NEWS ITEMS ON CAG/AUDIT REPORTS (29.11.2022)

1. प्रधानमंत्री फसल बीमा से किसानों को कम निजी कंपनियों को अधिक फायदा

(deshbandhu.co.in) Nov 29, 2022

किसान के दावों को जमा करने के दो सप्ताह के भीतर मंजूरी दे दी जानी चाहिए। केंद्रीय कृषि मंत्रालय को किसानों के दावों पर कार्रवाई करने और बीमा फर्मों की अनियमितताओं की निगरानी के लिए किसान संघों की भागीदारी के साथ तुरंत एक समिति का गठन करना चाहिए। चूंकि निजी बीमा कंपनियों का प्रदर्शन त्रुटिपूर्ण है, इसलिए कुल कारोबार सार्वजनिक क्षेत्र की बीमा कंपनियों को सौंपा जाना चाहिए।

एक दिन भी नहीं गुजरता जब ग्रामीण भारत में किसानों की आत्महत्याओं के समाचार मीडिया में नहीं प्रसारित या प्रकाशित नहीं होते। सूखे के कारण फसल की विफलता, बेमौसम और अत्यधिक बारिश और अन्य मौसमी आपदाओं के साथ-साथ तीव्र अभाव और ऋ ण का भुगतान न कर पाना जैसे प्रमुख कारक किसानों को अपना जीवन समाप्त करने के लिए मजबूर करते हैं।

फसल नुकसान के मुआवजे के भुगतान की मांग को लेकर संघर्षरत किसान संगठनों का लंबा इतिहास रहा है। जब प्रधानमंत्री नरेंद्र मोदी ने प्रधानमंत्री फसल बीमा योजना (पीएमएफबीवाई) की शुरुआत की, तो इसका व्यापक रूप से स्वागत किया गया। हालांकि फसल बीमा योजना के क्रियान्वयन से संकटग्रस्त किसानों को राहत देने की बजाय निजी बीमा कंपनियों को काफी फायदा हो रहा है।

संसद सदस्य बिनॉय विश्वम ने हाल ही में प्रधानमंत्री को लिखे अपने पत्र में बतायाकि किस तरह बीमाकृत किसानों के फसल नुकसान के दावों की अनदेखी की गई और विभिन्न निजी बीमा कंपनियों ने भारी मुनाफा कमाया। उन्होंने केंद्रीय मंत्री धर्मेंद्र प्रधान द्वारा केंद्रीय कृषि और किसान कल्याण मंत्री को लिखे गये एक पत्र का हवाला दिया, जिसमें उन्होंने विस्तार से बताया कि कैसे ओडिशा में किसानों को निजी बीमा फर्मों द्वारा खरीफ 2021 के दौरान उचित मुआवजे से वंचित कर दिया गया था। भाकपा सांसद ने प्रधानमंत्री से इस घोटाले की सीएजी जांच कराये जाने का अनुरोध किया है।

ओडिशा में जो हुआ वह सिर्फ एक हिमशैल का ऊपरी भाग भर है। वास्तव में, पूरे देश में प्रधानमंत्री फसल बीमा योजना (पीएमएफबीवाई)का कार्यान्वयन इतना अपारदर्शी है कि यह देश भर के किसानों के बीच अलोकप्रिय हो गया है। 2016 में, योजना की शुरुआत में, लगभग 30 प्रतिशत किसानों ने 21 राज्यों से 9,000 करोड़ रुपये का भुगतान करके योजना की सदस्यता ली। हालांकि,

2021 तक केवल 18 प्रतिशत किसानों ने सदस्यता ली, इस तथ्य के बावजूद कि बैंकों से सभी फसल ऋण लेने वालों के लिए निजी बीमा कंपनियों के तहत बीमा कराना अनिवार्य है। इस योजना के प्रदर्शन से असंतुष्ट तेलंगाना, पश्चिम बंगाल, गुजरात, महाराष्ट्र और कुछ अन्य राज्यों ने प्रीमियम के लिए योगदान करने से इनकार कर दिया और इस केंद्रीय योजना से हट गये।

धर्मेंद्र यादव ने ओडिशा के मामले में जो उद्धृत किया है, वह सभी राज्यों में निजी बीमा कंपनियों के लिए पीएमएफबीवाई के तहत बड़े पैमाने पर सार्वजनिक धन का हस्तांतरण का नमूना मात्र है। पिछले पांच वर्षों के दौरान केंद्र, राज्यों और किसानों द्वारा बीमा कंपनियों को पीएमएफबीवाई के तहत भुगतान किया गया कुल प्रीमियम 1,26,521 करोड़ रुपये था, जबकि बीमा कंपनियों ने दावों के निपटान के लिए किसानों को केवल 87,320 करोड़ रुपये का भुगतान किया। दूसरे शब्दों में पीएमएफबीवाई से बीमा कंपनियों को 39,201 करोड़ रुपये का फायदा हुआ है।

पिछले पांच वर्षों में, दावों के निपटान में प्रक्रियात्मक बाधाओं के परिणामस्वरूप, योजना के कवरेज में गिरावट आई है। उदाहरण के लिए, पांच साल की अवधि में, खरीफ के दौरान कवर किये गये किसानों की संख्या में 29 प्रतिशत और रबी के दौरान 33 प्रतिशत की कमी आई है।

निजी बीमा कंपनियों ने किसानों को कुल 92,954 करोड़ रुपये के दावों के मुकाबले केवल 87,320 करोड़ रुपये का भुगतान किया, जबकि सार्वजनिक क्षेत्र की 90 प्रतिशत बीमा कंपनियों ने अधिकांश दावों का निपटान किया है, अक्सर नुकसान उठाकर भी। यह निजी बीमा कंपनियां हैं जो दावों का निपटान करने में विफल रही हैं, तथा इस योजना से 60-70 प्रतिशत तक का मुनाफा कमाया है। उदाहरण के लिए भारती एएक्सए ने 72 फीसदी, रिलायंस ने59 फीसदी और फ्यूचर ने61 फीसदी का मुनाफा कमाया।

अक्सर बीमा कंपनियां किसानों से दावे प्राप्त करने के बाद फसल के नुकसान का आकलन करने और मुआवजे का भुगतान करने में कई महीने और कई फसल-मौसमों का समय लेती हैं। हालांकि नुकसान के जल्दी आकलन के लिए फसल काटने के परीक्षणों को पूरा करने के लिए ड्रोन और अन्य तकनीकी मदद का उपयोग करना अनिवार्य है, लेकिन निजी बीमा कंपनियां प्रस्तुत दावों को पूरा करने में महीनों की देरी करती हैं। खेती पर निवेश करने के लिए पूंजी नहीं होने के कारण, छोटे किसान कभी न खत्म होने वाले ऋण चक्र में धकेल दिये जाते हैं। इसके अलावा, काश्तकार किसान, जिनका जमीन पर मालिकाना हक नहीं होता पर वास्तव में वही खेती कर रहे होते हैं, को बैंक फसल ऋण, पीएम सम्मान सहायता या बीमा मुआवजा प्राप्त करने के पात्र नहीं हैं। आंध्र प्रदेश, तेलंगाना, पश्चिम बंगाल और महाराष्ट्र जैसे राज्यों में काश्तकार किसान लगभग 40 प्रतिशत कृषक हैं।

किसान के दावों को जमा करने के दो सप्ताह के भीतर मंजूरी दे दी जानी चाहिए। केंद्रीय कृषि मंत्रालय को किसानों के दावों पर कार्रवाई करने और बीमा फर्मों की अनियमितताओं की निगरानी के लिए किसान संघों की भागीदारी के साथ तुरंत एक समिति का गठन करना चाहिए। चूंकि निजी बीमा कंपनियों का प्रदर्शन त्रुटिपूर्ण है, इसलिए कुल कारोबार सार्वजनिक क्षेत्र की बीमा कंपनियों को सौंपा जाना चाहिए। किसानों को मुआवजे के भुगतान में वित्तीय अनियमितताओं की जांच के लिए सरकार को सीएजी के पास जाना चाहिए। https://www.deshbandhu.co.in/editorial/articles-pradhan-mantri-crop-insurance-benefits-less-to-farmers-and-more-to-private-companies-108186-2

STATES NEWS ITEMS

2. An economy under the spotlight *(thehindu.com)* November 29, 2022

Kerala: Earlier this month, Kerala Finance Minister K.N. Balagopal met Union Finance Minister Nirmala Sitharaman in New Delhi and requested her urgent intervention on a host of issues that have "impacted the financial position of the State government in recent times." Among other things, Mr. Balagopal sought expansion of the State's open market borrowing limit by 1% of the Gross State Domestic Product (GSDP), a special assistance of ₹3,224.61 crore for capital investment, and the release of pending Goods and Services Tax (GST) compensation. He also reiterated the State's demand that the GST compensation period be extended by another five years at least, until taxation measures stabilise revenue streams. Other States have also demanded this.

A recurring theme in the CPI (M)-led Left Democratic Front government's polemic is how the Centre's unfair fiscal policies have left the southern State financially shaky. But at the moment, there are also other reasons for the Kerala economy to be under the spotlight.

The State's GSDP has registered a robust post-pandemic growth of 12.01% in 2021-22, mostly spurred by rapid growth in tourism-related segments like hotels and restaurants. This is also higher than the national growth rate, which stood at 8.7%. Domestic production, which was valued at ₹7,99,571 crore in 2020-21, increased to ₹9,01,998 crore in 2021-22, indicating the State's gradual emergence from the worrisome shadows cast by the floods and the COVID-19 pandemic, Mr. Balagopal said. The growth rate is all the more notable given Kerala's achievement in the face of hardships resulting from the curbs imposed by the Centre on borrowing and denial of the State's eligible tax share, he said. Kerala has also been showing steady growth in GST revenues over the past few months. In October 2022, the State recorded 29% growth over October 2021, according to data released by the Union Finance Ministry. The year-on-year growth has been consistently over 25% since May this year.

But there are a number of unresolved issues that worry the Left government — primarily the Union government's stand on borrowings by the Kerala Infrastructure Investment Fund Board (KIIFB), a Special Purpose Vehicle for mobilising funds for infrastructure projects; and the Kerala Social Security Pension Ltd (KSSPL). The State's contention that these borrowings constitute merely 'contingent liabilities' and not direct liabilities of the State is yet to be accepted by the Centre.

The Comptroller and Auditor General (CAG) of India had also flagged the issue in the last two audit reports on State finances, warning that unbridled "off-budget borrowings" could plunge Kerala into a debt trap later on.

In its audit report for the year that ended in March 2021, the CAG noted that the fiscal liabilities of the State rose by 62.51% since 2016-17, taking the overall debt — with KIIFB and KSSPL liabilities included — up to ₹ 3,24,855.06 crore. Firm on its stand, the Centre has reduced ₹14,312.80 crore from the available open market borrowing space of the State. The amount is to be deducted in four annual instalments.

In a risk analysis of State finances in June, the Reserve Bank of India (RBI) had listed Kerala among the States with the highest debt burden. "These States will need to undertake significant corrective steps to stabilise their debt levels," the RBI had observed.

Experts point out that it all boils down to whether Kerala can keep its debt liabilities on a sustainable level while pushing up own revenue. In a draft approach paper to the 14th Five-Year Plan (2022-27), the State Planning Board observed that resource mobilisation for the period would prove a daunting task.

In a fiscal scenario of such exacting dimensions, resource mobilisation is likely to be an overarching theme of the 2023-24 State budget, set to be presented early next year. The Kerala government has set in motion measures for improving efficiency in tax collection and curbing evasion by overhauling the State GST Department and offering incentives for prompt payment. How these measures play out against mounting expenditures — a predicament that Kerala has been grappling with for some time now — remains to be seen. https://www.thehindu.com/opinion/op-ed/why-the-kerala-economy-is-under-the-spotlight/article66195337.ece

3. Why Protests Are Intensifying Against Adani Port in Vizhinjam *(outlookindia.com)* 28 NOV 2022

The Kerala Police on Monday filed cases against more than 3,000 people, including women and children, who allegedly attacked a police station on Saturday, demanding the release of those jailed for protesting against and stalling work the under-construction $900 million Adani port, Vizhinjam international seaport project.

Close to 80 people, including 36 policemen were injured in the violence by mostly a Christian fishing community that has halted work on the port for three months now. In the FIR, the police have said their department incurred a loss of Rs 85 lakh in the attack.

Events of November 26-27 weekend

The protestors had on Saturday allegedly blocked trucks carrying construction material to the port project site, being developed by the Adani group. Reports said 25 trucks carrying granite rocks to the project site were forced to go away and another 25 trucks, at the project site, were not allowed to leave the premises. Work had resumed after a court directive last week reportedly gave the go-ahead to constructing.

On Sunday, the state police lodged an FIR against at least 15 Latin Catholic priests, including metropolitan Archbishop Thomas J Netto and Perera. Following this, 3,000 agitators barged into the Vizhinjam police station, around 20 km from the city, attacked police vehicles and damaged police station property using sticks and bricks.

The FIR that there was a loss of around Rs 85 lakh due to the attack. Sections of IPC including 143 (unlawful assembly), 147 (rioting), 120-B (criminal conspiracy), 447 (criminal trespass) and 353 (Assault on public servant) have been invoked.

What is the Vizhinjam port project

The port, being built under a Public Private Partnership (PPP) model with Adani Ports Private Limited at Vizhinjam near Thiruvananthapuram, since December 2015 has since missed its completion deadline.

The ultramodern port will have 30 berths and be designed to handle giant container ships. It's strategic location that is close to major international shipping routes, is expected to compete with Colombo, Singapore, and Dubai for a share of trans-shipment traffic.

The Comptroller and Auditor General of India report in the 2017 Kerala assembly stated that the concession agreement was not favourable to the state government, as out of Rs 7,525 crore, the Adani Group will only invest Rs 2,454 crore. The state and the central governments will have to bear the remaining costs.

The court had multiple times asked the protesters not to block the road to the port premises and have asked the government to remove the shed erected by the agitators as part of their protests. However, the government had on November 7 told the court it was unable to demolish the protest tents at the port due to the presence of children, pregnant women and aged people among the agitators.

Communal flavour

For over three months, construction work had stopped as protestors, said to be led by mostly Catholic priests, had reportedly erected a large shelter blocking its entrance, saying the port's development had caused coastal erosion and deprived them of their livelihoods. Fisherfolk and priests, including the archbishop of the Latin Archdiocese of Trivandum have been charged with attempt to murder, rioting, trespass, criminal conspiracy and obstructing public servants from carrying.

However, a local people's action committee has extended support to the Adani project. It has political backing from BJP and CPI(M), and moral support from Hindu outfits like the upper caste Nair Service Society, Sree Narayana Dharma Paripalana Yogam, and Vaikunda Swami Dharma Pracharana. Senior CPI(M) leader and state education minister V Sivankutty has blamed the Latin Catholic Church. BJP state president K Surendran said that the Latin Catholic diocese of Tuticorin that had organised the protest against the Kudankulam nuclear power plant near Kanyakumari in Tamil Nadu, were behind the Vizhinjam protest.

Fishing community protests

For four months now, fishermen have stalled construction work on the port and held massive protests against the project, claiming it will cause massive sea erosion, and destroy their houses and profession. The protesters have been alleging that the unscientific construction of groynes, the artificial sea walls as part of the upcoming port at Vizhinjam, was one of the reasons for the increasing coastal erosion. They have made the following seven-point demand:

-Conduct an impact study and shelf the project till the report is out.
-Rehabilitation of families who lost their homes to sea rage.
-Compensation for loved ones in fishing accidents.
-Financial aid to fisherfolk on days weather warnings are issued.
-Subsidise kerosene.
-A mechanism to dredge the Muthalappozhi fishing harbour in Anchuthengu in Thiruvananthapuram district.
-Effective steps to mitigate coastal erosion.

The government has conceded all demands except the kerosene subsidy and halting the construction of the port. https://www.outlookindia.com/national/explained-why-protests-are-intensifying-against-adani-port-in-vizhinjam-news-240786

4. Protests against Adani port in Vizhinjam: All you need to know *(indianexpress.com)* November 28, 2022

The protests against Adani Group's Vizhinjam International Seaport Limited in Kerala continued to simmer Monday, with the police booking 3,000 people in connection with fishermen attacking a police station the previous night.

As many as 36 policemen and around 20 agitators were injured in the violence, which rocked the Vizhinjam region on Sunday night. In the FIR, the police have said their department incurred a loss of Rs 85 lakh in the attack.

What is the Vizhinjam port project and why are fisherfolk protesting against it? Why is the agitation acquiring a communal hue? We explain.

What is the Adani group's Vizhinjam port project
Then foundation stone of the the Rs 7,525 crore port, being built under a Public Private Partnership (PPP) model with Adani Ports Private Limited at Vizhinjam on near Thiruvananthapuram, was laid by then Kerala Chief Minister Oommen Chandy in December 2015. It has since missed its completion deadline.

The port is to have 30 berths, and will be able to handle giant "megamax" container ships. The Adani Group has said the ultramodern port, located close to major international shipping routes, will boost India's economy. Its location is also of strategic importance, the project's supporters have claimed. The port is expected to compete with Colombo, Singapore, and Dubai for a share of trans-shipment traffic.

According to the Vizhinjam International Seaport website, the port's advantages are "availability of a 20m contour within one nautical mile from the coast; minimal littoral drift along the coast, hardly any maintenance dredging required; links to national/regional road, rail network; and proximity to international shipping routes."

Why fisherfolk are protesting
Fisherfolk have been protesting against the project for the past four months, alleging that its construction is causing massive sea erosion, taking away their livelihood and dwellings. They want an impact study conducted and the project to remain suspended until the study report comes out.

The project construction resumed Saturday after a Kerala High Court order allowed it to, causing the standoff that led to Sunday's violence.

The fishing community has also put forward six other demands: (i) rehabilitation of families who lost their homes to sea erosion, (ii) effective steps to mitigate coastal erosion, (iii) financial assistance to fisherfolk on days weather warnings are issued, (iv) compensation to families of those who lose their lives in fishing accidents, (v) subsidised kerosene, and (vi) a mechanism to dredge the Muthalappozhi fishing harbour in Anchuthengu in Thiruvananthapuram district.

The kerosense subsidy has been demanded by claiming that because of the project, fishermen have to venture deeper into the ocean for catch, increasing the fuel cost burden.

The government has conceded all demands except the kerosene subsidy and halting the construction of the port.

Communal divide

While the fishermen's protests are being supported by the Latin Catholic Church, a local people's action committee is demanding speedy completion of the project. This committee has the backing of various Hindu community outfits like the upper caste Nair Service Society, besides OBC Hindu organisation like the Sree Narayana Dharma Paripalana Yogam, as well as the Vaikunda Swami Dharma Pracharana, which has a considerable presence among the Nadar community in southern Kerala.

Opponents BJP and CPI(M) have made common cause over the port project, criticising the protesters.

Senior CPI(M) leader and state education minister V Sivankutty has blamed the Latin Catholic Church, alleging there is a bid to create a riot. Pro-Left media in the state had also alleged involvement of foreign funding behind the fishermen's agitation.

BJP state president K Surendran has said the forces that had organised the protest against the Kudankulam nuclear power plant near Kanyakumari in Tamil Nadu, were behind the Vizhinjam protest. The Kudankulam protest was spearheaded by the Latin Catholic diocese of Tuticorin.

What the govt has said

The government claims that the port will not cause coastal erosion.

On Monday, Kerala Port Development Minister Ahamed Devarkovil said an all-party meeting would be held over the issue.
"The district collector was asked to convene an all-party meeting to ensure peace in the region. He would also hold discussions with the agitators. The issue is coming up before the high court on Monday. The government would also consider the outcome from the high court before deciding further action. The agitators had given an assurance at the high court that they would not obstruct the construction. Now, that assurance to the court has been breached,'' he said.

Questions over financial viability

Apart from the fishermen's protests, the port project has also faced questions of financial viability.

The report of the Comptroller and Auditor General of India, tabled in the Kerala assembly in 2017, had said the conditions of the concession agreement were not favourable to the state government. "Out of a total project cost of Rs 7,525 crore, the Adani Group needs to invest only Rs 2,454 crore. The rest of the cost would be borne by the state and the central governments," it had said.

The CAG had said that the standard concession period for PPP projects was 30 years, but the Vizhinjam project concessionaire had been given an extra 10 years, which would allow it to reap an additional revenue of Rs 29,127 crore. https://indianexpress.com/article/explained/protests-adani-port-vizhinjam-8294433/

5. Odisha's per capita loan burden stands at Rs 22,042: Minister *(argusnews.in)* November 28, 2022

Bhubaneswar, Nov 28: Odisha's per capita loan burden stood at Rs 22,042 by the end of Financial Year 2021-22, informed Finance Minister Niranjan Pujari in the State Assembly today.

Citing a CAG report, the Minister informed the House that the State had a total loan burden of Rs 97,205.3 crore by the end of the last fiscal and, this year, the State Government has planned to incur a further loan of Rs 25,589 crore.

In the current year 2022-23 budget, it has also been provisioned to repay loan of Rs 14,001.31 crore during the current year, the Minister said.

The State Government has targeted to make a revenue collection of Rs 1,63,966.52 crore this current fiscal, said Pujari.

Pujari informed all these in response to a question of BJD MLA Prafulla Samal. https://argusnews.in/article/odisha/odisha%E2%80%99s-per-capital-loan-burden-stands-at-rs-22042-minister

6. Nagaland AG organises activities for Audit Awareness Week *(morungexpress.com)* November 28, 2022

Dimapur: An inter-college 'Duet Singing Competition' for colleges located in and around Kohima was organised on November 23 by the office of the Principal Accountant General, Nagaland.

The event which was held at the State Academy Hall was part of the annual Audit Diwas (November 16) and the subsequent nationwide Audit Awareness Week, informed a press release received here on Monday.

The objective behind this is to celebrate the long and illustrious history of the organisation of the Comptroller & Auditor General of India, its evolution and recognise the contribution of the organisation to the governance of the country. It is also an opportunity to reach out to the stakeholders, strengthen the relationship and enhance the organisation's relevance in building accountability and transparency in public governance, the release stated.

The competition was for both in Hindi and English. The judges for the competition were Ameu Usou Zao, Adjunct Faculty, Nagaland College of Music and Fine Arts; Dr Wenyitso Kapfo, Assistant Professor, Department of Botany, Kohima Science College (Autonomous); and Temjentiba, Senior Announcer, All India Radio.

In the English category, Vevezo Curha and Sangroshi of St Joseph's College (Autonomous) came first and won Rs 20,000 with certificates while the second prize of Rs 15,000 with certificates went to Keduovituo Peseyie and Gya Te-u Marhu of Nagaland College of Music & Fine Arts.

Tajenyuba Kichutzar and Yongyo of Kohima Law College won the third prize and took home Rs 10,000 with certificates.

For the Hindi category, the first prize winners were Keduovituo Peseyie and Gya Te-u Marhu of Nagaland College of Music & Fine Arts (Rs 20,000 with certificates), Huralu and Akenyu Semp of Kohima Science College (Autonomous) came second (Rs 15,000 with certificates), while Muzhimu and Shosinle Himb of Kohima College won the third prize (Rs 10,000 with certificates)

Consolation prizes (Rs 1,000 with certificate) were given to all participants, the release stated.

Meanwhile, an outreach mission to Mokokchung town was organised on November 25 in the Town Hall.

Mokokchung Deputy Commissioner Shashank Pratap Singh welcomed the gathering while AP Chophy, IA&AS, Principal Accountant General shared the significance of the observance of Audit Diwas and Audit Awareness Week.

Kahoto J Yepthomi, IA&AS, Senior Deputy Accountant General (A&E) gave a PowerPoint presentation on Audit, Accounts, and Entitlement functions, the release stated.

On the occasion, 64 numbers of personal copies along with 64 numbers of Treasury copies of the Pension Payment Order from Mokokchung, Wokha and Zunheboto were issued. In addition, 24 numbers of Revision of Pension authorities were also issued.

Many departments having outstanding Audit Paras/Inspection Reports also took the opportunity to discuss and interact with the AG staff to settle the same, the release stated. https://www.morungexpress.com/nagaland-ag-organises-activities-for-audit-awareness-week

7. PPSC CHAIRMAN INAUGURATES CAG CHANDIGARH'S SWACHHTA ABHIYAAN *(face2news.com)* November 28, 2022

On the occasion of weeklong celebrations of Audit Diwas, a Swachhata Abhiyan is being held today in the Audit Pool Colony, Sector 41 & 42 and Defence Colony, Sector 32 under the tutelage of various field offices of Comptrollor and Auditor General of India situated in Chandigarh.

Sh Jagbans Singh, Chariman, Punjab Publice Service Commission inaugurated the one day drive of cleanliness and urged the employees of the department to take care of its surrounding and environment. He stressed that India is in dire need of a cleanliness drive like Swachhata Abhiyan to eradicate dirtiness as its very important for the overall development of citizens in terms of health and well-being.

During the drive, Sh Jagbans Singh, Chariman, Punjab Publice Service Commission, Ms Nazli J. Shayin, Accountant General (Audit) Punjab, Sh. Shailendra Vikram Singh, Principal Accountant General (A&E), Haryana and sh venkatnathan Pr Director Defence Services also planted a tree sapling to make the environment cleaner.

Ms Nazli J. Shayin, Accountant General (Audit) Punjab, reiterated that the aim of this swachhata abhiyan is to generate awareness among the citizens about sanitation and its association with health. She stressed that when we will dispose of waste properly and recycled the waste, it will develop the country as a whole.

During the drive, Sh Jagbans Singh, Chariman, Punjab Publice Service Commission, Ms Nazli J. Shayin, Accountant General (Audit) Punjab, Sh. Shailendra Vikram Singh, Principal Accountant General (A&E), Haryana and sh venkatnathan Pr Director Defence Services also planted a tree sapling to make the environment cleaner.

Former Deputy Mayor Sh Hardeep Singh, area councillor of sector 41 and Sh Jasbir Singh Bunty, area councilor of sector 42 were also present in their respective wards during the swachhata abhiyan and apprised the stakeholders of necessity to protect our environment for ourselves and future generation.

Employees of the colony and residents of sectors actively participated in this drive with much enthusiasm and cleaned the environment in and around the societies. Twenty bins of garbage for dry and wet waste were also put up in various places in the colony, so that the people don't litter the waste in open. http://www.face2news.com/news/84334-ppsc-chairman-inaugurates-cag-chandigarh%E2%80%99s-swachhta-abhiyaan.aspx

8. कलकत्ता हाईकोर्ट ने मनरेगा में धांधली के आरोप वाली जनहित याचिका प र बंगाल सरकार से हलफनामा मांगा *(bhaskarhindi.com)* Nov 28, 2022

कलकत्ता हाईकोर्ट की एक खंडपीठ ने सोमवार को पश्चिम बंगाल विधानसभा में विपक्ष के नेता शुभेंदु अधिकारी द्वारा दायर एक जनहित याचिका के संबंध में पश्चिम बंगाल सरकार से एक हलफनामा मांगा। याचिका में केंद्र प्रायोजित दो योजनाओं में धांधली का आरोप लगाया गया है।

विचाराधीन दो योजनाएं हैं - महात्मा गांधी राष्ट्रीय ग्रामीण रोजगार गारंटी अधिनियम (मनरेगा) और प्रधानमंत्री आवास योजना (पीएमएवाई)।मुख्य न्यायाधीश प्रकाश श्रीवास्तव और न्यायमूर्ति राजर्षि भारद्वाज की खंडपीठ के समक्ष यह मामला सुनवाई के लिए आया।

अधिकारी के वकील सौम्या भट्टाचार्य ने तर्क दिया कि पश्चिम बंगाल में मनरेगा योजना के तहत धन का गंभीर रूप से गबन हुआ है।उन्होंने तर्क दिया, ग्रामीण विकास मंत्रालय ने सूचित किया है कि मनरेगा के तहत करोड़ों रुपये जाली दस्तावेजों को प्रस्तुत करके डायवर्ट किए गए हैं। जॉब-कार्ड धारकों की मास्टर-भूमिका में गंभीर विसंगतियां हैं।

जनहित याचिका में एक पक्ष, केंद्र सरकार की ओर से पेश अतिरिक्त सॉलिसिटर जनरल अशोक चक्रवर्ती ने आरोप लगाया कि आरोप गंभीर हैं, क्योंकि केंद्र प्रायोजित योजनाओं के तहत धन का अनुचित उपयोग भारतीय संविधान का उल्लंघन है।

हालांकि, राज्य के महाधिवक्ता सौमेंद्र नाथ मुखर्जी ने आरोपों का खंडन किया और दावा किया कि यह राजनीति से प्रेरित जनहित याचिका है।मुखर्जी ने अदालत से कहा, गौर किया जाना चाहिए याचिकाकर्ता भाजपा नेता और विपक्ष के नेता हैं। राज्य सरकार को हलफनामे के रूप में अपना तर्क पेश करने के लिए कुछ समय चाहिए।

खंडपीठ ने सभी पक्षों को सुनने के बाद राज्य सरकार को 20 दिसंबर को होने वाली अगली सुनवाई से पहले हलफनामा दायर करने का निर्देश दिया। पीठ ने अतिरिक्त महाधिवक्ता को इस मामले में ग्रामीण विकास मंत्रालय के विस्तृत विचार प्रस्तुत करने का भी निर्देश दिया।

अधिकारी ने हाल ही में पश्चिम बंगाल में मनरेगा योजना के कार्यान्वयन में भ्रष्टाचार की जांच केंद्रीय जांच ब्यूरो (सीबीआई) या प्रवर्तन निदेशालय (ईडी) जैसी किसी केंद्रीय एजेंसी से कराने के लिए केंद्र सरकार को पत्र लिखा था। उन्होंने मामले में भारत के नियंत्रक एवं महालेखा परीक्षक (सीएजी) द्वारा ऑडिट के लिए भी कहा था। https://www.bhaskarhindi.com/politics/news/calcutta-high-court-seeks-affidavit-from-bengal-government-on-pil-alleging-rigging-in-mnrega-430613

SELECTED NEWS ITEMS/ARTICLES FOR READING

9. Too little, too late? Climate investment lags need by 4% of global GDP – Latest report highlights fund crunch *(financialexpress.com)* November 29, 2022

A sharper prioritisation of climate finance flows along differentiated financing pathways is required, considering impact potential and distance to commercial viability. (Photo: Pixabay)
Against an annual financing demand of $7.6 trillion for climate action over 2020-50, only $650 billion of investment was available, from all sources, in 2019 and 2020. As per KPMG's recently released report — Closing the climate finance gap — that represents a funding gap of close to 4% of the global GDP against what is needed to limit warming by 2100 to below 1.5 degrees Celsius from the pre-industrial levels.

Within the demand matrix projected over 2020-2050, energy and transport dominate with a 44% and 34% share, respectively, with building and infrastructure accounting for 11% and industry for 5%. Other demand-sources for climate funding account for just 6%. Against this, in 2019 and 2020, energy accounted for 51%, while transport got 25%. Buildings and infrastructure accounted for 8% and industry a mere 0.5%. Adaptation—crucial for survival for the most climate-vulnerable nations in the worst-case scenario—got 8%.

The KPMG report also says that current financing remains narrowly concentrated by geography. It lists five immediate obstacles. First, the diversity in financing needs is challenging, especially when read with a limited pipeline of bankable opportunities. For instance, while there is considerable opportunity in the renewable energy space, technologies for several hard-to-abate sectors are still evolving and conventional financing sees "elevated risk" in these. Second, policy is yet to keep up with financing needs in some sectors, which is worsened by the fiscal capacity of governments, and regulatory deficiencies, especially in developing economies. Third, socio-political challenges in phasing out regressive subsidies and in creating broad-based carbon pricing frameworks add to the resource crunch. Fourth, information architecture to support climate action, including information, disclosures, and taxonomies, still remain inadequate. And lastly, cross-border flows from developed economies into emerging markets and developing economies (EMDEs) fall short of the mark. Also, there are near-term headwinds, including inflation, debt overhang and rising interest rates that are elevating risk profiles. The report calls for action on five fronts. First, a sharper prioritisation of climate finance flows along differentiated financing pathways is required, considering impact potential and distance to commercial viability. Second, it said significant government action is needed to bridge existing policy gaps. Third, structural reforms to deepen financial markets and diversify investor base, while strengthening risk management architecture, are needed urgently. Fourth, functioning carbon markets are the need of the hour, along with a harmonised ESG taxonomy and disclosures. Lastly, EMDEs should be co-opted into climate agenda covering cross-border financial flows, technology transfers, etc. The role for government in facilitating meaningful climate action is stark, experts believe. Anish De, global head for energy, natural resources, and chemicals (ENRC), KPMG, said, "Deeper collaboration at scale among governments, multi-laterals, corporates and financial institutions will be crucial." https://www.financialexpress.com/economy/too-little-too-late-climate-investment-lags-need-by-4-of-global-gdp-latest-report-highlights-fund-crunch/2895110/

10. Expert panel to restructure MGNREGS *(financialexpress.com)* November 29, 2022

The rural development ministry has set up an expert panel to study effectiveness of Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGAS) in poverty alleviation and suggest measures for improving implementation of mega job guarantee scheme.

The nine member expert panel is chaired by Amarjeet Sinha, former secretary, ministry of rural development and the panel is to give its report in the next three months.

The panel will also examine expenditure trends across various states and identify reasons for variations in NREGS expenditure and the panel would also redesign work opportunities available under this scheme.

"The expert panel will recommend institutional mechanisms, including governance and administrative structures, for more effective utilization of funds under MGNREGS especially to address poverty," Nagendra Nath Sinha, secretary, ministry of rural development, told FE.

Other members of the panel include Sekhar Bonu, Director General, Development Monitoring and Evaluation Office, Niti Aayog, Sonalde Desai, Director, NCAER-National Data Innovation Centre and Amit Kataria, Joint Secretary, NREGS.

The government's expenditure on rural development is the largest allocation under the social sector scheme. In 2021-22, Rs 0.98 trillion was spent under NREGS and in the current Rs 0.73 trillion has been budgeted for the job guarantee scheme. The government had spent a record Rs 1.1 trillion under NREGS in FY21.

Sources said that NREGS spending in economically poorer states such as Bihar and Odisha, has been lower than states such as Rajasthan and Tamil Nadu.

Because of COVID19 pandemic, demands for work under NREGS rose sharply. According to official data, in 2020-21 person days of work generation rose to 389 crore from 265 crore in the previous fiscal. Last fiscal persondays work generated was 363 crore.

Under NREGS, which was launched in 2006, guarantees 100 days of work to each rural household per annum. The scheme allows workers to be associated with various assets creation activities such as road construction, ponds, rejuvenation of water bodies amongst others. https://www.financialexpress.com/economy/expert-panel-to-restructure-mgnregs/2894898/

11. To reduce unnecessary expenditure, key govt panels may recalibrate central scheme *(financialexpress.com)* November 29, 2022

In order to reduce unnecessary expenditure, the Niti Aayog and the Economic Advisory Council to the Prime Minister are jointly reviewing all central sector and centrally-sponsored schemes, which account for 40-50% of the annual Budget.

There are about 740 central sector schemes (CS) and 50 centrally-sponsored schemes (CSS), which accounted for Rs 16.2 trillion or 41% of the FY23 Budget of Rs 39.4 trillion.

The government wants to cut down the number of schemes, merge them or set sunset clauses to stop running them indefinitely.

"Many schemes overlap. Most of the schemes do not have a sunset clause and their outcomes can't be measured easily," a senior official told FE.

For example, the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) was rolled out in April 2020 for three months to give succour to people after Covid-19 broke out. Under the scheme, more than 81.35 crore people are eligible for 5 kg free wheat/rice per person per month – a family of five will receive about 25 kg grains free-of-cost in addition to the 25 kg the family is entitled to receive at Rs 2/kg under the National Food Security Act (NFSA).

It was later extended till November end of 2020. The scheme was re-introduced in May 2021 in the wake of the second wave of the pandemic and then got extended till FY22 end. Even though the distress level has come down, the scheme was extended till December of FY23 at a cost of over Rs 1.2 trillion, given assembly elections in many states.

"There was no need to launch a separate scheme (PMGKAY) as it is often politically difficult to roll back schemes. The extra benefits could have been simply extended to the NFSA beneficiaries for a desirable period," the official said.

Concerns arise because even after some recent consolidation, specific-purpose transfers have been channelled through a large number of discretionary cost-sharing CSS and fully-funded CS schemes. They are not generally linked to outcomes and are process-based.

Similarly, the fertiliser subsidy, which might cost the Centre about Rs 2.5 trillion in FY23, needs to be rejigged to bring down the burden on the fisc.

The Pradhan Mantri Gram Sadak Yojana was a well-designed CSS to connect every village with pucca roads and was intended to be there for ten years when it was launched in 2000. Even after 20 years, there is no sunset clause set for it even though most villages are now connected with pucca roads.

The concerns result, in part, from a large number of schemes, their concurrence with state responsibilities and their burdensome matching requirements, especially for states with lower fiscal capacity.

"It will be difficult to close down any scheme before general elections (in early 2024). But, one will see substantial action on rationalisation of CS and CSS after that," another official said.

Officials reckon that there is a strong need to build institutional capacity in the states and shift to well-designed output-based transfers while rationalising the multiplicity of central schemes. https://www.financialexpress.com/economy/to-reduce-unnecessary-expenditure-key-govt-panels-may-recalibrate-central-scheme/2895026/

12. Govt gets Rs 5,001 crore dividend from ONGC; total dividend from CPSEs reaches Rs 23,797 crore so far in FY23 *(indianexpress.com)* November 28, 2022

As per gudielines, CPSEs are required to pay a minimum annual dividend of 30 per cent of profit after tax (PAT) or 5 per cent of net worth, whichever is higher.

The government has received about Rs 5,001 crore as dividend tranche from ONGC, taking the total dividend receipt from all CPSEs (Central Public Sector Enterprises) so far this fiscal to Rs 23,797 crore.

"The government has received about Rs 5,001 crore from ONGC as dividend tranche," Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey tweeted.

The DIPAM, in 2020, advised CPSEs to follow a consistent dividend policy and strive to pay higher dividends taking into account factors like profitability, capex requirements, cash/reserve and net worth.

As per gudielines, CPSEs are required to pay a minimum annual dividend of 30 per cent of profit after tax (PAT) or 5 per cent of net worth, whichever is higher.

The total dividend receipts so far this fiscal stood at Rs 23,796.55 crore, as per DIPAM website. https://indianexpress.com/article/business/companies/govt-gets-rs-5001-crore-dividend-from-ongc-total-dividend-from-cpses-reaches-rs-23797-crore-so-far-in-fy23-8294454/

13. 235 critical road infrastructure projects shortlisted under GatiShakti *(business-standard.com)* November 28, 2022

The GatiShakti division of the government, headed by Commerce Minister Piyush Goyal, has shortlisted 235 critical road infrastructure projects for immediate monitoring and execution.

These will be overseen by the ministry of road transport and highways (MoRTH) on a priority basis.

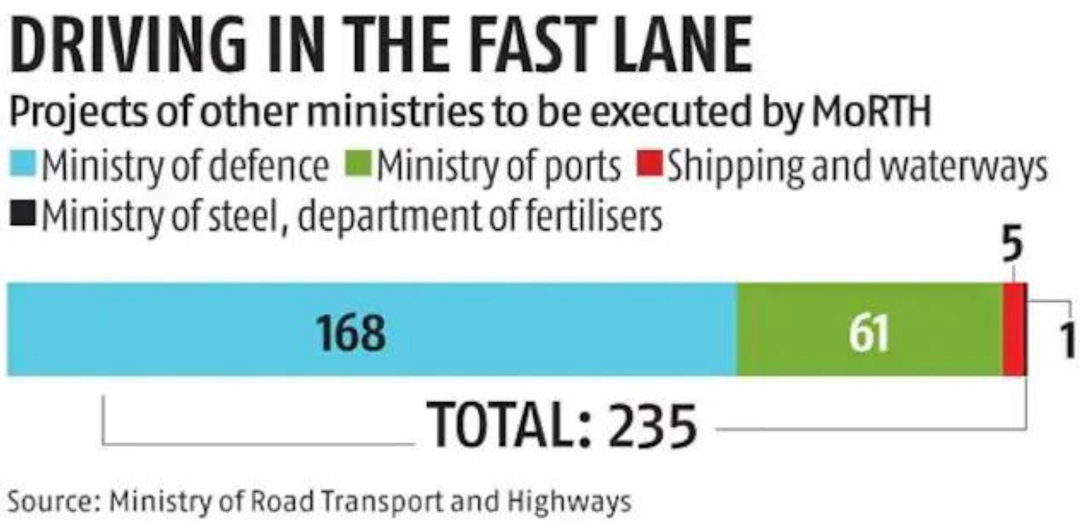
This development took place at a Prime Minister GatiShakti National Master Plan (NMP) review meeting held on November 16. The division, conceived amid the need for better infrastructure planning, looks mainly at critical connectivity projects in need of coordinated execution.

The move assumes significance as MoRTH has previously been criticised for not acting expeditiously on road projects of other ministries.

In June, it was pulled up by the GatiShakti empowered group of secretaries for significant delays in port connectivity projects. The latest list also consists of 68 projects for the shipping ministry.

“These action items would be reviewed internally in the ministry and also at the level of secretary (road transport & highways) on a regular basis henceforth,” MoRTH said in a circular.

Goyal also sought immediate action on awarding many of these projects.



Implementing agencies of MoRTH, such as the National Highways Authority of India (NHAI), have been asked to create a month-wise action plan for awarding of projects. It should be “with specific focus on maximising award by December 2022 and March 2023.”

For instance, 168 of the 235 projects have to be completed for the ministry of defence. Border Roads Organisation (BRO) typically takes up international connectivity and border infrastructure projects.

The Centre also wants more compliance from infrastructure ministries on the usage of GatiShakti NMP digital platform for project updates and monitoring.

A standard operating procedure (SOP) is in the works for field officers and consultants for usage during finalisation of project reports.

Over 50,000 km of alignment for proposed road networks also has to be finalised by implementing agencies of the MoRTH.

As of December 2021, roads spanning 1,282 km have been awarded under the ministry's flagship Bharatmala programme. However, actual construction stands at 1,120 km, according to data by MoRTH. The initial target for border road construction was 2,000 km.

The GatiShakti NMP has been formed to remove connectivity bottlenecks that have led to escalation in the cost of logistics. This often arose due to execution by the government in departmental silos.

The Centre wants to bring the cost of logistics down to 6-7 per cent of India's GDP. This will make exports more competitive. https://www.business-standard.com/article/economy-policy/235-road-infra-projects-shortlisted-for-execution-under-gatishakti-122112801034_1.html

14. Focus on clean coal for now, not zero coal *(financialexpress.com)* November 29, 2022

India launched the auction of 141 commercial coal mines in the week before COP 27. Given the stigma attached with coal, it will be difficult to attract large developers, particularly those whose banks have pledged to not support businesses associated with the sector. At COP27, India rightly called out the step-treatment of coal among fossil fuels, underlining the fact that much of the developed world has access to affordable oil and gas, along with hydro or nuclear power. However, there is a lot more to be done domestically to make coal cheaper and less polluting.

The Indian coal sector suffers from three problems. Mines do not produce enough. Our logistics are in a mess. Coal mining, transport and usage is very polluting. All three problems share a characteristic: there is no single solution. We liken them to three Ravanas. The three multi-headed demons can't be killed by one arrow each.

India imported 24% (by weight; more by calorific content) of its coal requirement. The problem is not our coal reserves, but that the rate at which we mine coal is quite slow. While Coal India reminds us that annual coal production has grown 8X since the nationalisation of the sector, the government of India was urging power plants to import coal to avoid shutdowns.

Though domestic coal is cheaper than imported coal, it is still expensive because of the inefficiencies and rent-seeking across the value chain. Inefficiency in coal mining is only one of the contributors to high cost. Coal logistics is the second. The landed cost of coal at Mettur

Thermal Power Plant in Tamil Nadu, for example, is more than 5X the cost of coal at the mine. In the past, states wanted power plants within their boundaries, to have "energy security". Though the transmission system across the country has grown and strengthened manifold, states are still reluctant to shut down these power plants. While India's pit-head capacity has been growing, our coal transport need (in billion tonne-kms) has not been reducing. Considering the low calorific content of Indian coal, a large quantity of useless dust is also being carried across the country. Further, the freight rate increases by the Indian Railways over time have led to coal transport being among the most expensive. Rail transport is expensive, and insufficient—51% of coal is transported by road.

It is not the Railways alone that is pricing in its monopoly power. In the example of Mettur Thermal Power Plant, the cost increase due to transport is 3X. The rest is due to taxes and royalties, which cost as much as the mining costs. The duties and royalties, under various names, are collected by state governments as well as by the central government. The governments are so addicted to the revenue from coal that even the privatisation process is designed to maximise revenue to the government, and not minimise cost to the users. The winner of each coal mine is decided based on whoever offers to pay the highest share of their revenues to the government. Thus, there is an incentive for the government to enable the private miners to charge higher prices. Remember, the high transport cost implies that a competitive market for coal is not possible, except in small geographies; so, it cannot be left to the market forces to drive prices down. The notified price of public sector mines is expected to act as a cap on the pricing power of private mines.

Coal is implicated in climate change, being the largest source of carbon dioxide emissions. More visible, local and immediate is the air-pollution impact of coal. While Delhi regularly makes it to the headlines, air pollution due to mining and transport of coal impacts the health of millions of others. There are several ways to reduce this, which are not adequately deployed yet. Long distance transport of coal requires more fossil fuel consumption, leading to more carbon emissions. Old power coal plants not being shut down, nor being equipped by pollution control equipment, cause both more carbon emissions and more pollution.

There are loud voices in favour of a carbon tax, which will increase the cost of coal but will unlikely have any impact on coal consumption in the near term. But there is hardly any voice for reducing coal costs. The cost of coal reflects in electricity tariffs, which are kept high for industries and commercial consumers (the job creators), and low for constituencies that have political relevance. The distribution companies, who represent the electricity consumers in the electricity market, do not have the institutional credibility to be heard. The power generators are barely able to enforce coal quality assurance in their coal supply contracts, and happily pass through the costs in their tariffs.

Similarly, the voices for cleaner coal mining, transport and consumption are drowned out by the chant of no-new-coal. Coal sector investments need to be de-stigmatised, so that private investments can flow into more efficient mining and combustion of coal. https://www.financialexpress.com/opinion/focus-on-clean-coal-for-now-not-zero-coal/2895011/

15. DBT for agriculture input subsidies: Need in India and challenges thereof *(business-standard.com)* November 29, 2022

Recently, when a group of farmers and agriculture sector experts met with the Finance Minister for the annual pre-budget meeting, one striking point was the demand for the transfer of major input subsidies through the Direct Benefit Transfer (DBT) mode which many favoured as a way out in controlling fiscal slippages.

The demand was also relevant in view of the long and persistent problem of administering inputs subsidies directly to the beneficiaries rather than routing them through intermediaries.

In India subsidies on most inputs are not given directly to farmers. Instead, farmers receive a subsidised supply of inputs, and the difference between the actual cost of supplying and the price paid by the farmers is reimbursed to the suppliers (which can be the state governments in the case of electricity and water, companies in the case of fertilisers and banks in case of interest subvention).

So, what could be the per hectare input subsidy if it is transferred directly into the bank account of farmers and what could be the challenges in administering the same?

Subsidies versus Investment
As per an estimate by the National Institute of Agriculture Economics and Policy Research (NIAEPR), a body under the Indian Council of Agriculture Research (ICAR), as of 2019-20 levels, India gave around Rs 2.20 trillion as inputs subsidies to farmers, which includes both Centre and states combined.

The subsidies constitute around 18 per cent of the cost of production of an average farmer, which does not include labour.

Of this estimated subsidy around 36 per cent is fertiliser subsidy, 37 per cent is power subsidy (both Centre and states combined), 7 per cent is interest subvention on short-term crop loans and the other 21 per cent.

Other studies done by NITI Aayog member and eminent agriculture economist Ramesh Chand show that almost 80-90 per cent of the agriculture subsidies go to the crop sector in the form of fertiliser and power subsidies while its share in the agriculture Gross Value Added (GVA) is just around 11.5 per cent.

Also, over the years, the share of power subsidies to agriculture as a proportion of total subsidies has risen from 15 per cent to almost 36 per cent now.

And, while the share of subsidies as a percentage of GVA of agriculture has risen steadily the share of public investments to the same has gone down, which shows that much of the spending in agriculture is by way of inputs subsidies while the investments are going down which could be highly problematic in the long run.

Between 2016-17 and 2020-21, while the share of public investments in GVA of agriculture and allied activities has gone down from 2.63 per cent to 2.13 per cent, the share of subsidies in the same has risen from 6.31 per cent to 6.93 per cent.

The skewed matrix calls for reimagining the input subsidies for agriculture and allied activities.

DBT amount

So what could be the per hectare inputs subsidies if all is transferred through DBT? A rough back-of-the-envelope calculation shows that it could be somewhere around Rs 15,835 per hectare at 2019-20 levels on a net sown area basis. The net sown area in India is around 140-141 million hectares per annum.

Extrapolating the same calculation at 2022-23 levels would mean a DBT transfer of around Rs 23,000-24,000 per hectare.

Implementation and Challenges

While implementing DBT on input subsidies is advisable, as per some experts, it is riddled with multiple challenges, complexities and roadblocks.

Experts said that a per hectare inputs subsidy transfer through DBT will need to hammer out the problems associated with variation in input use at the micro-level, varying composition of input requirements of different farmers, and problems in merging subsidies of the Centre and state governments.

Additionally, adjusting the per hectare subsidy rates to inflation as prices will keep on fluctuating every now and then and also complexities due to cost variation and differential rate of subsidy to fertiliser manufacturers could be highly challenging too.

Another major problem in this is distinguishing between tenant cultivators and those who just own the land but do not cultivate it.

According to some reports as per the National Statistical Office's (NSO) 'Situation Assessment of Agricultural Households' survey for 2018-19, 17.3 per cent out of the total estimated 101.98 million operational holdings (i.e. farms) in rural India were leased lands.

While the share of such leased-in lands in the total area used for agricultural production was 13 per cent, in the previous surveys, NSO had pegged the share of leased-in holdings at 11.3 per cent and 6.5 per cent respectively.

This clearly means that the share of leased land in India's total estimated operational holdings has been rising over the years, ignoring such a large portion of cultivators from any DBT calculation would be imprudent.

The actual number of tenant holdings or leased holdings is much more as several experts said that most of these leases are oral and do not have recorded details.

Former CACP chairman, Late Tajmul Haque in a study showed that almost 57 per cent of the leased land in kharif season and 54 per cent in the rabi season were on short-term leases and did not have tenurial security or stability.

The Centre's PM-KISAN platform and the proposed data stack to be built on that along with Kisan Credit Card (KCC) details could provide a fair idea and starting point as to who could be the beneficiaries of this DBT transfer of inputs subsidy, but the fact that it represents only those who own land, the process could be highly inadequate.

Agriculture Subsidies, 2019-20- Some facts

-Amount of input subsidies to agriculture: Rs 2.20 lakh crore (37 per cent of total subsidies).

-Subsidies constitute 18 per cent of the input cost of an avg farmer (including labour)

-Of the total input subsidies, 37 per cent is power subsidies at the 2019-20 levels

-Of the total inputs subsidies, 36 per cent is fertiliser subsidies, while 7 per cent is interest subvention subsidy at 2019-20 levels

-If all of this is transferred directly into the bank account of farmers at 2019-20 levels, it would mean a transfer of Rs 15,835 per hectare (on a net sown area basis)
Source: NIAEPR https://www.business-standard.com/article/economy-policy/dbt-for-agriculture-input-subsidies-need-in-india-and-challenges-thereof-122112801158_1.html

16. A slip in India's growth potential *(thehindubusinessline.com)* November 28, 2022

Tracing the movement of GDP and its components in the last decade, this article suggests steps to make our economy attain a high growth path. For this purpose, three distinct phases of growth post 2011-12 have been analysed. In the first phase till Q3 of 2016-17 growth averaged 7.2 per cent in 19 quarters. The second phase, from Q4 of 2016 -17 to Q1 of 2020-21, showed an average growth of 5.7 per cent. The third phase from Q2 of 2021 showed a V-shaped recovery followed by moderation. Cyclical and structural factors have played a role in these three phases of growth. We believe the overall growth in 2022-23 would be around 6.5-7 per cent. Demonetisation, GST and Covid might have played a role in either accelerating or reducing the effects of structural change.

The purpose here is to analyse if if growth is aligned to its potential during these three phases. Estimating output gap is difficult, not because it can only be observed, but it is also dynamic. Based on both Hedrick-Prescott (HP) filter (which separates the short term from the long term) and auto regressive integrated moving averages (ARIMA) studies and along with economic indicators approach (which uses past observed relationships for assessment of the future), we conclude that the potential of our economy is currently below 6 per cent. ARIMA studies point to a potential output of less than 6 per cent for 2021-26.

While assessing fluctuations of components of growth during this period, we find wide fluctuations in growth patterns for industries, comprising utilities, manufacturing and construction, while in the case of services, they were more range bound. There has been relatively stable growth in services partly because most of these are non-traded, and hence insulated from global changes.

Credit and capital formation
Deceleration in the growth of industry is closely related to the growth of fixed capital formation. This is in turn because of lower revenue growth and persistence of continued revenue deficit of governments, which constrained capital formation. Non-food credit (NFC) as ratio of GDP declined until Q4 of 2017-18, but witnessed an upsurge later due to moratorium on repayment and EMIs during the pandemic.

The informal sector had difficulty in accessing resources and problems in real estate impacted construction activities. Export growth in the entire period was less than the GDP growth, though it was volatile. Demonetisation and GST roll-out did really help in recovery of growth of exports. In the last four quarters, exports have performed well.

Gross fixed capital formation (GFCF) showed a downturn in the last three quarters of 2021-22. Growth in GFCF was even lower during 2012-15. Private final consumption expenditure (PFCE) was range bound during this decade except in the first two quarters of 2020-21. But, a longer period of growth slowdown from Q1 2016-17 cannot be attributed to PFCE and GFCF only.

On the influence of institutional credit on demand side factors, NFC as per cent to GDP decelerated from Q2 of 2014-15 till Q3 of 2018-19. Its moderation in 2016-19 would be partly due to demonetisation and GST roll-out. An assessment of private consumption expenditure shows that the composition has not undergone any change in recent years.

An analysis of investment reveals that in 2011-21, non-financial corporate sector made nearly three quarters of investment from internal accruals. Surprisingly, its share in capital formation declined from 46.7 per cent in 2011-12 to 32.3 per cent in 2020-21. Surplus funds with unincorporated enterprises and household witnessed steady increase during this period. As a result, net financing from household sector increased from 21 per cent of total investment in 2011-12 to 45 per cent in 2020-21.

GDP parameters as per institutions

	2011-12	2014-15	2015-16	2016-17
Share of capital formation to GVA (per cent)				
Total	39.5	35.3	33.6	32.1
Non finance corporates	46.7	44.4	45.3	39.6
Household	37.7	29.4	24	26.1
Government	38.6	40.1	41.5	42.5
Institutional share in capital formation (per cent)				
Non finance corporates	45.8	50.3	55.2	50.8
Household	43.3	37.2	31.2	35.6
Government	9.6	10.8	11.9	12.9
Net savings of household sector after meeting own investment as per cent to total capital formation				
	21	23	27	27

	2017-18	2018-19	2019-20	2020-21
Share of capital formation to GVA (per cent)				
Total	32.6	34.3	32	29.1
Non finance corporates	38.7	41	38.7	32.3
Household	28.5	30.5	27.8	26.1
Government	40.1	39.4	38.6	41.7
Institutional share in capital formation (per cent)				
Non finance corporates	48.1	48.5	48.1	43.8
Household	38.5	39.2	38.7	39
Government	12.3	11.5	12.2	15.8
Net savings of household sector after meeting own investment as per cent to total capital formation				
	27	26	28	45

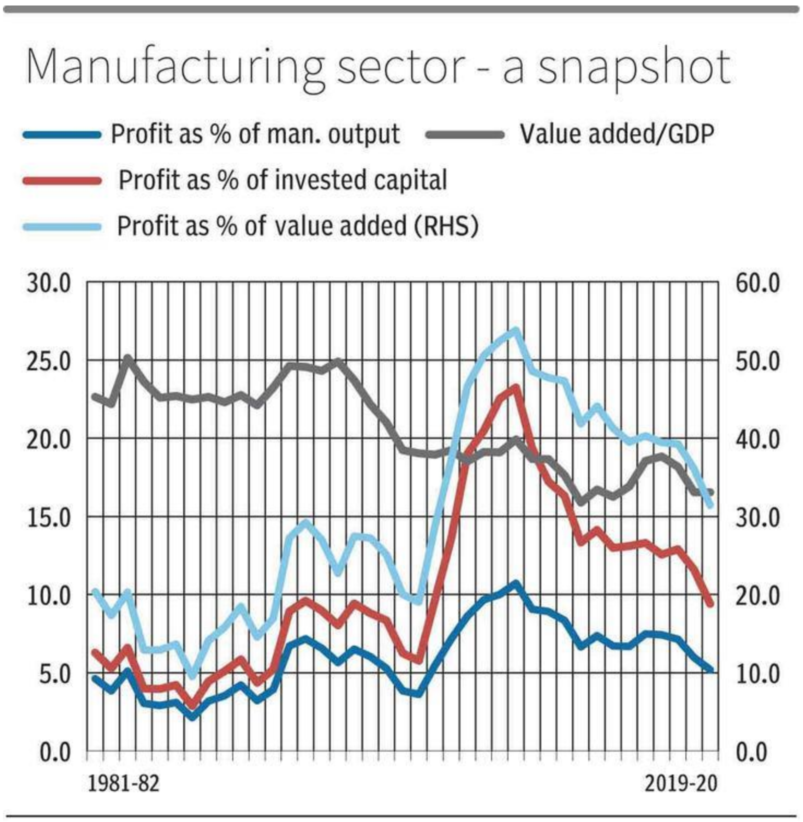
Source: Ministry of Statistics, Press Note, January 31, 2022

A large number of persons have emerged as non-participants in the labour force for quite some time. It is even worse in females across the country at 50 per cent of the level of their male counterpart. From PLFS 2021 we see an inverse relationship between level of education and employment.

Expectations play a role in investment decisions. The RBI conducts periodic surveys on business expectations, consumer confidence and business assessment. The expectation index has gone muted in Q4 of 2021-22. Business assessment indicators show that they are lagging business expectation indicators. Consumer confidence is also not showing any buoyancy from Q1 of 2019-20. Capacity utilisation has remained sticky at around 70 per cent. Since life of a product has shortened, capacity utilisation surveys must cover new entrants. Static capacity utilisation even during pent-up demand clearances shows excess capacity is available. This depresses new capital formation.

Incremental Capital Output ratio (ICOR) is a surrogate measure of efficiency of the economy. In the first phase of growth, ICOR was 4.51 and in the second phase, it reached 5.52. If gross capital formation remains at 30-32 per cent, 6.0-6.2 per cent can be the likely achievable growth over the medium term. Formalisation of the economy and sectoral shift to services in general can lower ICOR.

Structural factors
The ratio of manufacturing value added to output has declined from 25 per cent during 1983-94 to 16.6 per cent in 2019-20. High resources intensity of consumables has led to this situation. Industry can, therefore, hardly afford to invest in technology, innovation and compensation of skilled workers. Schemes like Make In India and Product Linked Incentives should distinguish between assembling and manufacturing.



Source: Annual Survey of Industries

Economic recovery is the function of three Es — buoyant expectations, expansion in expenditure on investment, and consumption and efficiency in use of resources. Currently forward-looking confidence level indicates that serious structural and cyclical measures are required to be taken by the Government to boost investment. Manufacturing and services are also seen to be less efficient. So, an accelerated growth in investment and consumption is required to shift the economic growth trajectory upwards.

Consumer sentiments in the medium term can be improved through stable policy regime, improving law and order, taking measures for ease of doing business, improving innovation, facilitating openness in the economy, including in trade regime, creating stability and predictability of tax regimes, developing and enhancing efficiency of infrastructure, solving problems of specified sectors besides improving labour force participation.

A 5 percentage point increase in labour participation rate could increase GDP growth by 0.71 per cent. Political, religious and social leaders should put their heads together to facilitate increase in labour force participation and more so in female labour force participation. https://www.thehindubusinessline.com/opinion/a-slip-in-indias-growth-potential/article66196950.ece

17. Economists press Centre to widen states' capex scheme *(livemint.com)* NOVEMBER 28, 2022

India's leading economists on Monday recommended measures, including expansion of the state capital expenditure scheme, introduction of urban employment guarantee scheme, and tax incentives to stimulate growth during a pre-budget meeting with Union finance minister Nirmala Sitharaman on Monday.

The last of the series of pre-budget 2023-24 meetings discussed ways to sustain economic growth recovery in the face of growing headwinds from the external economy, people aware of the development said.

The economists have also recommended a reduction in customs duty to help domestic industry, which is facing high cost of imports.

Some of them also suggested that the government ensure predictability in disinvestment timing to ensure private sector interest.

"Some economists were of the view that the government should expand the state capital expenditure scheme next year to stimulate private investment. Capex essentially acts as a multiplier for the economy.

Besides, the view was also that it is important to insulate the economy. Hence, self-reliance initiatives should continue," said one of the persons mentioned above on condition of anonymity.

The Union government had allocated ₹1 trillion as interest-free 50-year capital expenditure loans for states for 2022-23 to be spent on new or ongoing projects.

Most economists asked the government to stick to a medium-term fiscal deficit glide path. The government aims to lower the fiscal deficit to 3.5% of gross domestic product (GDP) by 2025-26.

Fiscal deficit is estimated at 6.4% of GDP in the current fiscal.

Economists were giving suggestions for the Union budget to be presented on 1 February.

The economists who attended the meeting with Sitharaman the included N. R. Bhanumurthy, vice-chancellor, Dr. BR Ambedkar School of Economics University; Ashwani Mahajan, national co-convener, Swadeshi Jagaran Manch; Poonam Gupta, director general, National Council of Applied Economic Research; Ashima Goyal of the Indira Gandhi Institute of Development Research; Aditi Nayar, chief economist, ICRA; Santanu Sengupta, chief India economist, Goldman Sachs; and Madan Sabnavis, chief economist, Bank of Baroda.

The meeting was also attended by ministers of state for finance Pankaj Chaudhary and Bhagwat Karad, finance secretary T.V. Somanathan, chief economic advisor Anantha Nageswaran, as well as other senior government officials.

S &P Global Ratings on Monday cut India's economic growth forecast for the ongoing fiscal by 30 basis points to 7% amid slowing global growth. The rating company, however, said India would be less impacted than other countries because of resilient domestic demand, which is the main driver of economic growth.

"Asia-Pacific will be vulnerable to foreign exchange stress in 2023. High US interest rates and significant current account deficits in some countries create vulnerability. Policymakers have managed currency strains so far. However, the possibility of a currency crunch and capital flight may yet rattle one or more emerging markets in 2023," the S&P report said. https://www.livemint.com/economy/economists-press-centre-to-widen-states-capex-scheme-11669657604544.html

18. How clean are the books of our banks? *(moneycontrol.com)* NOVEMBER 29, 2022

Banks have waded past the worst phase of the last bad loan cycle at this point, at least that's the sense one gets from the numbers reported. A loan becomes bad if there is no repayment of interest for a period of 90 days. But, as we find it, much of this improvement is due to sizeable loan write-offs in the recent years.

Consider this: According to official data, loans worth over Rs 8 lakh crore has been written off in the last decade. Also, there are cases that have been pushed to the bankruptcy courts (typically large corporate NPAs) that too helped lenders show a better balance sheet.

What is a loan write-off? A loan is written off when all hopes of recovery is lost and banks just want to take the burden off their books and start afresh. But, this comes at a price. Every written off loan needs to be provided fully which translates into impact on profitability.

But, after the write off, banks have a much cleaner balance sheet. Percentage of gross non-performing assets (GNPAs) to total loan book declines and hence the NPA figures fall. This doesn't mean all is well. Banks have taken a hit already. So one needs to see the improvement in current NPA numbers in this backdrop.

According to the Reserve Bank of India (RBI) financial stability report for June 2022, the gross non-performing asset (NPA) ratio of banks fell to six-year low of 5.9 percent in March 2022. The net non-performing assets (NNPA) ratio fell to 1.7 percent in March 2022.

But, is real recovery happening? Not in a big way, really. Take the case, for example, the progress (or lack of it) of the corporate loan resolution at Insolvency and bankruptcy courts. According to a CARE analysis, the cumulative recovery rate under the insolvency resolution processes of debt-ridden companies declined to 30.18 percent at the end of the September quarter, indicating that the lenders took more haircut on their exposure.

The recovery rate has fallen steeply from a peak of 43 percent in Q1 FY20. Of the Rs 7,90,626.2 crore claims from the financial creditors admitted by various benches of the National Company Law Tribunal (NCLT), only Rs 2,43,452.5 crore or 30.18 percent have been recovered till the end of Q2 FY23, as per an analysis of the IBBI data done by Care Ratings.

In fact, distressed companies liquidated under the bankruptcy code have far outnumbered those rescued till now. Beginning December 2016 till March 2022, 47 percent of corporate insolvency processes went into liquidation, compared with 14 percent that ended in a resolution plan, according to the data.

To quantify, out of a total of 5,258 corporate insolvency proceedings initiated under the code till March, only 3,406 have been closed. Among those closed, as many as 1,609 proceedings have ordered liquidation, while 480 have ended in approval of resolution plans. The overall recovery rate implies a haircut of around 70 percent for the lenders.

So, the point is the cleaner books of banks are largely a product of smart adjustments rather than genuine improvement in economic conditions.

So, what next?

The next round of NPAs can happen, according to experienced industry watchers, over the next few years if economic recovery doesn't happen as expected. Every cycle of aggressive lending typically succeeds a phase of bad loan spike if economies do not fare well and unemployment rises.

Right now, we are probably at a phase of aggressive credit growth. On a year-on-year basis, non-food bank credit registered a growth of 16.9 percent in September 2022 as against 6.8 percent a year ago. Credit to industry climbed 12.6 percent in September 2022 as against 1.7 percent in September 2021, while the personal loans segment grew by 19.6 percent in September 2022 - up from 13.2 percent a year ago.

Even education loans are going up pretty fast. According to the Reserve Bank of India (RBI) data, banks' education loans grew at 12 percent in the 12 months ended September 30, 2022. This is compared with just 1 percent growth in the previous 12 months. If one looks at the variation in the financial year, so far, growth in education loans stood at 8.2 percent compared with 2.3 percent in the previous comparable period. In absolute terms, outstanding education loans of Indian banks stood at Rs 89,537 crore as on September 23, 2022, compared with Rs 79,917 crore a year ago.

Some of these growth figures can also be partly attributed to base effect but what we know for sure is that banks have started loosening their purse strings generously after a gap of few years of extreme caution.

There is a risk side to it and a fairly big one.

The economy is not doing well, really, at least now. India's Gross Domestic Product (GDP) growth is expected to more than halve to 6.3 percent in the second quarter of 2022-23 from the first quarter, according to the median of estimates by 15 economists polled by Moneycontrol. The Indian economy had grown by 13.5 percent in April-June but that’s largely due to a favourable base effect.

On the other hand, unemployment is on the rise. The unemployment rate in India rose to 7.77 percent in October compared to a four-year low of 6.43 percent in September, data from Centre for Monitoring Indian Economy (CMIE) show.

In this backdrop, an aggressive pick-up in credit growth could backfire in later years if the economy doesn’t do well and banks may have to get ready for another round of bad loan cleanup exercise, something like what Raghuram Rajan-led RBI had initiated in 2015-2016 under the asset quality review. Only time will tell. https://www.moneycontrol.com/news/business/banking-central-how-clean-are-the-books-of-our-banks-9618321.html