NEWS ITEMS ON CAG/ AUDIT REPORTS

1. भारत ने नेपाल के साथ सार्वजनिक क्षेत्र के ऑडिट समझौता ज्ञापन पर किए हस्ताक्षर *(punjabkesari.in)* 04 May, 2024

भारत ने नेपाल के साथ सार्वजनिक क्षेत्र के ऑडिट समझौता ज्ञापन पर हस्ताक्षर किए हैं। विदेश मंत्रालय ने कहा है कि यह दोनों देशों के बीच बहुआयामी संबंधों में एक और आयाम जोड़ता है। अपनी यात्रा के दौरान काठमांडू में भारतीय दूतावास ने भारत के नियंत्रक और महालेखा परीक्षक (सीएजी) गिरीश सी मुर्मू ने पीएम पुष्पा कमल दहल, नेपाल के वित्त मंत्री बरशमन पुन और नेपाल के महालेखा परीक्षक से मुलाकात की।

भारतीय दूतावास ने एक्स पर पोस्ट शेयर कर कहा कि सीएजी गिरीश चंद्र मुर्मू ने आज नेपाल के माननीय प्रधान मंत्री से मुलाकात की और उन्हें भारत और नेपाल के सर्वोच्च लेखा परीक्षा संस्थानों और हस्ताक्षरित एमओयू के बीच चल रहे सहयोग के बारे में जानकारी दी।

एक्स पर एक अन्य पोस्ट में दूतावास ने उल्लेख किया है कि मुर्मू ने अपनी नेपाल यात्रा के दौरान नेपाल के महालेखा परीक्षक टोयामा राया से मुलाकात की। दोनों ने समझौता ज्ञापनों पर भी हस्ताक्षर किए, जो क्षमता निर्माण प्रयासों को बढ़ावा देंगे और सार्वजनिक क्षेत्र के ऑडिट के क्षेत्र में कार्यप्रणाली में सुधार पर ध्यान केंद्रित करेंगे। https://www.punjabkesari.in/national/news/india-mou-with-nepal-on-public-sector-audit-1975625

2. भारत, नेपाल के शीर्ष ऑडिट संस्थानों ने सहयोग बढ़ाने के लिए किया समझौता *(hindicurrentaffairs.adda247.com)* 04 May 2024

एक महत्वपूर्ण विकास में, भारत के नियंत्रक और महालेखा परीक्षक (CAG) गिरीश चंद्र मुर्मू ने नेपाल के महालेखा परीक्षक टोयम राय के साथ एक समझौता ज्ञापन (MoU) पर हस्ताक्षर किए हैं। इस समझौते का उद्देश्य सहयोग को मजबूत करना और दोनों देशों के सर्वोच्च लेखा परीक्षा संस्थानों (SAI) के बीच ऑडिटिंग प्रथाओं में विशेषज्ञता के आदान-प्रदान की सुविधा प्रदान करना है।

समझौता ज्ञापन के प्रमुख उद्देश्य
समझौता ज्ञापन क्षमता विकास, ज्ञान विनिमय और ऑडिट आयोजित करने में पारस्परिक सहायता के लिए एक मंच स्थापित करता है, जो भारत और नेपाल के SAI के बीच घनिष्ठ साझेदारी को बढ़ावा देता है।

विश्वास और साझा लक्ष्यों को व्यक्त करना
हस्ताक्षर समारोह के दौरान, मुर्मू ने साझेदारी में विश्वास व्यक्त किया, साझा मूल्यों और उद्देश्यों को मजबूत करने में इसके महत्व पर प्रकाश डाला। उन्होंने ऑडिटिंग पद्धतियों में सुधार के लिए पेशेवर क्षमता बढ़ाने और सहयोगी जुड़ाव को आगे बढ़ाने में समझौते की भूमिका पर जोर दिया।

नेपाली अधिकारियों के साथ बातचीत

मुर्मू ने नेपाल के प्रधानमंत्री पुष्प कमल दहाल 'प्रचंड' और वित्त मंत्री बरसमन पुन सहित नेपाली अधिकारियों से बातचीत की और उन्हें दोनों देशों के SAI के बीच सहयोग के बारे में जानकारी दी। उन्होंने समझौता ज्ञापन के लाभों पर चर्चा की और नई प्रौद्योगिकियों को अपनाने और संसदीय समितियों के साथ जुड़ने में SAI इंडिया की पहलों पर प्रकाश डाला।

प्रत्याशित परिणाम
भारत और नेपाल के SAI के बीच साझेदारी से प्रशिक्षण कार्यक्रमों, ज्ञान विनिमय और ऑडिट में सहायता में सहयोग बढ़ाने, दोनों देशों में ऑडिटिंग प्रथाओं के विकास और सुदृढ़ीकरण में योगदान की सुविधा मिलने की उम्मीद है। https://hindicurrentaffairs.adda247.com/cag-of-india-and-auditor-general-of-nepal-sign-mou-to-enhance-collaboration-in-auditing/

3. CAG of India and Auditor General of Nepal Sign MoU to Enhance Collaboration in auditing *(currentaffairs.adda247.com)* May 4, 2024

Girish Chandra Murmu, India's CAG, and Toyam Raya, Nepal's Auditor General, signed an MoU to boost collaboration in auditing. This pact aims to bolster expertise exchange and capacity development.

In a significant development, Girish Chandra Murmu, the Comptroller and Auditor General of India (CAG), has signed a Memorandum of Understanding (MoU) with Toyam Raya, Auditor General of Nepal. This agreement aims to strengthen collaboration and facilitate the exchange of expertise in auditing practices between the Supreme Audit Institutions (SAIs) of both countries.

Key Objectives of the MoU
The MoU establishes a platform for capacity development, knowledge exchange, and mutual assistance in conducting audits, fostering a closer partnership between the SAIs of India and Nepal.

Expressing Confidence and Shared Goals
During the signing ceremony, Murmu expressed confidence in the partnership, highlighting its significance in reinforcing shared values and objectives. He emphasized the role of the agreement in enhancing professional capacity and advancing collaborative engagement to improve auditing methodologies.

Engagement with Nepalese Officials
Murmu engaged with Nepalese officials, including Prime Minister C M Prachanda and Finance Minister Barsaman Pun, briefing them about the cooperation between the SAIs of both countries. He discussed the benefits of the MoU and highlighted SAI India's initiatives in adopting new technologies and engaging with parliamentary committees.

Anticipated Outcomes
The partnership between the SAIs of India and Nepal is expected to facilitate enhanced collaboration in training programs, knowledge exchange, and assistance in audits, contributing to the development and strengthening of auditing practices in both

nations. https://currentaffairs.adda247.com/cag-of-india-and-auditor-general-of-nepal-sign-mou-to-enhance-collaboration-in-auditing/

4. CAG of India and Nepal signed MoU to enhance collaboration in audit fields *(thesedaysindia.net)* 03 May 2024

CAG OF INDIA AND NEPAL SIGNED MOU TO ENHANCE COLLABORATION IN AUDIT FIELDS

NEW DELHI, MAY 2 (INS INDIA): Mr. Girish Chandra Murmu, the Comptroller and Auditor General of India (CAG) in a step towards fostering international cooperation signed a Memorandum of Understanding (MoU) with Mr. Toyam Raya, Auditor General of Nepal. The agreement aims to enhance collaboration and the exchange of expertise in the field of auditing between the two SAIs. Through this MoU, a platform will be established for the capacity development and exchange of knowledge and experience amongst auditing professionals and technical teams through collaboration in training programs and mutual assistance in conducting audits.

Mr. Girish Chandra Murmu, CAG of India, called on PM of Nepal

Shri C M Prachanda and briefed him about the cooperation between the Supreme Audit Institutions of India and Nepal and the MoU signed in the field of public sector audit. CAG apprised the Prime Minister that SAI of India has always been one of the first Government organizations to adopt new technology in its working model. Be it digitizing the accounting and entitlement process, adopting IT enabled audit, workflow automations, etc.

Mr. Murmu also called on Finance Minister of Nepal, Mr. Barsaman Pun highlighting the close partnership between the Supreme Audit Institutions of India and Nepal adds yet another dimension to our multi-faceted relationship. Mr. Murmu also apprised him about various initiatives taken by SAI India at field as well as central level for Digitisation of Accounting process.

Mr. Murmu also met the Hon'ble Chairman of Public Account Committee of Nepal Parliament Mr. Rishikesh Pokharel and discussed mutual cooperation in the field of public sector audit. Mr. Murmu highlighted the numerous efforts made by SAI India to engage productively with PAC at central and state level.

During the signing ceremony of the MoU, Mr. Murmu expressed his confidence in the partnership between the SAI of India and Nepal as this was a reaffirmation of the values and goals that both the institutions have shared over a long period for cementing of the ties that already exist between the two nations.

Mr. Murmu, while emphasising the importance of the agreement in developing and strengthening the professional capacity, stated that this was the right time for both the institutions to enter a new phase of collaborative engagement to improve work methodologies and exchange of knowledge of public sector auditing.

The signing of the MoU marks a significant milestone in promoting closer ties and collaboration among the Supreme Audit Institutions (SAIs) of India and Nepal underscoring a shared commitment to excellence in auditing practices.

http://thesedaysindia.net/epaper/

5. Power games: MEA probes land scams by missions abroad *(newindianexpress.com)* 06 May 2024

The ministry has been informed that the money spent by some of the missions on acquiring real estate was two times and in some cases even three times of the market price.

The Ministry of External Affairs investigating reports of the purchase of land at inflated prices by its missions abroad. The MEA had asked Indian missions that are housed in rented premises to purchase land and build embassies. The ministry has been informed that the money spent by some of the missions on acquiring real estate was two times and in some cases even three times of the market price.

The Comptroller and Auditor General was the first to raise a red flag on these deals. According to sources, the CAG team visited one such country where the Indian embassy had bought land and found grave violations of norms. It also found that the money spent on acquiring land was over two times of the prevailing market price.

Similar cases from other countries have reportedly been brought to the MEA's notice. The ministry is now busy investigating the case. It is also looking at the possible involvement of officers from South Block in these deals. Sources said two different teams of the MEA have visited these countries to check the records of these transactions. The MEA is likely to conduct a forensic examination of all the properties acquired by its missions in the last ten years. The ministry's report will soon be submitted to the competent authorities for action.

The cash-strapped Congress has divided the Lok Sabha seats it is contesting in the current Lok Sabha elections into three categories. It has put the most winnable seats in Category A, seats where it has a chance of winning with a good campaign have been put in Category B and seats where it is contesting but has only an outside chance of winning are in Category C. This categorization is done to make optimal utilization of the resources available to the party.

The party is focusing its resources on the winning seats. Sources said while the withdrawal by its candidates in Surat and Indore were clear cases of defections, the decision by its Puri candidate Sucharita Mohanti to return the party ticket was a result of Congress' decision not to spend money on seats it is not sure of winning. Mohanti, who has been a working journalist all her life, did not have the resources to fight the election.

She returned the party ticket after not getting financial support and being asked to fend for herself. Sources said more exits are likely in the coming days as the party has tightened its purse strings and is focusing all its resources on around 150 seats where it finds itself in the best position to win. Congress has been struggling for funds ever since its accounts were frozen following issues with its returns. https://www.newindianexpress.com/nation/2024/May/06/power-games-mea-probes-land-scams-by-missions-abroad

STATES NEWS ITEMS

6. Kerala's revenue dips by over Rs 10,000 crore during FY 2023-24 *(onmanorama.com)* May 06, 2024

Thiruvananthapuram Thiruvananthapuram: The State government's revenue dipped by Rs 10,302 crore during the last fiscal year, according to the Accountant General's statistics.

Though the revenue from GST, sales tax, and the sale of lotteries and liquor increased, the State witnessed a decrease in central grants and stamp duties.

The central grants alone decreased Rs 15,904 crore from the previous financial year.

Revenue from GST collection showed an increase of Rs 2,071 crore.

However, only 84 per cent of the targeted collection was achieved. Nontax revenue from the sale of lotteries and other sources increased by Rs 1,197 crore.

A 20 per cent increase in land's fair price led to a decrease of Rs 522 crore in revenues from stamp duty and registration fees.

Realising that the fair price impeded the annual revenue growth, the government excluded it from the latest Budget.

Even as the State has been crying foul over the Centre lowering the borrowing limit, Kerala availed a loan of Rs 7,389 crore more than it had availed in the previous fiscal.

While the State borrowed Rs 25,587 crore in the 2022-23 financial year, it took a loan of Rs 32,976 crore in the previous year. However, it slashed its expenditure by Rs 3,103 crore, compared to the previous financial year.

The difference between revenue and expenditure stood at Rs 32,976 crore during the reporting financial year. https://www.onmanorama.com/content/mm/en/kerala/top-news/2024/05/06/kerala-revenue-dip-crore-financial-year.html

7. No Recovery Permissible From Retiral Benefits Of Employee Holding Class-III Post On Grounds Of Excess Payment: Manipur High Court *(livelaw.in)* 5 May 2024

A single judge bench of the Manipur High Court comprising of Justice Ahanthem Bimol Singh while deciding a Writ Petition in the case of Smt. W. Manileima Devi. vs State of Manipur & Ors. has held that no recovery can be made from retiral benefits of an employee holding Class-III post on grounds of excess payment.

Background Facts
W. Manileima Devi (Petitioner) was appointed Substitute Assistant Graduate Teacher in 1986 by Director of Education, Manipur (DEM) for a period of 6 months and her services were extended from time to time. By an order dated 21.07.1992 by DEM, the Petitioner was temporarily appointed Arts Graduate Teacher. Further by an order dated 16.02.2005 by DEM, the period of her service from the date of her appointment on substitute basis in 1986 till her regular appointment as an Arts Graduate Teacher in 1992 was regularized. The Petitioner superannuated on 31.10.2019 after attaining the age of superannuation.

After the retirement of the Petitioner, due process was taken for releasing her pension and other retiral benefits. However, the Office of the Accountant General wrote a letter to the Under Secretary (Pension Cell), Government of Manipur in 2020 highlighting some irregularities in the fixation of the pay scale of the Petitioner and requested the Under Secretary to make the requisite rectifications in the irregularities.

However, no action was taken towards rectifications of the errors and consequently, the Petitioner did not get her retiral benefits for almost 5 years since her retirement. Thus, the writ petition was filed.

It was contended by the Petitioner that even if it is assumed that some excess payments were made the Petitioner, they were made more than 19 years ago and the Respondent cannot make the recovery of the alleged excess payment from the retiral benefits and pension of the Petitioner.

On the other hand, it was contended by the Respondents that certain irregularities were committed by the authorities in fixation of pay scale of the Petitioner and in regularizing her past service rendered on substitute basis. Thus, till the time the requisite rectifications are not made, the pensionary or other retiral benefits due to the Petitioner cannot be released.

Findings of the Court

The court observed that even assuming that any irregularity is committed by the relevant authorities in fixation of pay of the Petitioner, the same was done nearly 2 decades ago. Further the Petitioner has attained the age of superannuation. Thus, no recovery can be made by the authorities from the retiral benefits and other service benefits of the petitioner.

The court placed reliance on the case of State of Punjab & ors. Vs. Rafique Masih (White Washer) & ors wherein the Supreme Court had held that recoveries by the employer would be impermissible in law when it is a:- (i) recovery from the employees belonging to Class III and Class IV service (or Group C and Group D service); (ii) recovery from the retired employees, or the employees who are due to retire within one year, of the order of recovery; and (iii) recovery from the employees, when excess payment has been made for a period in excess of five years, before the order of recovery is issued.

The court observed that the Petitioner held a Class-III post before her retirement and thus no recovery can be made from retirement benefits of the Petitioner on ground of excess payment of pay and allowances

With the aforesaid observations, the court disposed of the writ petition. https://www.livelaw.in/high-court/manipur-high-court/manipur-high-court-recovery-retiral-benefits-employee-class-iii-post-excess-payment-257051

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Next government must go back to basics *(thehindubusinessline.com)* Updated: May 05, 2024

Savers have been penalised in India for far too long. The next government must change that

If the government taxes the income derived from savings, people will tend to hide their money and put them in investments that fetch them higher return

In a little over 30 days from now we will have a new government. Most people expect the NDA led by the BJP to form it. But elections can spring surprises.

Regardless of which set of political parties forms the next government, as far as the economy is concerned, it will have to fashion a new approach. India has actually done this every 12-15 years or so in the past.

Thus in the first 15 years from 1952 to 1967 it focused on investment-led growth. Then it stopped because it ran out of money. That caused a lot of hardship.

So from 1971 to 1985 it focused on distribution via a whole host of welfare measures. That slowed down growth.

By 1984 these policies had run their course, and the new government that came to power in December that year reverted to private investment-led growth. It financed the expenditure via deficit financing.

The crucial mistake it made then, however, was to not open up the Indian economy to external competition and markets, which is what China was doing. This error was corrected in 1991.

These policies were diligently followed for the next two decades and worked wonders for expanding output. But after 2014 a new set of policies has made the economy less open. This has resulted in India not attaining its potential output levels.

The proof of this lies in the negative change in occupational structure. Fewer people are working in the formal sector than ought to be for an economy of India's size.

It's these policies that the next government will have to rethink. The short point is that the Indian economy needs a sharp kick in its pants. Protectionism has made it complacent.

The savings rate

India saves far less in financial assets than it can. Even after allowing for problems of classification, and the stout defences being mounted by the government, the fact remains: without a much higher savings rate, say, around 40 per cent, investment will fall short of the required levels. This is not rocket science.

But instead of encouraging savings in financial assets successive governments have treated them very badly. That's why it must be an absolute priority of the next government to design policies — and more importantly, practices — that don't penalise savers.

This 'gotcha' practice has resulted in people hiding their savings and/or not fully declaring their incomes. The thing, however, is governments can't tell people to be selfemployed, as this one has been urging and then punish them for being so. But this is exactly what has been happening since the infamous budget of 1957.

If someone saves some money and derives some income from that saving, the government taxes it at the same rate as normal income. This being so why would people not put their money where the government can't see it and get a higher return?

What is truly remarkable is that despite such active discouragement by the government people manage to save around 20 per cent. Imagine what would happen if incomes from savings were fully exempted from tax.

The short point is this: Indians without government pensions place a high premium on converting a portion of their current incomes into a stream of future incomes. Why place so many roadblocks before them?

Investment holds the key

All governments know this but all politicians choose to disregard what they know. When was the last time you heard a politician talk about investment?

No, what the government makes is not investment. It incurs expenditure. The two are not the same because spending taxpayers money without returns isn't investment. It is mere expenditure.

Savings and returns both require positive returns and India has stifled returns for 60 years now. Returns should be based on economic and commercial efficiency, not what the bureaucracy thinks they should be.

This is critically important because thanks to the Left virus, successive Indian governments have chosen to conflate high returns with undeserved profits.

What we have had, therefore, is a consensus that if governments take away half your income via a combination of direct and indirect taxes, it is okay.

Well, it's not because this Mughal rate of extraction makes the rulers very well off and others poor. It also deters savings and thus investment and hence growth.

And here's the paradox. The BJP wants to remove all symbols of Mughal rule. But it is happy to retain its worst aspect: high taxes. Chanakya would have disapproved strongly. https://www.thehindubusinessline.com/opinion/next-government-must-go-back-to-basics/article68143038.ece

9. Powering ahead *(financialexpress.com)* May 6, 2024

Rooftop solar sops welcome, but electricity sector needs policy stimuli for investments across value chain.

Prime Minister Narendra Modi's overarching plan for the energy sector has two basic elements: consolidate India's fledgling status as a net electricity exporter, and make the best use of the incipient electric vehicle (EV) revolution. Voluminous imports of crude petroleum and natural gas (in liquefied form) make the country a net energy importer by a wide margin, despite the fragile surplus in electrical energy. With the country's oil and gas sector showing no great prospects, and its still-plentiful coal reserves being progressively depleted, only a shift to renewable energy (RE) and electrical energy seems plausible as a long-term solution. While articulating the national energy strategy recently, the prime minister also talked about an aim to make the household electricity bill zero, riding on the plank of a new, government-assisted rooftop solar project — PM Surya Ghar: Muft Bijli Yojana.

Modi's statement on zero power bill must have boosted expectations among millions of households, but energy experts have welcomed it with an element of incredulity. Rooftop solar units aren't feasible even for most of India's pucca houses, leave alone a sizeable section of population that doesn't yet have such domiciliary comfort. The cost of a workable unit of 5 kilowatt for an ordinary home is pegged at Rs 3-4 lakh, beyond the capacity of vast majority. PM Surya Ghar offers "up to 300 units of free electricity every month" to 10 million households, thanks to the subsidy that covers up to 40% of panel costs. The scheme, considering the fiscal capacity of the government, amounts to a largesse, and is seen to help save Rs 70,000 crore annually as electricity costs. But it can't alter India's power-sector economics substantially anytime soon— note that only 0.67 million of India's 300 million households have rooftop solar units at present, and these accounted for just 2.7% of installed power capacity in FY24.

Leave that aside, augmentation of rooftop solar capacity would still have a major, complementary role in boosting electricity supplies in keeping with fast-rising demand. The rooftop solar plan is also perfectly in sync with India's pledge to become a net zero emitter by 2070. Pertinently, it doesn't involve any market distortion, while free power to farmers and indigent households via the cross-subsidy route makes open-access industrial consumers pay much higher tariffs than corresponding to the cost of supplies to them, jacking up all-round costs in the economy.

The solar sector has surged from 8.5% of India's installed power capacity in FY20 to 15.8% by FY24, making it the only segment that raised the share in the period. It is projected by the Central Electricity Authority to have a share of 40.5% by FY32, when coal-based power's ground could shrink from 47.7% now to 28.8%. That is when a doubling of the capacity in the entire electricity value chain is being planned for the period (even coal-based capacity is to rise by 50 to 260 gigawatts). The government's focus now must be to encourage capacity creation via private investments, while maintaining the focus on solar — where India has one of the lowest costs in the world — and also exploring areas like green hydrogen. Direct subsidies would be the rational way of making power affordable to the poor, rather than inflating industrial tariffs via cross-subsidy surcharge. It's vital to catalyse credit flows to coal mining, thermal power and RE ventures, and stimulate investor interest in RE battery storage to address the issue of supply intermittency. https://www.financialexpress.com/opinion/powering-ahead/3477904/

10. Missing climate finance: A moral debt *(financialexpress.com)* May 4, 2024

The disparity between the Global North and Global South is not just economic; it's a moral chasm that widens with each broken promise of climate finance.

India has been a vocal advocate and leader among G20 nations in calling for urgent climate financing. However, the question of where climate finance will originate remains unanswered, posing a critical challenge that the world must confront. The reality is stark: addressing climate change is a zero-sum game. Failure to mobilise adequate resources puts the entire humanity at risk of losing out on a sustainable future.

The landscape of global climate finance needs has undergone a dramatic shift, transitioning from mere billions of dollars to now requiring many trillions. Failure to address this monumental challenge risks condemning humanity to a future marred by irreversible damage and untold suffering.

The world is in the midst of a climate catastrophe, and one glaring truth is clear: the hollow promises of climate financing from the advanced nations of the West. It's a debt of morality, one that remains unpaid.

Due to their significant historical role in fuelling human-induced climate change, developed nations bear a responsibility to address a "climate debt" owed to poorer and developing countries. For years, we have witnessed the theatrical performances of Western leaders at global events like COP and G20. Yet, when the time comes to deliver, these nations conveniently forget their pledges.

Extreme temperature fluctuations, rising sea levels, and the ravaging effects of natural disasters are not abstract concepts confined to scientific journals; they are the harsh realities faced by millions around the globe. And who bears the brunt? The Global South, which has contributed the least to climate change but suffers its worst consequences the most. Any more studies or research to convince the advanced economies of the urgent need for climate financing is not just futile; it's insulting to the intelligence of those who suffer the consequences daily.

A 2023 UNCTAD report titled "Tackling debt and climate challenges in tandem: A policy agenda" emphasised the urgent need for action in light of the intersection of public debt and climate change. It warned against the threat of a vicious cycle of perpetual vulnerabilities and economic stagnation faced by indebted economies on the front line of climate impacts. The report advocated enhanced access to financing for vulnerable countries, tailored to ensure both debt sustainability and long-term development objectives. Proposing a multilateral policy agenda, it highlighted the necessity of driving climate-resilient structural transformation in these vulnerable economies. Key recommendations include initiating reforms in the international debt architecture and scaling up public-led, affordable development financing for climate investments.

With the IMF/World Bank spring meetings, a recent report revealed another harsh reality: emerging nations are slated to allocate a staggering $400 billion towards servicing external debt this year alone. Alarmingly, 47 of these countries find themselves in a precarious position, unable to allocate sufficient funds towards essential climate adaptation and sustainable development efforts without courting the chance of default within the next five years.Extreme temperature fluctuations, melting ice caps, and rampant natural disasters all scream out for urgent action. The notion of more research being needed to convince nations of the urgent need for climate financing is absurd. It's not a matter of if, but when the consequences of inaction will come crashing down on us. Any further delay or diversion of resources towards redundant studies only adds insult to injury and squanders precious time the world cannot afford to lose.

The disparity between the Global North and Global South is not just economic; it's a moral chasm that widens with each broken promise of climate finance. While the West enjoys its prosperity, the rest of the world is left to fend for itself against the wrath of a planet pushed to its limits. Rich nations, fully cognisant of their historical contributions to climate change and the resulting burdens on poorer countries, choose to adopt a callous attitude. For these nations, many of which boast well-functioning bankruptcy laws, breaking climate promises is merely another facet of their reckless disregard. It's a twisted notion where bankruptcy becomes a convenient excuse to maintain the status quo, allowing them to continue their extravagant lifestyles while turning a blind eye to their climate repayments. The irony is not lost with the wealthy preaching about climate action while conveniently forgetting their financial obligations. The missing monies of the Western nations represent more than just a financial deficit. It's a reminder that when it comes to the environment, the true colours of advanced nations are not green but a shade of indifference.

It's a perfect setting for the global financial entities, especially from the rich nations, to exploit the urgency of climate financing as an opportunity to profit from a human tragedy. While governments, corporations, and vulnerable nations await promised funds from the West to combat climate change, these entities will package the same unpaid funds as privately arranged debt offerings.

That's why the recently-proposed economist Esther Duflo's billionaire climate tax is only as good as the paper it's written on. Even bankruptcy laws globally differentiate between the ability to repay and the intent to repay. For climate financing will happen only if there is intent. The missing moral solvency of rich nations proves this yet again. https://www.financialexpress.com/opinion/missing-climate-finance-a-moral-debt/3476775/

11. Broaden GST net, cut cesses to reduce tax burden *(newindianexpress.com)* 04 May 2024

The consumption-based levy was supposed to be a much simpler tax and it's critical to speed up the process of rationalising the rate structure.

Goods and services tax collection crossed the landmark of Rs 2.1 lakh crore for the first time in April. Truth be told, April has always seen higher collections, thanks in part to year-end adjustments in tax assessments. But what sets apart the latest haul is that a part of the 12.4 percent increase over last year was led by a healthy growth in domestic sales, particularly from premium products and services including automobiles, consumer durables, hotels and restaurant services.

Decisive action against fraudulent registrations, fake invoicing and stricter compliance norms also helped shore up the revenues. It's likely that the average monthly collection will be lower than Rs 2 lakh crore in the coming months, but if the double-digit growth continues, then the 2024-25 budget targets will be comfortably outstripped like in 2023-24 and 2022-23.

While the headline number is heartwarming, one critical metric is flashing a sign of weakness. The GST-GDP ratio, which gauges tax revenue relative to the size of the economy, is yet to show a dramatic jump. From 5.7 percent in 2020-21 it rose to 7 percent in 2023-24, and has significant room for improvement.

One of the reasons is the slow growth in consumption demand—2.4 percent and 3.5 percent in the second and third quarters of 2023-24—that was held back by fragile rural demand even when urban spend on high-end products attracting higher tax rates fared extremely well. This rise in consumption was notwithstanding cesses, which will likely end in 2026. GST reforms involving rate rationalisation and extension of product coverage are imperative to increase the GST-GDP ratio.

The consumption-based levy was supposed to be a much simpler tax and it's critical to speed up the process of rationalising the rate structure. Fears of a single-rate regime increasing household budgets at a time inflation remains sticky are not completely unfounded. So efforts should be made to adopt a three-tier rate structure and expand the tax base.

Besides, the authorities should improve tax administration and tribunals should speed up litigation. Above all, the Centre must resist the urge to impose new cesses that not only increase the tax burden but also lower the outgo to states. On their part, the GST Council and states should consider bringing in more products into the fold including petroleum, electricity and alcohol, as it would help lower the tax incidence. https://www.newindianexpress.com/editorials/2024/May/03/broaden-gst-net-cut-cesses-to-reduce-tax-burden

12. Make the poor richer without making the rich poorer *(thehindu.com)* May 06, 2024

It is simply incontestable that the economic disparity between the rich and the poor has widened alarmingly over the last two decades, not just in India but across the world

Since the Congress party released its election manifesto on April 5, the word 'redistribution' has dominated the election discourse. Prime Minister Narendra Modi alleges that the Congress' manifesto promises to 'redistribute' wealth by taking away people's gold, mangalsutras, imposing new taxes and giving it to poor minorities. Except, there is no mention of 'redistribution', 'mangalsutras' or, 'wealth tax' in the 48 pages of the manifesto. The election in the world's largest democracy is now a contest over missing words.

Constitution and the redistribution of wealth

Nevertheless, this has triggered a furious public debate over India's inequality and the idea of redistribution to bridge the gap between the haves and the have-nots. It is simply incontestable that the economic disparity between the rich and the poor has widened alarmingly over the last two decades, not just in India but across the world. It is puerile to politicise this serious issue by quibbling over which political party's tenure has exacerbated economic inequality. The fact is that the world is becoming more and more unequal and it is not in the larger interest of any society to let this fester. The real argument is over how one should bridge this gap and aspire for a more equal and just society.

The gap between the rich and the poor can be bridged by either making the rich poorer or the poor richer or both. Does one believe that the size of the overall economic pie is either fixed or will not grow fast enough for the rich to keep their share and the poor to get a greater share? If the answer is yes, then the thinking to achieve a more equal society is shaped by what sociologists call a 'Pareto Optimum', under which it is impossible to make one person better off without making another worse off. Developed nations, that can only grow slowly, are forced to adopt a 'Pareto' path to reducing inequality. But developing nations that can grow much faster need not. This is the fundamental philosophical difference across the ideological spectrum to solving inequality.

'Fix the system'

The idea of a wealth tax to extract from the super rich and give to the poor stems from a 'zero sum' thought to reduce economic disparity. It is entirely legitimate to question if the rich acquired their wealth through fair means and perhaps most don't in countries like India. But taxing their wealth because it is ill-gotten conflates the process with the outcome. If the system is corrupt to let a few acquire wealth illegitimately, then fix the system, not tax their wealth in the garb of inequality.

An inheritance tax may sound even more morally correct in that it is unfair that a child born into a rich family can be wealthy on day one, while another born into a poor family starts with a huge disadvantage. But the ultimate goal is to bridge economic inequality, not resolve an ethical quandary. Such vindictive 'tax the rich' measures neither provide enough resources to make a significant impact nor foster a healthy climate to reduce the rich-poor disparity.

In the current stage of India's development cycle, economic growth is necessary for increasing the size of the overall economic pie. Economic growth needs investment. A confrontational 'make the rich poorer' policy attitude can hinder investments and trigger flight of capital.

India's inequality is a result of lopsided economic growth and taxation. It is well established that India is experiencing jobless growth where headline GDP growth does not translate into jobs, incomes and prosperity for a large majority.

As I showed in my July 2022 article 'Whose GDP is it anyway' in The Hindu, every percentage of GDP growth today generates less than one-fourth the number of formal jobs than it did in the 1980s. This is mainly due to contemporary economic development models that prize capital over labour for efficiency. So, the key to reducing economic disparity is to rebalance the capital-labour skew through labour market focused policy incentives. This is the rationale behind some of the Congress manifesto promises such as the right to apprenticeship for youth, employment linked incentive schemes for corporates and promote unskilled labour intensive economic activities.

The other driver of India's inequality is the imbalance in taxation where the common person pays more than the corporates in the share of taxes. Out of every 100 rupees that India collects in taxes, 64 rupees come from the poor and middle class through indirect (GST) and income taxes, while only 36 rupees come from rich corporates. Essentially, the poor and common person suffers a double whammy where they are not only excluded from the gains of economic growth but are also taxed more vis-à-vis corporates. This is why the manifesto promises an overhaul of India's taxation structure through a simpler, lower GST indirect tax rate and a new direct tax code.

It is important to ensure a social security net through welfare programs for the poor until they can reap gains of economic growth. Such programs can be funded through a combination of faster growth, higher tax buoyancy and efficient welfare delivery without having to resort to penalising the rich.

A pragmatic approach to reducing the rich-poor gap is by maximising economic growth, minimising unemployment, lowering the tax burden for the common person and providing a safety net for the poor. This involves a delicate balancing act of labour market incentives, welfare safety nets and attracting investments. But punitive and spiteful taxation of the rich to pay the poor is not workable, wise or welcome. India can reduce inequality by making the poor richer without having to make the rich poorer. https://www.thehindu.com/opinion/op-ed/make-the-poor-richer-without-making-the-rich-poorer/article68142143.ece

13. The inheritance of "tax" *(millenniumpost.in)* 03 May 2024

Keeping politics aside, the inheritance tax on the super rich could help level the unequal playing field while encouraging philanthropy

Election season stirred up yet another controversy. The inheritance tax or "death tax" as it was notoriously known waded into political debates after Sam Pitroda, chairperson of Indian Overseas Congress, referred to it. And lo and behold, the gates of political mudslinging were thrown wide open as BJP accused the Congress of planning to impose 55 per cent inheritance tax if it comes to power. That the Congress has no such plans, and that over the years, leaders from both the parties have batted for it was lost in the hubbub. What remained were elements such as the misinformed students of a Greater Noida based private university who went viral for their half-baked, WhatsApp university fuelled ignorance. It's better to give away wealth than to leave it to brainwashed successors like these. But that's another story.

The history of the inheritance tax is interesting and its general vision can't be viewed through the narrow prism of self-growth. We live in an unequal world and if you haven't noticed, it's a world where increasingly, the rich get richer and the poor get poorer. It's an unpredictable world where viruses and international wars take turns to cause disruption. We live in times when the proverbial chickens (of destroying nature) have finally come home to roost (through extreme events of climate change). This world is getting upended by Artificial Intelligence (AI) as we speak, with millions fearful of potential future unemployment. In such a world that lacks security, is it a crime to discuss wealth redistribution?

When a person with a sizable estate passes away, inheritance tax would be levied while transferring the estate to the heirs. The total value of the assets would be calculated including adjustment of debt and liabilities. If you look at the legacy of the inheritance tax, it's amply clear that many luminaries of the Indian democracy have made a case for it — P Chidambaram, Arun Jaitley, and more recently Jayant Sinha. Until about forty years ago, the inheritance tax or estate duty was in effect, and was abolished in 1985. Brought into effect in 1953, the Estate Duty Act, was envisioned as a means to promote economic equality. As per news reports, due to draconian tax rates, differing valuation assessment rules, high costs of collection, tax evasion via 'benami' property transactions, and continuous political opposition, the Estate Duty was ultimately scrapped.

While such a tax is meant to affect only the super-rich, its meaning and implementation remained complex with ample loopholes for skirting it. Today, an implementation of inheritance tax would likely be far more effective. With the Digital India push leading to digitisation of all documents including that of land and property, and impressive income tax and goods and services tax (GST) collection, our tax collectors are more experienced and better equipped today. Globally, the inheritance tax is still prevalent in some states of the US (40 per cent), Japan (55 per cent), France (45 per cent), United Kingdom (40 per cent), Spain (34 per cent), Ireland (33 per cent), Germany (30 per cent), Belgium (30 per cent), and South Korea (50 per cent), among others. Couple of years ago, the Samsung family in South Korea made headlines as they became liable to pay USD 10.3 billion as inheritance tax after the death of group chairperson, Lee Kun-hee. The family sold shares worth USD 2 billion in January this year to pay off the burden of the inheritance tax.

Indian billionaire N R Narayan Murthy's five-month-old grandson is already a millionaire with a gift of 15 lakh Infosys shares valued at about Rs 210 crore. While Mr Murthy asks the younger generation to clock 70-hour weeks, and I'm sure his grandson may also do so when he comes of age…but what a fantastic head start this toddler already has in life! If you think altruistically…how much money do we really need to live an affluent life? How much would your second and third generations need? As of April 2, 2024, Forbes reports that the number of billionaires in the world are 2,781,141 more than last year, and they are worth USD 14.2 trillion!

As per the World Inequality Lab report, 22.6 per cent of our nation's income went to only the top 1 per cent (in 2022-23); the highest level recorded since the data series started in 1922. A forced inheritance tax could strongly persuade more of the super rich to contribute to social causes, poverty alleviation, clinical research and development, innovation, climate action — the list is endless as are their monies. https://www.millenniumpost.in/opinion/the-inheritance-of-tax-562358

14. Digital public infrastructure – a remarkable journey *(thehindubusinessline.com)* Updated - May 05, 2024

The country's success with multi-language support and collaborative platforms holds valuable lessons for others

In this age of rapid technological advancement, India has embarked on a remarkable journey of deploying Digital Public Infrastructure (DPI) which has reshaped the nation’s socio-economic landscape.

India boasts the highest number of digital transactions, surpassing even the combined figures of the US, China, and Europe. The digital economy is booming, projected to reach a staggering $1 trillion by 2025. This growth is fuelled by a massive internet user base, with over 759 million Indians actively connected, with a significant portion residing in rural areas. The ambitious Aadhaar programme, a digital ID system, has enrolled nearly 1.3 billion citizens, facilitating efficient delivery of welfare services, financial transactions, and access to government schemes.

Similarly, the Unified Payments Interface (UPI) is witnessing exponential growth, expected to reach a billion transactions daily by 2026. Broadband connectivity has also seen a significant leap, reaching over 93 per cent of Indian villages. These milestones reflect India’s unwavering commitment to building a digitally empowered and inclusive society.

The government’s programmes like the National Optical Fibre Network (NOFN), Digital India, National Broadband Mission, and National Data Centre Policy have laid the groundwork for a robust digital infrastructure.

The Bharat Net Project, with its ambitious goal of connecting villages through high-speed internet, serves as a prime example. Additionally, the government’s commitment is evident in establishing Wi-Fi hotspots in public spaces and fostering domestic production of telecom equipment through Production Linked Incentive schemes.

Beyond connectivity, the government’s has undertaken monumental steps to advance DPI. The Jan Dhan-Aadhaar-Mobile (JAM) trinity has resulted in millions of new bank accounts and streamlined direct benefit transfers, eliminating leakages and ensuring targeted delivery of welfare programmes.

Initiatives like Ayushman Bharat Mission and Unified Logistics Interface Platform (ULIP) are transforming healthcare and logistics sectors respectively. Innovative solutions such as digilockers and authentication frameworks empower citizens with secure storage and access to vital documents. Digital platforms like ONDC are further empowering small businesses by providing a global marketplace.

Multi-pronged success

The emergence of DPI has ushered in an era of e-governance, with citizens gaining online access to a wide range of government services.

Portals like the National e-Governance Plan (NeGP) offer a one-stop platform for everything from birth certificates to land records.

This digitalization has streamlined processes, reduced bureaucracy, and enhanced transparency.

India’s DPI initiatives, often referred to as the India Stack, have been instrumental in boosting productivity, improving efficiency, and generating employment opportunities.

A robust digital infrastructure fosters global connectivity, financial inclusion, and innovation.

It serves as a springboard for entrepreneurs and businesses.

DPI is also transforming education through e-learning and healthcare through telemedicine, paving the way for a more equitable and accessible future.

The true power of DPI was evident during crises. Initiatives like the Garib Kalyan Yojana, which utilised digital banking infrastructure for direct benefit transfers, ensured swift and transparent delivery of financial assistance to millions during the pandemic. Digital platforms also facilitated access to vital information, healthcare services, and emergency assistance, leaving no one behind.

Global reach
Looking ahead, India has immense potential to lead the global conversation on DPI development.

The country's success with multi-language support, collaborative platforms, and real-time data analysis holds valuable lessons for others. India can serve as a role model for developing nations, promoting multilateral dialogue to establish universal standards and fostering sustainable financing models for global DPI development.

However, India's journey is not without challenges. The digital divide persists, and ensuring equitable access to technology and internet connectivity remains a priority.

Concerns regarding accountability and data protection also require careful consideration. Despite these adversities, the transformation brought about by India's Digital Public Infrastructure is commendable.

From empowering citizens with digital identities to providing connectivity in the remotest villages, the nation has embraced technology as a catalyst for change. Nevertheless, the journey has only started. With unwavering determination and well-planned efforts, India is ready to take the lead in the global digital revolution. https://www.thehindubusinessline.com/opinion/digital-public-infrastructure-a-remarkable-journey/article68143058.ece

15. The paradox of India's global rise, its regional decline *(thehindu.com)* May 04, 2024

This dichotomy has profound implications for New Delhi's global aspirations

One of the deeply perplexing paradoxes of contemporary Indian foreign policy is that a globally rising India is also a regionally declining power. While India's global rise is a function of growth in absolute power, peer accommodation and a conducive 'chaotic' international situation, its waning regional influence is caused by diminishing relative power (vis-à-vis China), loss of primacy in South Asia, and fundamental changes in South Asian geopolitics.

India's aggregate power has grown over the past two decades — evident in robust economic growth, military capabilities, and a largely young demography. Its inclusion in key global institutions such as the G-20, as an invitee at G-7 meetings, and active participation in multilateral groups such as the Quad, BRICS, and the Shanghai Cooperation Organisation further highlight its geopolitical significance and its powerful presence globally, even if it is not a member of the United Nations Security Council. There is a lot more peer accommodation of (except from China of course) of India's claims to be a globally significant power. India's global rise is also aided by growing international attention on the Indo-Pacific, a theatre that is pivotal to global strategic stability, where India has a central position, geographically and otherwise.

Is the emerging global order bipolar?

Extraneous factors

Despite this global rise, paradoxically and worryingly, India's influence is declining in South Asia. When compared to India's influence in the region during the Cold War or in comparison to China's influence in the region today, India's power and influence in the region has sharply declined. This comparative decline, not an absolute one, caused by several extraneous factors, will have an impact on India's global position over time.

Paradoxically, again, some of the factors that have led to the decline of Indian influence in the region are also the reasons behind India's global prominence. Consider the following. The American withdrawal from the region and China filling that power vacuum have been disadvantageous to India. But that is, at the same time, a major reason why the United States and its allies are keen to accommodate India's global interests including in order to push back China in the region. In the case of the Indo-Pacific, while interest in the Indo-Pacific has increased, India's global prominence as an indispensable Indo-Pacific power, New Delhi's focus on the great power balance in the Indo-Pacific may have stretched New Delhi a bit too thin in the continental neighbourhood.

India and the great power contest in West Asia

If India's global rise stems from the growth in absolute power and the geopolitical choices made by the leading powers of the contemporary international system, India's regional decline is a product of the dynamics of comparative power, and geopolitical choices made by the region's smaller powers. To that extent, overlooking the balancing acts by the region's smaller powers to focus on the great power balancing might become counterproductive.

The rise of China and what India must do

But the rise of China explains India's regional decline more than anything else. Today, India is more powerful than it has ever been in nearly two centuries. And, yet, it is, comparatively speaking, the weakest it has ever been in history vis-à-vis China. Faced with a rising superpower next door for the first time, India is facing stiff geopolitical competition for influence in South Asia. China's rise will, therefore, mean that India may no longer be the most consequential power in the region.

The arrival of China in South Asia, the withdrawal of the U.S. from the region, and India's tilt to the Indo-Pacific have shifted the regional balance of power in Beijing's favour. Sensing this new power equation, South Asia's smaller powers, India's neighbours, are engaged in a range of strategies: balancing, bargaining, hedging and bandwagoning. India's smaller neighbours seem to find China as a useful hedge against India, for the moment at least. It is also important to keep in mind that a great deal of this regional balancing results from shifts in the regional balance of power, not merely from insufficient Indian outreach to the neighbourhood.

While the presence of a rising superpower at its doorstep for the first time is at the heart of this paradox, the growing obsolescence of South Asia as a geopolitical construct adds to India's diminishing hold on the region. For India, meeting the challenge posed by this paradox is essential as China's rise in South Asia will mean that India may no longer be the most consequential power in the region.

To begin with, New Delhi must revisit some of its traditional conceptions of the region, 'modernise' its primacy in South Asia, and take proactive and imaginative policy steps to meet the China challenge in the region.

First of all, we must accept the reality that the region, the neighbours and the region's geopolitics have fundamentally changed over the decade-and-a-half at the least. Not willing to acknowledge there is a problem will only make matters worse.

Second, New Delhi must focus on its strengths rather than trying to match the might of the People's Republic of China in every respect — the latter is a fool's errand. Fashioning a new engagement with the region that reflects India's traditional strengths and the region's changed realities is essential. Reclaiming the Buddhist heritage is one such example.

Third, India's continental strategy is replete with challenges whereas its maritime space has an abundance of opportunities for enhancing trade, joining minilaterals, and creating new issue-based coalitions, among others. New Delhi must, therefore, use its maritime (Indo-Pacific) advantages to cater to its many continental handicaps. Doing so could involve including India's smaller South Asian neighbours to the Indo-Pacific strategic conversations. Many of them are maritime states but not serious players within the Indo-Pacific project. India and its partners (the U.S., Japan, Australia, the European Union, and others) must find ways of engaging and partnering with Sri Lanka, the Maldives, and Bangladesh as part of their larger Indo-Pacific strategy. In other words, New Delhi should try to wean them away from the China-led regional grand strategy by making them a key part of the Indo-Pacific grand strategy where India and its partners hold significant advantage over China.

Fourth, there is today an openness in New Delhi to view the region through a non-India centric lens. This also means that New Delhi is no longer uneasy about external powers in its neighbourhood as it used to be during the Cold War. As a consequence, there is a desire to join hands with external friendly partners both in the Indian Ocean and South Asia so as to deal with the region's common challenges. This openness in New Delhi, and the desire of the external actors to engage the region, must be utilised to address the difficulties arising out of New Delhi's regional decline.

Tap soft power

Finally, New Delhi should make creative uses of its soft power to retain its influence in the region. One way to do that is to actively encourage informal contacts between political and civil society actors in India and those in other South Asian countries. For instance, there is a need to encourage informal and unofficial conflict management processes in the region especially when and where the Indian state is hesitant about being involved directly in a conflict — Myanmar is a case in point.

The dichotomy between India's global rise and regional decline has profound implications for India's global aspirations. It is a legitimate question to ask whether a country that is unable to maintain primacy in its periphery will be able to be a pivotal power in international politics. https://www.thehindu.com/opinion/lead/the-paradox-of-indias-global-rise-its-regional-decline/article68136618.ece

16. It is time to operationalise the Indian Defence University *(thehindu.com)* May 06, 2024

While the nature of war remains constant, its changing character imposes a premium on military education and the academic preparation required to cope with security challenges

The Greek thinker Thucydides is said to have remarked that a nation which makes a distinction between its scholars and its warriors will have its thinking done by cowards and its fighting done by fools. It is no surprise that several nations have established 'defence universities' to promote academic rigour and enhance strategic thinking in their armed forces. In India's own neighbourhood, it is reported that Pakistan has created two universities for its armed forces, while China has three, although a report of the Australian Strategic Policy Institute lists more than 60 Chinese universities with military and security links. In this context, the absence of the long overdue Indian Defence University (IDU) is concerning.

Professional Military Education
While the nature of war remains constant, its changing character imposes a premium on military education and the academic preparation required to cope with current and future security challenges. The dynamic and chaotic character of warfare currently on display in Europe and West Asia means that military officers are expected to produce results in the face of nebulous initial information and rapidly changing circumstances. To meet complex challenges, officers are empowered through a well-constructed Professional Military Education (PME) continuum that augments their abilities to correspond with changing assignments and increasing responsibilities over long career spans.

The evolution of PME in the U.S. is of interest to us, since it has parallels with Indian theaterisation aims. While the Goldwater-Nichols Defense Reorganization Act, 1986 brought wide-ranging structural reforms, the U.S. military's professionalism is perhaps owed in large measure to 'Ike' Skelton, whose report to the U.S. Congress significantly reformed military education in the U.S. armed forces. This report advised the Department of Defense to focus educational institutions on specified learning objectives, enhance the quality of both civilian and military faculty, establish a twophased system for the education of joint officers, and form an Institute for National Strategic Studies at National Defense University, among other things.

Slow progress

The Indian armed forces, like others, need a broad-based education system, founded upon academic rigour. This realisation came soon after independence when, in 1967, the Chiefs of Staff Committee mooted the setting up of a Defence Services University. In 1982, a Study Group constituted by the COSC emphasised the need to set up an apex educational body for the armed forces in the form of an IDU.

Two decades later, in the wake of the Kargil conflict, a committee was established under the chairmanship of Dr K. Subrahmanyam to examine this issue. Based on its recommendations, in May 2010, ‘in principle’ approval was accorded for setting up of the IDU in Gurgaon. Despite some optimistic reportage in 2017-18, the progress on setting up of the IDU has been rather slow.

The several world-class training and education institutions run by India’s armed forces constitute a rich and vast ecosystem of professional training. However, they lack an overarching integrated PME framework and a multi-disciplinary approach to strategic thinking. Although the armed forces have affiliations with universities for degree courses, this is not the optimal solution. The IDU would remedy such shortcomings in India’s PME system by providing a central institution of higher military learning through a well-qualified faculty with a mix of academicians along with serving and retired officers from the military and civil services. In effect, this would unite theory with practice.

The university’s curriculum would vary among the various colleges and other institutions that would be governed by it. However, it would need to offer a variety of additional subjects relevant to national security and defence – both in sciences and humanities.

An idea whose time has come

The realisation of the IDU is long overdue. Some experts have suggested that after the establishment of the Rashtriya Raksha University (RRU) in Gujarat, there may not be a need for IDU. This argument is flawed, because comparing the IDU and RRU is like comparing apples and oranges. Neither does the RRU Act specify education related to ‘defence’ in its objectives, nor is its curriculum focused solely on military requirements for management of war and execution of plans.

The IDU as an idea has come and delays attached in its commissioning come at the cost of defence preparedness, strategic culture, and inter-service integration. The need of the hour is to operationalise the IDU at the earliest, so that the first building-blocks of joint warfighting can be put in place through a well-calibrated and futuristic military education curriculum. https://www.thehindu.com/opinion/op-ed/it-is-time-to-operationalise-the-indian-defence-university/article68142778.ece

17. Fiscal prudent Odisha faces many challenges on socioeconomic front *(business-standard.com)* May 05, 2024

For at least a decade of the past 24 years, Odisha under the governance of Naveen Patnaik and his Biju Janata Dal (BJD) has maintained a consistent revenue surplus. This fiscal health has allowed the government to invest in asset generation and roll out social welfare schemes, despite its own tax revenues (OTR) accounting for at best a third of its revenue receipts during the past 10 years.

The state kept its fiscal deficit within the permissible limit, even during the Covid-impacted year of 2020-21. It did not resort to the enhanced fiscal deficit limit permitted by the Centre during this period.

Odisha took fiscal consolidation a step further by achieving a surplus position during the second wave of Covid-19 and the Omicron-hit year of 2021-22, when most states struggled to contain their fiscal deficit within even the enhanced permissible ceiling. The debt never exceeded 19.2 per cent of its gross state domestic product (GSDP) in any of these 10 years. This fiscal discipline meant that the state did not overstretch its resources, even on capital outlays, which at times constituted up to a quarter of total expenditure and 4-6 per cent of GSDP.

PATNAIK VS PATNAIK

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
State per capita income as % of national average	73.1	68.4	73.9	75.5	77.8	79.1	81.1	83.8	85.7	88.1*
State economy as % of national economy	2.5	2.4	2.5	2.6	2.6	2.7	2.7	2.8	2.8	2.8*
AVG MONTHLY RETAIL INFLATION RATE IN % Y-O-Y										
State	6.9	6.4	5	2.2	2.6	4.6	7.1**	3.7**	6	6.5
India	6.2	5.6	5	3.6	3	4.2	5.8**	5.2**	6.8	5.4
Own tax revenue as % of revenue receipts	34.8	32.7	30.7	32.8	30.4	31.8	32.8	26.6	30.9	29.1#
AS % OF TOTAL EXPENDITURE										
Revenue expenditure	76.7	74.2	76.9	73.7	73.1	79.2	83	81.8	78.5#	74.7$
Capital outlay	23.3¢	20.8¢	22.1¢	21.6	20.6	16.2	15.6	16.9	20.6#	24.5$
AS % OF GSDP										
Capital outlay	4.9¢	6.2¢	5.6¢	4.8	4.7	3.8	3.3	3.4	5.1#	6.2$
Revenue balance	1.9	3	2.4	3.1	2.9	0.5	1.7	6.6	2.6	2.7#
Fiscal balance	-1.8	-2.1	-2.5	-2.1	-2	-3.6	-1.8	3.1	-2	-3#
Debt	14	15.2	16.5	17	16.7	17.8	19.2	19.2	12.7#	13.1$

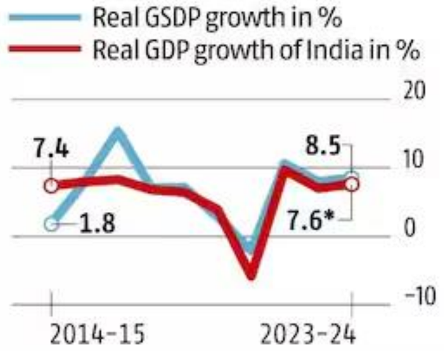
However, this is only one side of the story. Critics of the BJD government argue that it has neglected to fill crucial vacancies and incur only necessary expenditures to maintain its revenue surplus position. Despite some positive indicators, such as the gender ratio and total fertility rate, the state's socio-economic indicators leave much to be desired. For instance, the state's unemployment rate remained higher than the national average in the past six years (for which data is available), though the gap narrowed in 2022-23.

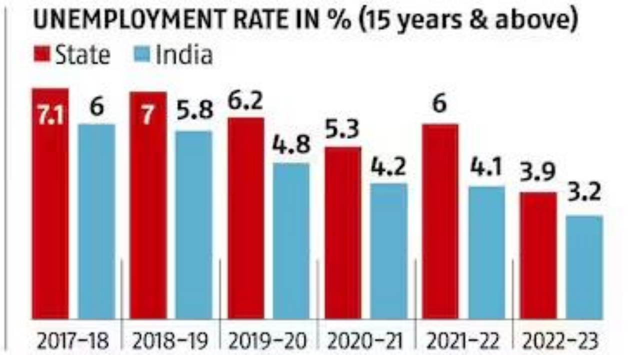
Similarly, the state's per capita income has consistently been lower than the national average over the past decade, though the gap has been narrowing in recent years. The multidimensional poverty rate in the state surpassed the all-India level for 2015-16 and 2019-21, and female literacy and infant mortality rates are nothing to boast about, despite improvements over the years.

Amarendra Das, associate professor in economics at the Bhubaneswar-based National Institute of Science Education and Research (NISER), argues: “Odisha has been consistently maintaining a revenue surplus by understaffing the public offices, including education and health departments. Our research shows that Odisha has negative genuine savings.”

Despite being a relatively poor state, Odisha has recorded low growth in population since the last decades of the 20th century. The total fertility rate (TFR) in the state came down to 1.8 during 2019-21, on a par with Kerala and Tamil Nadu and lower than the national average.

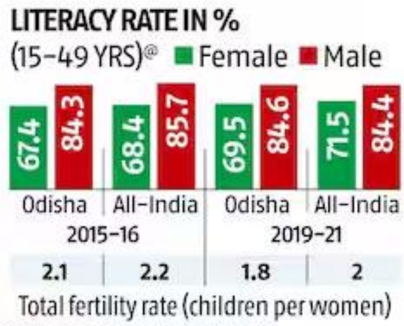
Amitabh Kundu, professor emeritus at Ahmedabad-based L J University, suggests that this declining TFR, lower than the replacement rate of 2.1, means that the state will see a fall in population in a couple of decades, much before the national level. This demographic shift, he says, presents both challenges and opportunities.





SOCIAL INDICATORS

	2015-16		2019-21	
	Odisha	All-India	Odisha	All-India
% of people facing multidimensional poverty	29.34	24.85	15.68	14.96
Gender ratio (females per 1,000 males)	1036	991	1063	1020
Infant mortality rate (per 1,000 live births)	39.6	40.7	36.3	35.2



Note: € Capital expenditure, * Advance Estimates, ** last 10 months, $ Budget Estimates, # Revised Estimates,
@ data of 2015-16 is not comparable with that of 2019-21
Sources: Odisha budget documents, Mospi, PRS Legislative Research, NITI Aayog, National Health Family Surveys

In the event of a population decline, Odisha can expect less expenditure on human resource development, less unemployment, and less out-migration, says Kundu, adding that the government can now focus on quality rather than quantity.

However, with an increase in the elderly population and a decline in the working-age population, the dependency rate would rise, he points out. The state will then have to invest in old-age security and a health-care system for senior citizens.

It also has to reorganise its education system spatially since the number of children at the village level has already started declining, says Kundu, adding secondary and higher education will have to be provided at nodal centres, supported by child-friendly transport systems.

In the run-up to the election to the 147-member Assembly, scheduled in phases from May 13 to June 1, Chief Minister Patnaik announced several social welfare schemes. The Congress and the Bharatiya Janata Party (BJP) have also promised several populist measures in their manifestos. The BJD is yet to come out with its own. However, it's important to distinguish between social welfare measures and freebies, which often blur into each other.

Das of NISER suggests Odisha spend money on building long-term capabilities, instead of focusing on short-term political gains. "This requires more investment in the recruitment of teachers, doctors, building skills of youth for artificial intelligence, machine learning, green energy, and disaster mitigation."

From municipal leaders to farmers and college students, the BJD government in Odisha announced sops almost every day during the period leading up to the enforcement of the model code of conduct. These included a hike in monthly remuneration for all Panchayati Raj representatives, the creation of 55 new notified area councils, the introduction of Nua-O scholarship for college students at a cost of Rs 3,701 crore over five years, a budget of Rs 6,029.70 crore for the next three years under its flagship Krushak Assistance for Livelihood and Income Augmentation scheme, and the introduction of 'SWAYAM', a Rs 448 crore scheme offering Rs 1 lakh interest-free loans to unemployed youth.

On Sunday, the BJP announced "Narendra Modi's 21 guarantees" for Odisha in its manifesto, which include a cash voucher of Rs 50,000 valid for two years for women, a minimum support price of Rs 3,100 crore a quintal for paddy, and an increase in pension up to Rs 3,500 a month. The BJP has also promised to generate 350,000 jobs by 2029 through economic initiatives, create 2.5 million lakhpati didis by 2027, return chit fund money within 18 months of coming to power, and provide an annual lean period allowance of about Rs 10,000 for fishermen.

In its manifesto announced in March this year, the Congress promised jobs to half a million youth, a monthly unemployment allowance of Rs 3,000, Rs 2,000 each month to women heads of households, and a gas cylinder for Rs 500 to each family, among others. https://www.business-standard.com/elections/lok-sabha-election/fiscal-prudent-odisha-faces-many-challenges-on-socioeconomic-front-124050500196_1.html

18. Noida struggles to recover ₹8,300 crore dues from commercial real estate project developers *(hindustantimes.com)* May 04, 2024

The Noida authority is struggling to recover land cost dues from owners of commercial projects with most of the project owners filing for bankruptcy and facing trial before the National Company Law Tribunal (NCLT), said senior Noida authority officials, adding that the 10 big defaulters together owe the authority at least ₹8,300 crore.

These 10 big financial defaulter realtors got the land to build commercial buildings or mixed-land use buildings having residential and commercial space on an instalment basis and later defaulted on payments.

Authority officials said the defaulter realtors have either got stay orders on recovery from the Allahabad high court or facing trial at the NCLT which gives them immunity from any action of the authority.

“We have asked the legal department to study the court cases in great detail and find out ways to recover the dues because the authority is facing a huge losses with regards to these commercial projects, the work on which has currently stopped and the owners have stopped payment of the land cost dues since the past many years. The authority plans to get the stay orders from the court lifted. The authority’s legal department will also be told to seek permission from the NCLT to recover the dues,” said a Noida authority official, asking not to be named.

As per the authority’s data, the biggest defaulter is a mega commercial project located in Sector 94. This project has a dues of over ₹2,100 crore. The authority said the owner of the project filed a petition before the high court against the authority’s notice and obtained a stay order.

The second biggest defaulter is another commercial project in Sector 124 and the developer owes the authority around ₹2,000 crore.

The NCLT has recently admitted an application by a company that invested money in this Sector 124 project.

The third top defaulter owns a commercial project in Sector 16B and the realtor owes the authority ₹1,450 crore to the authority.

The fourth defaulter owns a commercial project in Sector 52 and has ₹1,100 crore land cost dues.

Noida authority said it is facing a financial crisis owing to all these defaults.

The Noida authority will intensify the action against these projects once the legal department gets a nod from either the Allahabad high court or the NCLT to proceed.

“We are looking into each case and we will take appropriate action. There are some cases where the authority will cancel the allotment and the undeveloped land will be allotted to a new developer,” said Lokesh M, chief executive officer of the Noida authority. https://www.hindustantimes.com/cities/noida-news/noida-struggles-to-recover-8-300-crore-dues-from-commercial-project-developers-101714759529502.html