

NEWS ITEMS ON CAG/ AUDIT REPORTS (on 11.05.2023)

- 1. Resources need to be efficiently utilised to make India developed nation:**
CAG ([financialexpress.com](https://www.financialexpress.com)) May 10, 2023

“We are trying to expedite the entire process of development. It requires that resources are efficiently and effectively used,” the CAG said.

Comptroller & Auditor General of India (CAG) Girish Chandra Murmu has emphasised that India’s resources have to be efficiently utilised for the country to become a fully developed nation. Speaking at a conclave on the Management Issues in Railway Public Enterprises on Tuesday, he said that India is already the fastest-growing major economy in the world.”It has one of the largest railway networks, which is crucial to the country’s overall transport and logistic planning.

“While the Railways has a lot of responsibilities and makes immense contributions to the economy, the conclave will enable us to hold more meaningful interactions to create an efficient economy,” the CAG said. Murmu said that every government entity has been created with an intention and certain corporations have been created for special purposes. But at the end, “we must achieve a meaningful reform. There should be accountability and responsibility in terms of financial accounting and performance accounting. We are talking about the economics of returns and the ease of doing business, which are equally important”, he added.

He further said the auditor’s job is to look at what the different mandates of Railways are, and how you are performing not only in terms of capital deployment, but also how it is affecting returns.

“When resources are invested, it is our duty to look at it in the interest of building our country. We are trying to expedite the entire process of development. It requires that resources are efficiently and effectively used,” the CAG said.

Murmu also said that corporate governance matters have to be followed by the PSUs of the Railways, and added there is also a need to study the economic returns instead of financial returns of the PSUs. Chairman and CEO Railway Board other senior officers of the Railway Board and the PSUs of Indian Railways as well as senior officers of the CAG office participated in the conclave. In all, there are 46 PSUs in Railways. <https://www.financialexpress.com/economy/resources-need-to-be-efficiently-utilised-to-make-india-developed-nation-cag/3082385/>

2. Need to revisit current railway projects, says CAG Murmu (thehindu.com, madrastribune.com) May 11, 2023

Comptroller and Auditor General (CAG) Girish Chandra Murmu said on Wednesday said there was a need to revisit current railway projects in order to ensure economy efficiency and transparency in the functioning leading to good governance.

Speaking at a conclave on the Management Issues in Railway Public Enterprises, Mr. Murmu said corporate governance matters had to be followed by the public sector undertakings (PSUs) of the Railways. “There is also a need to study the economic returns instead of financial returns of the PSUs. Usually, there are issues of cost overruns and time overruns and these have to be monitored...,” he said.

Stating that India was already the fastest growing economy in the world, according to a CAG release, Mr. Murmu said the country had one of the largest railway networks which was crucial for its overall transport and logistic planning. “While the Railways has a lot of responsibilities and makes immense contributions to the economy, the conclave will enable us to hold more meaningful interactions to create an efficient economy,” he said.

Mr. Murmu said every government entity had been created with an intention and certain corporations had been established for special purposes. However, a meaningful reform was a must. “There should be accountability and responsibility in terms of financial accounting and performance accounting. We are talking about the economics of returns and the ease of doing business, which are equally important,” he said.

The CAG said: “The auditor’s job is to look at what the different mandates of Railways are, and how you are performing not only in terms of capital deployment, but also how it is affecting returns. When resources are invested, it is our duty to look at it in the interest of building our country. We are trying to expedite the entire process of development. It requires that resources are efficiently and effectively used.”

‘Meaningful audit reports’

Stating that the “universe and scope of audit” needed to be expanded and cooperation of the Indian Railways and its PSUs would be important for bringing out meaningful audit reports, Mr. Murmu said audit should not simply remain “silent observations”; it should rather contribute to better governance.

“Effectiveness of audit and the impact of audit helps in good governance as CAG’s motto is to have public interest served,” he said.

Deputy CAG (Railways) Ila Singh said at a recent meeting the CAG had observed that there were big infrastructure development challenges and non-conventional issues such as debt management in Railways and these should be taken up more comprehensively.

There are 46 PSUs in the Railways, of which 17 PSUs and two autonomous bodies are attending the present conclave. The focus of discussions are: raising funds and financing railway assets and projects; operational plan, debt management risks faced by the Railway PSUs; operational plan and risks faced by the Railway PSUs; management of debt taken for the creation of Railway assets; and challenges and opportunities in digitisation of the sector.
<https://www.thehindu.com/news/national/need-to-revisit-current-railway-projects-says-cag-murmu/article66835347.ece>

3. Need to revisit railway projects: CAG Murmu (aninews.in, theprint.in, lokmattimes.com, latestly.com, bignewsnetwork.com, devdiscourse.com, news.webindia123.com) May 10, 2023

India’s resources have to be efficiently utilised for the country to become a fully developed nation, said Girish Chandra Murmu, the Comptroller and Auditor General of India (CAG), on Tuesday.

Speaking at a conclave on the Management Issues in Railway Public Enterprises here in the national capital, Murmu said that “India is already the fastest growing economy in the world. It has one of the largest railway networks, which is crucial to the country’s overall transport and logistic planning. While the Railways has a lot of responsibilities and makes immense contributions to the economy, the conclave will enable us to hold more meaningful interactions to create an efficient economy.”

He said that every government entity has been created with an intention and certain corporations have been created for special purposes.

“But at the end, we must achieve a meaningful reform. There should be accountability and responsibility in terms of financial accounting and performance accounting. We are talking about the economics of returns and the ease of doing business, which is equally important,” the CAG said.

He added, “The auditor’s job is to look at what the different mandates of Railways are, and how you are performing not only in terms of capital deployment but also how it is affecting returns. When resources are invested, it is our duty to look at them in the interest of building our country. We are trying to expedite the entire process of development. It requires that resources are efficiently and effectively used.

CAG Murmu said that corporate governance matters have to be followed by the PSUs of the Railways.

“There is also a need to study the economic returns instead of the financial returns of the PSUs. Usually, there are issues of cost overruns and time overruns and these have to be monitored, he added. There has to be economic efficiency and transparency in the functioning leading to good governance. In fact, there is a need to revisit the current projects,” he said.

The CAG added, “The universe and scope of audit need to be expanded and cooperation of the Indian Railways and its PSUs would be important for bringing out meaningful audit reports.” Murmu further stated that audits should not simply remain ‘silent observations’; rather, it should contribute to better governance. The effectiveness of audit and the impact of audit helps in good governance as CAG’s motto is to have public interest served”.

Speaking on the occasion Deputy CAG (Railways), Ila Singh stated that at a similar meeting a few days back CAG observed that there are big infrastructure development challenges and non-conventional issues like debt management in Railways and these should be taken up more comprehensively.

“In all, there are 46 PSUs in Railways of which 17 PSUs and 2 Autonomous bodies attending this conclave. She further stated that the focus of discussions are raising funds and financing railway assets and projects, Operational Plan, debt management risks faced by the Railway PSUs, (3) Operational Plan and risks faced by the Railway PSUs, management of debt taken for the creation of Railway Assets and challenges and opportunities in digitization in Railway Sector,” he said.

Chairman and CEO Railway Board other senior officers of the Railway Board and the PSUs of Indian Railways as well as senior officers of the CAG office participated in the conclave.

<https://www.aninews.in/news/national/politics/need-to-revisit-railway-projects-cag-murmu20230510195044/>

4. Resources Need To Be Efficiently Utilised To Make India Developed Nation: CAG (outlookindia.com, ptinews.com, timesofindia.indiatimes.com, latestly.com, newsdrum.in) May 11, 2023

Comptroller & Auditor General of India (CAG) Girish Chandra Murmu has emphasised that India's resources have to be efficiently utilised for the country to become a fully developed nation.

Speaking at a conclave on the Management Issues in Railway Public Enterprises on Tuesday, he said that India is already the fastest-growing major economy in the world.

"It has one of the largest railway networks, which is crucial to the country's overall transport and logistic planning.

"While the Railways has a lot of responsibilities and makes immense contributions to the economy, the conclave will enable us to hold more meaningful interactions to create an efficient economy," the CAG said.

Murmu said that every government entity has been created with an intention and certain corporations have been created for special purposes.

But at the end, "we must achieve a meaningful reform. There should be accountability and responsibility in terms of financial accounting and performance accounting. We are talking about the economics of returns and the ease of doing business, which are equally important", he added.

He further said the auditor's job is to look at what the different mandates of Railways are, and how you are performing not only in terms of capital deployment, but also how it is affecting returns.

"When resources are invested, it is our duty to look at it in the interest of building our country. We are trying to expedite the entire process of development. It requires that resources are efficiently and effectively used," the CAG said.

Murmu also said that corporate governance matters have to be followed by the PSUs of the Railways, and added there is also a need to study the economic returns instead of financial returns of the PSUs.

Chairman and CEO Railway Board other senior officers of the Railway Board and the PSUs of Indian Railways as well as senior officers of the CAG office participated in the conclave.

In all, there are 46 PSUs in Railways.
<https://www.outlookindia.com/business/resources-need-to-be-efficiently-utilised-to-make-india-developed-nation-cag-news-285343>

**5. देश को विकसित राष्ट्र बनाने के लिए संसाधनों के वुशल उपयोग की जरूरत :
वैग (virarjun.com) May 11, 2023**

भारत के नियंत्रक एवं महालेखापरीक्षक (वैग) श्री गिरीश चंद्र मुर्मू ने मंगलवार को नई दिल्ली में कहा कि देश को पूर्ण विकसित राष्ट्र बनने के लिए भारत के संसाधनों का वुशलतापूर्वक उपयोग करना होगा।

रेलवे सार्वजनिक उद्यमों में प्रबंधन के मुद्दों पर एक सम्मेलन में बोलते हुए, श्री मुर्मू ने कहा कि भारत पहले से ही दुनिया में सबसे तेजी से बढ़ती अर्थव्यवस्था है। इसका सबसे बड़ा रेलवे नेटवर्क है, जो देश के समग्र परिवहन और रसद योजना के लिए महत्वपूर्ण है। जबकि रेलवे के पास बहुत सारी जिम्मेदारियां हैं और अर्थव्यवस्था में बहुत बड़ा योगदान देता है, कॉन्क्लेव हमें एक वुशल अर्थव्यवस्था बनाने के लिए और अधिक सार्थक बातचीत करने में सक्षम करेगा। श्री मुर्मू ने कहा कि हर सरकारी संस्था एक सोच के साथ बनाई गई है और कुछ निगम विशेष उद्देश्यों के लिए बनाए गए हैं। लेकिन अंत में, हमें एक सार्थक सुधार हासिल करना चाहिए। वित्तीय लेखांकन और प्रदर्शन लेखांकन के संदर्भ में उत्तरदायित्व और उत्तरदायित्व होना चाहिए। हम रिटर्न के अर्थशास्त्र और व्यापार करने में आसानी के बारे में बात कर रहे हैं, जो समान रूप से महत्वपूर्ण हैं।

वैग ने कहा, ऑडिटर का काम यह देखना है कि रेलवे के विभिन्न शासनादेश क्या हैं, और न केवल पूंजी परिनियोजन के संदर्भ में आप वैसा प्रदर्शन कर रहे हैं, बल्कि यह भी कि यह रिटर्न को कैसे प्रभावित कर रहा है। जब संसाधनों का निवेश किया जाता है, तो यह हमारा कर्तव्य है कि हम इसे अपने देश के निर्माण के हित में देखें।
<https://epapervirarjun.com/epapermain.aspx>

6. भारत को विकसित राष्ट्र बनाने के लिए संसाधनों के कुशल उपयोग की जरूरत: कैग (ibc24.in, punjabkesari.com) May 10, 2023

भारत के नियंत्रक एवं महालेखा परीक्षक (सीएजी) गिरीश चंद्र मुर्मू ने कहा है कि भारत को पूर्ण रूप से विकसित राष्ट्र बनाने के लिए देश के संसाधनों का कुशलतापूर्वक उपयोग करने की जरूरत है।

मंगलवार को रेलवे सार्वजनिक उपक्रम में प्रबंधन मुद्दे विषय पर एक सम्मेलन को संबोधित करते हुए उन्होंने कहा कि भारत पहले से ही दुनिया में सबसे तेजी से बढ़ने वाली प्रमुख अर्थव्यवस्था है।

उन्होंने कहा, “इसका रेलवे नेटवर्क दुनिया में सबसे बड़े नेटवर्क में शामिल है, जो देश के समग्र परिवहन और लॉजिस्टिक्स योजना के लिए महत्वपूर्ण है।”
<https://www.ibc24.in/business/need-efficient-use-of-resources-to-make-india-a-developed-nation-cag-1539401.html>

7. रेलवे परियोजनाओं पर फिर से विचार करने की आवश्यकता: CAG मुर्मू (punjabkesari.com) May 10, 2023

यातायात के संसाधन मात्र यात्रा करने का साधन भर नहीं है। ये जरिया है अपनों की अपनों से दूरिया कम करने का किसी को समय से ड्यूटी पर पुहचाने का। सबसे किफायती यातायात का साधन है रेलवे दूरी कम हो ज्यादा ओर साधनों के मुकाबले सबसे सही साधन भारतीय रेल है। दुनिया का बड़े रेलवे नेटवर्क में एक है भारत का रेल नेटवर्क।

भारत पहले से ही दुनिया की सबसे तेजी से बढ़ती अर्थव्यवस्था

भारत के नियंत्रक और महालेखा परीक्षक (कैग) गिरीश चंद्र मुर्मू ने मंगलवार को कहा कि देश को पूर्ण विकसित राष्ट्र बनने के लिए भारत के संसाधनों का कुशलतापूर्वक उपयोग किया जाना चाहिए। मुर्मू ने यहां राष्ट्रीय राजधानी में रेलवे सार्वजनिक उद्यमों में प्रबंधन के मुद्दों पर एक सम्मेलन में कहा कि “भारत पहले से ही दुनिया की सबसे तेजी से बढ़ती अर्थव्यवस्था है। इसके पास सबसे बड़े रेलवे नेटवर्क में से एक है, जो देश के समग्र परिवहन के लिए महत्वपूर्ण है।” और लॉजिस्टिक प्लानिंग। जबकि रेलवे के पास बहुत सारी जिम्मेदारियां हैं और अर्थव्यवस्था में बहुत बड़ा योगदान देता है, कॉन्क्लेव हमें एक कुशल अर्थव्यवस्था बनाने के लिए और अधिक सार्थक बातचीत करने में सक्षम करेगा। उन्होंने कहा कि हर सरकारी संस्था एक इरादे से बनाई गई है और कुछ निगम विशेष उद्देश्यों के लिए बनाए गए हैं।

हम विकास की पूरी प्रक्रिया को तेज करने की कोशिश कर रहे

लेकिन अंत में, हमें एक सार्थक सुधार प्राप्त करना चाहिए। वित्तीय लेखांकन और प्रदर्शन लेखांकन के संदर्भ में जवाबदेही और जिम्मेदारी होनी चाहिए। हम रिटर्न के अर्थशास्त्र और व्यापार करने में आसानी के बारे में बात कर रहे हैं, जो समान रूप से महत्वपूर्ण है। उन्होंने कहा, "ऑडिटर का काम यह देखना है कि रेलवे के विभिन्न जनादेश क्या हैं, और न केवल पूंजी परिनियोजन के संदर्भ में आप कैसा प्रदर्शन कर रहे हैं, बल्कि यह भी कि यह रिटर्न को कैसे प्रभावित कर रहा है। जब संसाधनों का निवेश किया जाता है, तो यह देखना हमारा कर्तव्य है हमारे देश के निर्माण के हित में उन पर। हम विकास की पूरी प्रक्रिया को तेज करने की कोशिश कर रहे हैं। इसके लिए आवश्यक है कि संसाधनों का कुशलतापूर्वक और प्रभावी ढंग से उपयोग किया जाए।

परियोजनाओं पर फिर से विचार करने की आवश्यकता

कैग मुर्मू ने कहा कि कॉरपोरेट गवर्नेंस के मामलों को रेलवे के पीएसयू को फॉलो करना होगा। सार्वजनिक उपक्रमों के वित्तीय रिटर्न के बजाय आर्थिक रिटर्न का अध्ययन करने की भी आवश्यकता है। आमतौर पर, लागत में वृद्धि और समय में वृद्धि के मुद्दे होते हैं और इन पर नजर रखी जानी चाहिए। आर्थिक दक्षता और पारदर्शिता होनी चाहिए।" कार्य सुशासन की ओर ले जाते हैं। वास्तव में, वर्तमान परियोजनाओं पर फिर से विचार करने की आवश्यकता है, "उन्होंने कहा।

कैग ने कहा, "ऑडिट के ब्रह्मांड और दायरे को विस्तारित करने की आवश्यकता है और सार्थक ऑडिट रिपोर्ट लाने के लिए भारतीय रेलवे और उसके सार्वजनिक उपक्रमों का सहयोग महत्वपूर्ण होगा।" मुर्मू ने आगे कहा कि ऑडिट को केवल 'मूक अवलोकन' नहीं रहना चाहिए; बल्कि, इसे बेहतर प्रशासन में योगदान देना चाहिए। लेखापरीक्षा की प्रभावशीलता और लेखापरीक्षा के प्रभाव से सुशासन में मदद मिलती है क्योंकि सीएजी का उद्देश्य जनहित की सेवा करना है।

रेलवे में बुनियादी ढांचे के विकास की बड़ी चुनौतियां

इस अवसर पर डिप्टी कैग (रेलवे) इला सिंह ने कहा कि कुछ दिन पहले इसी तरह की एक बैठक में कैग ने पाया कि रेलवे में बुनियादी ढांचे के विकास की बड़ी चुनौतियां और गैर-पारंपरिक मुद्दे हैं और इन्हें अधिक व्यापक रूप से लिया जाना चाहिए। कुल मिलाकर, रेलवे में 46 पीएसयू हैं, जिनमें से 17 पीएसयू और 2 स्वायत्त निकाय इस सम्मेलन में भाग ले रहे हैं। उन्होंने आगे कहा कि चर्चा का फोकस धन जुटाना और रेलवे की संपत्ति और

परियोजनाओं का वित्तपोषण, परिचालन योजना, रेलवे द्वारा सामना किए जाने वाले ऋण प्रबंधन जोखिम हैं। पीएसयू (3) परिचालन योजना और रेलवे पीएसयू द्वारा सामना किए जाने वाले जोखिम, रेलवे संपत्ति के निर्माण के लिए लिए गए ऋण का प्रबंधन और रेलवे क्षेत्र में डिजिटलीकरण में चुनौतियां और अवसर," उन्होंने कहा। रेलवे बोर्ड के अध्यक्ष और सीईओ रेलवे बोर्ड के अन्य वरिष्ठ अधिकारियों और भारतीय रेलवे के सार्वजनिक उपक्रमों के साथ-साथ सीएजी कार्यालय के वरिष्ठ अधिकारियों ने सम्मेलन में भाग लिया।
<https://punjabkesari.com/india-news/railway-projects-need-to-be-reconsidered-cag-murmu/>

8. रेलवे परियोजनाओं पर फिर से विचार करने की जरूरत: कैग मुर्मू (jantaserishta.com) May 10, 2023

भारत के नियंत्रक और महालेखा परीक्षक (सीएजी) गिरीश चंद्र मुर्मू ने मंगलवार को कहा कि देश को पूर्ण विकसित राष्ट्र बनने के लिए भारत के संसाधनों का कुशलतापूर्वक उपयोग किया जाना चाहिए।

मुर्मू ने यहां राष्ट्रीय राजधानी में रेलवे सार्वजनिक उद्यमों में प्रबंधन के मुद्दों पर एक सम्मेलन में कहा कि "भारत पहले से ही दुनिया की सबसे तेजी से बढ़ती अर्थव्यवस्था है। इसके पास सबसे बड़े रेलवे नेटवर्क में से एक है, जो देश के समग्र परिवहन के लिए महत्वपूर्ण है।" और लॉजिस्टिक प्लानिंग। जबकि रेलवे के पास बहुत सारी जिम्मेदारियां हैं और अर्थव्यवस्था में बहुत बड़ा योगदान देता है, कॉन्क्लेव हमें एक कुशल अर्थव्यवस्था बनाने के लिए और अधिक सार्थक बातचीत करने में सक्षम करेगा।

उन्होंने कहा कि हर सरकारी संस्था एक इरादे से बनाई गई है और कुछ निगम विशेष उद्देश्यों के लिए बनाए गए हैं।

"लेकिन अंत में, हमें एक सार्थक सुधार प्राप्त करना चाहिए। वित्तीय लेखांकन और प्रदर्शन लेखांकन के संदर्भ में जवाबदेही और जिम्मेदारी होनी चाहिए। हम रिटर्न के अर्थशास्त्र और व्यापार करने में आसानी के बारे में बात कर रहे हैं, जो समान रूप से महत्वपूर्ण है," कैग ने कहा।

उन्होंने कहा, "ऑडिटर का काम यह देखना है कि रेलवे के विभिन्न जनादेश क्या हैं, और न केवल पूंजी परिनियोजन के संदर्भ में आप कैसा प्रदर्शन कर रहे हैं, बल्कि यह भी कि यह रिटर्न को कैसे प्रभावित कर रहा है। जब संसाधनों का निवेश किया जाता है, तो यह देखना हमारा कर्तव्य है हमारे देश के निर्माण के हित में उन पर। हम विकास की पूरी प्रक्रिया को

तेज करने की कोशिश कर रहे हैं। इसके लिए आवश्यक है कि संसाधनों का कुशलतापूर्वक और प्रभावी ढंग से उपयोग किया जाए।

कैग मुर्मू ने कहा कि कॉरपोरेट गवर्नेंस के मामलों को रेलवे के पीएसयू को फॉलो करना होगा।

उन्होंने कहा, "सार्वजनिक उपक्रमों के वित्तीय रिटर्न के बजाय आर्थिक रिटर्न का अध्ययन करने की भी आवश्यकता है। आमतौर पर, लागत में वृद्धि और समय में वृद्धि के मुद्दे होते हैं और इन पर नजर रखी जानी चाहिए। आर्थिक दक्षता और पारदर्शिता होनी चाहिए।" कार्य सुशासन की ओर ले जाते हैं। वास्तव में, वर्तमान परियोजनाओं पर फिर से विचार करने की आवश्यकता है, "उन्होंने कहा।

कैग ने कहा, "ऑडिट के ब्रह्मांड और दायरे को विस्तारित करने की आवश्यकता है और सार्थक ऑडिट रिपोर्ट लाने के लिए भारतीय रेलवे और उसके सार्वजनिक उपक्रमों का सहयोग महत्वपूर्ण होगा।" मुर्मू ने आगे कहा कि ऑडिट को केवल 'मूक अवलोकन' नहीं रहना चाहिए; बल्कि, इसे बेहतर प्रशासन में योगदान देना चाहिए। लेखापरीक्षा की प्रभावशीलता और लेखापरीक्षा के प्रभाव से सुशासन में मदद मिलती है क्योंकि सीएजी का उद्देश्य जनहित की सेवा करना है।"

इस अवसर पर डिप्टी कैग (रेलवे) इला सिंह ने कहा कि कुछ दिन पहले इसी तरह की एक बैठक में कैग ने पाया कि रेलवे में बुनियादी ढांचे के विकास की बड़ी चुनौतियां और गैर-पारंपरिक मुद्दे हैं और इन्हें अधिक व्यापक रूप से लिया जाना चाहिए।

"कुल मिलाकर, रेलवे में 46 पीएसयू हैं, जिनमें से 17 पीएसयू और 2 स्वायत्त निकाय इस सम्मेलन में भाग ले रहे हैं। उन्होंने आगे कहा कि चर्चा का फोकस धन जुटाना और रेलवे की संपत्ति और परियोजनाओं का वित्तपोषण, परिचालन योजना, रेलवे द्वारा सामना किए जाने वाले ऋण प्रबंधन जोखिम हैं। पीएसयू, (3) परिचालन योजना और रेलवे पीएसयू द्वारा सामना किए जाने वाले जोखिम, रेलवे संपत्ति के निर्माण के लिए लिए गए ऋण का प्रबंधन और रेलवे क्षेत्र में डिजिटलीकरण में चुनौतियां और अवसर," उन्होंने कहा।

रेलवे बोर्ड के अध्यक्ष और सीईओ रेलवे बोर्ड के अन्य वरिष्ठ अधिकारियों और भारतीय रेलवे के सार्वजनिक उपक्रमों के साथ-साथ सीएजी कार्यालय के वरिष्ठ अधिकारियों ने सम्मेलन में भाग लिया। <https://jantaserishta.com/delhi-ncr/need-to-revisit-railway-projects-cag-murmu-2318554>

STATES NEWS ITEMS

9. CAG picks holes in Rs 7 crore MC road recarpeting in Chandigarh (timesofindia.indiatimes.com) May 11, 2023

CHANDIGARH: The Comptroller and Auditor General (CAG) has raised questions over recarpeting of roads costing Rs 7.01 crore in the city, pointing out that most of them were in "good condition" and asking both the UT administration and the municipal corporation (MC) to re-examine its method of classifying damaged roads.

A letter of the CAG to the UT administration said, "...the life of a road according to Indian Road Congress (IRC) is 10 years. Chandigarh has not devised any guidelines or norms. It is understood that in absence of local norms, those of the IRC hold. However, MC roads are generally recarpeted after five years after taking assessment reports from the National Technical Teachers Training and Research (NITTTR), Sector 26."

OBJECTION: 5 OF 8 ROADS IN 'GOOD CONDITION'

► The CAG terms some of the roads being repaired to be in good condition after conducting an artificial intelligence survey

► The auditor says as Chandigarh does not have any local norms, it should follow those of the Indian Road Congress

► The CAG points out Indian Road Congress says the life of a road is 10 years, but the MC is carrying out repairs after five years

TARGET WAS 400KM OF ROADS

► Road recarpeting is one of the major components of works of the MC. The engineering department of the civic body had decided to recarpet over 400km length of roads from the new financial year

► Around Rs 83 crore has been earmarked for road repairs and rejuvenation of markets and parking lots in the MC budget

► There are three sub-divisions of the building and road wings of the MC engineering department

► Each sub-division prepares its own details of roads and parking areas to be re-carpeted and proposals or rough cost estimates are accordingly passed



REPORT SENT TO ADMIN

The municipal corporation (MC) has immediately stopped all planned and ongoing road recarpeting works. Sources said the MC has discussed the matter among its senior engineering department officers and a detailed report to the UT administration. As the CAG letter was sent came to the UT administration, senior UT officers of the Chandigarh administration will decide the next course of action after going through the report of the MC. Sources said the MC in its report has attached all rules and regulations they follow while carrying out road recarpeting

"An audit test checked the condition of roads undergoing repairs by using artificial intelligence-based survey to identify potholes and cracks. It was found that five out of eight roads were in good condition and did not require recarpeting. Only two roads were found to be in bad condition, while the status of one was not known. But all eight roads had been selected for recarpeting. The MC had called the condition of all the roads 'poor'. As per the AI tool, roads having more than 50% damage were marked to be in bad condition and those having less than 20% damage marked 'good'", said the CAG letter.

Even as the CAG asked the MC to re-examine the process of road recarpeting and act on priority and in public interest, the engineering department of the MC has halted all such works and sent a reply to senior officers of the administration.

"It will be appreciated if the MC and the UT administration can devise/use AI in such type of works to rule out manual intervention," the CAG said. <https://timesofindia.indiatimes.com/city/chandigarh/cag-picks-holes-in-rs-7-crore-mc-road-recarpeting-in-chandigarh/articleshow/100145024.cms>

10. Governor informs receipt of State Finances Audit ([millenniumpost.in](https://www.millenniumpost.in))
MAY 11, 2023

Bengal Governor C V Ananda Bose informed on Wednesday that he has received the CAG report of State Finances Audit.

“Shri Satish Kumar Garg, Principal Accountant General (Audit-I), WB has submitted the Report of the Comptroller & Auditor General of India, State Finances Audit Report for the year ended March 2022 (GoWB Report No.1 of 2023) to the Hon’ble Governor of West Bengal on 8 May, 2023,” Bose tweeted.

According to sources, the same report has also been submitted to the state Finance department. <https://www.millenniumpost.in/bengal/governor-informs-receipt-of-state-finances-audit-518118?infinitemscroll=1>

SELECTED NEWS ITEMS/ARTICLES FOR READING

11. India eyes green hydrogen bunkering at major ports by 2035
([moneycontrol.com](https://www.moneycontrol.com)) MAY 10, 2023

One of the world's biggest emitters of greenhouse gases, India aims to cut emissions to net zero by 2070, and the shipping minister said three of its ports would initially have bunker facilities for green hydrogen and ammonia.

India has set a deadline of 2035 to establish green hydrogen bunkering and refuelling facilities at major ports in the drive to cut its carbon footprint, the shipping ministry said in guidelines issued on Wednesday.

One of the world's biggest emitters of greenhouse gases, India aims to cut emissions to net zero by 2070, and the shipping minister said three of its ports would initially have bunker facilities for green hydrogen and ammonia.

"Our target is to cover all 12 major parts with a green hydrogen bunkering facility by 2035," Shipping Minister Sarbananda Sonowal told Reuters.

The initial ports in the effort are to be Paradip in the east, Kandla in the west, and Tuticorin in the south.

"Financing required to turn these ports into green ports is under consideration," Sonowal added.

More than 200 ports dot India's coastline, which stretches 7,500 km (4,660 miles), in addition to the 12 major ones, all together accounting for 95% of its trade by volume and 65% by value.

Authorities want electricity to power at least half the vehicle and equipment needs of major ports by 2030, rather than diesel, and raise that figure further to 90% by 2047.

"Whatever initiative we are taking aims to meet the 2070 goal of being a net-zero carbon nation," Sonowal said.

To meet the net-zero goal, at least 40% of India's electricity will have to come from renewables.

To that end, the new shipping guidelines require ports to satisfy at least 60% of electricity needs through renewables by 2030 and 90% by 2047.

Also, by 2030, all ports must achieve cuts of more than a fifth in energy consumption on each tonne of cargo versus 2023, the guidelines show.

To boost use of gas, the shipping ministry wants ports to set up at least one liquefied natural gas (LNG) bunkering station by 2030 and electric vehicle charging stations in and around port areas by 2025.
<https://www.moneycontrol.com/news/business/economy/india-eyes-green-hydrogen-bunkering-at-major-ports-by-2035-10561631.html>

12. Finmin to take a call on `3K cr fund infusion in PSU insurers (millenniumpost.in) May 10, 2023

Finance Ministry will take a call on Rs 3,000 crore capital infusion this fiscal based on financial performance of three loss-making public sector general insurance companies.

According to sources, the finance ministry last year had asked these three insurers — National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company -- to chase bottomline rather than topline and underwrite only good proposals.

The FY'23 financial numbers would give some idea about the impact of restructuring initiated on the profitability numbers and the solvency margin, sources said.

The solvency margin is the extra capital the companies must hold over and above the claim amounts they are likely to incur. It acts as a financial backup in extreme situations, enabling the company to settle all claims.

It is noted that the government last year provided Rs 5,000 crore capital to three insurers -- National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company.

Kolkata-based National Insurance Company Limited was given the highest, Rs 3,700 crore, followed by Delhi-based Oriental Insurance Company Limited (Rs 1,200 crore) and Chennai-based United India Insurance Company (Rs 100 crore).

According to sources these companies have been asked to improve their solvency ratio and meet the regulatory requirement of 150 per cent.

The solvency ratio is a measure of capital adequacy. A higher ratio reflects better financial health and the ability of the company to pay claims and meet future contingencies and business growth plans.

Barring the solvency ratio of New India Assurance, this key indicator of the three Public sector general insurance companies stood below the regulatory requirement of 150 per cent in 2021-22.

For example, the solvency ratio of National Insurance Company Limited was 63 per cent, Oriental Insurance Company Limited was 15 per cent and United India Insurance Company was 51 per cent. Also Read - 'Govt yet to accept report to ban diesel vehicles in certain cities'

During 2019-20, the government infused Rs 2,500 crore in these three companies. It increased substantially to Rs 9,950 crore in the following year and Rs 5,000

crore in 2021-22. In all, the government has infused Rs 17,450 crore in these insurance firms so far to improve their financial health.

Public sector general insurance companies are undergoing various reforms, including organisational restructuring, product rationalisation, cost rationalisation and digitalisation.

For efficient use of capital and to push profitable growth, the sources said, a set of key performance indicators linked reforms have been initiated by all public sector general insurance companies effective 2020-21, when the maximum capital infusion was made.

Of the four state-run general insurance companies only New India Assurance Company is listed on the stock exchanges, the remaining three are wholly-owned by the government.

The government has already announced its intention to privatise one general insurance company. To facilitate privatisation, Parliament has already approved amendments to the General Insurance Business (Nationalisation) Act (GIBNA).

Finance Minister Nirmala Sitharaman in the Budget 2021-22 announced a big-ticket privatisation agenda, which included two public sector banks and one general insurance company.

“We propose to take up privatisation of two public sector Banks and one general insurance company in the year 2021-22. This would require legislative amendments,” she had said. <https://www.millenniumpost.in/business/finmin-to-take-a-call-on-3k-cr-fund-infusion-in-psu-insurers-518077>

13. WMA: Fixing a tool that has gone haywire (thehindubusinessline.com)
May 10, 2023

Spending cap. Ways and means advances needs a dose of transparency. An expert panel for fixing WMA limits could be a start

As FY23 ended, an RBI release said that “in consultation with the (Central) Government, the limit for Ways and Means Advances (WMA) for the first half of the financial year 2023-24 (April 2023 to September 2023) will be ₹1,50,000 crore.”

This was a routine, innocuous announcement issued twice a year on a matter that at first glance appears to be a closed deal between two parties — the RBI and the government. But the arbitrariness and non-transparency on how the WMA is fixed raises important questions.

Further, WMA has morphed into a peculiar tool that allows the Centre to fix arbitrary limits while State governments are made to follow a rule-based approach.

Short-term credit

WMA is short-term credit (up to three months) provided by the RBI to both Central and State governments to bridge a temporary mismatch in their cash flows, as laid down in terms of Section 17(5) of the RBI Act, 1934. As such, WMA is not a resource to finance government expenditure.

WMA to the Centre was re-introduced on April 1, 1997 after a period of four decades when the system of ad hoc treasury bills. was abolished.

Currently, WMA limits are fixed at ₹1,50,000 crore for the first half of FY24. The interest rate on WMA is repo rate i.e., 6.5 per cent. When the WMA limit is crossed, the Central government enters into an overdraft (OD) which has to be cleared within 10 consecutive working days. The interest rate on OD is currently the repo rate plus two per cent.

For State governments, WMA (since 1999) has been formula-based with a committee approach. In other words, periodically an expert committee fixes the WMA limits and overdraft regulations. Contrary to this, the WMA to the Central government is arbitrarily fixed in a non-transparent manner by the Centre and the RBI. This raises questions on the integrity of the interface between the monetary authority and the fiscal authority.

As the evidence reveals, there is no defined process in the fixation of WMA limits. Sometimes it is quarterly, and at other times it is half-yearly.

For example, in 2017-18, WMA limits were fixed half yearly (H1: ₹60,000 crore and H2: ₹25,000 crore), a RBI press release said.

However, the RBI Annual Report stated that the WMA limits were fixed quarterly and half yearly in 2017-18 (Q1: ₹60,000 crore, Q2: ₹70,000 crore and H2: ₹25,000 crore). Similarly, there were quarterly and half yearly limits for 2018-19 (Q1:

₹60,000 crore, Q2: ₹70,000 crore and H2: ₹35,000 crore). However, this was reversed in 2019-20 with half-yearly estimates.

This essentially reflects the government's poor cash management. The Centre's Annual Financial Statement corroborates this. In 2017-18, 2018-19 and 2019-20, the WMA receipt and expenditure limits in the actual figure exceeded sharply from the Budget Estimate.

To elaborate, for 2017-18, receipts for WMA (actuals) were ₹4,80,042 crore as against Budget Estimates of ₹3,00,000 crore. Similarly, in 2018-19, receipts for WMA actuals was ₹9,55,243 crore as against a Budget Estimate of ₹5,00,000 crore. Furthermore, in 2019-20, receipts for WMA (actuals) were ₹11,79,582 crore as against Budget Estimates of ₹5,00,000 crore.

Arbitrary process

In addition to this, the arbitrariness of this process is reflected in the limits fixed currently at ₹1,50,000 crore during H1 of FY24 as against ₹1,20,000 crore during the pandemic year of 2020-21. Furthermore, there is no rationale in justifying the increase of WMA limits. This development not only reflects the government's poor cash management but also questions the Budget integrity.

This is a concern and needs to be addressed. We propose a model for fixing WMA limits which is formula based as it is for State governments.

For this model, the actual data for the past three years of actual budgetary transactions in receipts and expenditure (excluding 2020-21 and 2021-22 as these two years are pandemic years) is considered. Thus, the years considered are 2017-18, 2018-19 and 2019-20. The first option takes total expenditure (revenue and capital) and the second takes total expenditure minus revenue deficit as WMA should not be used as a resource to meet the revenue deficit.

In our model scheme, the total WMA limits worked out in 2022-23 to ₹2,00,000 crore (H1: ₹1,50,000 crore plus H2: ₹50,000 crore), which was 8.9 per cent as a proportion of total expenditure. In the second option, when revenue deficit is netted out, the WMA limits of ₹2,00,000 crore works out to 10.8 per cent.

These proportions are much higher than that suggested by the expert committees for State governments which were in the range of 2.9 per cent and 4.1 per cent. We, thus, considered 4 per cent as the proportion of total expenditure for fixing WMA limits.

Accordingly, the calculated WMA limits worked out in the range of ₹74,384 crore (with the base total expenditure minus revenue deficit) and ₹95,246 crore (with the base total expenditure) in the first half of the fiscal year. The limit for the second half has been one-third of the first half, as per the current practice.

Based on this practice, the second half WMA is calculated at ₹24,794 crore in the first option and ₹31,748 crore in the second option. However, it is better to fix WMA limits as a round off figure of ₹75,000 crore for H1 and ₹25,000 crore for H2.

Some suggestions

The RBI and government should consider the following:

- (a) an expert committee on the similar line of the State governments for fixing WMA limits and overdrafts;
- (b) a monetary limit on the overdraft;
- (c) the RBI press release should explicitly provide the current position of availment of the overdraft. (The last such clarificatory press release was in 2014-15, where it was indicated that overdraft should not exceed 10 consecutive working days), and;
- (d) the RBI and the government should consider publishing the WMA data along with the overdraft position in the RBI bulletin to ensure data transparency.
<https://www.thehindubusinessline.com/opinion/wma-fixing-a-tool-that-has-gone-haywire/article66835857.ece>

14. India's population has overtaken China, but historic problems continue to plague the nation ([businesstoday.in](https://www.bbusinesstoday.in)) May 10, 2023

“We need to worry about population explosion.” That message was delivered by PM Narendra Modi from the ramparts of the Red Fort on India’s 73rd Independence Day. He added that the rising population poses various challenges for the country and future generations. Now, the UNPF State of World Population 2023 report has released figures showing India overtaking China to become the world’s most populated country with 1.43 billion people by mid-2023.

“A growing population of this size means additional job creation, creating infrastructure and providing healthcare, education, and social security,” says Arun

Singh, Global Chief Economist of Dun & Bradstreet. In that sense, India's growing population is certainly a challenge. But mitigating its effect is possible only if the country's GDP grows robustly on a sustained basis and, consequently, the per capita income.

Per an EY India report, the Indian economy is expected to grow to \$26 trillion by 2047, and per capita income is expected to increase sixfold to \$15,000 (Rs 12.30 lakh) per annum. What this means is that the numerator (GDP) has to grow at a sustained pace while the denominator (population growth) moderates. This will help the nation manage its resources optimally.

China's GDP—with its large population—has been growing at an average annual rate of around 7 per cent since the 1980s. Vietnam is another country that has witnessed a growth rate of 6 per cent since the 2000s. Indonesia, Bangladesh, and the Philippines, too, have high growth rates, but their populations are nowhere close to India's or China's. Meanwhile India—that has been growing at an average rate of over 5 per cent since the 1990s—has to up its game to support its large and expanding population. Singh says, in order to absorb the rising population into the workforce, India has to grow at a real GDP rate of 10.8 per cent till 2030, 6.5 per cent till 2040, and 4.2 per cent till 2047. “The capital requirement will be \$120 trillion in the next 25 years.”

“India's growing population brings a lot of responsibility for the government and society,” says Madan Sabnavis, Chief Economist of Bank of Baroda. He highlights several challenges, such as a majority of India's population stuck in lower income groups, migration and overcrowding in urban areas, along with the need to provide social support in terms of education and health services.

In that backdrop, India's belated move to increase the share of manufacturing—that has been stagnant at around 17-18 per cent—will face huge challenges from Industry 4.0 and automation. In addition, AI-powered tools are threatening to take away jobs, while the forces of anti-globalisation work to impact the free flow of labour. “In India, there will be 1.1 billion people who will be part of the working age group of 15 to 64, by 2047... We are talking about enormous pressure on the labour market. We have to create enough jobs,” says Singh.

India's population growth is expected to peak around 2060, per projections. Another research published in medical journal Lancet in October 2020, states that India is projected to have the largest working-age population by 2100, followed by Nigeria, China, and the US. “The changing dynamics, with low fertility rates,

longer life, and health expectancy, also require the government to rethink their policy as well as spending priorities, as they face lower consumer spending, a less robust workforce, and increasing healthcare needs in the years ahead,” says Radhika Rao, Senior Economist at DBS Group Research.

Experts suggest that one of the priorities should be to improve human development indices. “This would imply action across the value chain—from better medical access from birth, to sufficient nutrition, education, social protection, and improving life expectancy,” says Rao.

They also suggest higher expenditure on education and health. “The centre and states have to work together on this. We need to have a more equitable education system, so that opportunities are similar for all. While this is difficult given the scale, it is necessary,” says Sabnavis.

He further suggests that municipalities should be empowered to improve rural and urban infrastructure. “At a theoretical level, getting the private sector to run cities will work (though there are constitutional constraints), just like it [the government] has done in airports. There is too much lack of accountability at these levels,” says Sabnavis.

“It’s not just about the willingness; it’s also about the ability of public finances to put money into healthcare and social security issues,” says Singh.
<https://www.businesstoday.in/latest/trends/story/indias-population-has-overtaken-china-but-historic-problems-continue-to-plague-the-nation-380784-2023-05-10>

15. Lots of people? Good. Tiny plots? Bad (timesofindia.indiatimes.com)
Arvind Panagariya | May 11, 2023

According to the United Nations (UN) population estimates, this year, the population of India surpassed or will surpass that of China. Since 1950, the year the UN began keeping track of population data, China has been the most populous country. In the forthcoming decades, perhaps even centuries, this position will belong to India.

A key question that has resurfaced in this background is whether the large population is the bane of the Indian economy or boon for it.

Two relevant questions

In answering this question, the common practice is to compare India to China. But this is wholly misleading since the policy histories of the two countries are vastly different, China is a much richer country today than India. This means that even if it is at a disadvantage purely in terms of the composition of its population – for example, those 65 years or older make 13% of its population against only 7% of India's – it may be better placed to take care of its elderly. The right way to pose the question therefore is not a comparison with China but to ask whether on a net basis a younger and larger population is more beneficial than an older and smaller population for the country.

These are two distinct questions with the first relating to the composition and the second to the size of the population. As such, they must be considered separately in succession.

Young demography helps

It should be relatively uncontroversial that the advantages of a younger population far outweigh its disadvantages. First, a younger population translates in a proportionately larger workforce and therefore higher gross domestic product (GDP) given the technology and volume of capital available.

Second, given that the young save more than the old, a younger population also translates in higher savings and therefore higher investment. The higher investment further adds to the GDP. Finally, a younger population brings greater energy and vibrancy to a nation, leading to more innovation and its greater exploitation. A concern commonly expressed about a younger population is that it leads to greater unemployment. But the unemployment rate depends on policies, which surely do not depend on the age composition of the population.

Underemployment challenge

Factually, the unemployment rate in India has been consistently low in the 3-5% range. As I have argued in numerous writings, unemployment is not India's problem, it is underemployment. On this score, the output per worker has seen a clear rising trend (meaning declining underemployment) alongside rising workforce in the post-reform era. What is needed is acceleration in this trend. That in turn required further policy reform, not the older population. Turning to the size question, I would argue that the benefits of a larger population also far outweigh its costs. There are vast benefits arising from economies of scale in the provision of

public goods. Take, for example, India's digital infrastructure. Once this infrastructure is created, it is there for all to use.

On the cost side, with no extra cost of adding another user, per-user cost of the platform declines with more users. On the benefits side, as more users come on board, the value of the platform to the existing users rises since they can now transact with a larger number of users. The larger number of users also generates a larger volume of data increasing their utility to potential data users. To get a sense of why the large user base makes the digital platform so much more attractive, think how cost effective and useful would it be if it were to be built for a small, low-income country.

This same argument also applies to other forms of infrastructure. Once a road has been built, adding more users does not diminish its availability to other users until we begin to get congestion. As the road network expands the utility of existing roads increases as well.

For example, the utility of a highway increases manifold as more and more nearby towns and villages are connected to it. The same goes for railway and air connectivity. The argument also applies to the provision of electricity and piped water. Once these amenities have been brought to one village, the extra cost of extending them to other nearby villages is small. And the larger the population of each town or village, the lower the cost of their provision per household. The principal downside of a larger population arises from a fixed quantity of arable land. In India, we have seen a consistent long-term pattern of declining size of agricultural land holdings. So much so that by 2015, 48% of land holdings had fallen below half hectare in size with the average size of these holdings dropping to approximately quarter hectare. These small holdings are uneconomical and hold down per worker output in agriculture.

The answer to this downside, however, is not a smaller population but faster migration of the workforce out of agriculture into industry and services. The slow pace of this transition has been the true bane of India's economy. It must be addressed head-on to take full advantage of the once-only opportunity that the vast and young population offers India in the next two decades.
<https://timesofindia.indiatimes.com/blogs/toi-edit-page/lots-of-people-good-tiny-plots-bad/>

16. 25% of fake billing in Aadhaar-GST scam was done in Gujarat
(timesofindia.indiatimes.com) May 11, 2023

AHMEDABAD: In a major breakthrough in the Bhavnagar fake billing scam which involved tampering with Aadhaar data of unsuspecting people to fraudulently obtain GST registrations in their name, investigators have found that at least 25% of the estimated Rs 20,000 crore of fake billing took place in Gujarat.

NEW MODUS OPERANDI			
<ul style="list-style-type: none">● Teams of three or four people linked to a larger syndicate get Aadhaar cards of poor people by promising them financial assistance under government schemes.● "The kingpin will pay the handler Rs 1,000 to get one Aadhaar card. The handler approaches poor people offering money from 'government schemes'. The holder is then told to visit an Aadhaar facilitation	<ul style="list-style-type: none">● centre and change the mobile number linked to their Aadhaar card. The Aadhaar card holder is paid Rs 700 for this," said an SGST official.● "The card holder is sent to the Aadhaar facilitation centre with a paper chit containing the new mobile phone number. After biometric verification, the mobile number linked to the Aadhaar	 <ul style="list-style-type: none">● card is changed," the official added.● Such Aadhaar cards are first used to get PAN numbers and then GST registrations for shell companies.● The bill books of these shell companies are in turn used to create fake bills and upload GST returns to get input tax credit, without actual movement of	<ul style="list-style-type: none">● goods. "The fake bills are also sold to businessmen who use them to show purchases and reduce their tax liability," the GST official explained.● Typically, metal scrap trading companies seek fake bills as metal scrap attracts 18% GST, said a source. "As a result, several of the shell companies floated were labelled as metal trading entities," the source added.

Sources privy to the developments said that in Gujarat alone, fake billing of at least Rs 5,000 crore is estimated to have taken place and the amount of taxes evaded using these runs into hundreds of crores.

HOW IT WAS DETECTED

- In February 2023, SGST officials undertook an aggressive spot-verification drive in Ahmedabad, Surat, Rajkot, Anand, and Bhavnagar. Of nearly 100 firms raided, 61 from Surat and 13 from Ahmedabad were found to be bogus entities



- During spot verification at a certain location in Surat, Aadhaar cards linked to GST registrations of shell companies revealed addresses in Bhavnagar, Palitana, Amreli, Ahmedabad and Anand



- The Aadhaar holders in Palitana pleaded ignorance about PAN numbers obtained in their names. Further, the probe revealed that mobile numbers linked to the Aadhaar cards had been changed



- SGST officials then raided some 50 Aadhaar facilitation centres in Bhavnagar and Palitana and found that mobile numbers linked to 2,800 Aadhaar cards had been modified, leading the officials to look for fake GST registrations



- The latest details reveal that GST registrations using these fake Aadhaar cards were obtained not just in Gujarat but several other states



The scam surfaced in February during a spot verification exercise by SGST officials in Surat. “The actual quantum of fake billing is not yet clear but it is bound to increase as more beneficiaries are detected in Gujarat and other states,” a source told TOI.

Mohammad Tata, the alleged kingpin of another fake billing scam worth Rs 739 crore involving Madhav Copper Limited, has been shifted from Sabarmati Jail in Ahmedabad to Bhavnagar, to probe his involvement in the Aadhaar-GST fake billing scam. This adds credence to the claims of top SGST officials who say Bhavnagar was the epicentre of major bogus billing scams taking place across the state and across the country.

In the recently filed initial chargesheet by the special investigation team (SIT) investigating the scam, some 461 bogus companies have been detected.

Of these 236 have been probed. However, sources say the actual number of such shell companies runs into the thousands.

During raids conducted on Aadhaar centres by SGST officials, it emerged that mobile numbers linked to some 2,800 Aadhaar cards had been changed.

According to sources in the investigation agencies, this is one of the biggest fake billing scams in the country, and has links to tax frauds committed across many states like Maharashtra, MP, Delhi, UP, Tamil Nadu and those in the Northeast.

“The investigators made a major breakthrough after detecting a new modus operandi: fudging Aadhaar data to obtain PAN cards and GST registrations. GST registrations obtained using fudged Aadhaar data have been found in all major states,” said a source.

“The SGST department has already alerted the departments concerned in other states to investigate these GST numbers and detect fake billing and tax evasion,” the source further added. So far, at least 24 persons have been arrested in connection with the case.

<https://timesofindia.indiatimes.com/city/ahmedabad/25-of-fake-billing-in-aadhaar-gst-scram-was-done-in-gujarat/articleshow/100150400.cms>

17 A ground view of the Indian Space Policy 2023 ([thehindu.com](https://www.thehindu.com)) May 11, 2023

Though the forward-looking document is qualitatively different from previous efforts, it needs to be followed up with suitable legislation, backed by clear rules and regulations

On April 20 this year, the Indian Space Research Organisation (ISRO) released the Indian Space Policy 2023 that had been in the works for some years. The document has been received positively by industry. However, it needs to be followed up with suitable legislation, accompanied by clear rules and regulations. Just preceding this, this writer wrote the article, “Awaiting lift-off into the Second Space Age” (April 10, 2023), which said that India’s modest entry into the First Space Age followed by its many gains should be used to help the country tap the vast potential in the Second Space Age.

Until the early 1990s, India’s space industry and space economy were defined by ISRO. Private sector involvement was limited to building to ISRO designs and specifications. The Second Space Age began with the licensing of private TV channels, the explosive growth of the Internet, mobile telephony, and the emergence of the smartphone. Today, while ISRO’s budget is approximately \$1.6 billion, India’s space economy is over \$9.6 billion. Broadband, OTT and 5G promise a double-digit annual growth in satellite-based services. It is estimated that with an enabling environment, the Indian space industry could grow to \$60 billion by 2030, directly creating more than two lakh jobs.

Yet, it is the enabling policy environment that has proved elusive. The first satellite communication policy was introduced in 1997, with guidelines for foreign direct investment (FDI) in the satellite industry that were further liberalised but never generated much enthusiasm. Today, more than half the transponders beaming TV signals into Indian homes are hosted on foreign satellites, resulting in an annual outflow of over half a billion dollars.

A remote sensing data policy was introduced in 2001, which was amended in 2011; in 2016, it was replaced by a National Geospatial Policy that has been further liberalised in 2022. Yet, Indian users including the security and defence agencies spend nearly a billion dollars annually to procure earth observation data and imagery from foreign sources. To streamline matters, a draft Space Activities Bill was brought out in 2017, which went through a long consultative process. It lapsed in 2019 with the outgoing Lok Sabha. The government was expected to introduce a new Bill by 2021, but it appears to have contented itself with the new policy statement.

What is different

To be fair, the Indian Space Policy 2023 is qualitatively different from previous efforts. It is a short 11-page document, which includes three pages devoted to definitions and abbreviations. The ‘Vision’ is to “enable, encourage and develop a

flourishing commercial presence in space” that suggests an acceptance that the private sector is a critical stakeholder in the entire value chain of the space economy. It makes five key points. It defines its role in India’s “socio-economic development and security, protection of environment and lives, pursuing peaceful exploration of outer space, stimulation of public awareness and scientific quest”.

First, this is the only reference to ‘security’ in the document, making it clear that the focus is on civilian and peaceful applications. Considering that space-based intelligence, reconnaissance, surveillance, communication, positioning and navigation capabilities are increasingly seen as mission critical by the defence services, that India conducted a successful A-SAT (anti-satellite) direct ascent test in March 2019, and, in the same year, set up the Defence Space Agency and the Defence Space Research Organisation, it is reasonable to infer that a defence-oriented space security policy document will be a separate document. The United States puts out a space policy under the aegis of the White House Office of Science and Technology Policy, National Aeronautics and Space Administration (NASA) and the Departments of Commerce and Transportation, while the Department of Defence and the Director of National Intelligence are responsible for the space security strategy.

Second, the policy lays out a strategy and then spells out the roles of the Department of Space, ISRO, the Indian National Space Promotion and Authorisation Centre (IN-SPACe) set up in 2020, and the NewSpace India Limited (NSIL), a public sector unit set up in 2019 under the Department of Space as the commercial arm of ISRO to replace the now defunct Antrix.

Third, it states that ISRO will “transition out of the existing practice of being present in the manufacturing of operational space systems. Hereafter, mature systems shall be transferred to industries for commercial exploitation. ISRO shall focus on R&D in advanced technology, proving newer systems and realisation of space objects for meeting national prerogatives”. Another of ISRO’s tasks in the new policy is to “share technologies, products, processes and best practices with NGEs (non-government entities) and/or Government companies”. This implies that ISRO will now use its biggest asset, its qualified and talented manpower, to concentrate on cutting edge research and development and long-term projects such as Chandrayaan and Gaganyaan.

As ISRO’s commercial arm, NSIL will become the interface for interacting with the industry, undertake commercial negotiations and provide hand-holding support to ensure smooth and efficient transfer of technologies.

Private sector role

Fourth, the NGEs (this includes the private sector) are “allowed to undertake end-to-end activities in the space sector through establishment and operation of space objects, ground-based assets and related services, such as communication, remote sensing, navigation, etc.”. Satellites could be self-owned, procured or leased; communication services could be over India or outside; and remote sensing data could be disseminated in India or abroad. NGEs can design and operate launch vehicles for space transportation and establish their own infrastructure. NGEs can now make filings with the International Telecommunication Union (ITU) and engage in commercial recovery of asteroid resources. In short, the entire gamut of space activities is now open to the private sector. Security agencies can task NGEs for procuring tailor-made solutions to address specific requirements.

The activities of the NGEs will be in keeping with guidelines and regulation to be issued by IN-SPACe. It is expected to act as the single window agency for authorising space activities “by government entities and NGEs”, in keeping with safety, security, international obligations and overall national interests.

Finally, IN-SPACe is expected to create a “stable and predictable regulatory framework” that will ensure a level playing field for the NGEs. It will act as a promoter by setting up industry clusters and as the regulator, issue guidelines on liability issues.

The gaps

The policy sets out an ambitious role for IN-SPACe but provides no time frame for the necessary steps ahead. Neither is there an indicative timeline for ISRO’s transitioning out of its current practices nor is there a schedule for IN-SPACe to create the regulatory framework. The policy framework envisaged will need clear rules and regulations pertaining to FDI and licensing, government procurement to sustain the new space start-ups, liability in case of violations and an appellate framework for dispute settlement.

A regulatory body needs legislative authority. The Reserve Bank of India was set up by the 1934 RBI Act, the Securities and Exchange Board of India (SEBI) by the 1992 SEBI Act, and the Telecom Regulatory Authority of India (TRAI) by the 1997 TRAI Act. IN-SPACe is expected to authorise space activities for all, both government and non-government entities. Currently, its position is ambiguous as it functions under the purview of the Department of Space. The Secretary (Space) is also Chairman of ISRO, the government entity to be regulated by IN-SPACe.

The Space Policy 2023 is a forward-looking document reflecting good intentions and a vision. But it is not enough. What is urgently needed is a time frame to provide the necessary legal framework to translate this vision into reality, to successfully launch India into the Second Space Age.

<https://www.thehindu.com/opinion/lead/a-ground-view-of-the-indian-space-policy-2023/article66835931.ece>