and activists are drawing parallels now between the ongoing conflict in Trivandrum over the Adani group’s massive port project at Vizhinjam and the Nandigram episode in West Bengal that has signalled the end of the 34-year olf CPI(M) regime. The parallels are not quite so stark as at present the miniscule (in Kerala) Bharatiya Janata {arty (BJP) as also both the UDF and LDF have little fault to find with the project that threatens the livelihood of thousands of coastline inhabitants.

The on-going protest by coastline inhabitants, mostly Latin Christians, is against the major real estate project. On November 26 and 27, violence broke out at Vizhinjam when project work re-commenced. Some activists are drawing a parallel with the Nandigram violence that occurred in 2007 as a result of land being forcibly acquired for the creation of a chemical hub, a type of special economic zone, by the CPI (M)-led government of West Bengal (SEZ) in which 14 people were killed in police firing.

The one point of similarity between Nandigram and Vizhinjam protests is that at the time, 2007 and now, the CPM-led governments were in power. Though, it was the then Congress-led United Democratic Front government of Kerala and the Adani Group that had entered into a concession agreement in 2015 to construct India's first major transhipment container terminal at Vizhinjam, which is close to the state capital Thiruvananthapuram.

While in Opposition, the Left Democratic Front (LDF) had stiffly opposed the project calling it a 5000 crore land grabbing deal.

In fact, in 2017, the Economic Times had reported that the Comptroller and Auditor General of India (CAG) has observed that interests of Kerala were not protected in the agreement with Adani Ports and SEZ Private Ltd for implementing the Rs 7525 crore Vizhinjam International Deepwater Multipurpose Seaport project.

CAG in its tabled report on public sector undertakings for the year ended March 2016, tabled in the assembly on May 23, 2017, said the technical and financial estimates prepared by external consultants were not scrutinised with due diligence resulting in inflation of cost estimates.

"The interests of state government were not protected adequately while drawing up the Concession Agreement", the report had then said in its conclusion.

Observing that the standard concession period for the PPP project was 30 years and by allowing 10 years, extra concession period in the agreement for Vizhinjam, the Concessionaire (Adani Group) would be collecting additional revenue of Rs 29,217 crore, based on revenue estimates in Feasibility Report by Ernst and Young.

This CAG report came a day after CPI-M veteran and former Chief Minister V S Achuthanandan demanded a 'White Paper' from the party headed LDF government on the Vizhinjam port agreement inked during the previous Congress-led UDF government. The CPI-M leader also alleged corruption in the deal of the project of which the work was formally launched in December 2015.

As per the agreement, Adani group was responsible for funding and development of dredging and reclamation of 53 acres of land from the sea, construction of berths and related infrastructure and operation of the Port. The total cost of the project was estimated at Rs 7525 crore. On this Rs 2454 crore is the investment by Adani group for and Rs 1635 the Viability Gap funding of Centre and state and Rs 3436 crore by the state.

With regard to the financial and economic viability of the project, the report observed that in spite of 67 per cent investment by the state, the financial benefit accruing to the state was not commensurate with its investments.

Vizhinjam port development was a dream project of the state for a long period as it was first proposed in 1991 when late Congress leader K Karunakaran was the Chief Minister. But it did not materialise due to various reasons. It was the previous UDF government that had given it a first push, in 2011. An agreement was signed with Adani groups under PPP route on Design, Build, Finance, Operate and Transfer basis (DBFOT).

LDF then in Opposition, had seriously objected to implementing the project in private sector and had levelled allegations of corruption in the deal. Chief Minister Pinarayi Vijayan had stated earlier that the government would implement the project as there was no option before it other than to execute the project inked by the previous UDF government.

What does this project mean?

The 7,525 crore Adani Vizhinjam International Seaport project is said to be an all-weather, 24-meter deep-seaport that can accommodate megamax-sized container ships. It is claimed the transshipment container terminal promises to reduce logistics costs and make manufacturing competitive. Once completed, it will be the first container transhipment hub in India, competing for business on the lucrative east-west trade routes with Sri Lanka, Singapore and Dubai.

Today, what is happening there at Vizhimjam?

However, this ambitious Vizhinjam project landed in controversy as the fisherman community have organised themselves against it. This project is caught in protests and violence which is being supported by the Latin Catholic church. Vizhinjam is the perfect location for a deepwater port due to its natural un-dredged draught. According to protesters, who halted the construction for almost four months, the project is resulting in habitat, economic and biological destruction.

On November 27, the protests against the project became violent when demonstrators attacked the Vizhinjam police station in Thiruvananthapuram, the capital of Kerala. At least 12 policemen were hurt during the incident, the media reported. The villagers, supported by Catholic priests, are blocking the site's entrance with a homemade shelter. The police tried to interfere and that caused skirmishes resulting in more than 80 injuries.

Public property losses were reported, including damage to 20 motorcycles, two vans, four police jeeps, and furnishings within the police station. Following the demonstrations on November 26, protesters arrived at the station, demanding the release of five people who had been previously detained. Following these demonstrations, at least 50 Latin Catholic priests, including Archbishop of Thiruvananthapuram's Latin Archdiocese Archbishop Thomas J. Netto reportedly had cases filed against them.

Local tensions spiralled when Thomas Netto was named as the first accused in an FIR against him. In the new FIR, 50 priests are also listed, including Auxiliary Bishop Christudas and Vicar General Eugeine Pereria. Apart from this, the police also registered cases against 3,000 people.

It is the local fishing population led by the influential Latin Catholic Archdiocese of Thiruvananthapuram has been arguing that the breakwater and works will impact their way of life and residences for some time.

Is there a communal twist being given to the protests?

As happens on all matters of communal conflict, economic reasons are often given an identity label and twist. While the RSS-backed Hindu United Front has sworn to walk to the port in Vizhinjam to express support for the project they claim will create jobs in the area, the protest has now taken on a more divisive tone.

So far the government and administration have not displayed any heavy-handedness on the protesters. A senior police officer has stated that even additional security had been placed around the port to keep the Hindu group from getting there in an effort to avert new confrontations.

Coastal Erosion

While the coastline inhabitants alleged that Adani's ultimate goal was to displace the impoverished fishermen and seize the coastline in order to turn it into a major real estate project, protesters have also claimed that following the start of construction, protesters claimed there had been significant coastal erosion on the port's northern side and sea accretion (the gradual accumulation of sand or land mass along coastal zones). According to research conducted by the National Institute of Ocean Technology in Chennai, erosion has occurred in Shangumugham (600 m), Valiyathura (200 m), and Cheriyathura (100 m) on the port's northern shore.

However, in contrast, according to a senior government official, the region was experiencing coastal erosion, and this erosion had nothing to do with the construction of the port and the region was witnessing coastal erosion from early 2000s onwards.

Background to protests

The protest however continues and vehement opposition to the project has put the LDF government, particularly the CPM, in an awkward spot. Local fisherfolk from the Muslim and Christian communities are genuinely agitated because the port is being constructed in the area where they are concentrated. The fear of losing their houses and livelihood is real and serious. Sea erosion in the project area is another challenge after the construction has started. No adequate compensation for the loss of livelihood and houses... these are some of their grievances.

The government, on its part says that adequate compensation has been agreed. A number of meetings have taken place in which the church and the protesters have agreed to the suggestion of higher compensation. Often in the case of mass displacement however, once projects are underway and populations "cleared" compensation often remains a pipe dream.

The protest by fisher folk against the Vizhinjam International Seaport Limited (VISL), near Thiruvananthapuram this year began on August 16 and has continued despite two rounds of talks with the government. The government has agreed to five of the seven demands in the first round of talks itself.

The demand for halting the construction works immediately has not found favour from the government, considering the completion of works. The representatives of the fishing community did not turn up for the talks on August 28 after being invited by the government. Three ministers and the district collector were made to wait for almost an hour.

Earlier on the day, the Latin Catholic Archdiocese of Thiruvananthapuram, leading the protest, issued a pastoral letter against the project, claiming that the community is fighting for survival.

The fisher folk have alleged increased sea erosion and damages to houses in several villages along the coast since the construction began in 2015. The community has alleged unscientific construction works being the reason for the adverse impacts. The opposition in the state, the United Democratic Front (UDF) has pledged support for the protest. For the record, the project was approved during the Congress-led UDF in 2014, as per the 'build-operate-transfer' mode. The LDF had demanded the landlord-ship model to be implemented and opposed the Public Private Partnership (PPP) model.

Pastoral Letter

The government of Kerala once again extended an invitation to the protesting fishermen for another round of talks in August 2022 to end the impasse between the protestors. But the minister for fisheries, V Abdurahiman waited in vain as the representatives failed to turn up.

“The government cannot halt the construction works all of a sudden. This has been conveyed to the protestors as well. The government has informed its consent to set up an expert committee to further study the impacts of the construction. The protestors must introspect if the decision to continue the protest does any good for the state,” the minister said during a press meeting. The minister also informed that the government is ready for talks at any time, that too with the assembly in session.

The archdiocese in an apparent attempt to intensify the protest issued a pastoral letter which was read in the concerned churches during the mass. The archbishop advised the fishing community not to fall into the traps of forces attempting to divide the fishing community.

‘Impossible to halt works’

The protesting fishermen have urged the government to halt the construction works and conduct a detailed environmental impact assessment (EIA). The second round of talks held with the chief minister on August 25 failed since the protestors continued to insist on this demand.

“The government has clarified its position on halting the construction works. Since more than 50% of works have been completed, it's practically impossible to do it,” said Pulluvilai Stanley, the general secretary of All India Fishers and Fisheries Workers’ Federation (AIFFWF) then to NewsClick.

The government has not laid any pre-conditions to hold talks anytime soon, given the fear prevailing among the community.

“The community has alleged unscientific construction of groynes leading to increased sea erosion and damage to houses after the construction works of the port began in 2015. The government has ensured to study the impact of the allegations, but without halting the works, which is the only possible way forward,” Stanley said.

Before the present deadlock, the representatives of the Latin catholic archdiocese had expressed satisfaction after the first round of talks held on August 19. "The meeting with the minister had a relatively positive outcome. However, we will continue our protest until all our demands are met," Fr Eugene Pereira, the Vicar General of the archdiocese said after the meeting.

A major demand of the protestors, seeking a solution for rehabilitation has been arrived upon, with land in Muttathara being identified. The government will also extend financial aid to the fishermen during adverse climate conditions.

‘UDF approved PPP Model’

In the UDF government, Ommen Chandy as the chief minister in 2015 approved the project to construct the container shipment terminal in Vizhinjam. The LDF had opposed the PPP model proposed by the government instead of the landlord model in the assembly.

“The LDF had opposed the mode of implementation in the assembly itself when the UDF government at the time of proposal itself. But the UDF is now playing politics in the issue,” Stanley accused.

'Govt committed to welfare'

The government has sanctioned funds for rehabilitation and resettlement of fishermen, compensation for catamaran fishermen, drinking water projects, and housing for around 1000 people under Livelihood Inclusion and Financial Empowerment (LIFE) mission among others.

A sum of Rs 52.76 crores has been sanctioned to 942 traditional fishing workers in Vizhinjam and Adimalathura hamlets. Each of the workers will receive Rs 5.6 lakh. The LIFE mission has enlisted 1,062 homeless people in the locality as part of the LDF government's aim to provide housing to all.

The LDF government has upgraded the community health centre into a 100- bedded taluk hospital for Rs 10 crores, while Rs 12.5 lakh each has been sanctioned to 73 mussel workers.

According to the government, despite the measures rolled out, the fisher folk continue to intensify the protest putting the ambitious project in jeopardy. https://sabrangindia.in/article/there-political-deadlock-over-vizhinjam-port-protests-kerala

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. GST superstructure lacks some basic features even after 5 years *(business-standard.com)* December 6, 2022

The goods and services tax (GST) system has replaced the national anti-profiteering authority (NAA) with the Competition Commission of India (CCI) this month, a move that would make this mechanism a permanent feature unlike its temporary nature earlier.

However, the CCI too suffers from the core issue of finding an appropriate methodology to gauge profiteering and the quantum of penalty over which NAA is embroiled with litigation in courts.

This, along with the absence of centralised authority for advance rulings and GST tribunals, implied that the superstructure of the GST system lacks basic and core mechanism and methodology.

The decision to subsume NAA with CCI for anti-profiteering purposes comes at a time when 50-odd cases against the constitutional validity of the authority have been clubbed and are being heard in the Delhi High Court. The hearing is expected to resume on Tuesday. The biggest issue is the lack of methodology to calculate profiteering. Though there is no prescribed methodology, NAA has been using some of it in some sectors such as real estate.

For instance, in the case of Pyramid Infratech, the NAA had calculated the amount of profiteering through a ratio of the taxable turnover of the company to the input tax credit availed. The case is related to the construction of flats under the affordable housing scheme in Haryana. The authority had directed the company to refund or reduce Rs 8.2 crore from 2,476 buyers' last instalment in 2018.

The NAA found that the ratio was 1:1 in the pre-GST era and 7:2 in the post-GST time. As such, the difference between the two, 6:1, is the profiteered amount and must be refunded to homebuyers or deducted from the prices of the flats.

Apart from this, the interest at the rate of 18 per cent per annum was also to be returned to homebuyers, the NAA had ruled.

This quantum was protested by the company’s counsel Abhishek Rastogi, who said the project was not construction-linked but time-linked. In a construction-linked project, this ratio could be relevant, but not in a time-linked one, he said.

Challenging the methodology, he said the ratio also did not take into account the increased prices of raw materials such as steel and cement.

Rastogi, founder of Rastogi Chambers, said the methodology is not prescribed anywhere in the Constitution and rules made thereunder. According to section 171 of the Central Goods and Services Tax (CGST) Act, companies have to give ‘commensurate’ reductions in prices to consumers following the GST rate cuts or input tax credit benefits.

Rule 126 of the CGST Act merely says that the authority may determine the methodology and procedure in this regard.

In 2017, the GST Council told the industry representatives that it would be difficult to come out with norms for calculating profiteering since there are different nuances for different sectors of the economy. To this, the representatives asked the Council to base the norms on sectors and segments given by the Tariff Commission. However, the norms have not yet come in.

Rastogi said while the authority to determine profiteering may change as per the decision of the GST Council, the moot point remains that due to the absence of methodology, the hardships in determining the quantum of profiteering would remain the same.

"Absence of methodology to determine the quantum of profiteering for diverse sectors will have to cross the test of constitutionality at some stage. There are various instances of inconsistencies between different orders in absence of methodology and guidelines to compute the quantum of profiteering," he said.

Centralised AAR

The state-level Authorities for Advance Rulings (AARs) have given conflicting rulings in various cases on the nature of goods which determine the tax slab they fall under. These relate to food items such as ‘papad’, fryums and other areas such as setting up a solar power plant, intermediary services, and so on.

There is a provision in the GST laws to set up a centralised AAR to clarify matters if state-level AARs give conflicting orders. However, the body is yet to see the light of day. “A centralised AAR is in the works, but may take some time,” a key finance ministry official said.

Saurabh Agarwal, tax partner at EY, said as the GST Act is evolving and new practical challenges are arising for which GST registrants are filing advance ruling applications with the concerned state. However, the applicability of advance ruling is restricted to a state in which an advance ruling application is filed and if a GST registrant is registered in more than one state then in all the states application is required to be filed separately.

Also, it could be possible that a GST registrant is applying a different mechanism for a particular transaction in different states. If the centralised advance ruling authority concept is developed then it would help the GST registrants to apply the same processes in the business as a whole, ensure no conflicts in ruling between the states and would result in a reduction of administrative costs for obtaining advance ruling for a particular transaction.

GST Tribunals

There is no appellate mechanism for rulings by the GST authorities at present, even as a group of ministers (GoM) is deliberating on it. Earlier this year, the GoM, convened by Haryana deputy chief minister Dushyant Chautala finalised that GST Appellate Tribunals (GSTAT) will be set up with a principal Bench in New Delhi and similar Benches at the state level. Now, it is up to the GST Council to take a decision on this issue. After that it can be incorporated in the finance bill of the next year and bodies could be set up by the end of 2023. Till then, there will be no appellate tribunal.

Sandeep Sehgal, partner-tax at AKM Global, said it is strange and unfortunate that it has been five years since the implementation of GST and still the tribunals are yet to get functional.

"Several disputes are unresolved," he said.

Those not satisfied with the rulings of GST authorities may go to high courts but there are already a plethora of other cases in these courts. On top of it, the expensive nature of these cases deters many from approaching the courts.

"The taxpayers may have to approach respective high courts but it is not feasible for high courts to admit all the cases. Hence, there is an urgent need to implement the tribunal at the earliest and make the redressal process effective," Sehgal said. https://www.business-standard.com/article/economy-policy/gst-superstructure-lacks-some-basic-features-even-after-five-years-122120500971_1.html

6. Brighter prospects await *(millenniumpost.in)* 05 Dec 2022

The Goods and Services Tax (GST) collection in November, pertaining to the transactions made in October, remained over the 1.4 lakh crore mark for the ninth straight month. This is a positive sign as it reflects a consolidation of a new benchmark of sorts. Five years after the GST was rolled out, finally, the new tax regime is now showing signs of stabilization. Most of the apprehensions have subsided and there exists a broad window of improvement. The GST revenue in November stood at Rs 1,45,867 crore — with Central GST (CGST) being Rs 25,681 crore, State GST (SGST) being Rs 32,651 crore, and integrated GST (IGST) at Rs 77,103 crore. Of the IGST, the government has settled Rs 33,997 crore to CGST and Rs 28,538 crore to SGST — taking the total revenue of Centre and the States to Rs 59,678 and Rs 61,189 crore, respectively. November GST collections have, however, dipped below the 1.52 lakh crore figure achieved in October. This might be seen as a slight aberration as the dip in November collections has come despite October being a festive season. Nevertheless, the 1.4 lakh-crore mark — crossed 10 times until so far — has become by and large the new benchmark. The marginal dip in November is a reminder that the progress should not be allowed to be reversed at any cost. The impressive growth and stability registered this year notwithstanding, there is ample room for improvement. The government should step out of complacency, and address the broader issues of tax rationalization and boosting compliance by the earliest. The GST council meeting, slated to be held on December 17, has come after a long stretch of time, and this opportunity should not be missed out. The rationalization process, in particular, is critically important from a policy perspective. The government presently faces two impediments in this regard. First, the rampant inflation has left the government with only a little room for maneuvering. Inflation is indeed a genuine issue and the government should be wary of making upward revision at this point in time. Excessive burden on the common man's pocket may not be a desirable thing presently. The second impediment is of political nature. Increase in prices at this point of time may affect the electoral prospects of the ruling party at Centre. Experts opine that the decision to rationalize tax rates may be deferred till the general elections in 2024. One year from now is a long time, and the fiscal opportunities lying ahead of us should not be allowed to pass unfruitfully. As India, just like any country in the world, is struggling to get back on track after the onslaught of a series of global crises, appropriate fiscal headroom is certainly a desirable, and even necessary trait. It may be noted that the effective GST rate stands currently at 12 per cent, down from the original revenue-neutral rate of 15.5 per cent. More than a year before the general elections, and when inflation is showing signs of coming under the tolerance band of six per cent, the December 17 GST council meeting might be the right time to make tax revisions. Another concerning issue that propped up from the release of GST collection figures is the dip in collection of states like Kerala and Gujarat. Unlike other manufacturing states like Maharashtra, Karnataka, Andhra Pradesh, Haryana etc., which have registered growth, GST collection for Gujarat and certain other states has witnessed a decline. There is a need to pinpoint the reasons and make the necessary course-correction. It won't be wrong to say that the GST regime is still a work in progress. Rough edges need to be smoothened and loopholes have to be plugged. The government this year already has Rs 12 lakh crore in its kitty. Other sources of revenue also seem promising. This advantageous position can be leveraged with certain policy modifications. https://www.millenniumpost.in/editorial/a-fragile-bulwark-501173?infinitescroll=1

7. Can the Govt's Latest Effort to Acquire Crucial Carbines Pay Off After Multiple Failed Attempts? *(thewire.in)* 06 Dec 2022

The defence ministry came out with its latest 'request for proposal' on November 29. Industry experts say it could take two to three years to ink a deal while forces continue to struggle with operational inefficiency.

The request for proposal requires the 5.56x45mm carbines, of which 418,455 units are for the Indian Army and 6,758 for the Indian Navy, to incorporate 60% of indigenous design and content into them, under the 'Buy Indian' category of the Defence Procurement Procedure-2020, under which the tender is being executed.

According to the November 29 request for proposal, the overall order will eventually be split between the two lowest bidders – or L1 and L2 – with one of them producing 2,55,128 carbines and the other the remaining 1,70,085. However, in the event of the L2 or second lowest bidder failing to meet the cost and terms and conditions of the L1 vendor, the entire lot of CQB carbines would be supplied by the latter, L1. But the initial bids, the request for proposal declared, would need to be submitted by each vendor for the entire quantity of 4,52,213 carbines.

Industry officials said all rival potential vendors would be permitted to enter into collaborative ventures with overseas carbine manufacturers but would need to declare their respective tie-ups whilst submitting their bids to the MoD in response to the request for proposal.

The request for proposal follows the September 23 request for information, also to local manufacturers for the planned procurement of carbines weighing 3-3.3kg with an effective range of not less than 200m and capable of a cyclic rate of firing 600 rounds of locally made ammunition, per minute. The request for information comebacks had facilitated 'fine-tuning' the request for proposal, as it had taken many vendor responses into consideration before its issuance last week.

The 95-page request for proposal further requires the prospective carbines to score nine hits out of 10 shots fired from a fixed mount at a target 100m distant. Firing one full magazine in short bursts of two or three rounds, also to a 100m range, would need to register a 60% hit rate, the request for proposal stated. The carbine would also be fitted with an open sight with a 50-200m range and a detachable, 120mm long bayonet.

Mounted with MIL-STD1913 Picatinny Rails to accommodate sights and other accessories, the carbines with a fixed butt would need to be no more than 650mm in length and capable of being employed in temperatures varying between minus 20 degrees and plus 45 degrees Celsius. Furthermore, they would be required to be stored in variable temperatures of minus 51 and plus 71 degrees Celsius and in conditions of 90% humidity at 30 degrees Celsius.

Alongside, the selected vendor (or vendors) would be required to train Indian Army and IN personnel in operating and maintaining the carbines, in addition to furnishing overall product support for them for at least 15 years, the request for proposal stated. All competing carbines would undergo technical, maintainability evaluation and user trials, and their delivery to the two forces would commence within eight months of the contract being signed and concluded 90 months later.

Industry officials said the principal indigenous vendors furnished with the request for proposal included Adani Defence and Aerospace, which had a tie-up with Israel Weapon Industries (IWI), Bharat Forge/Kalyani Strategic Systems which has a collaborative agreement with Thales Australia and Bharat Electronics Limited (BEL), which recently concluded a technology sharing arrangement with Italy's Beretta.

Jindal Defence and Aerospace entered into a joint venture with Brazil's Tausus Armas in 2020 to make assorted small arms, SSS Defence and ICOMM entered into a partnership agreement in October 2022 with Caracal International of the United Arab Emirates, were some of the other request for proposal recipients.

Ironically, Caracal was shortlisted in late 2018 to supply the Indian Army 93,895 of its CAR 816 CQB carbines for around $110 million via the fast track procedure (FTP) in response to the MoD's tender earlier that same year, after it emerged as L1 or the lowest bidder over its rival model fielded by Thales Australia after both weapon systems qualified in trials.

Under the FTP, this carbine procurement was to have been completed within the mandated 12-14 months period, or by August 2019. But 13 months later, in September 2020, the MoD opted to ditch the deal for unknown reasons and only recently is believed to have formally terminated the deal for the CAR 816 CQB carbines.

Lack of operational urgency

Alarmingly, the army has been operating without a carbine for over two decades after the licensed production of its legacy 9mm 1A1/2 sub-machine guns, local versions of the L2A3 Sterling guns dating back to World War-II by the erstwhile Ordnance Factory Board, had ceased. Periodic attempts to acquire CQB carbines 2008 onwards had come to naught, plagued as they were by procedural and operational hurdles by both the Indian Army's Infantry Directorate and the MoD.

In many instances the former was culpable for framing over ambitious qualitative requirements, or specifications, for the proposed carbines; the latter was enmeshed in complex bureaucratic entanglements, which led ultimately to scrapping numerous tenders and re-issuing requests for proposal, only to once again terminate them yet again.

"The complete lack of operational urgency in acquiring CQB carbines by the Indian Army has been responsible for this grave lapse that continues to persist," said a senior defence industry official involved in the carbine purchase. Besides, issuing the carbine request for proposal, he cautioned, was just one of the numerous steps in their procurement as it would be succeeded by at least eight supplementary intricate processes before the tender was eventually clinched. It could take two to three years to conclude, he warned, declining to be named for fear of MoD reprisals.

These additional procedures included technical evaluation of bids and extended field trials under varied environmental conditions at high altitudes, in desert terrain, coastal areas and on the northern plains. Staff appraisal of trial reports, possible technical oversight assessments and benchmarking of carbine prices would follow.

The commercial offers would then be opened and negotiations opened with the two lowest bidders which, in turn, had the potential to further complicate the entire process, as multiple financial considerations and delivery schedules would need to be navigated. Finally, financial approval for the CQB carbine buy from the Cabinet Committee on Security or CCS headed by the Prime Minister would be needed before the deal was inked. Eight months later, the Indian Army and the Indian Navy would begin receiving the carbines, which industry officials estimate would be sometime around 2026 or thereabouts, and deliveries would only be completed around 2031-32.

Senior army officers said the absence of carbines had become a critical operational gap in recent years, as the force continues to be deployed on counter-insurgency operations (COIN) in Jammu and Kashmir, where Pakistan has stepped up militant infiltration into the restive region. The army is also actively deployed against China's People's Liberation Army (PLA) along the disputed Line of Actual Control (LAC) in eastern Ladakh since May 2020, where the lack of a carbine is reportedly being felt.

Presently, the army employs assault rifles as a substitute for carbines, which many infantrymen claim reduces operational efficiency. Compared to assault rifles, the smaller-sized, relatively lighter carbines, are easier to use in close quarter battle situations, similar to the ones that prevail in COIN operations

Carbines have relatively shorter barrels, and unlike assault rifles have a lesser ricochet when employed in confined spaces. Fired at relatively close range, carbines are even capable of penetrating body armour and protective headgear and, army officials said would prove more efficacious under the new rules of engagement or RoE along the LAC that were revised following the death of 20 Indian soldiers after a clash with the PLA in Ladakh's Galwan region in mid-June 2020.

The amended RoE, should it become necessary despite previous bilateral confidence-building protocols, now give local army commanders along LAC – the 'freedom to initiate adequate and proportionate responses to any hostile acts by the PLA', in which CQB carbines would prove highly effective, army sources said. Provided, of course, they are made available. https://thewire.in/security/can-the-govts-latest-effort-to-acquire-crucial-carbines-pay-off-after-multiple-failed-attempts

8. World Bank revises upwards India's GDP growth forecast to 6.9% for FY23 *(financialexpress.com)* Updated: December 6, 2022

The World Bank on Tuesday revised upwards its GDP growth forecast for India to 6.9 per cent for 2022-23, saying the economy was showing higher resilience to global shocks. In October, it had cut India's GDP growth forecast to 6.5 per cent from 7.5 per cent earlier. Now, it has upgraded the projection to 6.9 per cent for 2022-23 (April 2022 -March 2023).

In its India Development Update, the World Bank said the revision was due to higher resilience of the Indian economy to global shocks and better-than-expected second quarter numbers.

India's gross domestic product (GDP), which grew 8.7 per cent in previous 2021-22 financial year, expanded 6.3 per cent in July-September 2022-23.

The country however remains affected by spillovers from the US, Euro area and China. The World Bank saw the government meeting the fiscal deficit target of 6.4 per cent of the GDP in 2022-23. It expected inflation to be 7.1 per cent in current fiscal year. https://www.financialexpress.com/economy/world-bank-revises-upwards-indias-gdp-growth-forecast-to-6-9-for-fy23/2902182/

9. Discoms' aggregate technical & commercial losses down to 17% in FY22 *(business-standard.com)* Updated: December 5, 2022

Aggregate technical and commercial (AT&C) losses of power distribution utilities declined to 17 per cent in 2021-22 from 22 per cent in the previous year.

Reduction in AT&C losses improves finances of utilities (discoms), enabling them to better maintain the system and buy power as per requirement and benefit the consumers, a power ministry statement said.

The AT&C loss and ACS-ARR (Average Cost of Supply-Average Realizable Revenue) gap are key indicators of discoms' performance.

Ministry of Power has taken a number of measures to improve the performance of utilities, the statement said.

Preliminary analysis of data for 2021-22 of 56 discoms contributing to more than 96 per cent of input energy, indicates that AT&C losses have declined significantly to 17 per cent in FY2022 from 22 per cent in FY2021, it stated.

The reduction in AT&C losses has resulted in narrowing the gap between Average Cost of Supply (ACS) and Average Realizable Revenue (ARR).

The ACS-ARR Gap (on subsidy received basis, excluding regulatory income & UDAY grant) has declined from Rs 0.69/kWh in FY2021 to Rs 0.22/kWh in FY2022.

The government has taken various measures to improve the performance of utilities.

On September 4, 2021, the ministry revised the prudential norms of PFC (Power Finance Corporation) and REC Ltd, to provide that loss making discoms will not be able to avail financing from the two companies until they draw up an action plan for reducing the losses within a specific timeframe and get their state governments' commitment to it.

The ministry also decided that any future assistance under any scheme for strengthening the distribution system by discoms will be available to a loss-making discom only if it undertakes to bring its AT&C losses / ACS-ARR gap down to specified levels within a specific timeframe.

The Revamped Distribution Sector Scheme (RDSS) lays down that funding under the scheme will be available only if the discom commits to an agreed loss reduction trajectory.

Besides, the ministry has worked with distribution companies to provide the necessary finances under RDSS for undertaking the loss reduction measures. https://www.business-standard.com/article/companies/discoms-aggregate-technical-commercial-losses-down-to-17-in-fy22-122120500602_1.html

10. Are states with high levels of poverty spending less on MGNREGS? *(business-standard.com)* December 6, 2022

The government has constituted a high powered panel under the chairmanship of former agriculture secretary Amarjeet Sinha, to study various aspects of the marquee flagship scheme, Mahatma Gandhi National Rural Guarantee Scheme (MGNREGS), including its role in poverty alleviation over the years, governance structure and systems in place and perhaps most importantly, the spending pattern.

Sources said the panel which was formed in October is slated to give its report by January, just ahead of the Union Budget 2023-24 that will be placed in Parliament in February.

So, before moving forward, let’s take a look at the scheme and the status of some of its characteristics before and after the Covid-19 pandemic.

During the pre-pandemic era, around 50-55 million households used to seek work regularly under the scheme in a year. This number, since the pandemic struck, has jumped to over 70 million per annum.

Also, in terms of budgetary provisions, before the pandemic, annually around Rs 70,000-80,000 crore used to be spent on the scheme which since the pandemic has jumped to almost

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Also, in terms of budgetary provisions, before the pandemic, annually around Rs 70,000-80,000 crore used to be spent on the scheme which since the pandemic has jumped to almost Rs 100,000 crore per year.

The continuing large spending on the scheme and the steady work demand from rural areas despite visible signs of economic recovery has also raised some suspicion in government quarters on the nature of spending though there are multiple reports which show that the quality of MGNREGS spending has undergone a shift and a big chunk of the funds are now being spent on creation of individual assets which typically is done on lands of very marginalised sections. Notably, in FY23 too around Rs 100,000 crore has been sought for the scheme against the Budget Estimates of Rs 73,000 crore for the same year.

Recent reports said that MGNREGS work across 341 blocks spread across 25 states are under the scanner of the Central government for which it has deputed special audit teams to understand the ground situation.

Clearly, the setting up of the panel and sending audit teams are not isolated actions and there is clearly a concern somewhere in some circles of the government.

But, as against the perception in some quarters that the MGNREGS work demand could be artificial or doctored a report by Dalberg Advisors titled 'The state of rural employment: A look at MGNREGS across 5 states in India' released few months back revealed that in the last few years, almost 70 per cent of job card holders wanted MGNREGS jobs at least once during the last year.

Also, 18 per cent of job card holders who tried to apply for work, could not submit their application, the report said. It also said that all households that applied for work, received it but most of them got less work than they wanted.

"On average, households applied for 95 days of work against their annual entitlement of 100 days but received 66 days of work," the report said, underlying the scheme's primacy in providing rural employment.

The Dalberg Research focused on five states namely Andhra Pradesh, Jharkhand, Karnataka, Rajasthan, and Uttar Pradesh which accounted for more than one-third of all employment provided within the scheme and have over 40 per cent of the total registered MGNREGS workers in the country.

A broad look at the MGNREGS spending pattern in Fy22 and also the work demand pattern during months with high requirements does show some pattern but it isn't very concrete.

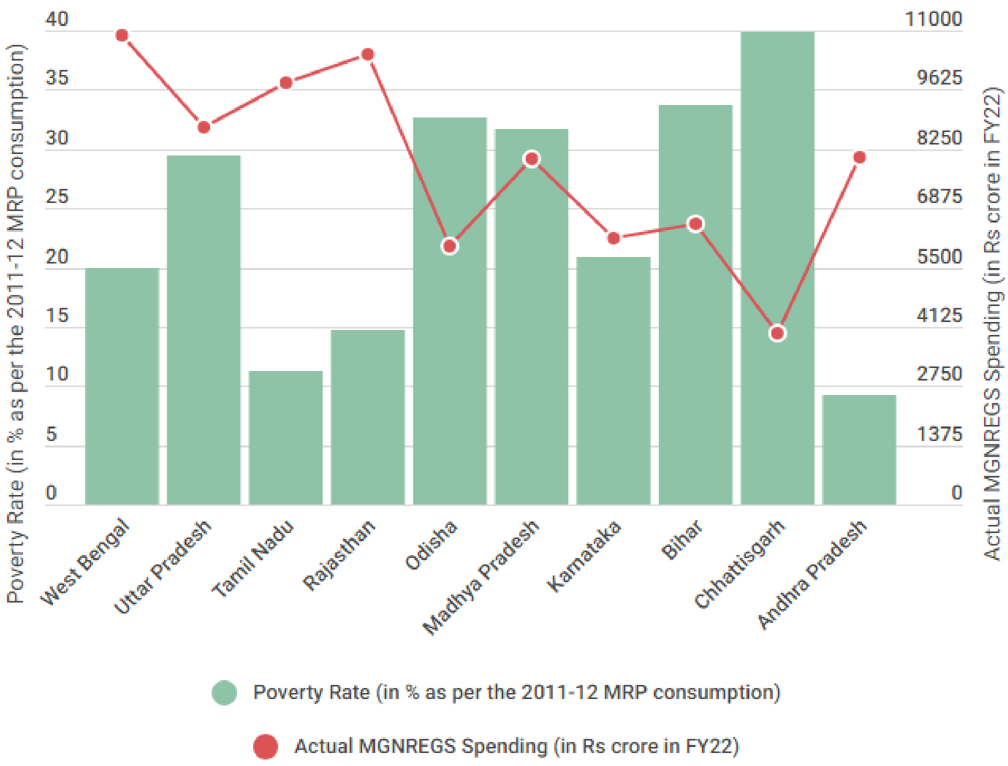
It is important to that here that a more granular analysis will definitely throw some more lights which the panel and the audit teams perhaps aim to discover. Also, actual spending depends on a state's ability to generate demand and provide an environment for the demand to get materialised and not suppressed artificially.

Nonetheless, if 2011-12 poverty numbers (the latest available official data on poverty in India) are taken as the benchmark, West Bengal, Rajasthan, Andhra Pradesh and Tamil Nadu were the states with the highest actual expenditure on MGNREGS in FY22.

All these states had poverty numbers lower than the national average of 21.9 per cent as per 2011-12 data.

However, actual expenditure of the scheme was relatively less in the states with poverty levels higher than the national average, such as Bihar, Odisha, Chhattisgarh, Madhya Pradesh and Uttar Pradesh. (see chart)

Poverty rate vs MGNREGS spending in Indian states



NOTE: The last official poverty numbers is based on 2011-12 data.

So, while Odisha had almost 33 per cent of people living below the poverty line, as per 2011-12 data, its actual expenditure on MGNREGS in FY-22 was Rs 5,988 crore.

At the same time while Rajasthan had around 14.7 per cent people living below the poverty line, as per the 2011-12 data, its actual expenditure under the scheme was Rs 10,462 crore in FY22.

Similarly, while in Bihar, as much as 33.7 per cent of the population was living below the poverty line, as per the 2011-12 data, its expenditure under the scheme was Rs 6,502 crore only in FY22.

Andhra Pradesh, on the other hand, had a mere 9.2 per cent people living below the poverty line, however, its spending under the scheme was a relatively higher at Rs 8,069.8 crore in FY22. West Bengal also had a poverty ratio of around 20 per cent, which was lower than the national average of 21.9 per cent, however, its spending was amongst the highest at over Rs 10,895 crore in FY22.

There is of course, a big issue of relevance of the poverty estimates given that updated data isn't available and much might have changed on the ground between 2011-12 and 2021-22, especially since the country experienced two years of pandemic.

That is why a more granular and minute analysis is needed before arriving at any firm conclusion.

However, critics said it was an exercise in futility and just strengthening the provisions of mandatory social audits of the work done which the MGNREGA itself provides would have solved much of the problem and cleared lots of doubts.

"I don't understand what the government is solving for and what this committee would reveal that we do not know already. We see huge leakages and systemic bottlenecks, malpractices everywhere. Wherever stringent social audits happened, it revealed great corruption at NREGA worksites. However, it is sad to see that due to various reasons and vested interest groups social audits have never been established in any of the states. Independent social audit agencies don't get established as a society and it remains under some or the other department, further dissolving its relevance," Debmalya Nandi from the MGNREGA Sangharsh Morcha, an organization working for the rights of MGNREGA workers for years said to Business Standard.

He said that it is not difficult to understand that in order to curb corruption in NREGA, systematic monitoring by independent agencies is absolutely important and non-negotiable. He further highlighted that the Act itself takes care of it through mandatory provisioning of social audits.

"No over the top technological intervention can address the issue of leakages and corruption. It is no rocket science to understand that greater transparency and accountability in the governance of NREGA can be ensured only with measures like strict monitoring and action taken by top bureaucracy. This can further help in strengthening leakage free implementation," Nandi said.

He added, "Rather than the Centre’s current approach of forming the committee, what makes me nervous is the selection of states, sending monitoring teams there and freezing fund release citing corruption as being the reason."

“This centralised monitoring looks politically motivated and biased... There is no alternative to strengthening independent social audits. So, to cut the long story short, the government neither wants social audits to work nor is it helping NREGA's purpose by withholding funds,” Nandi added.

The continuing large spending on the scheme and the steady work demand from rural areas despite visible signs of economic recovery has also raised some suspicion in government quarters on the nature of spending though there are multiple reports which show that the quality of MGNREGS spending has undergone a shift and a big chunk of the funds are now being spent on creation of individual assets which typically is done on lands of very marginalised sections. Notably, in FY23 too around Rs 100,000 crore has been sought for the scheme against the Budget Estimates of Rs 73,000 crore for the same year.

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11. Climate finance must take centre-stage in global action *(livemint.com)* 05 Dec 2022

The 27th Conference of Parties (CoP-27) held in Egypt under the aegis of the United Nation ended last month in an expectedly disappointing way. Nearly 34,000 people registered for the event. Eloquent words were spoken. Action remained well short of rhetoric. The silver lining of the cloud was an agreement on a Loss and Damage Fund. This fund aims to provide compensation and financial assistance to vulnerable nations most impacted by the effects of climate change.

Climate finance lies at the heart of climate action. The incentive for countries to procrastinate on climate action is high, given other urgent priorities. The only way to tilt them towards climate action is to tie down the usage of funds directly. In rich countries, this must be done by legislation and market forces. In vulnerable countries, like small island nations, this takes the form of technology and financial assistance that is earmarked for climate action. In developing countries, it has to be a bit of both.

There are three main uses of climate finance: 1) mitigation; 2) adaptation and 3) Loss and damage (L&D) compensation. Reducing emissions and stabilizing the levels of greenhouse gases (GHGs) in the atmosphere is mitigation. Preparing for climate change that is already inevitable, on the other hand, is adaptation.

Loss and damage: Until now, there has been no consensus on the obligation of industrial countries to compensate vulnerable countries for L&D. Even though the CoP-27 agreement had little detail on who will pay, how much they will pay, and who will be the fund’s beneficiaries, it was an accomplishment of this year’s conference that the moral obligation of addressing past pollution was accepted in principle.

A group of 24 countries will work out the details of the L&D fund over the next year. Among the ideas that have surfaced are the use of windfall taxes on fossil fuel companies and debt swaps for climate action. Such swaps would incentivize climate action by placing green usage ahead of other debt obligations. In 2015, Seychelles used private philanthropic funds and loan capital to buy back a loan from Paris Club creditors. In return, Seychelles agreed to protect 30% of its waters, 15% of its biodiversity areas and adopt a marine spatial plan. Similarly, in 2021, Belize issued a 'blue bond' to retire its existing debt of about $550 million. The proceeds of the debt relief were used to fund an endowment for marine conservation and expand its protected oceans from 16% to 30% in five years. With a US agency providing risk guarantees, Belize received a sovereign-credit upgrade from Standard & Poor's as a consequence.

Mitigation and adaptation: At CoP-15 in 2009, the world's rich countries agreed to give developing countries a sum of $100 billion a year to mitigate and adapt to climate change by 2020. This year has come and gone and the pledge of over $1 trillion in the dozen years since has not even remotely been met. Meanwhile, estimates suggest that about $200 billion a year is needed now and that will rise to about $300 billion a year by 2030. Even though calculations are difficult, given the complexity of how each country estimates this, the actual amount contributed in 2019 was about $20 billion, far short of the $100 billion pledge. The OECD estimates this number at about $83 billion in 2020, by including multi-lateral credits, export credits and private funding. There needs to be a clearer understanding of what the category entails and what 'cash' actually flows to climate action. Only directly tied use of funds is likely to work towards climate change adaptation and mitigation.

In the context of climate change, there are four categories of countries. Developed countries, developing countries, small island developing states (SIDS) and Least Developed Countries (LDCs). The latter two categories require external support in some form, since they are very vulnerable to the externality of a global phenomenon to which they have contributed the least. Developed countries have an obligation to decarbonize faster and contribute towards cushioning SIDS and LDCs. The position of developing countries like India is decidedly trickier. They are both victims and perpetrators and separating those roles, particularly in the context of financing, is complicated. For instance, many SIDS have suggested that India should be part of the contributing list of nations to the L&D fund.

Rather than seeking grants of any type, India's best bet is to combine technology transfers, soft loans from multi-lateral institutions, adoption of market solutions for climate actions (bit.ly/3uqqyiu), and carefully designed cess schemes to discourage GHG emissions. We can capture the moral high ground by contributing to the L&D fund in a gradually increasing manner. Of course, the killer app for climate action is to increase the use of green energy and mitigate demand that increases GHG pollution. India has taken aggressive action to add about 60GW of solar power to its electricity grid, short of its 100GW goal, but still quite creditable. India's target of 450GW from renewable sources by 2030 is ambitious but reachable. On the demand side, India has not made equivalent progress. An ambitious agenda to improve the domestic fuel economy, accelerate the adoption of electric vehicles, levy a carbon tax at the point of emission, and raise the economy's overall energy efficiency is the need of the hour. https://www.livemint.com/opinion/online-views/climate-finance-must-take-centre-stage-in-global-action-11670261809438.html

12. Fertiliser subsidy bill in FY'23 seen at Rs 2.3-2.5 lakh crore; may fall 25pc in FY'24: FAI *(financialexpress.com)* December 6, 2022

The government's fertiliser subsidy will rise to Rs 2.3-2.5 lakh crore in this fiscal but the bill may fall by 25 per cent in the 2023-24 financial year with moderation in global prices, according to industry body FAI.

Fertilisers Association of India (FAI) expressed concern that the fixed cost of urea has not been increased affecting the viability of urea plants. It also pointed out that the industry is running on a very thin margin, which is hampering new investments in this sector.

The industry body said there is sufficient availability of fertilisers, including urea and DAP, for the ongoing rabi (winter-sown) season.
"We estimate the fertiliser subsidy bill at Rs 2.3 lakh crore to Rs 2.5 lakh crore," FAI President K S Raju told reporters here late Monday.

This has helped insulate the farmers from the impact of a steep increase in the cost of all fertilisers due to sharp rise in international prices of fertilisers and raw materials, he added.

The fertiliser subsidy stood at Rs 1.62 lakh crore in the previous financial year.

FAI board member P S Gahlaut, who is MD of Indian Potash Ltd, said the subsidy bill in the next fiscal year could fall by around 25 per cent as the global prices have softened. However, he said a lot will depend on the future trends of global prices.

The association pointed out that there have been unprecedented international price rises for fertilizers and fertilizer raw materials including natural gas/LNG during the past two years.

Prices of some of the commodities have started coming down in recent months but still remain significantly higher than pre-pandemic period, it added. The international price of DAP (CFR (cost and freight-India) increased from USD 555 per tonne for April 2021 to USD 945 per tonne for July 2022. It has declined to USD 722 for October 2022.

Similarly, the price of phosphoric acid increased from USD 876 per tonne in April 2021 to USD 1718 per tonne by July 2022, although it has declined recently to the level of USD 1355 for October 2022.

CFR-India price of imported urea increased from about USD 400 per tonne in April 2021 to more than USD1000 per tonne by December 2021. Now, it has declined to about USD 600 per tonne as per recent tenders.

On other issues related to the sector, FAI said that the viability of the urea industry is affected because of the delay in the approval of minimum fixed cost and non-revision of fixed cost since 2002-03, except nominal increase allowed under Modified NPS-III policy since 2014.

"Fixed cost of urea has gone up drastically over 2002-03 and are significantly higher than the level being reimbursed. It does not take into account large investments made in recent years in energy reduction projects and plant reliability expenditures," the association said.

Similarly, energy consumption norms revised in 2018 over 2015 have impacted the performance of several urea units. “It is encouraging to note that the government has allowed the further extension of 2015 energy norms for 14 urea units, which are yet to achieve 2018 energy norms for two and half years till March 2023.” FAI highlighted that the production of major fertilisers increased during April-October 2022 except NP/NPK complex fertilizers.

Also read: RBI to slow repo rate hike to 25-35 bps as inflation cools, slowdown fears loom; growth on MPC radar

Production of urea, DAP (di-ammonium phosphate) and SSP recorded year-on-year (y-o-y) increase of 16.0 per cent, 14.2 per cent and 9.2 per cent, respectively, during April-October 2022. Production of NP/NPK complex fertilizers registered a decline of 5.2 per cent during the period.

Import of DAP and NP/NPK complex fertilisers increased y-o-y by 45.2 per cent and 76.1 per cent, respectively, during April-October 2022. However, import of urea and MOP reduced by 12.9 per cent and 7.3 per cent, respectively, during the same period.

“Ideal average NPK use ratio for the country is 4:2:1. This ratio was almost near to ideal at 4.3:2:1 in 2009-10 but got distorted to 8.2:3.2:1 in 2012-13. This got corrected to 6.5:2.8:1 during 2020-21. However, again widened to 7.7:3.1:1 in 2021-22.

“This ratio has been further distorted to 12.8:5.1:1 for Kharif 2022 compared to 6.8:2.7:1 for Kharif 2021 due to steep reduction in sales of K, which declined from 1.4 million tonnes in Kharif 2021 to 0.77 million tonnes only for Kharif 2022,” FAI said.

Talking of poor profitability of the Indian fertiliser sector, FAI said that as per data provided by 24 fertilizer companies, profit after tax from fertilizer business as percentage of turnover for the industry for the past five years have been 0.61%, 0.39%, 0.64%, 2.47% and 1.39% for the financial years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, respectively.

“Such wafer thin margins are grossly inadequate to service the investments already made, what to talk of attracting fresh investment in the sector, particularly, private sector investment,” the association said. https://www.financialexpress.com/economy/fertiliser-subsidy-bill-in-fy23-seen-at-rs-2-3-25-lakh-crore-may-fall-25pc-in-fy24-fai/2902547/