

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. One ID to rule them all (*dtnext.in*) October 05, 2023

A concern is regarding a single entity controlling sensitive data like user IDs, which increases the risk of data breaches.

A global rating major has flagged concerns pertaining to security and privacy vulnerabilities in centralised identification frameworks like the Aadhaar. The unique ID system has caused ‘service denials’ and the use of biometric technology in humid conditions is unreliable, per the report. The system enables access to public and private services with verification via fingerprint/iris scans, and alternatives like one-time passcodes or OTPs. However, the report says it faces challenges involving the burden of establishing authorisation as well as concerns regarding biometric reliability.

A concern is regarding a single entity controlling sensitive data like user IDs, which increases the risk of data breaches. Such entities could also dispose of user data for internal or third party profiling needs. In India, the government has opted to adopt Aadhaar to route direct benefit transfers to beneficiaries of official welfare schemes. It has mandated Aadhaar-enabled Payment System (AePS) for daily-wage workers under MGNREGS. Referring to Aadhaar as the most trusted digital ID in the world, the government retorted that seeding of Aadhaar in the MGNREGS database was done without requiring workers to authenticate using biometrics and payments were made by directly crediting their accounts sans biometric intervention. The end-goals of the UIDAI were to ensure that all citizens had a unique ID and to curb corruption in accessing the benefits of welfare programmes by getting rid of fake accounts. Apart from linking the databases of ration card holders with Aadhaar, the Centre has also favoured Aadhaar for other government to citizen cash transfer programmes. Knocking down duplicates has helped it save in welfare schemes.

However, a CAG audit of the UIDAI released in 2022, had pointed out lapses endangering privacy and compromising data security. Shortcomings in enrolment processes that spurred duplication as well as faulty biometrics were also pointed out. Research has shown how quantity fraud can be perpetrated in the case of rations, and it’s something Aadhaar cannot detect or prevent. Several citizens in rural regions make repeat trips to ration shops to authenticate themselves. Absence of reliable internet, mobile connectivity for OTPs, and occupational hazards like fading fingerprints of daily wage earners, add to the troubles.

A majority of daily wage workers are unaware of the bank accounts that their Aadhaar is linked to. Many a time in rural areas, such linkages are made without the consent, which leads to wages being diverted to other accounts, without the worker’s knowledge. Using the AePS, funds in workers accounts have been illegally withdrawn or diverted towards government insurance initiatives. The embarrassing Rs 10 crore scholarship scam in Jharkhand in 2020 is a case in point.

The rating agency has clubbed Aadhaar and recent crypto-centric digital identity token Worldline under digital ID systems that are noteworthy on account of their scale and innovation. India could opt for decentralised ID (DID) systems like digital wallets that are based on blockchain capabilities. They offer users more control over private data

and can bring down online fraud. Regions such as Catalonia, Azerbaijan and Estonia have successfully employed blockchain based systems to issue digital IDs. A review of the Aadhaar system is due, especially on the back of proposals to expand its linkages to electoral rolls as well as private parties. <https://www.dtnext.in/edit/one-id-to-rule-them-all-740000>

STATES NEWS ITEMS

2. Landless beneficiaries in Odisha deprived of PMAY-G houses, says CAG (*thehindu.com*) October 05, 2023

Homestead lands were not made available to landless beneficiaries for construction of PMAY-G houses

A significant section of the landless population in Odisha has been denied access to the Prime Minister Awas Yojna – Gramin because no homestead land was made available for construction of PMAY-G houses.

“Out of 57,932 landless beneficiaries (as on March 2021), 40,608 (70%) beneficiaries could not be provided houses, as no homestead lands were made available to them, for construction of PMAY-G houses,” said the Comptroller and Auditor General of India in its latest audit of local bodies. The audit report was tabled in Odisha Legislative Assembly on Tuesday.

With the objective of ‘Housing for all’ by 2022, the Government of India (GoI) restructured the erstwhile housing scheme, Indira Awaas Yojana (IAY), into the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G), with effect from April 1, 2016. Under the scheme, pucca (concrete) houses, with basic amenities, were to be provided to all homeless households (HHs) and those living in kutcha or dilapidated houses, by 2022.

Performance audit

The CAG carried out performance audit on PMAY-G, for five years, from 2016-17 to 2020-21, in eight districts. The PMAY-G scheme stipulates construction of houses for landless beneficiaries, by providing homestead land, through the State Government.

As families, with no homestead land to construct houses were the most deserving among the left out families, the CAG quoted the Odisha government’s August 2019 instruction to all collectors and asked them to allot land to the landless families.

The CAG audit noted that the Block Development Officer, Kosagumuda in Nabarangpur district identified 28 landless beneficiaries and requested (August 2019) the concerned Tahsildar, Kodinga, to ensure provision of land, for construction of the PMAY-G houses.

“Out of these 28 identified landless beneficiaries, only seven beneficiaries were provided with houses, while the names of the remaining 21 beneficiaries were deleted from the list of landless beneficiaries, without any recorded reason,” it says.

According to the CAG report, States are mandated to ensure that 3% of beneficiaries are from among Persons with Disabilities (PwD). “Odisha’s Social Security and Empowerment of Persons with Disabilities department intimated (December 2019) that allocation of houses, under the PMAY-G, to PwDs, was far below the desired allocation of 5% and requested it to earmark 5% of the total allocation of houses under PMAY-G, in all districts of Odisha,” the audit pointed out.

Disabled also ignored

As per Census 2011 data, total PwD households in the State were 6.42 lakh. Out of these, 3.45 lakh PwDs, who lived in 0, 1 or 2 roomed kutcha houses, were eligible to be covered under the scheme.

“It is evident that only 0.12% of the total houses were sanctioned for the PwD category,” the audit found

The CAG noted that as per SECC-2011 data, there were 3.45 lakh eligible households with PwDs in the State, against which 83,962 beneficiaries needed to be covered, to meet the prescribed norms of the scheme. Records do not, however, indicate that the Department took any steps to provide homes to the required percentage of beneficiaries, from amongst the PwDs, it pointed out.

The apex audit agency recommended that landless beneficiaries should be allotted land for construction of houses and PwD beneficiaries should be given priority in allotment of houses in coordination with the respective departments. <https://www.thehindu.com/news/national/other-states/landless-beneficiaries-in-odisha-deprived-of-pmay-g-houses-says-cag/article67380383.ece>

3. Odisha surrendered 5.27 lakh PMAY-G houses in 2021 (*newindianexpress.com*) 05 October 2023

Panchayati Raj department stated that since a large number of applications were received for inclusion, it could not complete verification of the applications within the time fixed by the ministry.

BHUBANESWAR: Even as Odisha government has been pressing for opening a special window for inclusion of about seven lakh households in the Awaas+ portal for housing assistance under Pradhan Mantri Awas Yojana-Grameen (PMAY-G), the report the Comptroller and Auditor General (CAG) has presented a contrary picture of the state surrendering 5.27 lakh houses due to non-availability of eligible beneficiaries.

The CAG report on panchayati raj institutions (PRIs) for the year ending March 2021 tabled in the Assembly on Tuesday revealed the state government requested the Ministry of Rural Development (MoRD) in May 2021 for the surrender of 5.27 lakh houses allotted to it during 2019-20 and 2020-21 due to non-availability of households in different categories in the permanent wait list (PWL).

As a matter of practice, every year the empowered committee of MoRD fixed the target for the construction of houses for the next year in consultation with the state government. The ministry had allotted a cumulative target of 24.23 lakh up to March 2021.

In its compliance report, the Panchayati Raj department stated that since a large number of applications were received for inclusion, it could not complete verification of the applications within the time fixed by the ministry resulting in the surrender of 5.27 lakh houses. During joint physical verification from September 2021 to January 2022 in 72 test-checked gram panchayats, the audit found that 203 families were living in shanties due to delays in the identification of beneficiaries.

The CAG report further pointed out that the gram sabhas had identified 27.85 households for housing assistance. Since the permanent wait list (PWL) of the state had only 18.86 lakh beneficiaries, 8.59 households who were deemed eligible by gram sabhas had to be excluded.

The audit found that 10,852 beneficiaries in the priority categories, including 2,886 scheduled categories, were erroneously deleted from the PWL. No evidence of gram sabha approval for the inclusion or deletion of beneficiaries was found during the verification of records of GPs and appellate committees. The reason cited by the department for the deletion of such a large number of beneficiaries was that multiple beneficiaries existed with the same name.

The audit further detected that beneficiaries of 95 houses in Nabarangpur and Sambalpur had passed away without leaving any legal heir. Though their houses remained incomplete, Rs 44.8 lakh have been released to them by the department. In 13 cases, houses were sanctioned and payments were made to non-beneficiaries in some districts. <https://www.newindianexpress.com/states/odisha/2023/oct/05/odisha-surrendered-527-lakh-pmay-g-houses-in-2021-2621060.html>

4. PM Awas Yojana: पीएम आवास योजना में हुई है बड़े पैमाने पर धांधली, CAG की रिपोर्ट से सच आया सामने (*jagran.com*) 04 Oct 2023

ओडिशा में प्रधानमंत्री आवास योजना के तहत बड़े पैमाने पर धांधली किए जाने की बात सीएजी रिपोर्ट से सामने आई है। रिपोर्ट से पता चला है कि किसी ने प्रधानमंत्री आवास योजना के जरिए दुकान में घर बनवा लिया है तो किसी ने बिना घर बनवाए ही पैसे उठा लिया है। इतना ही नहीं, कहीं पर ग्रामसभा द्वारा अनुमोदित सूची को प्रखंड अधिकारी अस्वीकार करते हुए अयोग्य हिताधिकारियों की सूची को शामिल किए हैं।

कैग ने पेश की तीन रिपोर्ट

इतना ही नहीं, कहीं पर तो बिल्कुल सूची में नाम भी नहीं है और पीएम आवास योजना के तहत घर आवंटित कर दिए गए हैं। यह तमाम धांधली की सच्चाई सीएजी ऑडिट रिपोर्ट से सामने आई है। जानकारी के मुताबिक विपक्ष के हंगामे के बीच विधानसभा में सार्वजनिक और सामाजिक क्षेत्र पर कैग (सीएजी) की तीन रिपोर्ट पेश की गई। मार्च 2021 के अंत में, स्वायत्त निकायों (पंचायती राज और शहरी स्थानीय निकायों) पर आधारित कैग की रिपोर्ट में राज्य में लागू की जा रही पीएम आवास योजना में बड़े पैमाने पर अनियमितताओं और भ्रष्टाचार की ओर इशारा किया गया है।

सीएजी रिपोर्ट में कहा गया है कि राज्य में एक अप्रैल 2016 से प्रधानमंत्री आवास योजना (ग्रामीण) लागू की जा रही है, जिसका उद्देश्य जर्जर और कच्चे मकानों में रहने वालों को 2022 तक बुनियादी सुविधाओं से युक्त आवास उपलब्ध कराना है। सीएजी ने बालेश्वर, भद्रक, बौद्ध, कालाहांडी, मयूरभंज, नुआपड़ा और सोनपुर नामक आठ जिलों में 2016-17 और 2020-21 के बीच पीएम आवास योजना

के कार्यान्वयन का ऑडिट किया है। प्रत्येक जिले और पंचायत समितियों (ब्लॉक) से तीन ग्राम पंचायतों में ऑडिट किया गया है।

केंद्र ने राज्य सरकार को दिया था निर्देश

ऑडिट में पता चला कि पीएम आवास योजना के लाभार्थियों के चयन के लिए केंद्र सरकार ने राज्य सरकार से ग्रामसभा में सामाजिक आर्थिक और जाति जनगणना (एसईसीसी-2011 सूची) और स्थायी प्रतीक्षा सूची के अंतिम आंकड़ों के साथ पात्र लाभार्थियों की पहचान करने के लिए कहा था। हालांकि, ग्रामसभा द्वारा पहचाने गए 8.59 लाख लाभार्थियों को राज्य सरकार द्वारा स्थायी प्रतीक्षा सूची से अनियमित रूप से बाहर कर दिया गया। इसी तरह, राज्य सरकार द्वारा मार्च 2021 के अंत तक स्थायी प्रतीक्षा सूची को अंतिम रूप नहीं दिए जाने के कारण स्वीकृत 5.27 लाख घरों को वापस करने के लिए मजबूर होना पड़ा।

केंद्रीय ग्रामीण विकास मंत्रालय द्वारा निर्धारित समय सीमा के भीतर पात्र लाभार्थियों की पहचान करने में राज्य के विफल रहने के कारण 12.25 लाख लाभार्थियों को स्थायी प्रतीक्षा सूची में शामिल नहीं किया जा सका और वे योजना से वंचित रह गए। पीएम आवास योजना के लिए निर्धारित मानदंडों का उल्लंघन करते हुए कई अपात्र लाभार्थियों को घर आवंटित किए गए हैं। हालांकि, ग्रामसभा ने 27.45 लाख पात्र लाभार्थियों की पहचान की थी, लेकिन राज्य की स्थायी प्रतीक्षा सूची में 31 मार्च, 2021 तक 18.86 लाख लाभार्थी थे, इसलिए 8.59 लाख लाभार्थी छूट गए थे।

2.58 लाख घर अधूरे

केंद्र सरकार द्वारा इन लाभार्थियों को कवर करने के लिए चार बार आवास योजना की खिड़की खोलने के बावजूद, राज्य सरकार इन लाभार्थियों को इसमें शामिल करने में विफल रही। ऑडिट में पाया गया कि अनुसूचित जाति, अनुसूचित जनजाति और अन्य अल्पसंख्यकों को महत्व देते हुए पंचायत स्तर पर प्राथमिकता सूची तैयार नहीं की गई थी। वर्ष 2016-21 के दौरान 18.38 लाख घरों को मंजूरी दी गई थी, जिनमें से 15.80 लाख घर पूरे हो गए थे और 2.58 लाख घर अधूरे थे।

लेकिन सरकार ने इस डेटा में भी छेड़छाड़ किया है। ऑडिट से पता चला है कि आठ जिलों में 7.31 लाख घरों को मंजूरी दी गई है, जिनमें से 1.04 लाख घर अधूरे हैं। कुछ परिवारों के लिए, वित्तीय किस्तों के भुगतान की अवधि में अधिकतम चार साल से अधिक यानी 1576 दिन लग गए हैं। सरकार ने बीजू पक्का घर और पीएम आवास योजना की संयुक्त ब्रांडिंग के लिए लोगो की खरीद पर 8.74 करोड़ रुपये खर्च किए हैं। लोगों को 62 रुपये से 584 रुपये के बीच खरीदा गया है।

झूठी फोटो अपलोड कर लिए गए पैसे

कैग ने कहा कि 2016-17 से 2020-21 के बीच पीएम आवास योजना का कोई सोशल ऑडिट नहीं हुआ और योजना में किसी की कोई जवाबदेही नहीं तय की गई थी। इसी तरह, कैग ने अपनी रिपोर्ट में कहा कि पंचायती राज विभाग 31 जुलाई, 2021 तक 2016-17 से 2020-21 की अवधि के दौरान पंजीकृत और स्वीकृत घरों का डेटा प्रदान करने में सक्षम नहीं था। कोसागुमुड़ा प्रखंड और नंदहांडी प्रखंड में घर निर्माण किए बिना ही चार मामलों में झूठी फोटो अपलोड कर मकान बनाने के लिए पैसे लिए गए।

इसी तरह मानगोविंदपुर पंचायत में हरेकृष्ण प्रधान नाम के एक लाभार्थी ने पीएम आवास योजना के तहत घर लेकर दुकान बनाई है। इसी तरह नवरंगपुर जिले के कोसागुमुड़ा पंचायत के सोमनाथ पुजारी ने पीएम आवास लेकर छह घरों वाला एक विशाल घर बनाया है।

<https://www.jagran.com/odisha/bhubaneshwar-pm-awas-yojana-cag-report-reveals-massive-fraud-in-pm-awas-yojana-in-odisha-23547537.html>

5. PM Awas Yojana in Odisha: कैग को ओडिशा में प्रधानमंत्री आवास योजना के कार्यान्वयन में पाई बड़ी खामियां (etvbharat.com) 04 Oct 2023

भुवनेश्वर: कैग ने ओडिशा में प्रधानमंत्री आवास योजना (पीएमएवाई)- ग्रामीण के कार्यान्वयन में बड़ी खामियां पाई हैं. मुख्य सचिव राजकुमार और महासचिव विश्वनाथ सिंह जादौन ने रिपोर्ट के बारे में विस्तार से जानकारी दी. धानमंत्री आवास योजना में यह अनियमितता कैग ने पकड़ी. कार्या देश में योजना फर्जी एवंलाभुक नहीं पाया गया. CAG रिपोर्ट में कहा गया है, 'राज्य सरकार में व्यापक भ्रष्टाचार और अनियमितताओं के कारण 12.25 लाख पात्र लाभार्थियों की पहचान नहीं की जा सकी.

5.27 लाख स्वीकृत आवास वापस कर दिए गए हैं. राज्य सरकार ने पीएम आवास योजना में किसी भी नियम का पालन नहीं किया है. मनमाना फंड खर्च करने से लेकर आवास आवंटन में अनियमितताएं पाई गई हैं. मिट्टी के घरों को पक्का करने के लिए 2022 तक बुनियादी सुविधाओं के साथ आवास उपलब्ध कराने के लिए अप्रैल 2016 से राज्य में (पीएमएवाई)-ग्रामीण लागू किया जा रहा है.

2016-17 और 2020-21 के बीच, CAG ने 8 जिलों बालासोर, भद्रक, बौध, कालाहांडी, मयूरभंज, नुआपाड़ा और सोनपुर में पीएम आवास योजना के कार्यान्वयन का ऑडिट किया है. यह ऑडिट प्रत्येक जिलेके 3 ग्राम रिट्रीट और रिट्रीट समिति में किया गया है. पीएम आवास योजना के लाभार्थियों का चयन करने के लिए केंद्र सरकार ने राज्य सरकारों को सामाजिक-आर्थिक और जाति जनगणना के आंकड़ों के साथ पात्र लाभार्थियों की पहचान करने और ग्राम सभा में स्थायी प्रतीक्षा सूची को अंतिम रूप देनेके लिए कहा था.

हालांकि, राज्य सरकार ने मनमाने ढंग से ग्राम सभा द्वारा चिन्हित 8.59 लाख लाभार्थियों को स्थायी प्रतीक्षा सूची से बाहर कर दिया. वे योजना से चूक गए. पीएमएवाई-जी के तहत घरों की मंजूरी में प्राथमिकता संख्याओं का पालन नहीं किया गया था और सभी 24 परीक्षण जांच किए गए पीएस में घरों को मंजूरी देते समय जारी की गई प्राथमिकता संख्याओं का उल्लंघन किया गया था.

सीएजी ने पीएमएवाई-जी के कार्यान्वयन पर अपने प्रदर्शन ऑडिट में कहा कि धोखाधड़ी वाले कार्य आदेश जारी किए गए और गैर-लाभार्थियों को भुगतान जारी किया गया. इसी तरह, चूंकि राज्य सरकार ने मार्च 2021 के अंत तक स्थायी प्रतीक्षा सूची को अंतिम रूप नहीं दिया, इसलिए केंद्र सरकार को 5.27 लाख स्वीकृत आवास वापस करनेके लिए मजबूर होना पड़ा.

12.25 लाख लाभार्थियों को स्थायी प्रतीक्षा सूची में शामिल नहीं किया जा सका, क्योंकि राज्य केंद्रीय ग्रामीण विकास मंत्रालय द्वारा निर्धारित समय सीमा के भीतर पात्र लाभार्थियों की पहचान करने में विफल रहा. पीएम आवास योजना के लिए निर्धारित नियमों का उल्लंघन कर कई अयोग्य लाभार्थियों को आवास आवंटित कर दिया गया. इसी प्रकार, रिट्रीट स्तर पर, अनुसूचित जाति, जनजाति और अन्य अल्पसंख्यकों पर जोर देते हुए प्राथमिकता सूची तैयार नहीं की गई थी.

<https://www.etvbharat.com/hindi/delhi/bharat/cag-found-major-flaws-in-the-implementation-of-pradhan-mantri-awas-yojana-in-odisha/na20231004211622420420191>

6. अनुपूरक अनुदान का आधा हिस्सा अनावश्यक: CAG (jantaserishta.com) 05 Oct 2023

भुवनेश्वर: नियंत्रक एवं महालेखा परीक्षक (सीएजी) ने सरकार के अनुपूरक बजट पर आपत्ति जताई है और इस प्रथा को अनावश्यक बताया है क्योंकि व्यय मूल प्रावधान की सीमा तक भी नहीं पहुंचता है। ऑडिटर ने कहा कि इससे बजट के सटीक आकलन में महत्वपूर्ण त्रुटियों का संकेत मिलता है।

मार्च 2022 को समाप्त होने वाले वर्ष के लिए सीएजी की राज्य वित्त ऑडिट रिपोर्ट में कहा गया है कि 9,742.06 करोड़ रुपये का पूरक अनुदान, कुल पूरक अनुदान का लगभग 50 प्रतिशत, 43 मामलों में पूरी तरह से अनावश्यक था। इसमें पाया गया कि अधिकांश विभागों के पास 2020-21 के बजट में किए गए प्रावधान समाप्त नहीं हुए थे, लेकिन अनुपूरक बजट में उनके लिए आवंटन किया गया था।

स्कूल और जन शिक्षा विभाग के लिए बजटीय आवंटन 17,525.60 करोड़ रुपये था, जिसमें से वित्तीय वर्ष के अंत तक 16,397.84 करोड़ रुपये खर्च किए गए थे। लेकिन विभाग के लिए 1,580.73 करोड़ रुपये का अनुपूरक प्रावधान किया गया। इसी प्रकार, पंचायती राज एवं पेयजल विभाग के लिए 18,201.48 करोड़ रुपये का बजटीय प्रावधान किया गया था, जिसमें से 14,524.26 करोड़ रुपये खर्च किये गये। लेकिन विभाग के लिए फिर से 3,615.64 करोड़ रुपये का अनुपूरक प्रावधान किया गया।

सीएजी ने कहा कि इस प्रथा के परिणामस्वरूप 2021-22 के दौरान 37,706.59 करोड़ रुपये की बचत हुई, जिसमें से 37,608.04 करोड़ रुपये सरेंडर कर दिए गए। उसमें से 35,600.04 करोड़ रुपये साल के आखिरी दिन 31 मार्च, 2022 को सरेंडर कर दिए गए। सरकार ने कहा कि कई बार केंद्रीय बजट में बताए गए फंड राज्य को जारी नहीं किए जाते हैं, जिससे फंड सरेंडर करना पड़ता है।

कुछ केंद्र-प्रायोजित योजनाओं में, केंद्र द्वारा व्यय की सीमित गुंजाइश के साथ वर्ष के बहुत देर से धन जारी किया जाता है। इसके अलावा, मूल्यांकन और अनुमोदन में देरी के कारण किसी योजना के लिए लिया गया प्रावधान भी सरेंडर कर दिया जाता है। इसमें कहा गया है कि यह स्थिति धन के सरेंडर की ओर भी ले जाती है। हालाँकि, CAG सरकार के उस जवाब से सहमत नहीं हुआ जिसमें कहा गया था कि फंड का सरेंडर केवल CSS के मामले में नहीं हुआ था।
<https://jantaserishta.com/local/odisha/half-of-supplementary-grants-unnecessary-cag-2879544>

7. Half of supplementary grants unnecessary: CAG (newindianexpress.com) 04 Oct 2023

The budgetary allocation for the School and Mass Education department was Rs 17,525.60 crore out of which Rs 16,397.84 crore was spent by the end of the financial year.

BHUBANESWAR: The Comptroller and Auditor General (CAG) has taken exception to the supplementary budgets of the government, describing the practice as unnecessary as the expenditure did not even reach the threshold of the original provision. The auditor maintained this indicated significant errors in the accurate estimation of the budget.

The state finances audit report of the CAG for the year ending March 2022 stated that the supplementary grants of Rs 9,742.06 crore, nearly 50 per cent of the total supplementary grants were entirely unnecessary in 43 cases. It found that most of the departments had not exhausted provisions made in the 2020-21 budget, but allocations were made for them in the supplementary budget.

The budgetary allocation for the School and Mass Education department was Rs 17,525.60 crore out of which Rs 16,397.84 crore was spent by the end of the financial year. But a supplementary provision of Rs 1,580.73 crore was made for the department. Similarly, a budgetary provision of Rs 18,201.48 crore was made for the Panchayati Raj and Drinking Water department out of which Rs 14,524.26 crore was spent. But again supplementary provision of Rs 3,615.64 crore was made for the department.

The CAG said this practice resulted in savings of Rs 37,706.59 crore during 2021-22 out of which Rs 37,608.04 crore was surrendered. Out of that, Rs 35,600.04 crore was surrendered on the last day of the year on March 31, 2022. The government stated that many times funds as indicated in the Union budget are not released to the state, leading to the surrender of funds.

In some of the Centrally-sponsored schemes, funds are released by the Centre very late in the year with limited scope for expenditure. Besides, provision taken against a scheme is also surrendered due to delay in appraisal and approval. This situation also leads to the surrender of funds, it stated. However, the CAG was not convinced by the reply of the government stating that the surrender of funds did not take place only in the case of CSS. <https://www.newindianexpress.com/states/odisha/2023/oct/04/half-of-supplementary-grants-unnecessary-cag-2620744.html>

8. Central Funds Decrease; CAG (*tathya.in*) 04 Oct 2023

Bhubaneswar: The Comptroller and Auditor General of India (CAG) has noticed a decrease in funding flow from the Central Government to Odisha during the past few years.

In its report on State Finances for the year ended March 2022, the CAG said the Union Government transfers funds to States in two ways: (i) Devolution of Central taxes to States and (ii) Grants-in-aid given by the Centre.

The central taxes devolved to States are untied funds, and states can spend them according to their discretion, whereas grants given by the Centre to States and local bodies are meant for specific purposes and are to be used only for the specified scheme or purpose.

The transfers to States are dependent on the tax collection of the Government of India (GoI) and the States get their share as per the percentage recommended by the respective Finance Commissions.

Trends in transfers from Centre, for the last five years, shows that Central transfers as percentage of Revenue Receipts, have been consistently decreasing from 57 per cent in 2017-18 to 38 per cent in 2021-22. However, in terms of absolute figures, Central Transfer had increased by Rs 7,443 crore during 2021-22 over the previous year, the CAG said.

The Budget Estimation (BE) for Central Tax Transfer was Rs 30,137 crore, while the actual receipt was Rs 38,144 crore during 2021-22. Similarly, the BE for Grants-in-Aid

from Government of India was Rs 37,963 crore, while the actual receipts were only Rs 19,910 crore.

State's Share of Union Taxes and Duties State's share of Union taxes recommended by Fourteenth Finance Commission (FFC) (2015-16 to 2019-20) and Fifteenth Finance Commission (2020-21 to 2025-26).

It said the actual tax devolution to the State fell short of Finance Commission Report projections from 2015-16 to 2020-21. However, during 2021-22, the actual devolution exceeded the FCR by Rs 8,323 crore, the auditor said.

Similarly, the CAG said State's share of Union taxes, as a percentage of revenue receipts of the State, has been continuously decreasing from 2018-19 to 2021-22.

The Government of India has decided to give effect to the merger of plan/ non-plan provisions in the Estimates for Budget 2017-18, after the conclusion of the 12th Plan period (2012-17).

With the removal of the Plan and Non Plan distinction, Grants-in-Aid from Centre comprises only of: (i) Finance Commission recommended grants for Local Bodies, (in) grants for Disaster Response and (in) grants for the Central share of Central Sector and Centrally Sponsored Schemes.

The records show that Grants-in-Aid received from the Government of India, in absolute figures, as well as percentage to Revenue Receipts, have also been decreasing since 2019-20.

c) Finance Commission Grants

The 73rd Constitutional Amendment requires both the Centre and the States to help Panchayati Raj Institutions to evolve as units of self-governance, by assigning them funds, functions and functionaries. Finance Commission Grants are the funds provided by the Centre to local bodies, as well as state disaster relief funds and these compensate any revenue loss to states after devolution of taxes. Details of Finance Commission Recommendations (FCR) vis-a-vis actual receipts

Grants under the Fifteenth Finance Commission recommendations, for the year 2021-22, under Rural Local Bodies and Urban Local Bodies, substantially decreased over the previous year, by 26 per cent and 24 per cent, respectively, the Top Auditor noticed. <https://tathya.in/central-funds-decrease-cag/>

9. धनबाद: आयुष्मान योजना में मिली गड़बड़ी, दो अस्पताल निलंबित (lagatar.in) 04 Oct 2023

Dhanbad: आयुष्मान भारत योजना के तहत गड़बड़ी करने वाले धनबाद के दो अस्पतालों पर कार्रवाई करते हुए उन्हें निलंबित कर दिया गया है. झारखंड स्टेट आरोग्य समिति के कार्यकारी निदेशक विद्यानंद शर्मा पंकज के निर्देश पर कार्रवाई हुई है. बीते दिनों राज्य भर के अस्पतालों में आयुष्मान योजना की जांच कराई गई थी. जांच रिपोर्ट मिलने के बाद करीब 250 अस्पतालों से

स्पष्टीकरण मांगा गया है. 78 अस्पतालों को योजना की सूची से हटा दिया गया है, जिसमें धनबाद स्थित नयनसुख नेत्रालय और जेपी अस्पताल शामिल हैं.

सीएजी के ऑडिट में मिली थी गड़बड़ी

सीएजी के ऑडिट में धनबाद के दो अस्पतालों सरायढेला स्थित श्रेष्ठ नेत्र चिकित्सालय और हीरक रोड स्थित जेपी हॉस्पिटल एंड रिसर्च सेंटर में आयुष्मान भारत योजना के तहत इलाज में गड़बड़ी मिली थी. सीएजी रिपोर्ट के अनुसार इन अस्पतालों में क्षमता से दोगुना अधिक मरीजों का इलाज किया गया था. रिपोर्ट में खुलासा हुआ कि भर्ती मरीजों की संख्या बेड की संख्या से अधिक थी. सिविल सर्जन डॉ सीबी प्रतापन ने कहा कि दोनों अस्पतालों में आयुष्मान भारत योजना के तहत मरीजों के इलाज का ब्योरा जांच के बाद सौंपा गया था. जांच में गड़बड़ी मिली थी. इसके बाद कार्रवाई की अनुशंसा की गई.

श्रेष्ठ नेत्र चिकित्सालय में भी मिली थी गड़बड़ी

सीएजी रिपोर्ट के अनुसार सरायढेला स्थित श्रेष्ठ नेत्र चिकित्सालय का ऑडिट 29 जनवरी 2021 को किया गया था. अस्पताल में बेड की क्षमता 11 थी और इसके मुकाबले उस तिथि को 49 मरीजों का इलाज किया गया. इतना ही नहीं, यहां मरीजों से आयुष्मान भारत योजना से इलाज के बावजूद राशि वसूलने का उल्लेख था. जेपी हॉस्पिटल एंड रिसर्च सेंटर में सीएजी रिपोर्ट के अनुसार 2 मार्च 2021 को ऑडिट किया गया. इस दौरान 24 बेड की क्षमता के मुकाबले 45 मरीजों का इलाज किया गया था. <https://lagatar.in/dhanbad-irregularities-found-in-ayushman-scheme-two-hospitals-suspended/>

10. झारखंड: आयुष्मान भारत योजना में बड़ा फर्जीवाड़ा, 78 हॉस्पिटल सूची से हटाए गए, 250 को शो-काँज, 89 ने भरा जुर्माना (bhaskarhindi.com)
04 Oct 2023

झारखंड में आयुष्मान भारत जन आरोग्य योजना में फर्जीवाड़ा करने वाले 400 से भी ज्यादा हॉस्पिटलों के खिलाफ कार्रवाई शुरू की गई है।

78 हॉस्पिटलों को गड़बड़ी करने के आरोप में डि-इम्पैन्लड किया गया है। 89 हॉस्पिटलों से करीब एक करोड़ रुपए जुर्माना वसूला गया है, जबकि 250 से भी ज्यादा हॉस्पिटलों को शो-काँज किया गया है। एक हॉस्पिटल संचालक के खिलाफ एफआईआर भी दर्ज कराई गई है।

झारखंड स्टेट आरोग्य समिति के एक्जीक्यूटिव डायरेक्टर विद्यानंद शर्मा पंकज ने कहा है कि गड़बड़ियों की जांच लगातार जारी है। जिन हॉस्पिटल्स को चिन्हित किया गया है, अगर उनके प्रबंधन की ओर से संतोषजनक जवाब नहीं आया तो उनके खिलाफ कड़ी कार्रवाई की जाएगी।

खास बात यह है कि दो महीने पहले लोकसभा में पेश सीएजी की रिपोर्ट में भी झारखंड के हॉस्पिटलों द्वारा बड़े पैमाने पर फर्जीवाड़े का खुलासा किया गया था। रिपोर्ट में यह बात सामने आई थी कि झारखंड के प्राइवेट हॉस्पिटलों ने 250 ऐसे लोगों के इलाज के नाम पर पैसा उठाया, जिनकी पहले ही मौत हो चुकी थी।

राज्य के 47 हॉस्पिटल्स ने एक-एक दिन में अपनी कुल बेड क्षमता की तुलना से ज्यादा मरीजों के इलाज के नाम पर योजना का लाभ लिया। सावित्री देवी मेमोरियल ट्रस्ट हॉस्पिटल की कुल बेड क्षमता 30 है।

इसने एक दिन में योजना के तहत 103 मरीजों के इलाज का दावा किया। इसी तरह किडनी केयर सेंटर में मात्र 12 बेड हैं, लेकिन इसने 55 मरीजों के इलाज का दावा किया। रांची के इरबा स्थित क्यूरी अब्दुर्ज्जाक अंसारी कैंसर इंस्टीट्यूट ने 100 बेड की क्षमता रखते हुए 112 मरीजों का इलाज दिखाया।

पलामू जिले के एक हॉस्पिटल ने योजना के तहत डि-इम्पैनल होने के बाद अपना नाम बदल लिया और 130 मरीजों के इलाज के दावा किया। कई मरीजों के इलाज के नाम पर इसने भुगतान भी उठा लिया। <https://www.bhaskarhindi.com/state/jharkhand-big-fraud-in-ayushman-bharat-scheme-78-hospitals-removed-from-the-list-250-shown-cause-89-paid-fine-965583?infinitemscroll=1>

11. Govt to study CAG report to probe medicine procurement (*themeghalayan.com*) 04 Oct 2023

She informed that because of the constant indication that these errors were happening again and again, the government thought it fit to bring into existence the MMDSL chaired by the principal secretary and all secretaries, MD of NHM and the two DHS.

SHILLONG: Days after the Comptroller and Auditor General of India (CAG) report recommended the state government to institute an inquiry into the procurements of medicine by the Directorate of Health Services (DHS), Health Minister Ampareen Lyngdoh, on October 4, informed that the government will get back to the CAG report which indicated that the procurement of medicines in 2019 was in contradiction to the usage and pricing.

“It is also true that there are guidelines for the Department of Health to issue necessary procedures in order to understand why it was done at that point of time. Government departments, particularly the bureaucracy, are well conversant with procedures of this nature and they are the ones who give directions,” Lyngdoh told media persons.

She informed that there were frequent allegations of this nature, for which the government had instituted the Meghalaya Medical Drugs and Services Limited.

She informed that because of the constant indication that these errors were happening again and again, the government thought it fit to bring into existence the MMDSL chaired by the principal secretary and all secretaries, MD of NHM and the two DHS. <https://themeghalayan.com/govt-to-study-cag-report-to-probe-medicine-procurement/>

12. On the rocks! Outcome of excise scam remains a mystery (*thegoan.net*) 05 Oct 2023

Three months ago, a daring scam in the Excise Department rocked the entire State. Several liquor license holders in the northern coastal belt, particularly Pernem were cheated, issued fake renewed licenses and they continued their operations until the head office slapped them with a ‘default notice.’

The alleged mastermind behind this audacious operation was an Upper Division Clerk (UDC), leaving numerous businesses reeling. The large-scale illegality has been carried out unhindered since 2017.

If not only cheating the license holders, a few unscrupulous excise officials also tarnished the reputation of the revenue-generating department.

The Goan's exposé brought this scam to light on June 22, prompting the intervention of Chief Minister Pramod Sawant. In just three days, the department managed to recover a whopping Rs 27 lakh from UDC Harish Naik.

This was followed by Naik's suspension besides that of Inspectors Vibhuti Shetye and Durgesh Naik, who allegedly connived with him.

Three months down the line, little progress has been made in this case. The inquiry report, which was submitted to the Vigilance/Anti-Corruption Branch (ACB) is yet to see the light of day.

The authorities are surprisingly dragging their feet over the inquiry with no FIR registered, despite the government acknowledging the severity of the fraud.

“We conducted an inquiry based on which the suspensions were ordered pending. This report was subsequently sent to the ACB for further action,” an excise officer told The Goan, indicating the department has no further role to play subject to the outcome of the ACB probe.

The only development is that the victim license holders have been re-issued licenses, this time genuine, and the amount has been adjusted given that part recovery is already made.

The department, which has now got a new Commissioner, is however silent over the exact fraud amount even as it is estimated around Rs 2 crore. Sources revealed that each license holder paid around Rs 1 lakh towards the new license and Rs 50,000 for the renewal of two 'seasonal licenses' in Pernem taluka alone.

“The license holders' receipts and licenses submitted to Gad were found to be fake. The UDC allegedly carried out the operation by convincing these license holders to pay him the fees, promising to deposit the amounts in the bank and update the office system accordingly. The bank receipts, bearing its rubber stamp, along with the license copies featuring the Inspector's signature and office stamp, were provided to the license holders. But these were found to be fake. All this amounts to a cognisable offense but nothing has been done so far,” an official lamented.

The authorities are also tight-lipped to yet another set of allegations, wherein records about five talukas indicated that license renewals were not carried out for over six financial years.

The heavily populated tourist belt of Bardez was among those five where more than 1,000 liquor licenses were not renewed between the financial years 2014-15 to 2019-20, according to a Comptroller and Auditor General (CAG) report 2020.

This indicated a shortfall of a whopping Rs 7.59 crore across these five talukas - Tiswadi, Bardez, Ponda, Salcete, and Mormugao. <https://www.thegoan.net/goa-news/on-the-rocks-outcome-of-excise-scam-remains-a-mystery/104452.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

13. MGNREGA: Centre stopped payment to Bengal workers three months before passing order (*telegraphindia.com*) 05 Oct 2023

Ministry of rural development invoked Section 27 of MGNREGA and passed an order on March 9, 2022 to stop release of funds to the state under the scheme

The Centre had stopped the payment of wages to workers in Bengal under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) three months before it actually passed an order to stop funding to the state, documents accessed by The Telegraph show.

The ministry of rural development (MoRD) invoked Section 27 of the MGNREGA and passed an order on March 9, 2022, to stop the release of funds to Bengal under the MGNREGA. However, the MoRD had completely stopped releasing funds from December 24, 2021.

The MoRD's order of March 9, 2022, accessed by The Telegraph, says that the Centre had asked the Bengal government to submit an action taken report (ATR) on the enquiry reports of central teams about the alleged irregularities in the implementation of the scheme in the state. However, the ATRs initially submitted in June 2019 and later in January 2021 were found to be unsatisfactory. The MoRD had asked for a comprehensive ATR, which was not received.

Owing to the non-compliance with the directives of the Centre, the MoRD invoked Section 27 of the MGNREGA to state that: "Release of funds under Wage, Material and Administrative components will be stopped from the date of issue of this order, until state government ensures compliance of directives of Central government."

Under the MGNREGA, workers get paid within 15 days of completion of work. The state government generates a funds transfer order (FTO) based on which the MoRD releases the payment to the workers' accounts. The MoRD makes payment every day since it receives FTOs of different projects undertaken by states. The government has to pay an interest of 0.05 per cent per day on the pending amount for the delay period.

Anuradha Talwar of Paschim Banga Khet Mazdoor Samity (PBKMS), an organisation of workers in Bengal, told reporters that the funds were completely stopped from December 2021 though the MoRD did not have the authority to do so.

The PBKMS has moved Calcutta High Court to challenge the stoppage of wages. Wages amounting to Rs 2,700 crore are unpaid in Bengal. Of this, Rs 1,500 crore belongs to the period when no order was passed to stop funding to the state, Talwar said.

"The stoppage of funds before passing the order is illegal. The MoRD has no authority to do that. The MoRD must respond to how it did so," Talwar said.

Purbayan Chakraborty, the lawyer representing PBKMS, said the MoRD stopped the release of funds completely from December 24, 2021.

“The pending wage for this period is Rs 1,500 crore but the government has to pay interest of Rs 200 crore since it delayed the wages without any authority,” he said.

Researchers and civil society and workers’ rights groups such as the NREGA Sagharsh Moracha (NSM), PBKMS, NREGA Watch, Jharkhand and Jan Jagran Shakti Sangathan, Bihar, on Wednesday termed the MoRD’s approach as anti-worker.

The civil society groups held a two-day national convention, which ended on Wednesday, and decided that the workers’ groups would launch a campaign with the slogan “BJP Hatao! NREGA Bachao!” The members of different workers’ groups in states associated with the NSM would hold meetings in villages and campaign against the BJP before the 2024 general elections.

Ashish Ranjan, a member of the Jan Jagran Shakti Sangathan in Bihar, said the Modi government had neglected the scheme by depriving it of funds and through the introduction of mobile apps and Aadhaar-based payment system. <https://www.telegraphindia.com/india/centre-stops-payment-of-wages-to-workers-in-bengal-under-mgnrega-before-passing-order/cid/1971102>

14. Have some economists severely underestimated the financial hit from climate change? Recent evidence suggests yes
(*downtoearth.org.in*) 04 Oct 2023

Extreme weather is expected to upend lives and livelihoods, intensifying wildfires and pushing ecosystems towards collapse as ocean heatwaves savage coral reefs

Scientists say severe climate change is now the greatest threat to humanity. Extreme weather is expected to upend lives and livelihoods, intensifying wildfires and pushing ecosystems towards collapse as ocean heatwaves savage coral reefs. The threats are far-reaching and widespread.

So what effect would you expect this to have on the economy in coming decades? It may surprise you, but most economic models predict climate change will just be a blip, with a minor impact on gross domestic product (GDP).

Heating the planet beyond 3°C is extraordinarily dangerous. The last time Earth was that warm was three million years ago, when there was almost no ice and seas were 20 metres higher. But economic models predict even this level of heat to have very mild impacts on global GDP per capita by century’s end. Most predict a hit of around 1% to 7%, while the most pessimistic modelling suggests GDP shrinking by 23%.

In these models, some countries are completely unaffected by climate change. Others even benefit. For most countries, the damage is small enough to be offset by technological growth. Australia’s recent Intergenerational Report suggests something similar.

This, it is becoming abundantly clear, is a failure of the modelling. To make these models, economists reach into the past to model damage from weather. But severe climate change would be a global shock that is wholly outside our experience. Inevitably, models can't come close to capturing the upheavals climate change could cause in markets fundamental to human life, such as agriculture.

Economic models aren't capturing the reality

When the Intergenerational Report came out in August, it pictured what Australia would look like in 2063.

What would unchecked climate change mean for the economy? The report estimated what it would do to labour productivity – Australia's GDP would be lower by between A\$135 and \$423 billion. Over 40 years, that figure is actually vanishingly small, implying an average yearly effect of around 0.3% of today's GDP.

The report stressed that a number of impacts of severe climate change were not modelled. Even so, it appears the damages that were included weren't likely to be major economic concerns.

So why the disconnect between climate scientists and economists?

Most economic models in this area rely on a fundamental premise – that we can gain useful insight into future damage by looking at how economies have been hit by earlier weather shocks.

But there's a fundamental limitation here. Historically, weather shocks tended to be local or regional. Even if there's intense drought in, say, India, harvests will still be good elsewhere. And, for economists, that means you can potentially trade your way out of danger.

There is some truth to it. Almost every country – including Australia – uses international trade to cushion themselves from weather shocks. Even in regular years, large parts of the globe rely on imported food.

Here's how it works. During the intense 2018–2020 drought in eastern Australia, wheat production across the country roughly halved compared to 2017.

In New South Wales and Queensland, the production of all grains fell below consumption levels. That forced these states to import grain, largely from Western Australia where the drought was not as severe.

But what would have happened if Australia's western and eastern grain regions were hit by severe drought at the same time? Prices would rise significantly. Wholesalers would look to import grains from overseas.

But climate change makes it more and more likely that several parts of the world could be in severe drought at the same time. As Australian researchers have found, climate change could indeed lead to crop failures across multiple regions at once. If that happened, food prices would surge to unprecedented levels.

You can see the early warning signs already. When there are food production shortfalls, the first thing exporters tend to do is stop exporting to try to keep down domestic prices. India did exactly this earlier this year because of damage to their crops from extreme weather. At a stroke, the world's largest rice exporter stopped half their exports – and made it harder for other countries to trade their way out of food shortages. Top soy and corn producer Argentina had less to export this year too due to severe drought.

Already, the world's surging growth in farm productivity has slowed to the lowest rate in 60 years. Yet the risk of global food insecurity is not captured in economic models of climate change.

Global shocks are greater than the sum of their parts

National security experts and the United Nations have warned climate change makes wars more likely, as countries fight over water, food or land. Climate change also threatens crop yields and damage to homes and infrastructure from extreme weather and sea level rise.

A collapse in biodiversity and mounting extinctions could also have fundamental implications for our economy. That's to say nothing of labour productivity, health impacts, zoonotic virus spillover, and mass migration among other possibilities. These upheavals will interact in unpredictable ways.

When economists model how economies perform in the future, they often have to simplify by ignoring certain risks or variables. The Intergenerational Report did just this by focusing on the climate impact on labour productivity and crop yields.

But these kinds of damage can overlap and make others worse. Because our global economy is so tightly interwoven, what happens elsewhere affects us here in many ways, as we saw during the early COVID years and the global financial crisis.

We need better economic models of climate damage

So why, in 2023, are we still not properly accounting for the real risks? It's hard, but it is possible. My research – as well as that of other other economists – is working towards building global weather shocks into modelling of what climate change will do to individual economies, which should radically change economic predictions.

In the meantime, when you see economic modelling suggesting climate change won't do much, you should treat it with serious scepticism. Look at what is being modelled – and everything left out.

The impact of climate change on natural systems is well understood. We don't know nearly as much about what it will do to human systems. We must hope the world decarbonises before we find out the hard way. The Conversation <https://www.downtoearth.org.in/blog/climate-change/have-some-economists-severely-underestimated-the-financial-hit-from-climate-change-recent-evidence-suggests-yes-92115>

15. India's metro rail systems should become financially sustainable (*livemint.com*) 04 Oct 2023

The potential of metro rail networks to ease urban traffic congestion and improve air quality, mobility, accessibility and the local economy is globally recognized. India's metro network has increased significantly, from 229km across five cities in 2014 to 860km across 20 cities in April 2023. In the 2014-2022 period, about ₹90,000 crore has been released by the government for these projects. While metro rail systems have raised the bar for public transport quality, they are expensive and their financial performance and patronage are not impressive. The existing revenue streams of most, including large and mature ones, are unable to meet their total expenses. The large financial losses incurred by metro systems may soon start to outweigh their environmental and social benefits.

A research paper by The Infravision Foundation (TIF) and IIM-Ahmedabad recommends a comprehensive institutional and policy framework to ensure financial sustainability that can guarantee continued political and social support, and help make sure these systems can effectively deliver on their goals.

While the selection of an appropriate transport system for a city is a separate issue, and metro projects must stand up to far more scrutiny, as TIF's earlier research has highlighted, ensuring the satisfactory financial performance of existing systems is essential. The key is to regularly set appropriate fares, boost non-fare revenues and promote ridership. Non-fare revenue is the revenue generated by any means other than inflows from travel tickets (like parking charges, advertisements and levies).

Indian metro rail systems suffer from a lack of periodic fare updates, leading to gradual erosion of the real value of fares, plummeting real revenues, increasing subsidy requirements and sudden large fare hikes after long gaps. Such increases cause significant customer dissatisfaction and ridership loss. The research paper recommends a set of policy and procedural changes, specifically highlighting the need for systematic/automatic formula-based fare changes and the establishment of an independent metro fare regulation committee. India's extensive experience in determining user charges for infrastructure assets can be leveraged.

The central and state governments must also take on the responsibility of securing innovative 'justified' funding and/or revenue sources to supplement fare intake and other operations-related non-fare revenues. This will ensure financial sustainability and help avert vicious cycles of loan repayment defaults and service deterioration.

Justified sources include appropriating part of the property value gains from investments, claiming a portion of funds earmarked for green investments, savings from a removal of unjust subsidies on personal/carbon-intensive vehicles, and using other fiscal tools (like taxes). Most of these sources should be local (i.e., where beneficiaries are concentrated), and new fees or taxes should aim at promoting equity (by removing distortions such as free parking, for example). Such measures will increase the share of total government funding support for metro rail systems, and if periodic fare revision processes are not established, this support may continue to increase just to keep the metro fares affordable and socially acceptable.

The research paper identifies effective, efficient and equitable non-fare revenue sources that can be leveraged for funding and financing metro rail systems. It provides three key guiding principles of such revenue raising: first, beneficiaries of the positive spillovers of metro facilities should pay; second, polluting urban transportation must pay for the damages caused; and third, urban public transit funds should (to the extent possible) be collected from where they are spent.

Based on global experiences and best practices, the research paper presents three revenue-generation avenues:

One, land value capture mechanisms (e.g., air rights development)

Two, taxes and fees on carbon-intensive transportation modes (e.g., congestion road charges).

Three, carbon and emission-related taxes (e.g., under a cap-and-trade system), and other local taxes, fees and sources of finance (e.g., vehicle registration surcharges).

In summary, there are five elements at the core of attempts to improve the financial health of our metro rail systems: activate innovative local revenue sources, remove subsidies on private vehicle ownership/usage, increase the financial power and accountability of metro rail authorities, streamline/automate fare review processes, enhance private sector investment in metro systems, and ensure that public money is spent responsibly on metro projects.

The principal change that is essential to effect such changes would be the establishment of unified metropolitan transport authorities (UMTAs). While the idea of a UMTA is not new, the research paper proposes a UMTA 2.0 model, where the authority for an urban or regional jurisdiction serves as the planner, owner, builder and operator of all transportation systems and networks within it. The study proposes an organizational structure for these entities, along with their legal powers, functions, responsibilities and accountability. <https://www.livemint.com/opinion/online-views/indias-metro-rail-systems-should-become-financially-sustainable-11696429843913.html>

16. Gujarat govt fails to spend funds for kids' uniform (*newindianexpress.com*) 05 October 2023

Over a three-year period, despite allocating a substantial sum of Rs 11,707.72 lakh rupees, not a single uniform was purchased for these children.

AHMEDABAD: The Gujarat government's allocation of funds for procuring uniforms for children and women workers at Anganwadi centres remains unspent. Official government records paint a concerning picture. Over a three-year period, despite allocating a substantial sum of Rs 11,707.72 lakh rupees, not a single uniform was purchased for these children. Similarly, the government had earmarked Rs 2,710.00 lakh over the same three years for providing sarees to Anganwadi workers, but these funds remained unutilised.

In response to a question posed by Congress MLA Chirag Patel from Khambhat in the Gujarat Assembly on September 14, 2023, the Women and Child Welfare Department

of the Government of Gujarat revealed that from 2020-21 to 2022-23, significant sums were allocated for children's uniforms, with 3788.12 lakhs, 3959.80 lakhs, and 3959.80 lakhs respectively. Not a single rupee was spent from the allocated amount.

Chandrika Solanki, the president of the Gujarat Anganwadi Association and a member of the Aam Aadmi Party, criticised the government for its indifference to the plight of underprivileged children. She expressed concern that even if these children attended school in tattered clothing, the government appeared unmoved. Solanki argued that the government's excuses for not utilising these grants were unjustified, given the persistent issues of malnutrition and deteriorating schools in Gujarat.

The government explained in the Legislative Assembly that the delay in uniform procurement in 2020-21 was due to the COVID-19 pandemic. Efforts to purchase uniforms began in 2022-23 but could not be completed by March 31, 2023, resulting in unspent funds. However, Chandrika Solanki contended that these reasons were mere pretexts and accused the government of exploiting the grant for the benefit of its party supporters through a corrupt tendering process.

The lack of expenditure extended beyond children's uniforms to funds allocated for purchasing sarees for Anganwadi women over the past three years. In response to a question by Congress MLA Arvind Ladani, the government revealed that substantial amounts were earmarked in each of the three years but remained untouched— Rs 834.06 lakh in 2020-21, Rs 834.06 lakh in 2021-22, and Rs 1042.58 lakh in 2022-23. The government set aside a generous grant of 2,710.7 lakh rupees for sari purchases spanning three years, yet not a single rupee was utilised. <https://www.newindianexpress.com/nation/2023/oct/05/gujarat-govt-fails-to-spend-funds-for-kids-uniform-2621026.html>

17. Why Punjab is burdened with debt of Rs 3.27 lakh crore (*indianexpress.com*) Updated: October 5, 2023

In the last twenty years, Punjab's debt has nearly risen by a multiple of ten, putting immense stress on the state's finances.

Punjab Chief Minister Bhagwant Mann wrote a letter to Governor Banwarilal Purohit on Tuesday (October 3), seeking his help in getting a moratorium of five years on the repayment of the state's burgeoning debt, which is estimated to grow to Rs 3.27 lakh crore by the end of this fiscal.

“With Punjab's interests in mind, I would urge you to convince the Prime Minister to ... accord a moratorium on debt repayment of the state for at least five years. This will provide much-needed relief to the strained financial position of the state and would give some fiscal elbow room to your government to accelerate the growth of revenue and the pace of development,” CM Mann's letter said.

Just how bad is Punjab's financial situation? How did things get this bad? What can help?

Punjab spending 20 per cent of annual budget on loan repayments

At the end of the last fiscal, Punjab's debt stood at Rs 3.12 lakh crore. The government had spent a huge sum on servicing of debt and repaid Rs 15,946 crore as principal, and Rs 20,100 crore as interest on it during the last fiscal. In 2023-24 fiscal, the government would have to pay a whopping Rs 16,626 crore as principal and Rs 22,000 crore as interest, as per its budget estimates.

Chief Minister Mann, in his letter to the Governor, said that his government has already paid Rs 27,106 crore on debt servicing since March 2022, when it came to power. As per the estimates, 20 per cent of annual budget is being spent on repaying the loans.

In fact, the government has had to borrow money each year to service the debt it is already under. This had put immense pressure on the state, already dealing with a crippling funds-crunch. If things do not change, Punjab's debt is estimated to cross Rs 4 lakh crore mark in two years.

Two decades in the making, freebies to blame

In 2017, when Congress's government took over the reins of the state, the SAD-BJP government had left a legacy of Rs 2.08 lakh crore of debt. In five years under the Congress, the state added another Rs 1 lakh crore to its debt.

In fact, over the last twenty years, a period in which both Congress and the Akalis have ruled over the state, the state's debt has multiplied close to ten times. In 2002, when former Captain Amarinder Singh's government took over for the first time, the outstanding debt was just Rs 36,854 crore.

'Freebies' provided by the state government are a major source of the debt. The power subsidy alone is a major drain on the state exchequer. In the past 26 years, since free power for agriculture was announced by former CM Rajinder Kaur Bhattal in 1997, the state has paid Rs 1.38 lakh crore to farmers, SCs and industry in power subsidies.

Data on the state's subsidy bill, available with The Indian Express, has revealed that the subsidy bill that started from Rs 604.57 crore in 1997-98 fiscal, crossed Rs 20,000 crore mark by the end of the last fiscal. The subsidy will continue to bleed the state exchequer with the Budget setting aside Rs 20243.76 crore for power subsidy and Rs 547 crore for free transport to women for the current fiscal.

Insurgency-era roots of Punjab's debt

Punjab's debt actually dates back to the era of insurgency in the state.

Records show that loans amounting to Rs 5,800 crore was given to the state between 1984 and 1994 for combating insurgency and militancy in the state. In the past, the SAD-BJP government in the state has blamed the Centre for the debt, arguing that it is a legacy of insurgency, when the Centre deployed huge numbers of security personnel and agencies in Punjab, and charged the state for that.

However, the Centre had waived this debt off twice.

How will a moratorium help?

Economists in Punjab have suggested that as a first step, a moratorium on the debt repayment could help the state deal with its unwieldy interest payments. Moreover, a special package from the Centre, could help in the revival and rejuvenation of Punjab's economy. Economists hope that this would build momentum for development in the state and crowd in private investment, especially from the Punjabi diaspora.

At the end of the day, the state needs to send out the right signals, to both its citizens and the foreign investors. Currently, Punjab is transitioning from a "debt-stressed" to a "debt-trapped" state. Changing course at the earliest is imperative, both for Punjab and the Indian economy as a whole. <https://indianexpress.com/article/explained/explained-economics/punjab-burdened-debt-rs-3-27-lakh-crore-8967929/>

18. To stop misuse, finance department wants ban on splitting of BPL cards (*newindianexpress.com*) 05 October 2023

Over 1.15 crore families are availing benefits under the guarantee schemes, especially Gruha Lakshmi and Anna Bhagya

BENGALURU: With more beneficiaries expected to be added to the State Government's guarantee schemes in the coming days, the Finance Department has urged the Food and Civil Supplies Department not to allow splitting of BPL cards. This, according to them, will restrict the misuse of below-poverty-line cards. Karnataka has 1.2 crore BPL cards covering 4.4 crore beneficiaries.

Over 1.15 crore families are availing benefits under the guarantee schemes, especially Gruha Lakshmi and Anna Bhagya. Under Gruha Lakshmi, Rs 2,000 is given to women heads of families, while money for the additional 5kg rice under Anna Bhagya is deposited into the accounts of beneficiaries.

The implementation of the five guarantees will cost the exchequer Rs 55,000 crore annually. Since these schemes were introduced between June and August this year, the Siddaramaiah government set aside Rs 36,000 crore for the remaining months of the financial year 2023-24. According to Finance Department sources, the schemes have covered 1.15 crore families which cover more than 70 per cent of the population. However, some people with an intention to misuse the benefits, are seeking to get new ration cards from the same family by splitting from the existing card. This will lead to more number of beneficiaries, adding to the financial burden on the government.

"We have urged the Food and Civil Supplies Department to freeze new cards for family members whose names are already there in the existing card," said an informed source. According to officials, since the financial aid of Rs 2,000 is used by those belonging to economically weaker sections, the beneficiaries are spending money on essentials, which attract 0-5 per cent GST.

Also, they buy groceries and other essentials from the neighbourhood shop and spend on non-branded items, which again have GST. "With such expenditure, the amount is not coming completely in terms of GST to the government. However, the purchasing power of people has improved which eventually pushes the economy up," sources said. Meanwhile, Food and Civil Supplies Minister KH Muniyappa said the guarantee schemes have to reach genuine beneficiaries, or else action will be initiated.

G.O. TO PROCESS PENDING APPLICATIONS

The Food and Civil Supplies Department issued a government order on September 29, directing officials to process the pending 2.96 lakh applications for new ration cards. These applications have been pending since March 2023. Once it is cleared, more beneficiaries are expected to be added to the guarantee schemes.
<https://www.newindianexpress.com/states/karnataka/2023/oct/05/to-stop-misuse-finance-departmentwants-ban-on-splitting-of-bpl-cards-2620946.html>