NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Why RBI must focus on big threats to fiscal health *(fortuneindia.com)* Jan 4, 2024

The central bank's focus on states with good fiscal management records while giving more than a free pass to delinquent industries and the Centre is counter-productive.

In the past few years, the RBI has exclusively focused its attention on fiscal management of states, often pointing at all transgressions, while giving a free pass to delinquent industries as well as the Centre. To serve the economy better, it must change course. The list of omissions is long. Here are a few significant ones.

State governments on target, free pass to industry and Centre

Its latest report on states' finances, released on December 11, 2023, is relatively mild – having dented its own reputation in 2022 (explained later). In this report, it concludes that state finances continue to be robust "with adequate fiscal space for undertaking higher capex." Here is what it shows about states' fiscal performance (all in percentage of GDP):

-Fiscal deficit: 2.8% in FY23 (RE) which is "below the budget estimate for the second consecutive year" and also below "the Centre's limit of 4%." This was "primarily (achieved) through a reduction in revenue deficit." For FY24, fiscal deficits are budgeted at 3.1%. Average fiscal deficit for seven fiscals of FY18-FY24 is 2.9% (less than the FRBM limit of 3%, the Centre has allowed an additional 1%).

-Revenue deficit: "Near elimination of the revenue deficit" with 0.3% in FY23 (RE) and 0.1% in FY24 (BE). Average of seven fiscals of FY18-FY24 is 0.5%.

-**Revenue surplus**: 14 states/UTs in FY22 (actual), 18 in FY23 (RE) and 20 in FY24 (BE) – of the 31 states/UTs it covered.

-Capex: Budgeted to "increase by 42.6% to 2.9%" in FY24 (BE). Average of six fiscal of FY19-FY24 is 2.6%. The Economic Survey of 2022-23, however, shows the average far higher at 3.7% for six fiscals of FY18-FY23).

-Outstanding liabilities/debt: Budgeted to fall to 27.5%, from the peak of 31% in FY21 (pandemic fiscal). Average of FY18-FY24 is 27.5% (FRBM limit is 20%).

Nonetheless, RBI flagged "many states" have outstanding liabilities of over 30%; "primary deficit remained sizeable" (although merely 1.2% of the GDP); "19 States and UTs have budgeted a GFD-GSDP ratio exceeding the FRL limit of 3%"; a few states returning to the old pension system (OPS) and others moving in that direction "would exert a huge burden on State finances" with "additional burden reaching 0.9% of GDP annually by 2060" (ignoring revenue surplus in 20 states/UTs) and "restrict their capacity to undertake growth enhancing capital expenditures etc."

In sharp contrast, the RBI hasn't critically examined the Centre's fiscal performance. Here is what the data of Economic Survey of 2022-23 and 2023 budget reveal about the Centre's fiscal performance:

-Fiscal deficit was 6.4% in FY23 (RE) and budgeted at 5.9% in FY24 (BE); average of seven fiscals of FY8-FY24 is 5.7% of the GDP – far above the FRBM limit of 3% (as against states' less than the limit).

-**Revenue deficit** was 4.1% in FY23 and is budgeted at 2.9% in FY24; average for FY18-FY24 is 3.9% (far higher than states).

-Centre's capex was 2.7% in FY23 and budgeted at 3.3% in FY24; average for FY18-FY24 is 2.2% (far less than states' 2.6-3.7%).

-**Outstanding liabilities (debts)** were 57% in FY23 and budgeted at 57.2% in FY24; average of FY18-FY24 is 54.3%, which is far higher than the FRBM limit of 40% (far higher to states' 27.5% too as against their FRBM limit of 20%).

Both the trends (of states and Centre's) are historical, more so in the entire 2011-12 GDP series. Hence, there is a need to focus on the Centre.

Its criticism of states' finances is relentless and harsh.

In June and July 2022, its June 2022 bulletin first warned of a Sri Lanka-like "financial risks" developing in India because of states' rising "non-merit freebies" (ranging from 0.1% to 2.7% of GSDP), "off-budget" borrowing (going up to "4.5% of the GDP") when their "own tax revenue" was on "slowdown" and said states' fiscal conditions were "showing warning signs of building stress". Its July 2022 bulletin asked: "Are financial risks moving sub-national?"

Finally, it corrected itself months later in January 2023; commended states for their fiscal prudence; freebies, off-budget borrowing and rising debt were conspicuous by absence and instead it noted that 19 states/UTs were revenue surplus. This report came months after finance ministry think tank NIPFP ran counter to RBI's findings ("Beware of Lanka-like crisis with 'non-merit freebies'" and "States' fiscal space rapidly shrinking, here's why...").

The RBI's 2022 reports coincided with the Centre's campaign against 'revdi' and 'revdi culture' of state governments – ahead of the state elections in Himachal Pradesh and Gujarat (and after the Punjab elections which the Aam Admi Party won).

In 2019, in response to the Centre's offensive against farm loan waivers by states, RBI said in "Report of the Internal Working Group to Review Agricultural Credit" (September 2019) that there was "an unprecedented increase" in farm loan waivers during 2014-2019 by 10 states, blaming this for increasing agriculture NPAs "sharply" to 8.44% in FY19. It called the loan waivers "not the panacea" and condemned saying, "they destroy the credit culture", "harm the farmers' interest" and "squeeze the fiscal space".

The fact is: (i) loan waivers are paid by states and hence, no burden on banks (ii) at that time, agriculture's share of NPAs in SCBs (RBI data) was mere 8.5% (industry accounting for the rest 94.5%) (iii) Centre's farm loan waiver of Rs 60,000 crore had an impact in 2008 budget (by UPA-I) (iv) Centre had introduced a cash transfer of Rs 6,000 (PM-Kisan) to all farmers (including big farmers owning 10 hectare and above) announced earlier in the year and (v) write-off of corporate loan defaults, including those of declared fraudsters and willful defaulters since FY15 (rising to Rs 14.6 lakh crore by FY23).

Besides, the RBI guards identities of declared (by banks) fraudsters and willful defaulters, who keep multiplying by the year and also flee the country with bank loans as their loans are written off, except once in February 2021 which was in response to a RTI query. The RBI guards their identity on the plea of protecting business interests. Rather, in June 2023, RBI offered "compromise settlement" with them and made them eligible for fresh loans after 12 months! This was weeks after the RBI Governor flagged (on May 29) that banks were indulging in "innovative ways to conceal the real status of stressed loans".

Nothing can create more macro-financial risks for the economy than such practices and policies.

There is more.

Centre's fiscal performance

The CAG has been flagging GST Compensation Cess, disinvestment proceeds and many other cesses and surcharges which are meant for specific and exclusive use but ploughed into the Consolidated Fund of India (CFI). After examining the CAG audit reports from 2020 to 2022, the Centre for Social and Economic Progress (CSEP) said (in 2023) that the Centre's off-budget borrowing disclosures (Statement 27") had "deficiency in the format," was "incomplete" and suffered from "non-disclosure of certain entities' debt." Fortune India ("5 ways to resolve the unfinished agenda of freebies") noted how Centre's Statement 27 does not disclose off-budget borrowings – disclosing only ₹1.39 lakh crore during FY17-FY22 while the revised FY21 budget alone showed food and fertiliser subsidy skyrocketing from the budgeted ₹1.9 lakh crore to ₹5.6 lakh crore (excess of ₹3.7 lakh crore).

Ironically, on the off-budget borrowing disclosed in the FY22 budget, the RBI said in its analysis of the Centre's budget that it brought "greater fiscal transparency," describing it as "another positive aspect" of the budget and that this "has been well received by the markets as well."

Perusal of its analysis of the Centre's budget for FY21, FY20, FY19 and FY18 shows the RBI did not flag 'off-budget' borrowing.

Its analysis of FY23 budget, titled "Union Budget 2022-23: Some Pleasant Fiscal Arithmetic," hailed Centre's fiscal performance saying it, "calibrates a thrust to growth with feasible rectitude," "moderation in the cyclically adjusted fiscal deficit," "going forward, debt reduction needs to assume prominence in the fiscal policy strategy" etc.

Its budget analysis of 2023-24 calls provision of "capital expenditure as a key lever of growth", commitments to "credible fiscal consolidation for strengthening macro-stability", "public debt levels have moderated" as the Centre "resorted to prudent fiscal management notwithstanding the challenges induced by the pandemic" etc.

Centre's debt has since grown from Rs 56.7 lakh crore in FY14 to Rs 152.2 lakh crore in FY23. It has missed fiscal deficit targets every fiscal since FY12, its tax-to-GDP remains stuck at 10-11% since FY12.

Even with the industry, the RBI must note routine misreporting of trade invoices (India-China trade data mismatch has increased to $15 billion in Jan-Oct), private investment is stuck despite corporate tax cut and a series of tax incentives, the insolvency and bankruptcy processes leading to huge loss of bank loans (17.6% recovery, 75% firms ending in scrap sale during FY18-FY23). NCLT recently approved sale of Reliance Communications for just 0.96% (Rs 455.9 crore) of the 'admitted claims' (Rs 47,251 crore).

Does such approach improve fiscal management? That's to ponder over! https://www.fortuneindia.com/macro/2024-ahoy-why-rbi-must-focus-on-big-threats-to-fiscal-health/115337

2. India's troubled indigenous jet engine project *(newsable.asianetnews.com)* 05 Jan 2024

The journey of India's jet-engine aspirations has been fraught with challenges, encompassing gaps in metallurgy, deficiencies in manufacturing infrastructure and test facilities, and constraints arising from the denial of critical technologies following India's nuclear tests, says Girish Linganna

In a significant stride towards bolstering India-US defence ties, the United States Congress had granted approval for GE Aerospace's collaboration with the state-owned Hindustan Aeronautics Limited (HAL) to manufacture fighter jet engines for the Indian Air Force. This pivotal agreement, forged during Prime Minister Narendra Modi's state visit to the United States the previous year, has now received the green light from the US Congress for the Biden administration to proceed with the implementation. The deal with HAL encompasses groundbreaking elements such as unprecedented technology transfer, local production of jet engines in India, and licensing arrangements.

Under the terms of this pact, GE Aerospace is set to transfer 80% of its technology to India, specifically for the production of F414 fighter jet engines. The primary objective of this technology transfer is to augment the operational capabilities of the Light Combat Aircraft (LCA) MKII. The collaborative effort involves the joint production of GE Aerospace's F414 engines in India, aligning with the Air Force's Light Combat Aircraft Mk2 program.

Regarded as a "game changer" by HAL Chief CB Ananthakrishnan, this partnership lays the groundwork for the development of future indigenous engines to propel military jets. The agreement also encompasses the co-production of 99 jet engines, offering cost efficiencies attributable to the technology transfer.

Renowned for their reliability and performance, the F414 engines are poised to play a pivotal role in enhancing India's defence capabilities. With a presence on Indian soil for over four decades, GE Aerospace is poised to expand its facilities, contributing to engines, avionics, services, engineering, manufacturing, and local sourcing.

While the collaboration marks a significant stride in India's defence capabilities, questions arise about the nation's continued reliance on external sources for crucial engine components. Critics point to India's historical struggle, including the nearly 40-year Kaveri project, highlighting challenges in achieving self-sufficiency in engine manufacturing. Despite this, the partnership is seen as a positive step forward, with potential implications for future indigenous engine programs, such as the AMCA Mk2.

Combat Jet Engine Saga

The intricacies of combat jet engine production pose a formidable challenge that only a handful of nations have successfully navigated. This technological feat, essential for military aircraft, has eluded many due to its complexity and demanding requirements.

Until recently, China's fifth-generation J-20 fighter, also known as the 'Mighty Dragon,' relied on the Russian-made AL31F engine and later the WS-10 Taihang. The latter, derived from CFM-56II turbofan engines imported from the United States in the 1980s, faced persistent issues related to power and maintenance. Although efforts have been made to replace the WS-10 with the more advanced WS-15, experts contend that it still lags behind contemporary Western jet-engine technology.

The magnitude of the challenge becomes apparent when considering that even the engines propelling civilian airliners like the Boeing 747 consist of at least 40,000 parts, with combustion chamber temperatures soaring up to 1,400ºC. Timothy Heath, an expert at the Rand Corporation, a non-profit global policy think tank, emphasises the formidable nature of mastering these high-end technologies, noting that only a select few countries have succeeded.

Indeed, the ability to manufacture combat jet engines serves as a litmus test for a country's military-industrial prowess. Among the exclusive group of nations capable of producing advanced engines are all five permanent members of the United Nations Security Council— the United States, Russia, China, the United Kingdom, and France. While some countries, such as Japan and Germany, possess the technological know-how, few outside this elite circle have achieved success in the challenging realm of combat jet-engine manufacturing.

Consistent Failed Attempts

India's quest for an indigenous combat jet engine traces its roots to the challenges encountered by the HF-24 Marut, the nation's inaugural indigenous fighter. Originally intended to be powered by the Bristol Orpheus 12 engine, the collapse of the North Atlantic Treaty Organisation (NATO) project led India to settle for the less powerful Bristol Orpheus 703. Despite efforts by the Gas Turbine Research Establishment (GTRE) in Bengaluru to enhance the engine's power with afterburners, it proved incompatible with the Marut's airframe, rendering the promising aircraft obsolete.

In 1983, the government sanctioned the development of the multi-role Light Combat Aircraft (LCA) at an estimated cost of Rs 560 crore, aiming to replace the Soviet-made MiG-21. Feasibility studies identified the Rolls-Royce RB-1989 and General Electric F404-F2J engines as potential candidates, but the GTRE advocated for its indigenous GTX-37 engine, under development since 1982.

In 1986, a joint study by the Aeronautical Development Agency, Hindustan Aeronautics Limited, and GTRE evaluated the GTX-37. However, in December 1986, GTRE proposed the Kaveri engine for the LCA. A Rs 382.86 crore project was sanctioned in March 1989. Despite GTRE developing nine prototype Kaveri engines and four core engines undergoing extensive testing, including in Russia, they fell short of the required parameters, delivering only 70.4 kN instead of the necessary 81 kN 'wet thrust.'

A scathing 2011 report by the Comptroller and Auditor General (CAG) highlighted a 642 per cent cost overrun and a 13-year delay in GTRE's inability to deliver an engine for the LCA. The report noted the project's potential joint venture with a foreign entity for further development.

The challenges weren't confined to combat jet engines alone; other critical projects faced similar trajectories. The Advanced Light Helicopter envisioned as an Indian-designed and produced aircraft, incorporated the Shakti engine, co-designed with the French firm Turbomeca, highlighting the intricate web of collaborations and obstacles in India's pursuit of self-sufficiency in defence technology.

The Kaveri Project

In a strategic shift, the Kaveri engine, despite setbacks in its application for combat aircraft, is undergoing a redesign for alternative uses, particularly in the realm of drones. An official emphasised that the technological advancements garnered from the Kaveri project hold substantial potential for the development of higher-thrust engines, such as those required for the Advanced Medium Combat Aircraft (AMCA) class.

However, the journey of India's jet-engine aspirations has been fraught with challenges, encompassing gaps in metallurgy, deficiencies in manufacturing infrastructure and test facilities, and constraints arising from the denial of critical technologies following India's nuclear tests. An official lamented that even close allies were reluctant to share pivotal jet engine technologies.

The multifaceted problems encountered in India's pursuit of indigenous jet engines, as noted by experts, ranged from issues in metallurgical processes to the lack of robust manufacturing infrastructure and adequate test facilities. Denial of crucial technologies post-nuclear tests added another layer of complexity to the predicament.

A significant hindrance highlighted in a report by the Comptroller and Auditor General (CAG) was the shortage of appropriate scientific personnel. At the project's inception, the Gas Turbine Research Establishment (GTRE) had to nearly double its sanctioned manpower to meet objectives. This persistent challenge continues to impact the project, with shortages in scientific and technical branch personnel affecting progress, as noted by the CAG report.

In navigating the intricate landscape of jet-engine development, India grapples not only with technological complexities but also with the crucial human resource aspect, underscoring the multifaceted nature of the challenges involved in achieving self-sufficiency in this critical defence technology. https://newsable.asianetnews.com/india/explained-india-s-troubled-indigenous-jet-engine-project-s6s4au

3. A thorough infrastructure review is a must for climate disaster readiness *(livemint.com)* Indira Rajaraman | 05 Jan 2024

For each type of climate hazard, we need a physical audit of the present state of public infrastructure in hazard-prone areas. The 15th Finance Commission scored each state on a disaster risk index based on susceptibility to floods, drought, cyclones and earthquakes. Take it further.

The December message from CoP-28 was loud and clear. Nation states are on their own in the battle against climate change. They are free to do whatever mitigation they can, while at the same time having to accept mitigation failure in the big emission centres. As for adaptation, it is expected they will be self-motivated to find their own resources, since improved resilience is in their best interests.

Failure to formalize the Loss and Damage Fund (LDF) was the biggest disappointment. The LDF has some funding on hand, which may well amount to less than the total pledged. What are the principles on which it will be disbursed? First come first served? Failure to resolve these issues makes climate disaster funding no different post-CoP-28 from what it has been hitherto. Multilateral organizations may provide loans for reconstruction on easy terms. For the rest, the affected nation is left to fend for itself.

Disaster funding is one of the heads under which statutory grants are given annually by the Central government to states, prescribed by Finance Commissions (FCs) along with statutory tax shares. Currently, we are in the funding horizon of the Fifteenth FC, which made a total provision for the five years 2021-26 of ₹1.6 trillion for the state disaster fund which states can routinely access (roughly one-quarter contributed by them); and ₹0.68 trillion for the national fund set aside to supplement the state fund for exceptional disasters. The Sixteenth Finance Commission will cover the five fiscal years 2026-27 to 2030-31.

The types of ‘mitigation’ currently covered by the disaster funding provision pertain to the small or local end, such as improvement of storm-water drainage or construction of flood shelters. These are more usually classified as adaptation measures. So statutory funding to states is for mitigation of impact, rather than mitigation of occurrence. The latter, calling as it does for national decisions on transitioning away from fossil fuels, falls within the jurisdiction of the central government.

An important contribution of the Fifteenth FC was the scoring of each state on a disaster risk index, based on susceptibility to each of four types of hazard: floods; drought; cyclones and earthquakes. Using that prior work, the Sixteenth FC will have to call for a physical audit of the present state of publicly funded infrastructure in hazard prone areas. Without a benchmark of that kind, it is not possible to assess the need for fortification of presently existing infrastructure against hazard risk.

It is no secret that publicly funded infrastructure —buildings, bridges, roads, warehouses, power installations, water and sanitation pipes—is often in a state of serious disrepair. Then there is the problem of rampant urban construction of commercial and residential structures along natural drainage routes of cities, leading to urban flooding even with a heavy rainfall, let alone a disastrous cyclone of the kind that hit Chennai recently. For coastal cities, there is a need for a city-wide audit of drainage routes, and construction of alternative channels to those that have been blocked. Some built residential or commercial structures may well need to be razed to restore former drainage channels, if that is necessary for the survival of the city in future.

There is no provision for systematic physical assessment of structures built with public funds in past years. We have only the periodic compliance and performance audit reports by the Comptroller and Auditor General (CAG) on selected states and sectors. They do not comprehensively assess the condition of all publicly funded structures in a state, but their reports for the particular sector under review are powerfully informative.

To give an example from a recent compliance audit report, a vintage thermal power plant commissioned in 1965 (the name of the state is withheld) was to be replaced by one with lower fuel consumption. An excellent initiative. Work on the new plant started in January 2009, and was scheduled for completion by January 2012. It was finally completed nine years later in July 2021, a delay caused in part because the structure housing the plant was found to be defective and had to be re-built. Had the plant been commissioned in a defective structure, the power plant would have been ripe for destruction in a climate event.

Another recent compliance audit report on local bodies in a state discovered that works fully funded under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS), reported as completed on the website of the scheme, were functionally incomplete. Among them were information centres (which also serve as emergency shelters) of block-level panchayats with walls but no roofs; and flood embankments not raised up to the height needed for effective protection. In another project to combat flood erosion in fertile cultivable land along one of the major rivers, reported as complete, labour and materials had been paid for, but no work had actually been done.

The Sixteenth FC has an onerous task ahead, to ensure that public infrastructure is assessed for functionality, and fortified so as not to collapse utterly in the face of climate hazards. Physical verification surveys will have to be commissioned in each state, targeting particularly hazard-prone zones. https://www.livemint.com/opinion/online-views/a-thorough-infrastructure-review-is-a-must-for-climate-disaster-readiness-11704369870403.html

STATES NEWS ITEMS

4. How Rising Pollution Is Affecting Dal Lake *(indiaspend.com)* 5 Jan, 2024

Over the years, the contours of the lake have changed with the periphery changing into marshy land, and the lake's aquatic ecosystem changing with growing pollution

Srinagar: Despite, and partly because of, the increasing tourist footfall at the iconic Dal Lake, Biba Banoo, a fisherwoman in her mid-sixties, is perturbed. Her son Bilal Ahmed has been unable to catch any fish for three days. "He leaves at around 4 a.m. and returns home with barely 2 kg of common carp. The lake is becoming barren due to the growing pollution and pathos," says Banoo, who sells the fish in the market, referring to the literal and emotional shrinking.

Banoo and her son are one of the 10,000 indigenous half-amphibious families who row Shikaras on the lake, clean it, cultivate vegetables and fish in the lake for their livelihood.

As its waters run out of the indigenous silver fish, these fisherwomen bank on the non-local fish stock, which they buy from the open market. "But it doesn't attract many consumers in the valley, who are unaware of the impacts of pollution of the lake," Banoo said.

Dal Lake is the second major surface water body in the valley, after Wular Lake, located in the centre of Srinagar city, surrounded by the Hari Parbat hill and Zabarwan mountains. Over the years, the contours of the lake have changed with the periphery changing into marshy land, and the lake's aquatic ecosystem changing with growing pollution.

The authorities responsible for maintaining the lake say the sewerage and silt going into the lake are impacting the lake's health and the ecosystem. They say about 400 tonnes of weeds are taken out of the lake every day, and that sewerage treatment plants are working around the lake. The authorities also cleaned 20 navigation channels of the lake, with a total length of around 10 km.

How the lake changed over the years

In June 2023, the US National Aeronautics and Space Administration (NASA) shared satellite images of Wular Lake and Dal Lake (see below) suggesting that the twin water bodies in Kashmir have been shrinking over the years. The accompanying article cites a 2020 paper, by researchers from the National Institute of Technology, Srinagar published in the journal Applied Water Science.

The NASA Earth Observatory image from 2020, carried in a 2023 piece

However, the Jammu & Kashmir Lake Conservation and Management Authority (LCMA) said the NASA article relies on old visuals. "The 2020 NASA images show the lake full of lilies," said Bashir Ahmad Bhat, vice chairman of the LCMA. "But we've long cleared that vegetation."

Bhat shared a recent satellite image, showing the lake's open water expense is 20.37 square kilometres (sq km). In the last three years, he said, the LCMA removed lily vegetation roughly in around 7 sq km and added it to the open water area. "This lily vegetation was overwhelming in a major portion of the lake. Around 20 navigation water channels of Dal Lake have been recently restored," said Bhat.

The Jammu and Kashmir High Court, in an order in 2017, taking note of maps and satellite images available then, has also said that the area of the Dal Lake has remained the same. "In so far as the water/watery surface is concerned, it has not altered much over the years."

But the contours of the lake have changed over time, as we said, with its periphery turning into marshy lands, which were then given for construction.

Research by authors from the Department of Earth Sciences of the University of Kashmir, and the Indian Space Research Organisation, published in 2017, shows the changing land use and land cover over the lake during the last 155 years. Marshy lands and plantations in the northern part of the lake have vanished as they were given for road construction, and led to significant loss of the lake area during the 1970s, the study says. Dynamic floating aquatic vegetation--that is, lilies, weed, reed, moss and azola vegetation--on the water surface of the lake has tripled, with the consequent reduction of the open water expanse.

The built-up area within the lake has increased more than 40 times during the past 155 years, from 0.05 sq km in 1859, to 2.02 sq km in 2013.

"The massive and injudicious urbanisation of the lake interiors, with no provision for the scientific disposal of the household wastes, has adversely affected the quality of the lake waters," the study says.

A 2020 study also shows the built-up increased in the catchment area of the lake--from 20.15 sq km in 1980 to 38.6 sq km in 2018. Similarly, aquatic vegetation increased from 2.03 sq km in 1980 to 5.7 sq km in 2018. Aquatic vegetation, which is not part of the natural ecosystem, uses up oxygen, depriving other living beings--and could result in an area turning into a swamp.

Meanwhile, forest and agriculture in the catchment area of the lake reduced; agriculture reduced from 34.44 sq km in 1980 to 24.10 sq km in 2018, while forest cover reduced from 135.72 sq km in 1980 to 118.30 sq km in 2018.

Manzoor Ahmad Shah and Irfan Rashid, researchers associated with Kashmir University, told IndiaSpend that forests were converted for urbanisation. This led to export of nutrients and sediments in the lake which helped the growth of aquatic vegetation, and the lake started shrinking. Silt sedimentation and sewerage have choked the natural springs of the lake, and the water channels from near Zabarwan Hills were choked, which stopped the entry of glacial water into the lake.

The lake’s changing ecosystem

At 52, Gulzar Ahmad Dar from the fisherman colony of Dalgate that houses around 40 families says the entire family has been taking an antiallergen for some days. Allergies are due to increase in aquatic vegetation, and pollution of the lake, which also result in a stink over the lake for months in the summer, and causes a runny nose, sore throat, and itching.

Dar is the last fisherman of his family and possibly from his extended clan as well, he says. “My children are quite vocal about the social and survival issues related to fishing…I hardly make a profit of around Rs 400 a day by selling 3 kg of common carp fish, as the lake isn’t offering much,” he said, frowning. “How can my family with seven members survive on Rs 400 a day?”

The common carp was introduced in the Kashmir valley in the mid-twentieth century, and once it thrived in its new habitat, it became the main commercial fish in the market, as per a 2005 study. With human interference, the number of carp in Dal Lake has reduced over time, impacting fisherfolk.

“The pollution in the lake first impacted the habitat of fish,” says Irfan Rashid, the researcher from Kashmir University. “Agriculture runoff, detergents and soaps, animal waste, solid waste--plastic bottles and polythene--are contributing to this lake pollution.”

Anthropogenic pressures on lake water and pollution have adversely affected the water quality of the lake, and the population of endemic schizothorax fish, locally known as silver fish, has declined with the destruction of its breeding grounds, as per a 2020 report in the Indian Journal of Extension Education.

Even with reducing fish, there is growing competition on the lake as the fisheries department provided fishing licences to people who are not original inhabitants of the lake.

“This issuance of free licensing is furthering an existential crisis for the community,” Dar says. “Fisheries department would earlier throw the carp fish seeds (offspring of the carp) in the lake, but now they don’t even bother.”

An official from the fisheries department, who spoke on condition of anonymity, said that their guidelines do not specify that fishing licences are only for original inhabitants of the lake, and that the department has to give 24% more licences each year as it generates revenue.

Muneer Ahmad, the Fishing Development Officer in Srinagar, said that though indigenous silver fish is hard to find in the lake, carp is available, and that 3 kg a day for a fisherman is enough. He added that the department continues to throw seeds to the common carp every year.

Dar says the government allows untreated sewage to flow into the lake, which promotes weed growth. “This unwanted vegetation choked the oxygen supply to fish.”

Government officials blame the growing organic load--sewage at different locations on the banks, untreated sewage from locals living inside the lake area and on houseboats, kitchen waste, dead fish, and agricultural runoff.

"Indigenous fish cannot breed in an artificial water reservoir," says Muneer Ahmad, an officer in the government fisheries department. "Earlier fishes had an upstream breeding ground in Tailbal Nallah where they used to breed and come back into the lake, but now there is no water passage for the movement of the fish." (Tailbal or Telbal Nallah is an adjacent water body, separated from Dal Lake by the Foreshore road--built in the 1970s--marking the border of the lake on the northern side.)

Falling vegetable produce

Floating gardens locally known as raad are formed from the weeds collected by the lake dwellers. The weed consists of Typha Augustana and phragmites communis. These floating lands are movable with a length of 10 to 20 feet and three to four feet in breadth. Locals extract weeds along with the roots which contain soil as well. They later convert this into floating or movable gardens, by weaving the weeds together into mats that form the base of the garden. Cucumbers, tomatoes, carrots, melons, pumpkins, chillies and brinjals are grown on these gardens.

Earlier, vegetable produce from the lake would cater to 50% of Srinagar city's demand; it now hardly fulfils 5%, vegetable farmers claim.

"Things changed after the 2014 floods," said Mohammad Amin, who grows vegetables for a living. "The floating gardens began losing their foothold. LCMA officials intensified their patrol and barred vegetation on the floating gardens."

"Earlier, floating gardens had completely organic vegetation, but now with the use of fertilisers and pesticides, these add nutrients directly inside the lake," said Shah, a botanist from Kashmir University. Over time, these floating gardens solidified into marshy land and finally into land masses, he added. The fertiliser run-off contaminates the lake water, triggering the growth of unwanted vegetation.

Pollution, inadequate restoration

Ghulam Nabi, in his sixties, runs a grocery outlet in the interiors of the lake. He recalls his childhood days when his mother used to collect the lake water in a copper vessel for drinking and cooking purposes.

"But ever since the government filled the Nallah Mar water channel and constructed the road, the city drainage was diverted towards the lake," the grocer said. "After that, Dal Lake started becoming polluted and lost its grandeur."

Talking of Nallah Mar, Zareef Ahmad Zareef, an oral historian in Kashmir, said the water channel would carry the city's sewage into river Jhelum. But, instead of cleaning it, he says, the then government filled it with mud, constructed a road and diverted the sewage towards Dal lake. "People used to go from place to place in Kashmir through water transport only. But now many water channels [such as Nallah Mar] are closed."

The government has installed five sewage treatment plants (STPs) around the lake in Habak, Hazratbal, Laam, Brari Nambal and Nalai Amir Khan. But they did not "rescue the lake", Zareef adds. More sewage enters the lake than can be treated by the plants, a 2018 study shows: Only 75% of the lake periphery is connected to sewage treatment plants; the rest 25% goes untreated. The study also mentions that these STPs overflow during heavy rainfall and power blackouts.

A number of restoration plans by national and international agencies were implemented over the years.

In 2005, the government implemented the recommendations of a 2000 report from Indian Institute of Technology, Roorkee, including sewage treatment using Fluidized Aerobic Bed (FAB) reactor technology before it enters the lake.

In the first stage, the government installed three FAB-based STPs at Habak, Hazratbal and Laam, surrounding the lake. A 2020 report cites earlier studies from 2008 and 2009 which said these plants are malfunctioning and this will only exacerbate the problem of pollution in Dal Lake.

Another study, in 2022, suggested the need for skilled manpower for operating and maintaining the STPs, and constructive wetlands for tertiary treatment (where wetlands act as a final filter) before the water is discharged into Dal Lake.

The LCMA says that, currently, Dal Lake can potentially receive 48 million litres of sewage daily and five STPs are functional around the lake with a capacity to treat 36 MLDs. "Government has already approved the seventh STP at Gupt Ganga with the capacity to treat additional 30 MLD. All the houseboats on the lake with output of 1 to 1.5 MLD will be connected with the sewer within a few months," said Bhat, the vice-chairman of the LCMA.

Resettlement and rehabilitation

In 2007, under the National Lake Conservation Plan, Rs 298 crore was provided for Dal and Nagin lakes, LCMA officials said. Later, under the Prime Minister's Reconstruction Programme (PMRP), Rs 356 crore was provided for the rehabilitation and compensation to inhabitants. Of this, only Rs 80 crore was provided and Rs 65 crore was spent.

In 2012, the government also sanctioned a project costing Rs 416 crore to develop nine colonies for resettlement of the inhabitants. Of this, only Rs 180 crore was spent, according to LCMA vice-chairman Bhat.

Currently, a new project worth Rs 272 crore under PMRP is under way for rehabilitation.

In 1997, the Jammu and Kashmir state government formed an autonomous body, the Lakes And Waterways Development Authority. This was renamed as the LCMA in 2021. The LCMA is responsible for conservation and management of the lake as well as rehabilitation and resettlement of the Dal Lake dwellers.

In 2001, the government started efforts, under the Dal Lake Conservation and Rehabilitation Programme, to resettle the lake's inhabitants elsewhere to reduce pollution. "We developed eight colonies till 2004 and when they were completely settled with almost 2,100 families, the government started looking for other areas where the process of rehabilitation will be resumed and Rakh-I-Arth came into view," says Gulzar Ahmad Bhat, secretary of the LCMA. These colonies are in the periphery of the lake.

In 2006, the state government transferred 7,526 kanals and 7 marla of land (equivalent to about 3.8 sq km) at Rakh-I-Arth area in Bemina on the outskirts of the city to the LCMA. In 2008, a residential colony was proposed at the location--about 12 km away from the lake--at a cost of Rs 402 crore in a phased manner. In the first phase, 1.51 sq km of land was to accommodate 4,600 families.

As per the Comptroller And Auditor General report for the year ending March 2011, the LCMA had taken possession of only about 0.24 sq km (out of 3.8 sq km) of land at a cost of Rs 34.68 crore till 2011.

The report also mentions that LCMA was not able to implement the Dal lake Conservation and Rehabilitation Programme successfully. "To prevent the dislocated dwellers from returning to the lake and filling up this watery land for residential/agricultural purposes, it was proposed to acquire 14,547 kanals [7.35 sq km] of watery area under the Rehabilitation Program," the report says. However, only 27% of about 1.97 sq km was acquired by March 2011.

"We started rehabilitating Dal Lake dwellers to Rakh-I-Arth from 2011 and till now almost 1,100 families have been rehabilitated to Rakh-I-Arth," says Gulzar Ahmad Bhat, the LCMA secretary.

But Amin believes that the lake restoration project uprooted his community. "They forced my tribe out of the lake in the name of curbing pollution and abandoned them in a godforsaken area," the lake dweller says. "But the pollution problem still persists."

As Banoo wonders about the dwindling fish production, the Dal Lake's health matrices are falling and disintegrating its native population--about 1,100 families have shifted to Rakh-I-Arth, as we said.

Bashir Ahmad Bhat, the vice chairman of LCMA, says the LCMA now feels the inhabitants are the main stakeholders and are part of the ecosystem. He said that starting 2023, the LCMA has discontinued resettlement efforts and is working on new eco-hamlet projects where the inhabitants will be rehabilitated within the lake and connected with STPs--within two months--and modern garbage management technology.

Every day at around 10 a.m., a boat of the Srinagar Municipal Corporation arrives to collect waste from the Dal dwellers. "This is just a make-believe clean picture of the lake," Banoo says. "It never caters to the backwaters." https://www.indiaspend.com/pollution/how-rising-pollution-is-affecting-dal-lake-888295

5. Govt seeks unspent CSR funds, interim dividends from firms *(timesofindia.indiatimes.com)* Jan 5, 2024

Chennai: Faced with a liquidity crunch and with the Centre yet to release funds for flood relief, the Tamil Nadu government has resorted to mopping up unspent CSR (corporate social responsibility) funds from state enterprises. It has also asked profitable state PSUs (public sector units) to declare interim dividend on a quarterly basis to keep cash flowing steadily to the state's treasury.

In letters to CEOs of all government companies and state PSUs, state finance secretary T Udhayachandran said the state faced a "substantial decline in revenue from GST and state-owned sources".

"Despite ongoing social welfare initiatives, a severe liquidity and revenue crunch persists, prompting Government of Tamil Nadu to explore alternative support measures," he said.

"Several organisations and individuals are contributing to the relief fund. State government employees have contributed their one-day's salary to this fund. We are seeking only unspent CSR funds to further augment resources," he said.

Profit-making enterprises should declare interim dividends on a quarterly basis, Udhayachandran said and cited the precedent during Covid. He also referred to the directive to central public sector enterprises on payment of dividends, recommended as "government policy matter" by the 14th Finance Commission.

"There is no target as such to mop up funds. But the severe flooding in northern and southern districts has impacted businesses and trade, thereby affecting state revenue collection. We will get to know the numbers only when the returns are filed this month," Udhayachandran said.

As of November 30, 2023, the state's total tax revenue stood at 1.27 lakh crore, which is about 57% of the budgeted estimates, as per Comptroller and Auditor General (CAG) data. The state's revenue deficit for the period stood at a little over 24,000 crore as against the estimated 37,540 crore for the whole financial year (2023- 24).

"Funds mobilization is an ongoing exercise for the state. We need to keep up that exercise, especially given the fact that several districts were affected by severe flooding. It is a routine process and the state had used this approach to raise funds during Covid," Udhayachandran told TOI.

The Union government was yet to release funds that the state government had sought for relief works, he added. https://timesofindia.indiatimes.com/city/chennai/govt-seeks-unspent-csr-funds-interim-dividends-from-firms/articleshow/106559803.cms

6. Major move: MIDC takes back 223.23 Ha unused land in one year across State *(nagpurtoday.in)* 04 Jan 2024

Nagpur: Over the past year, Maharashtra Industrial Development Corporation (MIDC) achieved a notable milestone by reclaiming 223.23 hectares (equivalent to 22,32,265 square meters) of unused land spread across the state. This initiative harks back to a pivotal decision made during Chief Minister Devendra Fadnavis's tenure in 2015. At that time, the State Cabinet had resolved to retrieve land acquired by entrepreneurs who failed to utilize it for its designated purpose within the stipulated 10-year period. Last year, from July 1, 2022 to December 19, 2023, MIDC took back 451 unused plots all over Maharashtra. However, according to the reports, there are more plots than 451. Does it mean that MIDC is a bit soft? An official in the office of Uday Samant, Maharashtra Minister of Industry said, "We are not soft, but there are certain rules which we have to follow. After following those, we could take 451 plots, the area of which comes to 223.23 hectare or 22,32,265.63 square metres of land."

Earlier, the Government had thought of taking the land back from entrepreneurs and giving it back to the farmers from whom it was acquired. But the whole process was not done in a scrupulous manner. If one takes a look at the statistics, one would realise, Nagpur Regional Office has taken the highest number of plots and more land back after Pune Regional Office.

Nagpur Regional Office comprising Wardha, Chandrapur, Gondia, Bhandara, Gadchiroli and Nagpur has taken back 123 plots of the area 5,93,241.63 square metres. Amravati regional office has taken 31 plots of the area 2,83,288 sq metre back. In Pune, the MIDC has taken back 165 plots having the area of 7,60,961.43 sq metres. If total area that was taken back by MIDC is taken into account then more area of industry land in Vidarbha was taken back by the authority than the land it has taken back in Pune.

Notably, the Comptroller and Auditor General of India (CAG) in its recent report that was tabled in State Assembly during winter session of State Legislature at Nagpur, has criticised MIDC, for its procrastinating approach in taking action against the owners having unutilised lands. It has also lambasted MIDC for the delays in implementation of land rates, unnecessary concessions given to the owners etc.

In the past the provision of giving the land back to the farmers was not there. But the rule has not been implemented. In many cases, people purchased the non-agriculture land but instead of starting production they changed their purpose from industrial to residential. Ideally, the purchases should start an industry within 15 years of the purchase. CAG has also observed that MIDC had not devised any methodology or weightage formula for the revision of land rates. Secondly, the MIDC is poor in maintaining records of lands taken back.

During Fadnavis Government, MIDC had floated the scheme wherein it had offered several discounts to the owners if they come up with concrete proposals for their lands. CAG observed that the response to the scheme was poor. Surprisingly, MIDC failed to take any action against the owners in terms of acquisition of an unutilised part of the plot. https://www.nagpurtoday.in/major-move-midc-takes-back-223-23-ha-unused-land-in-one-year-across-state/01041632

7. ‘Good people are hard to find’: Bihar guv on delays in state university vacancies *(hindustantimes.com)* Jan 04, 2024

Bihar governor Rajendra V Arlekar said he could appoint vice-chancellors of state universities on his own but wanted to do it in consultation with the CM

PATNA: Bihar’s state universities will be audited by an audit team of Raj Bhawan, Bihar governor Rajendra Vishwanath Arlekar has said, adding that he has already reached out to the audit body CAG for assistance in this regard. In an interview on the steps that his office is taking to improve the standard of education at Bihar universities, the governor, who is also the ex-officio chancellor of the state universities, said that the process of appointment of vice-chancellors (V-Cs) had been completed for six of the seven universities that have vacancies. It will take longer to fill other crucial vacancies such as registrars and exam controllers. “Good people are hard to find,” he said. Edited excerpts:

How long it will take for the appointment of vice-chancellors and Pro V-Cs?

The process has been completed for six universities and the names of shortlisted candidates have been submitted to me in a sealed envelope by the search committee comprising eminent names. I have not seen it. Now I am waiting for consultation with the chief minister as per the practice. In light of the recent Supreme Court order, I can do it on my own but I want to do it only after consultation with CM. The CM’s secretariat wanted the shortlisted names to be sent. I did that also. The moment the consultation is completed, the appointments will be made. Delay at one level leads to overall delay. A system works when all the wings of the system complement each other.

Which university is facing delay?

At Patna University, the process got delayed as the government nominee happened to be a pension holder from the same university. As per the laid down UGC norms, any member of the search committee should not in any way be related to the university for which the appointment has to be made. A member objected to the name sent. We sought a different name. There was some delay due to it. Finally, we put a different member and notified the panel. But the government has now sent the name of its nominee. The process will be completed for Patna University also.

Apart from V-C and Pro V-C, there are vacancies in universities for full-time registrars, exam controllers, financial advisors and finance officers. Your comment.

I am looking for people with impeccable records and integrity, as these are key positions. Good people are hard to find. I have sought panels of names from universities and many a time, I find problems with them. Some people have a tainted record. Where I have been able to appoint, there are complaints from V-Cs. Some V-Cs approached me to remove registrars in their universities just because there was a compatibility issue. I don’t want confrontation but the registrars are not supposed to necessarily kowtow the vice-chancellor’s line. They have to do what is right. I had to tell a V-C that I would rather remove him, not the registrar, as there was nothing wrong that the latter was doing.

You did write about the removal of the registrar of Aryabhatt Knowledge University (AKU). What happened?

Yes, I have sent letters to the acting V-C again. The problem with AKU is that it has remained without a regular VC for far too long. But now, the process for AKU has also been completed. I know the issues confronting AKU and it will be streamlined. I am looking for a good registrar for AKU also.

You say good people are hard to find, but the promotion backlog is getting longer at all universities. This hurts the individuals as well as the system.

I know. I am now contemplating issuing guidelines for uniformity in promotion without any favouritism. At present, promotions are granted based on individual likes and dislikes. Now I want promotions to teachers of the same batch should be granted together, with no difference in the date of notification to avoid any seniority issues later on. It should happen uniformly. There should not be any room for individual preferences and the calendar for promotion should also be followed.

Bihar universities are often in the news for financial irregularities. How do you propose to fix the problems?

The audit of all universities will be done by the audit team of the Raj Bhavan. I am in touch with auditors and financial experts. I have also approached the office of Comptroller and Auditor General (CAG) and they have agreed to depute their people. I will ensure that the audited reports of all universities are put on the website. There is also a need to regulate self-financing courses. If the students pay for them, they must get due benefits. There are laid down norms and procedures. All that is required is that everyone works according to these for the common good. The system is more important than individuals.

You have been emphasising the new education policy but at universities, even ensuring that academic sessions stick to the calendar proves to be difficult. There is also a shortage of faculty.

Initially, I found reluctance on the part of the vice-chancellors, principals and others, as they were satisfied with the status quo. But I kept harping on it for the larger good of students here and the approach has slowly changed. I know two to three universities are grappling with very late sessions, but they are at least making efforts. Speed of thinking and approach cannot change overnight. But they have realised they have to adopt the necessary change. I sit with them to tell them that they cannot afford to get isolated. I want proactive people to come forward. As far as the shortage of teachers is concerned, I always prefer a decentralised system at the level of universities for filling vacancies. The centralised system has also not proved effective, as it affects all universities due to delay. Teachers are important and universities cannot have endless ad hoc measures. https://www.hindustantimes.com/cities/patna-news/will-get-state-universities-audited-make-report-public-bihar-governor-arlekar-101704367616343.html

8. दो दिन में बिल पास नहीं होने का हवाला देकर पेमेंट सिस्टम को सेंट्रलाइज किया, अब 6 महीने से अटके बिल *(amarujala.com)* Jan 05, 2024

Rajasthan Finance Department: राज्य के 2 लाख करोड़ की भुगतान प्रणाली को कब्जे में लेने लिए वित्त विभाग के आला अधिकारियों के रचे षडयंत्र अब सामने आ रहे हैं। इसके लिए न सिर्फ सीएजी को गलत जानकारी दी गई बल्कि अपने ही अफसरों और कर्मचारियों की साख पर भी बट्टा लगाने का काम किया गया।

राजस्थान में सरकारी भुगतान की प्रक्रिया में गबन और फर्जीवाड़े के जो मामले सामने आ रहे हैं, इसकी चेतावनी सीएजी ने डेढ़ साल पहले ही सरकार को दे दी थी। वित्त विभाग ने सीएजी की चेतावनी और आपत्तियों को अनसुना कर महज एक सॉफ्टवेयर के जरिए राजस्थान की समस्त भुगतान प्रणाली को सेंट्रलाइज कर लिया।

संवैधानिक प्रावधान कहते हैं कि किसी नियम में संशोधन किया जाना है तो पहले एक्ट फिर नियम और अंत में प्रक्रिया में बदलाव होता है। वित्त विभाग के अफसरों ने भुगतान को केंद्रीकृत करने के लिए सीधे प्रक्रिया ही बदल डाली। इसके लिए ई- सीलिंग सॉफ्टवेयर बनाकर भुगतान करने शुरू कर दिए गए, जबकि ट्रेजरी के नियमों और प्रक्रिया में इसका उल्लेख कहीं भी नहीं है। ई-सीलिंग मॉड्यूल का इस तरह से उपयोग पूरी तरह अवैध है।

भुगतान प्रणाली को सेंट्रलाइज करने का कारण बताते हुए एजी को यह तक लिख दिया कि सरकार में ट्रेजरी ऑफिस बिना कारण के बिलों के भुगतान अटकाते हैं। इसके साथ ही बिना नियम संशोधन के यह प्रावधान कर दिया कि ट्रेजरी में 2 दिन बिल पेंडिंग रहता है तो तीसरे दिन यह ऑटो पेमेंट में चला जाएगा।

2 दिन की देरी का हवाला- अब 6 महीने से अटके भुगतान

सवाल 1: बड़ा प्रश्न है कि यदि यह बदलाव लोगों की सहूलियत के नाम पर किया गया तो मौजूदा समय में पेंशन, वर्क्स पेमेंट सहित तमाम बिल 6-6 महीने से वित्त विभाग में ईसीएस के लिए लंबित क्यों हैं? पिछली सरकार के कार्यकाल के लगभग 30 हजार करोड़ के बिल आज भी वित्त विभाग के पास पेंडिंग क्यों पड़े हैं?

सवाल 2: - जो भी बिल कोषालय में आएंगे यदि ट्रेजरी उसे किसी भी कारण से 2 दिन में क्लीयर नहीं कर पाती है वह ऑटो हो जाएंगे। ऐसे में इन बिलों को चेक करने लिए सरकार में जो चैक लिस्ट बनाई गई है उसका क्या हुआ ?

सवाल 3: जब बिल चेक नहीं होंगे तो फर्जी भुगतान कैसे रुक सकेगे? ऑटो पमेंट के नाम पर राजस्थान के सरकारी खजाने में बड़ी सेंधमारी की गई उसके जिम्मेदार अफसरों पर कार्रवाई कब होगी?

(अ) सोशल सिक्यूरिटी पेंशन में करीब 10 लाख लोगों को फर्जी पेंशन मिली क्योंकि उनके दस्तावेज ट्रेजरी में वेरिफाई नहीं हुए। राज्य को 480 करोड़ का चूना लगा।
(ब) जिन कर्मचारियों की मृत्यु हो चुकी उनके नाम पर लंबे समय वेतन और पेंशन खातों में ट्रांसफर होते रहे।
(स) जिन पर गबन के आरोप थे उन्हें भी वेतन-पेंशन स्कीकृत कर दी गई।
(द) जो रिटायर नहीं हुए उन्हें रिटायरमेंट बेनीफिट जारी कर दिए।

Proposed amendments in Rajasthan Treasury Rules 2012-

S. No.	Rule No.	Present Rule	Proposed Amendment	Rule after Amendment	Comments of AG Off…	Reply of AG Comment
1	61 (2)	Every bill presented shall be checked in accordance with a check list i.e. given in the Annexure attached to this Chapter for the guidance of the Treasury Officers, which is only an illustrative one and not an exhaustive one.	At the end of rule, line may be inserted as " If Treasury Officers are failed to authenticate the salary bills/ bills in two working days, system will auto authenticate the bills (excluding the bills of FVC/PD/Grant in aid above the amount of Rs.10.00 crore) and provide the same in ECS process of Finance Department. ECS files will be sent to e-Kuber, RBI using single server certificate of e-Treasury Officer	Every bill presented shall be checked in accordance with a check list i.e. given in the Annexure attached to this Chapter for the guidance of the Treasury Officers, which is only an illustrative one and not an exhaustive one. If Treasury Officers are failed to authenticate the salary bills/ bills in two working days, system will auto authenticate the bills and provide the same in ECS process of Finance Department. ECS files will be sent to e-Kuber, RBI using single server certificate of e-Treasury Officer	In case of auto authentication of bills for ECS, the accountability and responsibility of ascertaining the checks, prescribed in check list given in Annexure of Treasury Rule for checking of bills is not clear. The scope of work "salary bills/bills" also needs to be clarified regarding the check list (which is annexure to chapter 1 of Rajasthan Treasury Rules 2012). Treasury wise list of auto authenticated bills for payment after issuing of instructions vide circular	Auto-authentication has not yet been started at the system. This provision is very much required as Treasuries are delaying some bills without any reasons. Treasury Officers are accountable as they have to execute checks within two working days. This process will be started from FY-2022-23.

सीएजी ने मना किया तो खुद ही बदल दी प्रक्रिया

वित्त विभाग ने क्या किया? इन्होंने सीएजी (महालेखाकार) को नियम बदलने लिए प्रस्ताव भेजा। लेकिन, सीएजी ने उन नियमों को परिवर्तन करने की स्वीकृति नहीं दी तो उन्होंने डीम्ड मान कर प्रक्रिया बदल दी, जबकि विभाग के पास ऐसा करने के अधिकार ही नहीं हैं।

इस प्रक्रिया को बदलकर इन्होंने ट्रेजरी के भुगतान के अधिकार सेंट्रलाइज कर लिए, जबकि नियम यह है कि पहले एक्ट फिर नियम और फिर प्रक्रिया बदली जाती है। इन्होंने सीधे प्रक्रिया को बदल डाला।

जिस ई- ट्रेजरी की डीएससी को काम में लेकर भुगतान किए जा रहे हैं उसकी स्थापना तो सिर्फ रिसीट कलेक्शन से की गई थी। बिना समक्ष स्तर पर नियमों में बदलाव किए इसे भुगतान प्रणाली में कैसे काम ले लिया गया यह बड़ा सवाल है?

ट्रेजरी नियमों में सिर्फ टीओ की डीएससी लग कर आरबीआई से भुगतान का प्रावधान है। वित्त विभाग ने ई-सिलिंग सॉफ्टवेयर के जरिए ट्रेजरी ऑफिसर को बॉयपास कर सिंगल सर्टिफिकेट लगाकर आरबीआई से भुगतान करवा लिया।

सीएजी की आपत्ति

इस पर सीएजी ने आपत्ति दर्ज करवाई है। नियम बनाने का काम विधायिका का होता है और उसे लागू करने की जिम्मेदारी ब्यूरोक्रेसी की होती है।

नियम 61-(2) के अनुसार कोषालय में आने वाले प्रत्येक बिल की चेक लिस्ट बनाई जाती है उसके अनुसार उनकी जांच की जाती है। उस चेक लिस्ट के सही पाए जाने पर भी बिल भुगतान किया जाता है। उसकी स्वीकृति कोषालय से जारी की जाती है।

नियम 144 (ए-1) के अनुसार बिल सही पाया गया है तो बिल भुगतान के लिए आगे भेजा जाता है। इनमें संबंधित ट्रेजरी अफसर के इलेक्ट्रॉनिक हस्ताक्षर (डीएससी) लगते हैं। डीएससी लगाकर भुगतान के लिए आरबीआई में जाती है। जहां सरकार के कंसोलिडेटड फंड से भुगतान ईसीएस होता है। जिसका रिकंसिलेशन उस कोषालय के आरबीआई में खोले पीडी अकाउंट से होता है। इसके लिए राज्य के लिए सभी कोषालयों के पीडी खाते आरबीआई में खाले गए हैं। सरकारी विभाग से ट्रेजरी ऑफिस में जाने तक की इस प्रक्रिया में करीब 67 हजार लोगों का चैकिंग सिस्टम है। लेकिन इस सारी प्रक्रिया को बायपास किया गया।

संख्या / No. टी.एम./आई.एफ.एम.एस./नियमों में संशो. 2021-22/131

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय महालेखाकार (लेखा व हक.) राजस्थान
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE ACCOUNTANT GENERAL (A&E), RAJASTHAN

दिनांक / Date 22.02.2022

सेवामें,

संयुक्त शासन सचिव,
वित्त (आर्थिक मामलात) विभाग,
शासन सचिवालय, जयपुर–302005

विषयः–राजस्थान कोषागार नियम–2012 के नियमों में संशोधन के संबंध में।
संदर्भः–आपका पत्र कमांकःएफ.5(थ–75)डीटीए / IFMS/Automation of bills / 5023 दिनांक 08.12.2021

महोदय,

उपरोक्त विषयान्तर्गत आपके संदर्भित पत्र के कम में लेख है कि राजस्थान कोषागार नियम–2012 के नियमों में प्रस्तावित संशोधनों को इस कार्यालय की संवीक्षा हेतु भिजवाने से पूर्व ही आपके विभाग के परिपत्र दिनांक 17.06.2021 द्वारा इस संबंध में नियमों को संशोधित मानते हुए (Deemed amendment) दिशा–निर्देश जारी किए जा चुके हैं। उक्त दिशा–निर्देश जारी करने के लगभग छः माह बाद नियमों में प्रस्तावित संशोधन संवीक्षा हेतु इस कार्यालय को भिजवाए गये हैं। उक्त प्रकिया एक गलत परम्परा को स्थापित करेगी क्योंकि संशोधनो को स्वतः (deemed) लागू किए जाने के पश्चात् संवीक्षा हेतु इस कार्यालय को भेजे जाने का कोई औचित्य प्रतीत नहीं होता। कृपया सुनिश्चित करें कि भविष्य में इसकी पुनरावृत्ति न हो।

उक्त संशोधनो में auto authentication की प्रकिया में नियमों की पालना के उत्तरदायित्व एवं जिम्मेदारी के सम्बन्ध में कोई स्पष्टता नहीं है। इसके अतिरिक्त नियमों में प्रस्तावित संशोधनो पर इस कार्यालय की टिप्पणी अनुसूची "A" पर आवश्यक कार्यवाही हेतु संलग्न है।

संलग्नः– उपरोक्तानुसार

भवदीय,

ह./–
(पृथ्वीपाल सिंह कानावत)
वरिष्ठ उप महालेखाकार (लेखा)

PR. A.G. (A&E) Rajasthan, Jaipur
Issued Under RTI Act, 2005
No. 221
Date 31/07/2022

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कमांकः– टी.एम. / आई.एफ.एम.एस / नियमों में संशोधन / 2021–22 /   दिनांक

प्रतिलिपि प्रमुख शासन सचिव, वित्त विभाग, राजस्थान सरकार, शासन सचिवालय, जयपुर को सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित है।

वरिष्ठ उप महालेखाकार (लेखा)

किसने क्या कहा?

राजस्थान लेखा सेवा परिषद के अध्यक्ष होशियार सिंह पूनिया ने कहा- हम तो नहीं मानते ट्रेजरी काम नहीं करती। ट्रेजरी की जरूरत है तभी तो ऑफिस खुले हुए हैं नहीं तो बंद क्यों नहीं कर दिए।

पेंशनर समाज अध्यक्ष किशन कुमार शर्मा ने कहा- जुलाई से ही पेंशन भुगतान नहीं हो रहे हैं। करीब 600 मामले तो अभी मेरी जानकारी में ही हैं। इसके अलावा हजारों मामले ऐसे और भी होंगे। वित्त विभाग के चक्कर लगाने पड़ते हैं। पहले ट्रेजरी ऑफिस के स्तर पर ही समाधान हो जाता था। https://www.amarujala.com/rajasthan/rajasthan-finance-department-officials-changed-rules-to-capture-payment-process-of-2-lakh-crore-2024-01-04?pageId=3

9. सीएमपीएफ घोटाले की सीबीआई जांच कराने की मांग *(livehindustan.com)* Jan 04, 2024

बोकारो : बीएमएस से संबद्ध श्रमिक संगठन सीसीएल सीकेएस ने कोयला कर्मचारियों के सीएमपीएफ घोटाले की सीबीआई जांच की मांग हजारीबाग सांसद जयंत सिन्हा से की है। सांसद के निवास स्थान डेमोटांड़ में इस संबंध में मांग पत्र दिया है। यह मांग पत्र हजारीबाग क्षेत्र के क्षेत्रीय सचिव रणविजय सिंह के नेतृत्व में संगठन के तीन क्षेत्र हजारीबाग, कुज्जू और अरगड्डा के पदाधिकारी और कार्यकर्ताओं ने मिलकर दिया है। रणविजय सिंह ने कहा कि ज्ञापन सीसीएल कोलियरी कर्मचारी संघ के महामंत्री राजीव रंजन सिंह की ओर से लिखित लेटर पैड पर संगठन की ओर से सांसद को दिया गया है। उन्होंने कहा कि कोयला कर्मियों की मेहनत की कमाई 1.5 लाख करोड़ रुपए का भविष्य निधि और पेंशन फंड धनबाद सीएमपीएफ ने घोटाला किया है। इसके लिए भारतीय मजदूर संघ पूर्व में 24 मार्च 2022 को पूरे कोल इंडिया स्तर पर संबंधित क्षेत्र के सीएमपीएफ कार्यालय मुख्यालय पर ज्ञापन दे चुकी है। संगठन का मानना है की सीएमपीएफ भ्रष्टाचार का अड्डा बन गया है। तभी वर्ष 2015 से 2018 के दौरान बगैर सोचे समझे दीवान हाउसिंग फाइनेंस लिमिटेड में 1390.25 करोड़ रुपए का निवेश किया गया था। सीएजी ने भी वार्षिक खातों की रिपोर्ट में गंभीर आपत्तियां और टिप्पणियां की है। इसी तरह वर्ष 2011 से 2014 के दौरान इंफ्रास्ट्रक्चर लीजिंग एंडएं फाइनेंशियल में 102.43 करोड़ रुपए और रिलायंस कैपिटल में 150 करोड़ रुपए का निवेश किया गया था। जिससे कोयला कर्मचारियों के सीएमपीएफ में काफी नुकसान हुआ है। सांसद ने भरोसा दिया है कि वे इस मांग को सरकार तक पहुंचाएंगे । मांग पत्र देनेवालों में देवेंद्र शर्मा, प्रशांत बिल्थरिया, जेपी राणा, जेपी झा, सुधीर कुमार, ओम प्रकाश सिंह, मो कासिम, राजेश सिंह, पंकज सिंह, भागीरथ मंडल, वीरेंद्र नारायण सिंह, जहेंद्र चौहान, मदन कुमार, रतन प्रसाद साहू, सुशील कुमार आदि लोग शामिल थे।
https://www.livehindustan.com/jharkhand/ramgarh/story-demand-for-cbi-investigation-into-cmpf-scam-9158560.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

10. Penalties, retrospective approvals: How 11 mining, infra giants were given backdoor breathers *(newslaundry.com)* 04 Jan, 2024

The entities operated projects without prior environment clearance before getting the ex-post facto approval.

In a possible setback for companies operating without prior environment clearance in violation of norms, the Supreme Court has stayed the Union environment ministry's ex-post facto approval to such projects – some running for well over a decade.

Ex-post facto approval is the assent given to projects that have already begun or have been completed, ostensibly as a leeway. Such approvals were issued through the environment ministry's office memorandums on July 7, 2021 and January 28, 2022.

The entities that operated projects without prior environment clearance in violation of the Environment Impact Assessment notification, 2006, before getting the ex-post facto approval, included leading construction and mining players besides public sector firm NBCC.

The top court's order came on Tuesday in the hearing of a writ petition filed by environmental NGO Vanshakti. However, while the NGO's plea mentioned the 11 companies, advocate Vanshdeep Dalmia, representing the NGO said: "The list is illustrative, not exhaustive."

Of the 11 entities, eight were operational without a prior environment clearance, ostensibly at an unaccounted cost to the ecology and environment. The longest a company ran its operation without the EC approval was for 12 years, and two years was the shortest.

The other three firms violated the EIA norms for "excess" use of the built-up area and overshooting production of minerals. The projects were located in Maharashtra, Andhra Pradesh, Telangana, Rajasthan, Haryana, Kerala and Odisha.

Notably, the breather for these companies was ratified by the expert appraisal committees or EACs of the Union Ministry of Environment, Forest and Climate Change, state bodies such as state environment impact assessment authorities, and state expert appraisal committees.

How were the companies given backdoor breathers?

In 2017, the environment ministry issued a notification to give ex-post facto environment clearance approvals to violators – a "one-time window" for six months.

In July 2021, it released a standard operating procedure through an office memorandum to implement the notification again. This came after the National Green Tribunal directed the "concerned authorities" to formulate SOP for EC in cases of violations.

The petitioner argued that the notification expired on April 13, 2018, but the state and central appraisal committees treated the 2021 SOP as a "substantive procedure to process fresh applications for grant of ex-post facto environment clearance".

This was amid the pandemic, when the environment ministry brought a slew of amendments to the environmental laws.

Between March 2020 and March 2022, the Union environment ministry issued 123 "instruments," as per a study by Delhi-based think tank Vidhi - Centre for Legal Policy. These instruments were gazette notifications, office memorandums, circulars, letters and orders. Every third instrument, and a total of 39, was found to be amendments made to various rules and notifications under the EP Act and the EIA notification.

Three-fourths of the 39 amendments were relaxations and exemptions from the pre-existing laws, as per the study titled '(De)Regulating the Environment — An Analysis of Regulatory Changes Introduced during COVID-19 in India'.

A week after the 2021 SOP, the Madras High Court stayed it. The court called it "ultra-virus," translating to beyond the powers of the Environment Protection Act, 1986 and the EIA notification, 2006. In December 2021, the Supreme Court limited the HC order to its jurisdiction.

The Supreme Court order read: "The interim stay passed by the Madras High Court can have no application to operating of the Standard Operating Procedure to projects in territories beyond the territorial jurisdiction of Madras High Court."

A month later, in January 2022, the environment ministry, quoting the SC order, issued an office memorandum. Calling it "self-explanatory", the ministry mentioned the stay imposed by the HC and the restriction of its order by the SC. This, according to the petitioner, was also used by state and central bodies to admit fresh applications of violators.

The petitioner further claimed that these new changes flouted section 3 of the EP Act. "It's submitted that as per the purport of Section 3 (of the EP Act) only positive amendments can be made and no retrograde/regressive steps ought to take place and thus the impugned (under challenge) OM dated 07.07.2021 would have been ultra-vires the provisions of Section 3 itself," read the petition.

Section 3 reads: "Subject to the provisions of this Act, the Central Government, shall have the power to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing controlling and abating environmental pollution."

Senior advocate Gopal Sankarnarayan, who argued on behalf of the NGO, said the Supreme Court had sought a reply from the environment ministry. "The case will be heard in three-four weeks," he told Newslaundry.

Who are the violators?

Sankarnarayan said if a project was operating without environment clearance, it had to be dismantled in accordance with the 2006 EIA notification. But the 2021 SOP prevented it.

The 11 entities that violated the EIA notification before getting the ex-post facto approval included a public sector unit, a leading iron and steel manufacturer, and a real estate developer.

An iron ore project by iron and steel manufacturing major Llyods Metals and Energy Limited was given an ex-post facto approval after operating a mine in Maharashtra's Naxal-affected Gadchiroli district without the environment clearance for 12 years.

The company received the approval by the EAC of the environment ministry in its meeting on December 27-28, 2022. It levied Rs 26.64 crore in "damage assessment" and Rs 5.48 crore "in penalty provisions" in accordance with the 2021 office memorandum.

The 2021 SOP mandated a penalty of 0.25 percent of the total turnover for violation period in addition to 1 percent of the total project cost.

Notably, Union Home Minister Amit Shah was scheduled to inaugurate a plant of Lloyds in the district on December 9 last year.

In Gurgaon, Unitech Limited built a commercial office complex, Signature Tower-III, in excess of built-up area permitted in its environment clearance granted in 2012.

As per the environment norms, the company was allowed to carry out construction up to 86,802 square meters, but it overshot by 18,698 square meters. The environment impact assessment authority of Haryana imposed a penalty of Rs 1.24 crore and Rs 1.99 crore in environment damage assessment on the company.

NBCC (India) Ltd, a central government navratna undertaking, was one of the beneficiaries of the 2022 notification. It was building a residential project in Kerala's Ernakulam district spread over 31,307 square meters.

In Telangana, Ganesh Metal Industries and GI Rank Industries continued open cast mining in Sangareddy district for seven and 10 years without the environment clearance.

Real estate firm JAS Construction Private Limited expanded a residential complex in Odisha's Sambalpur district in 2018 without the environment clearance.

In Andhra Pradesh, Sri Krishna Mohan Stone continued open cast mining for eight years in Vizianagaram district without the environment certificate. It was given the EC by Andhra Pradesh EIA authority in January 2023 under the environment ministry's relaxation rules.

In the same district, another company, Jetty Satyanarayana and others, carried out mining in an area spread across 4.7 hectares for eight years without approval. A mining lease holder, B Asha, also mined another area for seven years without the EC.

Vinay Alloys in Maharashtra's Nagpur began constructing an alloy plant in 2021 without approval. In its meeting in May 2023, the EAC granted post facto certificate by imposing a penalty of Rs 4 lakh.

For mining of minerals, Modi Mineral Grinding Private Limited was granted reprieve by the Rajasthan State Level Expert Appraisal Committee for mining quartz in excess of the lease area. The SEAC imposed a penalty of Rs 5.24 lakh penalty under the 2021 SOP. https://www.newslaundry.com/2024/01/04/penalties-retrospective-approvals-how-11-mining-infra-giants-were-given-backdoor-breathers

11. Defence Ministry signs contract worth Rs 802 crore to procure military equipment *(moneycontrol.com)* JANUARY 04, 2024

The Ministry of Defence has inked two contracts worth a total of Rs 802 crore to procure military equipment. The procurements were made under the Buy (Indian-IDDM) category on January 4, 2024, in New Delhi.

Per the contracts, the Defence Ministry will procure Qty-697 Bogie Open Military (BOM) Wagons for Rs 473 crore from M/s Jupiter Wagons Limited and Qty-56 Mechanical Minefield Marking Equipment (MMME) Mark II for Rs 329 crore from M/s BEML Ltd.

The BOM Wagons and MMME will be produced with equipment and sub-systems sourced from indigenous manufacturers, giving a boost to the indigenous manufacturing and participation of the private sector in defence production, realising the vision of Atmanirbhar Bharat, the ministry said in a release.

Bogie Open Military (BOM) wagons, designed by Research Design and Standard Organization (RDSO), are special wagons used by the Indian Army to mobilise Army units. BOM wagons are used to transport light vehicles, artillery guns, BMPs, engineering equipment, etc. from their peacetime locations to operational areas.

"This critical rolling stock will ensure speedy and simultaneous induction of units and equipment into operational areas during any conflict situation besides, facilitating their peacetime movement for Military exercise and movement of units from one station to another," the ministry noted.

The MMME has been designed to operate cross country with a complete load of stores and carry out marking of minefields with minimal time and manpower employment. Marking of all minefields is a mandatory requirement as per amended Protocol-II on convention in certain conventional weapons to which India is a signatory.

"The equipment is based on an in-service high mobility vehicle having advanced mechanical and electrical systems, which will reduce the timings for minefield marking during operations and will enhance the operational capability of the Indian Army," the Defence Ministry said. https://www.moneycontrol.com/news/india/defence-ministry-signs-contract-worth-rs-802-crore-to-procure-military-equipment-11999131.html

12. Road Asset Monetisation: NHAI offers Another 375-Km Stretch To Private Players On TOT Basis *(swarajyamag.com)* January 5, 2024

Hot on the heels of surpassing monetisation target for the current fiscal , the National Highways Authority of India (NHAI) has initiated another round of asset monetisation by calling bids for a combined length of 375 km on toll-operate-transfer (TOT) basis.

The TOT bundle 15 offers 124.84-km Trichy-Tovrankurichi-Madurai section of NH 38 in the state of Tamil Nadu, whereas the TOT bundle 16 offers two highway stretches totalling 251.58 km on the Hyderabad-Nagpur corridor of NH 44 in Telangana.

The last date of submission of bids for both the bundles is 28 February. Further, the initial estimated concession value for both the bundles will be disclosed after receipt of technical bids and after declaring the selected bidder.

Earlier in December 2023, the NHAI had awarded TOT bundles 13 and 14 of a combined length of 273 km for Rs 9,384 crore.

IRB Infrastructure Trust, a unit of IRB infrastructure Developers Limited, received the letter of award (LoA) for Rs 1,683 crore TOT-13 bundle comprising Gwalior-Jhansi section on National Highway (NH) 44 and Kota Bypass on NH 76 projects.

Similarly, TOT bundle 14, which consists of the Delhi-Meerut Expressway including the Delhi-Hapur section of NH-9 in Delhi and Uttar Pradesh, as well as Binjabahal to Teliebani section of NH-6 in Odisha, was awarded to Cube Highways and Infrastructure for Rs 7,701 crore.

With this, the top road agency has managed to award a total of four TOT bundles in FY 2023-24, with a combined value of Rs 15,968 crore, which is higher than the monetisation target of Rs 10,000 crore for the ongoing fiscal.

TOT Model

The NHAI has been authorised to monetise public funded NH projects which are operational and are collecting toll for at least one year after the commercial operation date (COD) through the TOT basis.

Under this model, private developers are given tolling rights on operational road projects in return for an upfront fee to the government which can be used for development of national highways in future.

The TOT Bundle-I, consisting of nine projects totaling 681 km of national highways in the states of Andhra Pradesh and Gujarat, was awarded in 2018 at Rs 9,681 crore, which was around 1.5 times the initial estimated concession value (IECV) of the NHAI.

Till now, NHAI has monetised 1,614 km of projects for Rs 26,366 crore (excluding ToT bundle 11 and 12) through ToT and 636 km of projects for Rs 10,200 crore through InVIT. https://swarajyamag.com/infrastructure/road-asset-monetisation-nhai-offers-another-375-km-stretch-to-private-players-on-tot-basis

13. The regulation of AI is too important to be left only to technologists *(livemint.com)* 05 Jan 2024

Its ethics and safety need attention but we must think about what kind of society we want to create. Since civilization as we know it could be at stake, people from all walks of life need to debate AI and join the effort to frame rules.

Who decides who decides? It is a question we will ask often in 2024. With the stunning debut of ChatGPT, 2023 was the year when AI became a buzzword, and LLMs took over the discourse around us. With AI deepfakes threatening major democratic elections, the fear of AI-powered autonomous drones and other weapons being used in wars fought by humans, and with corporations ready to lay off workers as their jobs get ‘replaced’ by AI, the debate on AI ethics and safety will become even more heated. Every major country and global grouping has jumped into the race for policing AI; the regulatory air is still hazy with various proposals, principles and guidelines. Although almost everyone seems to agree that this shape-shifting technology needs to be controlled and guard-railed, it is not clear whose approaches and guidelines will be accepted. Who decides that? More importantly, who decides who decides?

In my opinion, the debate is beyond just AI safety or ethics. It is much more fundamental than that—it’s about what kind of future we want for humanity. Technologies have come and gone, but this one is fundamentally different. Gartner aptly says that AI is not a mere technology or trend, it is a fundamental shift in how humans and machines will interact with each other. A few years back, in those halcyon pre-GPT days, I mused on the frog-in-boiling-water parable, and whether technology was that slowly boiling water which eventually incapacitates the frog. We forgot our dear ones’ phone numbers with mobile phones, we have forgotten directions with Google Maps, and we are forgetting what libraries look like with search and chatbots. Most children today do not know that vegetables actually grow somewhere other than a supermarket. Soon autonomous cars might make us forget how to drive. Will we turn into ineffectual vegetables, spending our time playing video games and ‘consuming content,’ while AI robots and algorithms do our work for us? Is that a future we are creating?

The debate, therefore, is not just about regulating AI, it is about the future we want for ourselves. Consider the recent scriptwriters strike in Hollywood, where writers feared the loss of their jobs to AI. But as Jamie Susskind writes in the Financial Times (bit.ly/48m8DvN): “Is the point of cinematic art to provide a living for people in the film industry? Or is it to provide stimulation and joy for consumers?" Would we want human producers of films just to keep them employed? “A similar debate," says he, “is playing out in the world of literature." While Margaret Atwood and Stephen King are worried that there works are being used to train AI systems, would it not be wonderful for AI to write like them after they are long gone, for Beethoven to continue producing wonderful music, or Rabindranath Tagore to continue to produce his masterpieces even when he is not there? When Snoop Dogg and Dr. Dre produced a hologram of Tupac Shakur in 2012, 15 years after Shakur’s death, did it not excite the humans who wanted him to come back? Does all creativity and expression need to come from human beings if AI can created something much better?

This debate came home to me yet again when I watched a recent revolution in gemstones. The market has been upturned by cheap lab-made diamonds that are identical to mined stones. Is it a good thing that now everyone can buy these beautiful lab-made gemstones, or is it bad that we are replacing something nature perfected over thousands of years with stones born of furnace-like temperatures and crushing pressure? As Susskind writes: “Is art’s purpose merely to venerate and compensate artists, or to provoke aesthetic stimulation and cultural advance? These aren’t easy questions. And they can’t simply be answered by reference to ‘safety’ either. These debates are about values. They ask us to choose, in Amos Oz’s words, between ‘right and right’. Regulating technology is about safety, but it is also about the kind of civilisation we wish to create for ourselves. We can't leave these big moral questions for AI companies (like OpenAI) to decide."

Or even governments and regulators. We need people who think and work beyond just the technologies of AI; we need historians and philosophers, humanists and naturalists, sociologists and musicians. People who live and breathe AI technology are the wrong kind of people to decide the future we want, since all they know is AI. Paraphrasing C.L.R. James in his immortal Beyond the Boundary: What do they know of AI, who only AI know. https://www.livemint.com/opinion/columns/the-regulation-of-ai-is-too-important-to-be-left-only-to-technologists-11704382168787.html

14. Indian economy outperforming peers, projected to grow at 6.2% in 2024: UN *(moneycontrol.com)* 05 Jan 2024

India is projected to grow at 6.2 per cent in 2024, supported by robust domestic demand and strong growth in the manufacturing and services sectors, the United Nations has said.

The UN World Economic Situation and Prospects (WESP) 2024 report, launched here on Thursday, said that gross domestic product in South Asia is projected to increase by 5.2 per cent in 2024, driven by a robust expansion in India, which remains the fastest-growing large economy in the world.

"Growth in India is projected to reach 6.2 per cent in 2024, slightly lower than the 6.3 per cent estimate for 2023, amid robust domestic demand and strong growth in the manufacturing and services sectors," the report said.

India's GDP is projected to increase to 6.6 per cent in 2025. The report notes that economic growth in India is projected to remain "strong" at 6.2 per cent this year mainly supported by resilient private consumption and strong public investment.

While manufacturing and services sectors will continue to support the economy, erratic rainfall patterns will likely dampen agricultural output, it said.

"Indian economy again outperformed its peers, not just this year but the last few years," Chief of the Global Eonomic Division Monitoring Branch, Economic Analysis and Policy Division (UN DESA) Hamid Rashid told reporters.

He said that India's economic growth has consistently remained over six per cent and "we believe this will continue in 2024 and 2025 as well." Rashid noted that although inflation was relatively high for India, it didn't have to raise rates as much and inflation has come down quite a bit.

"That has allowed the government to sustain the fiscal support that it needed," he said adding that "we didn't see significant fiscal adjustments or fiscal retrenchment in India.

"Overall, domestic consumption is growing, household spending has grown, employment situation has improved quite a bit. So we are very optimistic about India's growth outlook in the near term," he said.

In response to a question on factors holding back India's economic growth, Director of the Economic Analysis and Policy Division Shantanu Mukherjee cited India's GDP growth rates of four years from 2022-2025 and said: "I'm not sure that 7.7%, 6.3%, 6.2% and 6.6% is exactly holding something back."

"In a kind of abstract sense, one would run the risk of overheating an economy if you grew at much faster rates at the size and complexity of India," he said.

Mukherjee noted that the Indian government has recently modified its tax collection systems and "those have also certainly helped and given a more stable playing field for businesses and other initiatives to progress." Highlighting risks facing the economy, he said some of those risks are more global in nature.

"India still remains a very largely farm-based economy in many senses. And being in the tropics, it is very vulnerable to climate change. El Nino is a recurrent phenomenon but exacerbated by climate change. So should there be a shock to agricultural production, this could cause a major disruption in the economy." Mukherjee said that while he doesn't anticipate such a shock, "but should there be one, this could be problematic.

"One of the reasons that the consumer price index in India remained relatively within bounds, allowing the central bank to not raise interest rates too much, was that food prices and fuel prices remained relatively stable. So any shock on those lines would boomerang through the economy," he said.

Consumer price inflation in India is expected to decelerate from 5.7 per cent in 2023 to 4.5 per cent in 2024, staying within the two to six per cent medium-term inflation target range set by the Central Bank.

"The risk of a surge in inflation in the coming months cannot be ruled out, however, as potential increases in commodity prices and the adverse impact of climate events on food prices could disrupt the pace of disinflation," the report said.

The labour market situation in South Asia remained fragile in 2023 despite improvements in some countries.

In India, labour market indicators improved over the year, with labour force participation increasing in August to its highest rate since the onset of the pandemic, the report said, citing the Reserve Bank of India.

The unemployment rate averaged 7.1 per cent in September, the lowest value in a year, with unemployment in rural areas falling despite weaker monsoon rains. Youth unemployment rates declined significantly during the first quarter of 2023 to the lowest value since the pandemic, it said.

The report also noted that the Reserve Bank of India has been cautious about opening the country's financial markets and has been implementing appropriate risk management systems.

The UN said global economic growth is projected to slow from an estimated 2.7 per cent in 2023 to 2.4 per cent in 2024, trending below the pre-pandemic growth rate of three per cent.

This latest forecast comes on the heels of global economic performance exceeding expectations in 2023. However, last year's stronger-than-expected GDP growth masked short-term risks and structural vulnerabilities, it said.

The better-than-expected performance for 2023 is chiefly driven by several large economies, notably the US but also Brazil, India and Mexico, Mukherjee told reporters.

The UN's flagship economic report presents a sombre economic outlook for the near term. Persistently high interest rates, further escalation of conflicts, sluggish international trade, and increasing climate disasters, pose significant challenges to global growth.

The year "2024 must be the year when we break out of this quagmire. By unlocking big, bold investments we can drive sustainable development and climate action, and put the global economy on a stronger growth path for all," UN Secretary-General Antonio Guterres said. https://www.moneycontrol.com/news/business/budget/indian-economy-outperforming-peers-projected-to-grow-at-6-2-in-2024-un-12002261.html

15. Apprehensions over India's debt-to-GDP levels are misplaced *(deccanherald.com)* 05 Jan 2024

India's percentage of debt earmarked for servicing (interest payments) is comparatively low to the debt driven into capex-boosting investment with multiplier gains on the economy.

At 82 per cent, even as it appears futile to invite naysayers' wrath, the quality of debt demands unmistakable attention. Credit: iStock Photo

Customary to its age-old multilateral convention, the International Monetary Fund (IMF) while cautiously lauding the reformist zeal engulfing the state of the Indian economy, sounded its usual scepticism over the likelihood of the debt-to-GDP traversing the dreaded 100 percentage mark in the not-so-distant future.

At 82 per cent, even as it appears futile to invite naysayers' wrath, the quality of debt demands unmistakable attention. From a broader perspective, it is worth reminiscing about the inexorable need to view debt from the prism of development. Interestingly, the percentage of debt earmarked for servicing (interest payments) is comparatively low to the debt driven into capex-boosting investment with multiplier gains on the economy.

Several other factors must be taken into cognisance while categorising debt as inherently good or bad. First, even the most vocal detractors will derive solace from the prevailing dual stability evident on monetary and fiscal fronts. On the former, interest rates remain well below the 6 per cent limit even as inflation doesn't seem to have rung alarm bells, at least until now — notwithstanding the global clamour for an interventionist approach in many countries.

India's fiscal deficit too remains well guarded below the targeted 6 per cent mark with final FY figures throwing some room for a positive surprise on the back of lower import bills and contracting current account deficits.

Second, ardent vocalists harping on the safety of Indian debt due to domestic denomination are missing the wood for the tree. The redundancy of the argument is traceable to inherent risks evolving from the 'crowding-out effect' making debt costlier for the private sector.

However, it is noteworthy to gauge that Union government debt is predominantly directed towards big-ticket infrastructure projects routed via the PSUs. Here, both from an appetite as well as an aspirational perspective, interest from the private sector (with some exceptions) is limited. In the absence of an efficient bond market, it is the government which remains the predominant player with the private sector relying through a tripod of internal reserves, bank loans, and equity to finance investments. It is imperative to distinguish between bank loans and bonds as the former is secured by a collateralised asset while the latter is largely dependent on the credit backing of the sovereign.

Bonds bring us to an important point relating to the relative strength of India's sovereign evident in credit rating. Despite the noises surrounding the politics and economics of credit rating agencies (CRAs), it is noteworthy to observe all the major CRAs assigning 'Investment Grade' espousing safety in the sovereign debt even as economic pundits vie a strong case for an upward revision. This itself is good concerning the turmoil seen elsewhere with a downgrade afforded to both the United States and China for different reasons with some fundamental concerns raised with peculiar factors traceable to the world's two biggest economies.

As long as debt is devolved into development goals churning incomes through investments at economies of scale, apprehensions surrounding traversing the triple-digit on debt-to-GDP are best ignored. Even if cynics were to cough at the combined levels of central and state-level debt, the federated structure permits a complex amalgamation of interventionist and market-dynamics to avoid large-scale spill-over with an unlikely provision of a single fish polluting the lake.

Most Indian states realise the limits to fiscal profligacy (with some exceptions) despite feverish electoral rhetoric with scant respect for State coffers. In this respect, State-level debt burdens remain skewed with favourable scenes on the western and southern front with some targeted hand-holding needed by the Union government in putting the balance sheets of the states in the eastern region in order.

By extrapolation, 2024 promises to be an exciting year for India as foreign investors continue to see India as a bastion of geopolitical and economic oasis with democratic dividends outpacing demographic dividends. By extension, it is not inconceivable to see India's capital markets set to reap windfall gains with quality foreign institutional investors making the dent. The government on its part should be alert in seizing the market momentum to realise the previously missed disinvestment targets towards cushioning the fiscal position. The internationalisation efforts embarked upon with palpable enthusiasm should create more traction for international trade in the rupee, even as significant work remains to be done before challenging the world's pre-eminent reserve currencies.

The Reserve Bank of India (RBI) would do well to continue bolstering its foreign reserves lending a significant safety net to traverse economic disturbances successfully. Finally, on the back of India's unrivalled digital public infrastructure, 2024 should be seen as a watershed moment in realising India's biggest financial inclusion goal, both in quantity and quality with tangible economic outcomes percolating the last mile with every member of the household as a beneficiary. https://www.deccanherald.com/opinion/apprehensions-over-indias-debt-to-gdp-levels-are-misplaced-2836713

16. Government reviews status of commercial, captive coal mines *(millenniumpost.in)* 04 Jan 2024

The coal ministry on Thursday reviewed the status of commercial and captive coal blocks that have already started production as well as those which are expected to commence production.

During a high level meeting to review the status of 'producing and expected to produce' captive and commercial coal mines, Additional Secretary at the ministry M Nagaraju also urged the allottees to put in further efforts to achieve the committed coal output target for the current fiscal, an official statement said. As of December, 50 captive and commercial coal mines were under production.

According to the statement, Nagaraju also "impressed upon the allottees to take necessary steps to operationalise the coal blocks that are in advanced stages of operationalisation".

Within three-and-a-half years of commencing commercial coal mines auction in 2020, 6 mines with a cumulative Peak Rated Capacity (PRC) of 14.87 million tonnes (MT) have already started production.

In December 2023, the total coal production from captive and commercial coal mines rose 38 per cent to 14.04 MT compared to the year-ago period.

"The total coal production from captive and commercial coal mines during the period April 1, 2023 to December 31, 2023 was around 98 MT while the total coal dispatch was 103 MT, indicating a Y-o-Y growth of 26 per cent and 32 per cent respectively, from the same period of 2022-23," the statement said.

The ministry also said it is committed to maintaining this momentum, striving to achieve ambitious production and dispatch targets. https://www.millenniumpost.in/business/government-reviews-status-of-commercial-captive-coal-mines-546859?infinitescroll=1