NEWS ITEMS ON CAG/ AUDIT REPORTS (17.01.2023)

1. Stop creating tax vivads *(thehindubusinessline.com)* January 17, 2023

The Revenue must stop raising irrecoverable tax demands

One section of the Union Budget which always elicits surprise from all those scrutinising the Budget documents is: 'Tax revenue raised but not realised'. Sample this, the total amount of tax revenue which has not been realised despite tax demand being raised amounted to a whopping ₹16.19-lakh crore as of March 31, 2021. The Centre's net tax revenue was only ₹14.26-lakh crore in FY21.

But before one gets carried away with visions of large inflows by realising these dues, it needs to be realised that a large part of this is unlikely to be recovered. Tax demands of around ₹12.13-lakh crore, or 75 per cent of total sum, is currently under dispute in various courts; of these, more than 42 per cent is due for more than two years. The sum not under dispute are not being paid because the assessees are not traceable or there are inadequate assets to back the demand.

The crux of the problem is that tax demands are being raised without proper due diligence. The CAG in a report in December 2017 had noted that the "arrears of tax demand in FY 2016-17 was of ₹10.4-lakh crore, of which, 98.6 per cent would be difficult to recover." It further rapped the Income Tax department on the knuckles for raising exaggerated demands which resulted in refunds and payment of interest to the taxpayers.

Use of automation to pick errant taxpayers is probably increasing these frivolous tax demands and bloating the outstanding amount further. It may be good if tax officials take a closer look at these dues and write off those which are unrecoverable so that a humongous number does not keep popping out every Budget. The Revenue also needs to go slow with frivolous tax demands. Dispute resolution schemes such as Vivad Se Viswas and Sabka Vishwas Legacy Dispute Resolution will work only if the underlying tax demand has any merit. https://www.thehindubusinessline.com/opinion/stop-creating-tax-vivads/article66384237.ece

2. CAG flags delays in closing project aimed at protecting communication between VVIP aircraft and ground stations *(indianexpress.com)* 16 January 2023

The project — Meghdoot — was developed by the Centre for Artificial Intelligence and Robotics (CAIR), a premier laboratory of the Defence Research and Development Organisation (DRDO).

The Comptroller and Auditor General of India (CAG) has pointed out delays in the closure of a project which was aimed at developing a "high-grade" security solution for protecting video, voice and fax communication between VVIP aircraft and the designated ground stations.

The project — Meghdoot — was developed by the Centre for Artificial Intelligence and Robotics (CAIR), a premier laboratory of the Defence Research and Development Organisation (DRDO). However, due to the non-availability of adequate bandwidth and satellite communication, the project was closed before it could be inducted into services. Now, the CAG has pointed out the delays in the closure of the project.

According to the CAG report, the project on “Security of Video, Voice and Fax Communication between Airborne Platforms and Ground Stations — MEGHDOOT” was sanctioned by the government at a cost of Rs 11.09 crore (revised). The project was to be completed by December 2013.

“The objective of the project was to design, develop and deliver a high-grade security solution for protecting video, voice and fax communication between the aircraft and the ground stations. The identified platform was the VVIPs (BBJ) aircraft,” said the CAG report presented in Lok Sabha on December 21.

“After installation of the security solution developed by the CAIR on the VVIPs aircraft, IAF (in May 2013) carried out the User Trials wherein rise in temperature of the on-board security solution was observed,” it said.

“CAIR realized (December 2013) that due to inadequate bandwidth and satellite communication, the issue relating to disruption in the communication network could not be solved by them, and they accordingly requested the air HQ for closure of the project. A formal clearance for service use was issued in August 2016 by the IAF,” said the report titled ‘Management and Outcome of Mission Mode Projects in DRDO’.

“The Air HQ intimated (January 2018) CAIR that the system developed presently was not considered suitable for operational use due to inadequate Satellite Bandwidth and huge latency and packet drops observed on the communication links. The Air Force finally conveyed the closure of the project in August 2019. Audit noted that there was even further delay as the required statement of expenditure was sent by the CAIR to the Controller of Defence Accounts (CDA) thereafter and the audited statement of expenditure was received from the CDA only in July 2021.”

“Further, the Administrative Closure Report of the project was submitted only in February 2022 due to delay in conduct of trials/acceptance test and significant time taken by the Air Force and the CDA in vetting of project expenditure,” said the report.

“DRDO HQ stated (August 2021) that the project was taken up to fulfill an emergent requirement for secured communication between the VVIPs aircraft and the designated ground stations. The project was taken up at a time when the aircraft, the satellite-based communication services and ground components were under finalization. The system developed under Meghdootcan be made operational by catering for the required bandwidth, which is today available and affordable. The User informed Audit (February 2021) that the project was foreclosed, and no product inducted into service,” the report said.

“Thus even after receipt of communication from the Air Force in August 2019, there was a delay of approximately 28 months in preparation of the Closure Report and the project accounts were also not closed,” it added. https://indianexpress.com/article/india/cag-flags-delays-closing-project-communication-between-vvip-aircraft-ground-stations-8384860/

3. **कोविड के बाद राज्यों की वित्तीय सेहत में सुधार, फिस्कल डेफिसिट घटा** *(hindi.business-standard.com)* 17 January 2023

वित्त वर्ष 2020-21 में कोविड-19 महामारी की मंदी के बाद राज्य सरकारों की राजकोषीय सेहत बेहतर हुई है। सोमवार को राज्यों के वित्त पर जारी भारतीय रिजर्व बैंक की रिपोर्ट में यह सामने आया है।

रिजर्व बैंक ने कहा है कि राज्यों की वित्तीय सेहत में सुधार की वजह व्यापक आधार पर आर्थिक रिकवरी और राजस्व संग्रह में निरंतर सुधार है। यह रिपोर्ट केंद्रीय बैंक के आर्थिक और नीतिगत शोध विभाग की राज्य शाखा ने तैयार की है।

रिपोर्ट के मुताबिक, 'राज्यों का सकल राजकोषीय घाटा (जीएफडी) 2022-23 में घटकर 3.4 प्रतिशत रहने की संभावना है।' रिपोर्ट में कहा गया है, 'राज्य सरकारों की वित्तीय स्थिति में 2021-22 से सुधार हो रहा है, जिसका पता कम घाटे के संकेतकों (जीडीपी के प्रतिशत के रूप में सकल राजकोषीय घाटा, राजस्व घाटा, प्राथमिक घाटा) से पता चलता है। इसकी वजह से ज्यादा पूंजीगत व्यय का मौका मिला है।'

रिपोर्ट में पाया गया है कि महामारी की पहली दो लहरों में राज्य सरकारों के सामने वित्तीय प्रबंधन की गंभीर चुनौती थी, क्योंकि राजस्व में कमी आई थी, वहीं उसके बाद कोविड के दौरान राज्यों के वित्त पर कम असर पड़ा है।

रिपोर्ट में कहा गया है, 'इसी के मुताबिक राज्यों ने अपना सकल राजकोषीय घाटा कम करके वित्तीय दायित्व कानून (एफआरएल) के लक्ष्य से कम किया है, जो 2021-22 में जीडीपी का 3 प्रतिशत था। 2022-23 में यह 3.4 प्रतिशत रहने का अनुमान लगाया गया है।'

रिजर्व बैंक की रिपोर्ट में कहा गया है कि राज्यों द्वारा पूंजीगत व्यय को जोर देने के लिए केंद्र सरकार ने राज्यों के लिए वित्तीय सहायता की योजना पेश की थी। वहीं राज्य सरकारों का जीडीपी के अनुपात में पूंजीगत आवंटन चालू वित्त वर्ष में बढ़कर 2.9 प्रतिशत हो गया है, जो वित्त वर्ष 2021-22 में 2.3 प्रतिशत था।

बहरहाल रिपोर्ट में यह भी कहा गया है कि सीएजी के आंकड़ों से संकेत मिलता है कि राज्य सरकारों का पूंजीगत व्यय चालू वित्त वर्ष के पहले 6 महीने में 7 प्रतिशत की दर से बढ़ा है, जबकि केंद्र सरकार की वृद्धि दर 50 प्रतिशत रही है। इसलिए राज्यों को दूसरी छमाही में निवेश बढ़ाने की जरूरत है और इस तरह की कवायद को कर और गैर कर राजस्व संग्रह में तेज बढ़ोतरी से समर्थन मिला है।

कर्ज के मोर्चे पर देखें तो रिजर्व बैंक की रिपोर्ट में कहा गया है कि चालू वित्त वर्ष के दौरान राज्यों का कर्ज घटकर जीडीपी के 29.5 प्रतिशत पर रहने का अनुमान है, जो 2021-22 में 31.1 प्रतिशत था। हालांकि यह राजकोषीय दायित्व और बजट प्रबंधन समीक्षा समिति 2018 की 20 प्रतिशत रखने की सिफारिश की तुलना में ज्यादा है। रिपोर्ट में कहा गया है कि इसे देखते हुए राज्यों को कर्ज के समेकन पर जोर देने की जरूरत है।

रिपोर्ट में कहा गया है,
'राज्यों की बकाया देनदारी महामारी के उच्च स्तर की तुलना में कम हुई है। वहीं राज्यों के व्यक्तिगत स्तर पर कर्ज के समेकन पर तत्काल ध्यान देने की जरूरत महसूस होती है।'

रिपोर्ट में कहा गया है कि चालू वित्त वर्ष में राज्यों की कुल देनदारी में बाजार उधारी की हिस्सेदारी बढ़ने की उम्मीद है। इसके अलावा राज्यो का केंद्र से कर्ज भी बढ़ेगा क्योंकि केंद्र ने पूंजीगत व्यय में राज्यों की विशेष सहायता की योजना के तहत 50 साल के लिए ब्याज मुक्त कर्ज देने की पेशकश की है। https://hindi.business-standard.com/todays-epaper/improvement-in-financial-health-of-states-after-kovid-reduction-in-fiscal-deficit

4. HUMAN GREED SINKs TOWNS IN HIMALAYAS ***(dailypioneer.com)*** 17 January 2023

Scientific warnings were ignored in Uttarakhand

Heaven is literally falling to greed. It is just not Joshimath but even Tehri Garhwal, Karnaprayag, and Mussorie that are also sinking and so may be many other parts at the crest of the Uttarakhand Himalayas. The Rs 12,000-crore Char Dham (CD) all-weather road projects spurring real estate are gobbling up all.

Latest reports say that still the earth movers are digging around Joshimath and other areas even as over 4,000 persons have been evacuated and most houses are crumbling. Tragedies do not stop the road to hell. In 2013, the Uttarakhand Government had sought Rs 21,000 crore for ruthless reconstruction after the Himalayan deluge. It seems to be the catalyst for the present disaster.

The Tehri district is the latest to report cracks and land subsidence. An IIT Roorkee team is studying Karnaprayag. Chamba in the Tehri, around a CD tunnelling is the worst hit with houses crumbling. Seepages at Tehri dam are common, reports SP Rai of National Institute of Hydrology. Now a road from Mana to Lipulekh through sensitive hills with rare virgin forest is the latest to be in danger. In June 2013, after the Kedarnath tragedy this scribe mentioned "in all there are 244 hydel projects (HEP) of various sizes planned to be constructed in the state. Some of these are already on the streams. Others are coming up. Pancheswar dam being planned in Tanakpur is likely to be bigger than Tehri and biggest in India. Does that mean more disasters are awaiting the region?" Unfortunately, it is so. Nobody listened to the cries of former minister Uma Bharati to not dislodge the image of presiding deity, Dhari Devi before the June 18, 2013 cloudburst. The CAG reviewed 42 hydel projects in 2009.

It noted that over 200 more projects were coming up – almost every five to seven km. The yearning for making Uttarakhand the "Urja Pradesh" has led to reckless development. Ravi Chopra, former head of the High-Power Committee for CD roads, says that a bypass around Joshimath was opposed by the townspeople. The 10-metre-wide road all around the state weakens the hills with digging, blasting, removal of green cover and aquifers. In 2010, HNB Garhwal University study said a tunnel boring machine punctured an aquifer on December 24, 2009, releasing millions of litres of water daily from NTPC's Tapovan-Vishnugad 520 MW hydel project.

The researchers warned of the mishap's potential for "initiating ground subsidence". It was forgotten till December 2022 when the looming nightmare became a reality around Joshimath.

This punctured aquifer gushing out water is the cause for Joshimath sinking, confirms Garhwal Commissioner Sushil Kumar. In February 2021, around 200 people went missing as Dhauliganga and Rishibhanga rivers flooded Tapovan head race tunnel. Warnings of 1930 Swiss scientists, 1976 Commissioner MC Mishra on haphazard constructions and the Supreme Court appointed committee of 2013 for seismically sensitive Main Central Zone advice against hydel projects were ignored.

Incidents of glacial lake outburst floods (GLOF), a UNDP and European Commission study mentioned, are happening regularly. Notable incidents occurred in 1997, 2000 and 2005 in the Sutlej basin and in 1970 and 1978 in Alaknanda and Bhagirathi basins. In 2000 and 2005, it hit the Pong Dam, in Himachal, severely damaging roads, habitations and scores of bridges. The Himalayas all around are crumbling. Dams and roads benefit the industry-real estate mafia damning the sensitive geology and livelihood. If unchecked it may have disastrous consequences and even desertify the cradle of the civilisation in the Ganga valley. The country must rise to stop it. https://www.dailypioneer.com/2023/columnists/human-greed-sinks-towns-in-himalayas.html

5. Why nuclear industry's comeback hopes rest on very thin ice *(peoplesdispatch.org)* Jan 17, 2023

Concerns about safety and spiraling costs, among other factors, mean that nuclear power will most likely not be the way out of our current 'truly global' energy crisis

A little over ten years after an earthquake and tsunami caused the Fukushima nuclear meltdown, Japan has chosen to embrace atomic energy—again. Before the 2011 disaster, nuclear accounted for around 30% of the power generated in Japan. Subsequently, the country's roughly fifty reactors were shut for maintenance, which meant Japan was deriving no electricity from nuclear energy.

Currently, nuclear generates 6.4% of power in Japan. But last December, Prime Minister Kishida Fumio declared his intent to raise nuclear's shares to 20 or 22% by 2030.

What caused this dramatic shift?

"Energy security has been a long-standing preoccupation in Japan, where electricity generation is overwhelmingly dependent on imported fossil fuels. Natural gas has become an increasingly important part of the mix, as the country sought to shut down polluting coal-fired plants and mothballed much of its nuclear power industry after the 2011 meltdown at the Fukushima Daiichi station," the NYT reported last April.

Japan, one of the largest importers of liquefied natural gas (LNG), relies extensively on Russia for supplies. With the war in Ukraine—one of the biggest LNG suppliers—upsetting global energy calculations, Japan was not left unscathed. Energy sanctions on Russia following its invasion of Ukraine have strained supplies and sent costs spiraling. As energy supplies were hit worldwide, the International Energy Agency described the situation as a "truly global energy crisis".

The war in Ukraine is, of course, not the lone factor. The climate change crisis has long required countries to clean up their act. With fossil fuels frowned upon, alternative renewable energy sources such as solar, wind, hydro and biomass are increasingly relied on. Nuclear energy, too, is being explored because of the perception it is clean and climate-friendly, primarily because of its supposed supposedly low carbon footprint.

However, the fortunes of the nuclear industry plummeted after the 2011 Fukushima disaster as public faith in the safety of nuclear energy diminished. Countries began shuttering nuclear reactors and abandoned plans for new nuclear power plants. Prominent names like United States-based Westinghouse, France's Areva and Germany's Siemens entered choppy waters, and the nuclear industry took a significant beating.

Westinghouse, Areva and Siemens

In 2017, Westinghouse Electric Company, a subsidiary of Japan's Toshiba, filed for bankruptcy in the United States. Massive cost escalations and time overruns at its Georgia and South Carolina projects put it on this path. Toshiba and Westinghouse had overestimated demand for nuclear power plants, and a string of confounding technical difficulties at their AP-1000 reactors exacerbated their time and cost overruns. Westinghouse is supposed to supply India with six AP-1000 nuclear reactors under the 2008 India-United States Civil Nuclear Agreement. It should set anyone thinking why India is keen on reactors which flunked in the United States.

Not just Westinghouse, Areva's financial debacle also added to the woes of nuclear power. In 2014, Areva posted a net loss of €4.8 billion after several preceding years of losses and technical, regulatory and legal problems. But the French government allowed Areva's bailout in which it owned 90% of shares. The bailout occurred through French electricity utility EDF taking a majority stake in the company for €2.5 billion, and French taxpayers bore this cost. The French government owns about 84% of EDF. Nuclear energy has long been a symbol of French national pride though questions about sustainability and economics refuse to go away. Areva is a source of many jobs, which prompted France not to let the company sink.

France relies on nuclear power for a significant chunk of its electricity. However, that is on the decline. Nuclear energy was 69% of total electricity consumption in 2021, down from 76.4% in 2000.

All is not well with EDF, now France's most prominent nuclear electric major. It is in debt for approximately $45 billion and has had recurring problems at its power plants, including outages. India is in talks with EDF to supply European Pressurised Reactors (EPRs), which have a very public troubling worldwide record of massive cost overruns and delays.

Germany's Siemens, a prominent nuclear power name, also withdrew from the nuclear industry as the country decided to close its nuclear power plants after Fukushima.

When war struck Ukraine, the nuclear industry was staggering, its fortunes sinking. With heavy sanctions on Russian oil and gas exports, one outcome was an uptick in the preference for nuclear power. Some countries have started extending the life of existing reactors and planning new ones. This is despite well-known and mounting concerns that nuclear energy is neither clean nor environment-friendly because of long-term nuclear waste, nor even entirely safe—as Fukushima, Chernobyl, and the Three Mile Island disasters have proved.

Nuclear energy advocates hope it will play a larger role in addressing power needs. But their hope is overstated. One glance at the numbers shows the underwhelming share of nuclear energy in global electricity production. According to the BP Statistical Review, non-hydro renewables– solar, wind and biomass; gas, and coal accounted for the most significant shares of electricity production in 2021, with nuclear and oil bringing up the bottom. Similarly, the World Nuclear Industry Status Report (WNISR) observed that the share of nuclear energy in gross global commercial electricity generation in 2021 was 9.8%—"the lowest value in four decades".

Against this backdrop, Japan hopes nuclear power will account for 20-22% of the electricity supply in 2030. In 2020, the figure was less than 5%. Japan's decision to reinstate nuclear energy is not likely to get a groundswell of support since people have not forgotten the Fukushima disaster, and its aftermath continues to unfold. In the public memory, doubts persist regarding the efficacy of contingency and evacuation plans to address potential accidents. People anticipate colossal traffic jams, a lack of escape routes, and getting stuck for days without access to food, water or toilets in case of a mishap.

Weak economic rationale

It is not just continued public concern about the safety of nuclear power. The economics just does not cut it. Take the cost of under-development reactors, whose timelines and budgets are spiraling upward. For example, the Flamanville-3, a 1650 MWe reactor being built in France, was initially contracted to Areva and is now taken over by the electric utility EDF. Originally scheduled to start in 2012, the reactor is plagued with delays and snowballing costs. Its total cost is pegged at 13.2 billion Euros, more than four times the original estimate, and is likely to start in 2024.

The Kakrapar project, where the 700 MWe, Unit 3 has been commissioned, is expected to cost Rs 19,220 crore, up from Rs 11,460 crore. Two upcoming reactors at Rawatbhata, Rajasthan, are expected to cost Rs 17,080 crore, not the earlier Rs 12,320 crore.

The high capital and operating costs of nuclear power make it less attractive compared with renewable sources of energy, which are far more economical. In India, wind and solar each contributed more than 150% of nuclear to national power generation in India in 2021.

In India, the price of solar energy is between Rs 2.2 and 2.5 per unit and prices are expected to dip. For solar power, though, storage costs and the rising prices of solar photovoltaic (PV) cells must be considered. A Global Wind Energy Council study has projected the levellised cost of energy (LCOE) or the net present generation cost for a generator over its lifetime at Rs 2.8-3.3/Kwh for 2022. The difference is stark compared with nuclear power tariffs. For example, NPCIL projects a tariff of 5.31/kWh for its upcoming Kakrapar units 3 and 4.

The following numbers from WNISR 2022 shed more light on international developments:

Unsubsidized average electricity generating costs declined between 2009 and 2021 in the case of solar PV from US $359 to US $36 per MWh, a 90% fall. For wind energy, the costs dipped 72% from US $135 to US $38 per MWh. For nuclear power, costs rose from US $123 to US $167 per MWh—a 36% jump.

Nuclear Waste Management

And then, the elephant in the room—long-term nuclear waste—which often (conveniently) escapes acknowledgement.

“Despite decades of effort, the nuclear industry does not yet have a working solution for managing spent fuel and high-level waste, the most radioactive products generated by nuclear power plants,” writes physicist MV Ramana. The supposed answer is a long-term geological repository which will seal off nuclear waste for thousands of years. But there are significant uncertainties about the “long-term performance of repositories and behavior of nuclear wastes” stored in such facilities and widespread public opposition at the prospect of nuclear waste repositories coming up near them. Therefore, Ramana writes, most countries have not yet been able to choose sites for nuclear repositories.

Nuclear waste, most of which is spent fuel, comprises many elements that emit radiation over different periods. Over time, radioactive materials are no longer radioactive, but some have relatively short half-lives, which means they could decay in seconds to weeks. This is the most dangerous aspect of spent nuclear fuel. Once its radioactivity lapses, some can be reprocessed for fresh reactor fuel or find other uses in medicine, radiation therapy and power production. Most of the material in spent nuclear fuel is the relatively stable Uranium-238, which exists in nature. But it can take hundreds of years for spent fuel to reach this level of radioactivity. And even after decaying to relatively safe radioactivity levels, the material can carry a complex chemical profile, making it difficult and expensive to store or deal with permanently.

Further, as reactors approach the end of their original lifecycles, they need to be decommissioned or permanently shut. This process, which requires a complete radioactivity clean-up and progressive dismantling, can run into decades and its costs mount to billions of dollars.

So the actual costs of nuclear power are not that of power production alone but also the effect on future generations, a timespan that engineering projects do not typically consider. As it is difficult to estimate the accurate cost of nuclear waste management, studies can minimize and underestimate those costs.

In a deep dive for The Guardian, journalist Samanth Subramanian writes about the timescales and costs of decommissioning the Sellafield nuclear power plant—the United Kingdom’s first atomic reactor, which started operations in 1950, manufacturing plutonium for nuclear weapons. Later, it generated electricity until 2003 and was also used to reprocess fuel or extract uranium and plutonium for used fuel rods. All of that has come to an end.

“From an operational nuclear facility, Sellafield turned into a full-time storage depot—but an uncanny, precarious one, filled with toxic nuclear waste that has to be kept contained at any cost,” Subramanian writes. The challenge of dealing with nuclear waste includes waiting thousands of years as radioactivity tapers off, especially in high-level waste. The spent fuel rods, radioactive metals and liquids cannot simply lie around all this time. It must be stored in sealed buildings and artificial ponds, which are not permanent. Ultimately, the waste must be safely hauled to an “ultimate strongroom”, a geological disposal facility or repository carved from boring hundreds of meters into rock. Timelines estimate the process will take approximately 120 years (until 2120) and cost £121 billion.

Sellafield presents the classic conundrum of the nuclear energy industry where countries embraced nuclear energy rapidly but are wrestling with nuclear waste, a by-product of that process.

As it weans itself off nuclear power, Germany still does not have a nuclear waste repository, which is unlikely to go smoothly. It has announced 90 possible locations for the nuclear repository, but strong opposition is expected in each place. Previous attempts did prove utterly divisive.

India's nuclear waste

India has 22 nuclear power plants and a slew of proposed reactors. Villagers near the Kudankulam Nuclear Power Plant, built with Russian cooperation, have been protesting the storage of spent nuclear fuel from KNPP 1 and 2 at the plant premises. The political leadership of Tamil Nadu has demanded the spent fuel be transported to Russia. The government has demurred that the spent fuel is a "valuable recyclable fuel" that can be reprocessed to produce more fuel for next-stage reactors.

In December 2021, the government told the Lok Sabha that since a "very small quantity" of high-level waste is generated, there is no need for a deep underground geological disposal facility in the near future. SP Udayakumar of the People's Movement Against Nuclear Energy warned in an editorial that the government cannot be haphazard or vague in nuclear waste management.

"If the Union and state governments, scientists and technocrats, have not managed to clean up the dangerous Bhopal waste that has been lying there for the past 38 years, how are they going to convince us about nuclear waste management? Nuclear waste management has to be planned from the beginning and not as we go along," Udayakumar wrote.

There are tensions at KNPP over an Away from Reactor (AFR) store for spent nuclear fuel until a final repository is constructed. The uneasiness is because there seem to be no definite timelines for the final repository, without which the AFR may become permanent spent fuel storage. There are fears that other states may treat the Kudankulam AFR as a dumping ground for nuclear waste from their reactors.

Spent nuclear fuel, a part of which forms nuclear waste, can be highly radioactive. What happens to it, where, how it is stored, for how long, and the safety of storage arrangements are crucial public health questions the nuclear establishment must answer.

Kudankulam is not the only reactor generating spent nuclear fuel. At least 20 others in India generate spent fuel—what happens to that is a question.

It is unclear what lessons India learned from the Fukushima disaster. India's nuclear regulatory authority, the Atomic Energy Regulatory Board (AERB), remains weak despite warnings from the Comptroller and Auditor General and the IAEA. Even the Nuclear Safety Regulatory Authority Bill 2011 has been effectively shelved.

Remarkably, countries have steered away from nuclear power after Fukushima, but Indian governments have pushed ahead. The adverse effects on energy supplies and prices of war in Ukraine made governments in Japan and Germany walk the nuclear power path again, but the economics and waste management problem of nuclear energy pose enormous hurdles for the sector.

A Massachusetts Institute of Technology study sums it up succinctly: "The prospects for the expansion of nuclear energy remain decidedly dim in many parts of the world. The fundamental problem is cost. Other generation technologies have become cheaper in recent decades, while new nuclear plants have only become costlier.” The costs make it a less attractive option as far as decarbonizing is concerned.

Besides, the risk of geopolitical disasters at nuclear power plants can no longer be ignored, as when Ukraine’s Zaporizhzhia nuclear power plant was caught in the cross-hairs of the war in 2022. Hopes for a renewed nuclear industry stand on thin ice. Grand claims about its resurgence must be viewed with caution and skepticism. https://peoplesdispatch.org/2023/01/16/why-nuclear-industrys-comeback-hopes-rest-on-very-thin-ice/

STATES NEWS ITEMS

6. ‘Delhi govt. sitting on 3 crucial CAG reports despite reminders’ *(thehindu.com)* Jan 17, 2023

The Delhi government has not submitted three Comptroller and Auditor General (CAG) reports to Lieutenant-Governor V.K. Saxena for his approval to table them in the Assembly despite multiple reminders, sources in the L-G House said on Monday.

The three reports were submitted to the government last year on June 6, September 27, and November 10, respectively, but the Delhi government’s Finance Department, headed by Deputy Chief Minister Manish Sisodia, has been “sitting over the three crucial reports”, the sources added.

They also said that the Delhi government’s Controller of Accounts has sent a reminder to Mr. Sisodia’s office asking it to seek the L-G’s nod on the reports for the year ending March 31, 2021. Sources also said that the L-G Secretariat had earlier issued a reminder to the government to table the reports in the Assembly. “Prior to this, AAP government sat over 10 CAG reports and did not table them before the Assembly for four years in a row,” they added. There was no response from the government on the issue. https://www.thehindu.com/news/cities/Delhi/delhi-govt-sitting-on-3-crucial-cag-reports-despite-reminders/article66384521.ece

7. Delhi: डिप्टी CM ने उपराज्यपाल को नहीं भेजी कैग की रिपोर्ट, विधानसभा में पेश करने से पहले लगेगा LG का अप्रूवल *(jagran.com)* Jan 16, 2023

दिल्ली सरकार ने अभी तक उपराज्यपाल वी के सक्सेना को CAG की तीन रिपोर्ट नहीं भेजी है, जिसे विधानसभा में पेश किया जाना है। उपराज्यपाल वीके सक्सेना की मंजूरी के बाद ही यह रिपोर्ट विधानसभा में पेश की जा सकेगी। आप सरकार की ओर से तत्काल कोई प्रतिक्रिया नहीं मिली है।

ये रिपोर्ट है लंबित

सूत्रों के अनुसार, 31 मार्च, 2021 को समाप्त वर्ष के लिए तीन कैग रिपोर्ट - राज्य के वित्त पर आडिट रिपोर्ट, दिल्ली में वाहनों के वायु प्रदूषण की रोकथाम और शमन पर प्रदर्शन आडिट और राजस्व, आर्थिक, सामाजिक एवं सामान्य क्षेत्रों और पीएसयू पर रिपोर्ट लंबे समय से उपमुख्यमंत्री कार्यालय के पास लंबित हैं।

उपराज्यपाल से लेनी होगी मंजूरी
सूत्रों ने कहा कि राज्य की वित्त रिपोर्ट पिछले साल जून से लंबित है, वाहन प्रदूषण के शमन पर प्रदर्शन रिपोर्ट सीएजी द्वारा सितंबर 2022 में दिल्ली सरकार को भेजी गई थी और तीसरी रिपोर्ट राजस्व, आर्थिक , सामाजिक और सामान्य क्षेत्रों और पीएसयू के पास पड़ी है। 10 नवंबर से लंबित है। सूत्रों ने कहा कि दिल्ली सरकार को उन्हें सदन में पेश करने से पहले उपराज्यपाल की मंजूरी लेनी होगी।

एक अधिकारी ने कहा,
"ये सभी रिपोर्ट प्रधान लेखा कार्यालय द्वारा उपमुख्यमंत्री के कार्यालय में वित्त विभाग के माध्यम से विधानसभा के पटल पर रखने के लिए एलजी की मंजूरी लेने के लिए प्रस्तुत की गई थीं। फ़ाइल निगरानी प्रणाली के अनुसार, उक्त सभी फाइलें उप मुख्यमंत्री कार्यालय के पास हैं। "

सूत्रों ने कहा कि दिल्ली सरकार के प्रधान लेखा कार्यालय ने उप मुख्यमंत्री की टीम को 29 नवंबर, 2022 को उपराज्यपाल सचिवालय से वित्त विभाग को एक रिमाइंडर भेजा, जिसमें विधानसभा के अगले सत्र से पहले "(कैग) रिपोर्ट को शीघ्रता से प्रस्तुत करने के लिए कानून के अनुसार उचित कार्रवाई की मांग की गई थी। "

संविधान के अनुच्छेद 151 के अनुसार, राज्य के खातों से संबंधित कैग रिपोर्ट को विधानसभा के समक्ष रखने के लिए राज्यपाल को उसकी सहमति से प्रस्तुत करना आवश्यक है।

मालूम हो कि उपराज्यपाल कार्यालय ने जून 2022 में भी दिल्ली सरकार से 2017 -18, 2018-19, 2019-20, 2020-21 के वित्तीय वर्षों के लिए राज्य वित्त लेखा परीक्षा, राजस्व, आर्थिक, सामाजिक और सामान्य क्षेत्रों पर 10 कैग रिपोर्ट पेश करने को कहा था। पीएसयू, सामाजिक सामान्य और आर्थिक क्षेत्र (गैर-पीएसयू) और विनियोग खाते, जो चार साल से निर्वाचित सरकार के पास लंबित थे, विधानसभा के सामने रखे जाएंगे। एक अधिकारी ने कहा,
"दिल्ली सरकार ने पांच जुलाई को दिल्ली विधानसभा का दो दिवसीय सत्र बुलाकर जल्दबाजी में सीएजी की सभी लंबित रिपोर्टें बिना किसी चर्चा के एक ही बार में पेश कर दी थीं।" https://www.jagran.com/delhi/new-delhi-city-ncr-delhi-deputy-cm-did-not-send-cag-report-to-lg-approval-required-before-presenting-in-assembly-23298178.html

8. Opposition protests J&K administration's move to retrieve land granted under Roshni Act *(tribuneindia.com)* Jan 17, 2023

The recent order of the J&K administration regarding eviction of encroachers from state land, including that under Roshni scheme, has evoked sharp reactions from several Opposition parties, which organised protests against the government at different locations in the UT on Monday.

Disempowering people
Laws are created for welfare, but in J&K they are weaponised to disempower, humiliate & punish people. — Mehbooba Mufti, PDP Chief

Roll back order
The administration is working against marginalised people. We demand rollback of this order. Shahnawaz Choudhary, Congress leader

About Irregularities under Roshni Act

Under the Roshni Act, the then state government had allowed encroachers to possess state land to raise funds for power projects. In 2014, the CAG reported that many politicians had derived benefit from the Act. Later, the High Court had termed the scheme illegal and the government ordered retrieval of such land.

The January 9 circular was issued by Vijay Kumar Bidhuri, Commissioner Secretary to the government, asking the deputy commissioners (DCs) to "ensure that all encroachments on state land, including Roshni and Kahcharai (grazing) land, are removed to the extent of 100% by January 31".

It directed the DCs to draw up a daily anti-encroachment drive plan and also nominate additional deputy commissioners (ADCs) as district nodal officers for coordination and effective implementation of the drive. The officers have also been asked to furnish daily progress report on the matter.

Among the parties which organised protests were PDP, NC, Congress, Democratic Azad Party (DAP) and Apni Party. Even the All Jammu and Kashmir Panchayat Conference (AJKPC), an organisation of panchayats of the UT, has warned the government against implementing the order.

The issue holds importance with reports that the UT is likely to go to polls in the coming months. PDP chief Mehbooba Mufti tweeted, "Laws are created for the welfare of people, but in J&K they are weaponised to disempower, humiliate and punish. This latest diktat was issued because the GOI (Government of India), despite misusing the agencies and unleashing draconian laws, isn't getting the desired results."

The Roshni Act, officially known as Jammu and Kashmir State Land (Vesting of Ownership to Occupants) Act, 2001, was enacted during the regime of the then CM Farooq Abdullah. The law granted ownership of the encroached land to encroachers to raise funds for different power projects of the government. In 2014, the Comptroller and Auditor General's (CAG) report pointed out that many political persons from different parties had been benefited under the Act.

In November 2018, the then governor Satya Pal Malik repealed the Act. On October 9, 2020, the High Court of J&K and Ladakh declared the Act "illegal, unconstitutional and unsustainable", and ordered a CBI probe. Later, the government decided to retrieve such land.

Names of some BJP leaders also cropped up later on the list of alleged encroachers.

Ajaz Jan, provincial president of the Youth National Conference, Jammu, termed the order as draconian "just to harass the general public".

DAP leaders, including former minister GM Saroori and RS Chib, protested in Jammu. Congress leaders held a protest at Press Club. Pradesh Congress Committee's general secretary Shahnawaz Choudhary said, "The L-G's administration is working against downtrodden and marginalised people. We demand rollback of this unjust order." https://www.tribuneindia.com/news/j-k/oppn-protests-move-to-retrieve-land-granted-under-roshni-act-471130

9. Kerala Budget to exclude KIIFB projects; Minister writes to MLAs Minister for Finance KN Balagopal *(onmanorama.com)* January 17, 2023

Thiruvananthapuram: The State Government has decided not to include any projects financed by the Kerala Infrastructure Investment Fund Board (KIIFB) in the upcoming 2023-24 Budget.

Finance Minister K N Balagopal has directed legislators not to recommend any KIIFB project for consideration in the Budget. This is because the Central Government has considered the KIIFB loans as part of borrowings availed by the State Government and capped the loan ceiling of the state accordingly.

The Central Government has decided to include Rs 12,562 crore taken as a loan by institutions, including KIIFB in 2021-22, as the loan of the State Government. The Centre will deduct this Rs 12,562 crore from the amount that the State Government is eligible to avail of as a loan. From the upcoming fiscal year, the loan ceiling will be brought down by Rs 3,140 annually for four years.

Minister's guideline

The Finance Minister has asked the MLAs not to recommend new projects that can be directly implemented by KIIFB. Instead, they can recommend 20 projects outside the purview of KIIFB in the order of their priority. The minister also advised that new projects and projects that haven't gotten administrative sanction so far could be included in this list.

During the first term of the Pinarayi Vijayan regime the Comptroller and Auditor General (CAG) had warned Kerala of the dangers of resorting to off-budget borrowings and wanted the borrowings of entities like KIIFB to be included in the annual budget documents and made part of revenue and fiscal deficits.

The State Government is also apparently chastened by the scrutiny of central agencies on the mobilisation of financial resources by during the previous term of the Pinarayi Vijayan Government (2016-21). Also, the Enforcement Directorate (ED) had charged KIIFB of violating the regulations under Foreign Exchange Management Act (FEMA) over the issue of 'masala bonds'. It even issued a summons to former Finance Minister Thomas Isaac for questioning over KIIFB's financial dealings.

Hurdles ahead for KIIFB

With the Finance Minister's latest directive KIIFB may find it even more difficult to raise funds for the developmental projects. The people's representatives often complain that the KIIFB projects are dragging on for want of funds.

The KIIFB has so far given sanctions for 986 projects worth Rs 73,851 crore. Out of this, Rs 53,851 crore is for infrastructure development, and Rs 20,000 crore for land acquisition.

Most of the projects (449) have been sanctioned under the Public Works Department. A total of 142 projects come under the General Education Department and 93 projects under the Water Resources Department.

KIIFB raised Rs 31,508 cr so far

The KIIFB was formed in the first year of the first Pinarayi Government with the objective of implementing development projects worth Rs 50,000 crore in five years. KIIFB has raised Rs

31,508 crore so far. Out of this, Rs 19,220 crore was taken as loans from the open market and by way of issuing masala bonds on the London Stock Exchange. Apart from that, the State Government gave it half of the Motor Vehicle Tax and Rs 1 per liter price of petrol/diesel. The sum collected in this way amounted to Rs 14,919 crore. KIIFB got a revenue of Rs 762 crore from some of the projects it implemented. It spent Rs 22.192 crore from this revenue on various projects. KIIFB also used Rs 687 crore to repay loans. https://www.onmanorama.com/news/business/2023/01/17/kiifb-kerala-budget-state-borrowing.html

10. Mumbai Jombo COVID Probe by ED: Is Iqbal Chahal being punished for legal notice that he sent to CAG? *(freepressjournal.in)* January 17, 2023

Mumbai: Is BMC Commissioner Iqbal Chahal being punished for the legal notice that he had sent to the Comptroller and Auditor General (CAG) regarding the audit of expenditure made by the civic body during the Covid-19 pandemic? This is the question doing the rounds in civic circles.

After one month of the notice, the civic chief, who is now the administrator in the absence of an elected body, was summoned by the Enforcement Directorate (ED) for the inquiry. On Monday, Mr Chahal visited the ED office and was questioned for four hours.

In the last week of October, Chief Minister Eknath Shinde had ordered the CAG to probe the Rs12,000 crore spending during Covid-19 by the BMC, wherein Rs3,500 crore was on health expenditures alone. According to the CM's communication, the CAG is expected to look into controversial decisions by BMC related to setting up of field hospitals during the pandemic.

Mr Chahal's handling of the Covid crisis had come in for praise from several quarters. However, certain politicians raised questions about the huge expenditure incurred without floating tenders. The CAG had started the audit immediately. Later in the month of December, the legal department of BMC had sent a notice to the CAG saying that it cannot audit or probe the expenditure made during Covid 19 under the Epidemic Act 1897 and Disaster Management Act 2005.

Despite that, the State Government had directed CAG to continue with the audit. The State Government had also forwarded the BMC's notice to the state Law and Judiciary (L&J) Department. Sources said that even though the L&J department's prima facie view is that an audit can be done by the CAG, no action can be initiated against any errant officers. But a detailed report is yet to be received by the State Government.

Arvind Sawant, Shiv Sena MP from South Mumbai while speaking to FPJ said, "There is no lawful government existing in the state. An unconstitutional State Government is taking unconstitutional actions. Even if they don't have rights under any law, they still put pressure on officers. This is the new task the BJP has undertaken. The BJP has no courage to go for BMC election but is pressurising officers."

"There are other municipal corporations in the Maharashtra state and country which were working during Covid-19, but the inquiry is ordered with regard to the expenditure incurred by the BMC. It is nothing but an effort to malign the image of the Shiv Sena and the Thackeray family. BJP is in power at Pune, Pimpri Chinchwad and Nagpur, why inquiry is being initiated there?" asked Mr Sawant. https://www.freepressjournal.in/mumbai/mumbai-jombo-covid-probe-by-ed-is-iqbal-chahal-being-punished-for-legal-notice-that-he-sent-to-cag

SELECTED NEWS ITEMS/ARTICLES FOR READING

11. Government must examine reasons for shortfalls in non-tax revenue and disinvestment proceeds, opt for a more structured approach *(indianexpress.com)* January 17, 2023

Data released by the Ministry of Finance last week reaffirmed the healthy growth in the central government's tax collections this financial year. At the aggregate level, the government's direct tax collections upto January 10, 2023, stood at Rs 14.71 lakh crore, almost 25 per cent higher than over the same period last year. Adjusting for refunds, collections were up almost 20 per cent. To put these numbers in perspective — direct tax collections have already touched almost 87 per cent of the budget target of Rs 14.2 lakh crore for the financial year 2022-23. This only affirms the view that the tax collections will surpass the government's budget expectations by a considerable margin. However, even as tax revenue growth has been healthy, there are concerns over the government's non-tax revenues and proceeds from disinvestment.

For 2022-23, the Union budget had pegged non-tax revenues at Rs 2.69 lakh crore, down from Rs 3.13 lakh crore (revised estimates) in 2021-22. Of this, it had pegged the dividend/surplus of the central bank, the nationalised banks and financial institutions at Rs 1.13 lakh crore. While this was already lower than the revised estimates of Rs 1.47 lakh in 2021-22, so far this year, the Centre has garnered only Rs 68,254 crore. In May 2022, the central bank, after its board meeting, had said it will transfer Rs 30,307 crore as surplus to the government. And as reported in this newspaper, there is a possibility that the surplus available with the RBI for transferring as dividend to the government is likely to remain low in the current financial year. At the aggregate level, while the budget had pegged non-tax revenue to GDP to fall from 1.35 per cent of GDP in 2021-22 to less than 1 per cent in 2022-23, as per some analysts, non-tax revenues are likely to be even lower than budget expectations by around Rs 50,000 crore. A similar trend is observed in disinvestment proceeds. While the budget had already lowered the disinvestment target from Rs 78,000 crore in 2021-22 to Rs 65,000 crore for 2022-23, so far, total revenue through this route has been only around Rs 31,106 crore. This includes Rs 20,516 crore garnered through the sale of the government's stake in LIC. Some transactions are in the pipeline — for example, bids have been invited for selling the government's stake in IDBI Bank. However, despite that, analysts expect disinvestment proceeds at the end of the financial year to trail the budget target by a significant margin.

Considering these shortfalls, the government must reexamine the manner in which it formulates targets and plans for garnering revenues through these channels. It must opt for a more systematic approach, keeping in mind macroeconomic uncertainties. More resources at its disposal would certainly help it augment capital expenditure and manage the deficit. https://indianexpress.com/article/opinion/editorials/government-must-examine-reasons-for-shortfalls-in-non-tax-revenue-and-disinvestment-proceeds-opt-for-a-more-structured-approach-8385682/

12. RBI advises states against reverting to old pension scheme, says big risk *(business-standard.com)* January 17, 2023

Amid a move by some state governments to restore the old pension scheme (OPS), the Reserve Bank of India has put forth its reservation against it, saying doing so would entail a major risk for the sub-national fiscal horizon.

Earlier this month, Himachal Pradesh became the fourth state to revert to the OPS for state government employees. Chhattisgarh and Rajasthan, too, have rolled out the old pension scheme. Both these states are ruled by the Congress party. Besides them, the AAP-ruled Punjab has preferred the OPS.

According to The Hindu Businessline, the RBI said in its report on state finances that the annual savings in fiscal resources by reverting to the OPS ARE "short-lived". "By postponing the current expenses to the future, states risk the accumulation of unfunded pension liabilities in the coming years," the RBI report said.

Themed "Capital Formation in India: The Role of States", it said states should "mainstream capital planning rather than treat them as residuals".

They should increase allocations of capital expenditure for sectors like health, education, infrastructure, and green energy transition to expand production capacities and create a broad-based developmental agenda. Also, outlays on social services and physical infrastructure can enhance productivity, it added.

The report also stressed that the states should form responsible climate change policies in areas such as clean energy, clean transport and sustainable land use. Capacity building on access to finance and climate governance would help states meet their potential and realise the committed national target of net zero emissions by 2070.

It noted that the fiscal health of states has rebounded from pandemic-induced stress, aided by buoyant revenue collections and prudent expenditure management. https://www.business-standard.com/article/economy-policy/rbi-advises-states-against-reverting-to-old-pension-scheme-says-big-risk-123011700202_1.html

13. FSI alleges anomaly in FAME II subsidy of Rs 368 crore claimed by Ather Energy *(financialexpress.com)* January 17, 2023

The ongoing tussle between electric vehicle makers and the Ministry of Heavy Industries (MHI) for the alleged 'misappropriation of funds' by around 12 EV makers, may now see a new addition.

In a letter written by the Federation of Small Industries (FSI) to Dr Hanif Qureshi, Joint Secretary, Ministry of Heavy Industries, it is alleged that Bengaluru-based Ather Energy has fraudulently "managed to bypass the subsidy eligibility limit of Rs 1.5 lakh set by DHI by stealthy separating the 'EV Charger' and the 'Intrinsic Essential Software' that are integral parts of the vehicle and vehicle cannot run without them" to claim the FAME subsidy.

	Ather - Calculation of Actual Ex factory Price to find out eligibility of Fame 2 Subsidy		
S.No.	Price Breakup - In Rs.	450 Plus	450 X
1	Vehicle Ex- Showroom Including 5% GST - Refer Ather Dealer -Garnet Motors Quote. (Excluding Fame 2 Subsidy)	1,73,946	1,73,946
2	Add- Charger - Refer Ather Dealer- Garnet Motors Quote. (not included in Vehicle Ex Showroom	19,975	19,975
3	Add - Performance Upgrade (Refer Ather Dealer -Garnet Motors Quote (not included in Vehicle Ex Showroom)	-	21,510
4	**Actual Ex Showroom price (Including Vehicle + Charger + Performance upgrade)**	**1,93,921**	**2,15,431**
5	Less -GST 5% on Vehicle and 18% on Charger & Performance upgrade)	11,330	14,611
6	Pre GST Price (Including Vehicle + Charger + Performance upgrade)	1,82,591	2,00,820
7	Dealer Margin	7,500	7,500
8	Logistic & Transit Insurance- Average Pan India Price	5,000	5,000
9	**Actual Ex Factory Price (Including Charger & Performance upgrade)**	**1,70,091**	**1,88,320**

The FAME scheme was introduced by the government to encourage users to adopt electric vehicles by providing subsidy to the tune of Rs 20,000 for a two-wheelers price of Rs 1.5 lakh (max price ex-factory); Rs 50,000 for a three-wheeler (max factory price Rs 5 lakh); four-wheeler Rs 1.5 lakh (max ex-factory price Rs 15 lakh) and e-bus upto Rs 50 lakh (max ex-factory price of Rs 2 crore). The total budget outlay was Rs 8,596 crore.

Allegation

In a letter dated January 16, 2023, the Federation of Small Industries says that Ather Energy sold 70,769 e-two-wheelers between 2019 to December 27, 2022 and has claimed a total subsidy of around Rs 368 crore.

As part of the exhibits provided by FSI including a quotation from Garner Motors, an Ather dealership, the price of a new e-scooter (ex-factory) was Rs 173,946, which was Rs 23,946 above the Rs 1.5 lakh threshold limit set under the FAME II scheme. It further states that the EV company was selling the charger as well as a ‘performance upgrade’ for Rs 19,975 and Rs 21,510 separately.

Ather - Sale and Subsidy Amount of Vehicles Sold till 27th Dec, 2022							
Period		Ather - Sale and Subsidy Amount of Vehicles Sold till 27th Dec, 2022					
		1-APR-2019 to Jun-2021 (Rs 10000/kwh)			Jun-2021 to present (Rs.15000/kwh)		TOTAL
		2019-20	2020-21	Apr-May (2021-22)	Jun-Mar. (2021-22)	2022-23. (till 27th Dec)	
Total Sale Volume	In Nos	2,499	4,401	1,063	18,916	43,890	70,769
TOTAL Subsidy Value (approx)	In Rs. Cr	7.1	12.8	3.8	100	244	368

FSI has urged the government to investigate Ather Energy "as it involves a humongous sum of Rs 300 crore plus of taxpayer's money claimed. Thus, the said amount must be not only be returned to the government immediately but also all the Ather models should also be removed from the FAME II subsidy portal as there is no way they can meet the eligibility criteria as defined under the notification." https://www.financialexpress.com/express-mobility/fsi-alleges-anomaly-in-fame-ii-subsidy-of-rs-368-crore-claimed-by-ather-energy/2950952/

14. India has over 6 Crore FASTags, no data available about faulty tags: NHAI *(thedispatch.in)* 16 January 2023

State-owned NHAI has no information about faulty FASTags and the penalties collected from motorists in case their FASTags are non-functional at highway toll plazas.

In case a motorist does not have a FASTag or it is non-functional, then the person has to pay double the toll charges at toll plazas.

According to the National Highways Authority of India (NHAI), more than 6 crore FASTags have been issued as on October 31, 2022.

However, it has no information about the number of faulty FASTag cases and the total amount of penalty collected from users despite having their vehicles fitted with the Radio Frequency Identification (RFID) tag.

In response to RTI queries about the number of faulty FASTag cases and the amount of penalties collected from the users for non-functional FASTags, NHAI said, "no such data is available".

"Total no. Of 60,277,364 FASTags have been issued till 31.10.2022," it said in response to an application filed by PTI under the Right to Information Act.

A FASTag allows a user to pay the highway fee electronically without having to stop at the toll collection booths set up by the highway operators. Since February 16, 2021, the government has made FASTag mandatory for all private as well as commercial vehicles.

As per rules, vehicles that do not have a valid or functional FASTag must pay double the toll charge as penalty.

On whether any penal action has been taken against any FASTag issuing agency for faulty FASTag, NHAI said, "no such data is available".

"Total toll collection through FASTag since 16.02.2021 to 16.04.2022 as per NPCI data for NHAI fee plaza is Rs 39,118.15 crore," said the RTI reply. The total toll collection for NHAI fee plaza during FY22 stood at Rs 34,535 crore, the RTI reply said, citing data from the National Payments Corporation of India (NPCI).

Currently, a FASTag is issued by 24 banks. There are complaints from users that FASTags sometime do not function properly at toll plazas as a result of which they have to pay double the toll charges. NHAI has set up helpline no. 1033 to address queries and complaints at national highway fee plazas.

“Most of the complaints are resolved instantly by the customer care executive. Other complaints are forwarded to concerned NHAI regional offices and banks for necessary resolution,” it said.

However, in most cases of complaints related to non-functional tags, a user cancels the FASTag and buys another one or the issuer bank provides a fresh tag later. But the user never gets a refund of the excess fee that is already paid due to non-readable RFID tag.

The Indian Highway Management Company Limited (IHMCL), incorporated with equity participations from NHAI, concessionaire and financial institutions, has been entrusted with the task of implementing the electronic toll collection on the national highways.

However, IHMCL, incorporated under the Companies Act, 1956, “does not fall within the definition of ‘Public Authority’ under Section 2 (h) of Right to Information Act, 2005”, NHAI said. https://www.thedispatch.in/india-has-over-6-crore-fastags-no-data-available-about-faulty-tags-nhai/

15. Stricter NPA provision rule *(telegraphindia.com)* 17 January 2023

The Reserve Bank of India (RBI) on Monday proposed to bring banks on par with larger non-banking finance companies (NBFCs) on provisioning against loans that could turn sour.

In its discussion paper on expected loss (EL) based-approach for provisioning against loans, the RBI said it would keep smaller co-operative banks based on a threshold and regional rural banks out of the framework.

A key feature of the new system are the three account categories — Stage 1, Stage 2 and Stage 3 — depending upon the assessed credit losses on them at the time of initial recognition as well as on each subsequent reporting date. Provisions will be made on the basis of the three categories, the paper said.

At present, banks follow the “incurred loss” approach while making provisions.

In this method, banks need to provide for losses that they have occurred or incurred. Its key drawback is that provisions are made by banks with significant delays after the borrower may have started facing financial difficulties thereby increasing their credit risk.

On the other hand, NBFCs who have a minimum net worth of Rs 250 crore are required to follow the EL method.

In September 2022, the RBI had announced that it will come out with a discussion paper for the adoption of EL approach regards loan loss provisioning.

According to the discussion paper, the EL will be measured as “a probability-weighted estimate of credit losses over the expected life of the financial instrument or the asset”.

The RBI said banks would be allowed to design and implement their own models for measuring expected credit losses.

The central bank will issue broad guidance while designing the credit risk models. https://www.telegraphindia.com/business/stricter-non-performing-assets-provision-rule/cid/1910269

16. Rs 8.62 cr misappropriated in execution of MGNREGA works in 2 blocks of Jammu *(dailyexcelsior.com)* 17 January 2023

Misappropriation of Rs 8.62 crore in the execution of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) works in two blocks of Jammu district has surfaced and in order to fix the responsibility and take action against the erring officials of the Rural Development Department a comprehensive social audit has been ordered by the Government.

Official sources told EXCELSIOR that Directorate of Rural Development Jammu has received large number of complaints from the inhabitants of Bhalwal and Mathwar blocks of Jammu district regarding illegalities committed in the execution of large number of MGNREGA works during 2016-17, 2017-18, 2018-2019 and 2019-20 financial years.

The complaints are relating to poor quality of works and withdrawal of funds against the non-existent works during these four years, sources said, adding these complaints pertain to more than 400 works of different nature in these two blocks of Jammu district.

Though the complaints were being received after regular intervals yet no serious attention was paid towards getting the matter enquired on one or the other pretext as a result of which the grievances of the people remained unresolved.

However, in the month of October last year, all these complaints were clubbed and a committee of four Block Development Officers (BDOs) was constituted to conduct inquiry. "Though the committee submitted its report in the Directorate of Rural Development Jammu yet some important aspects were not touched for the unknown reasons as a result of which it was not possible for the Directorate to take the complaints to the logical conclusion by taking action against the erring officials", sources said.

Accordingly, Director, Rural Development Department Jammu vide communication number DRDJ-Compl/275/ 2022-02-RDD/42791 dated January 3, 2023 brought the matter to the notice of the Commissioner/Secretary to the Government, Department of Rural Development and Panchayati Raj.

It has been mentioned in the communication that a preliminary enquiry has been conducted by Assistant Commissioner Development (ACD) Jammu reporting alleged misappropriation of funds amounting to Rs 8.62 crore in MGNREGA works executed in Bhalwal and Mathwar blocks of Jammu district.

Taking serious note of this, Commissioner Secretary Mandeep Kour has directed Director Social Audit to depute team of two District Resource Persons with some experienced Village Resource Persons to comprehensively audit all the works identified in the preliminary report and submit a detailed report fixing the responsibility of the concerned officers.

"Report should reach the office of Commissioner Secretary within 10 days", read the order the copy of which is available with EXCELSIOR. The Block Development Officer, Mathwar/ Bhalwal has been directed to provide all relevant record(s) pertaining to the case to the committee immediately failing which immediate disciplinary action will be taken against him by the Assistant Commissioner Development (ACD) Jammu.

"Since the number of works required to be audited is quite large, Director Social Audit has sought record from the relevant quarters and started home work. Within next few days the teams will be deputed to these blocks", sources informed, adding "as comprehensive audit is a lengthy exercise the Government may be requested to grant more time to the audit team for completion of task".

It is pertinent to mention here that Section 17 of the MGNREGA has mandated social audit of all works executed under the MGNREGA. Social audit focuses on the performance of a programme in fulfilling its intended social objectives and ethical vision through consultation with a range of stakeholders including social programme beneficiaries, community members, Government officials and verifying the information obtained with documents and physical evidence.

"The social audit process is a fact-finding process and the work of the auditor is to investigate by cross-verifying facts and details in the records from the workers and cross-verifying works at site", sources said. https://www.dailyexcelsior.com/rs-8-62-cr-misappropriated-in-execution-of-mgnrega-works-in-2-blocks-of-jammu/

17. Odisha to divest 49% stake in profit-making PSU *(indianexpress.com)* Updated: January 17, 2023

Move comes two years after the state bought back its shares in the profit-making PSU from a US-based company

The Odisha government has initiated the process to divest 49 per cent stake in Odisha Power Generation Corporation (OPGC), a profit-making PSU that operates 1,740 MW thermal power plant at Banharpalli in Jharsuguda district.

The move comes barely two years after the Odisha government had decided to buyback its 49% share in OPGC from AES Corporation Ltd, an US-based company.

The company which had acquired 49% share in OPGC in 1998 had decided to sell its share in August 2020 for $135 million (around Rs 1,000 crore at that time). Now, the state government owns 100% stake in the thermal power plant.

The Odisha energy department has invited global expression of interest (EOI) for the proposed disinvestment in the PSU though it has not cited any reason behind the move. The amount it will gain following the disinvestment process has also not been clarified by the department.

When contacted, Odisha energy secretary Nikunja Bihari Dhal did not respond to repeated calls from The Indian Express.

"Any government or private entity having sound technical and financial strength can participate to acquire share in OPGC," said a senior government official requesting anonymity.

The disinvestment will be completed in a two-stage process; the SBI Capital Markets Limited (SBICAP) has been roped in as transaction adviser for the process.

Established in November 1984, OPGC operates state-of-the-art coal-fired power plant with total four units. While two units of 210 MW each were operational since the last 25 years, two more units of 660 MW each were added in the second phase in 2019. The first two units have coal linkage from the nearby mines of Mahanadi Coalfields Limited, a subsidiary of Coal India Ltd, and the remaining two units are sourcing coal from Manoharpur through a subsidiary of OPGC.

According to sources in the state energy department, OPGC is contemplating expansion of its present capacity through implementation of Phase III by installing two more units having a capacity of 660 MW each.

Though the Opposition parties are yet to comment on the Odisha government's decision to divest stake in a profit-making PSU, a section of officials also questioned the state government's move. https://indianexpress.com/article/cities/bhubaneswar/odisha-decides-to-divest-49-stake-in-profit-making-psu-8385824/