NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Electoral Bonds controversy *(dailyexcelsior.com)* Nov 10, 2023

In the realm of democratic governance, the unequivocal transparency of political financial dealings stands as a critical imperative. India, the cradle of the most populous democracy globally, embarked upon a quest for lucid electoral financing with the advent of electoral bonds in 2017. Despite this, the inception of these financial instruments has incited fervent debates and garnered dissent from a spectrum of stakeholders. Initially heralded as a tool for purifying the opaque financial channels of India's political entities, electoral bonds are now being scrutinized in the nation's supreme judicial forum as a potential "corruption of democratic principles".

The latest legal challenges presented to the Constitution Bench of the Supreme Court of India call into question the "selective secrecy" permitted by the Electoral Bonds Scheme (EBS). It brings to fore a critical issue: Should the privacy of specific individuals or bodies be given priority over the general populace's constitutional entitlement to information as guaranteed by Article 19(1)? The five judge Constitution Bench presided over by Chief Justice DY Chandrachud, on 2 November 2023 withheld its verdict on the suite of petitions disputing the legitimacy of EBS. Concomitantly, the bench also issued an interim order, mandating the Election Commission of India (ECI) to aggregate and disclose a detailed account of all political donations received by political entities in India up to the specified date of September 30, 2023. At the same time, the court remarked that the scheme suffered from "serious deficiencies" and "opacity".

What are Electoral bonds and why are these problematic?

The institution of Electoral Bonds in India was initiated by the then Finance Minister Arun Jaitley during the 2017 budget announcement, with the objective of injecting greater transparency into political contributions and sanitizing the political financing landscape of the nation. This reform was targeted at streamlining corporate donations and mitigating the pervasive influence of undisclosed, non-transparent funding within the political arena.

Electoral bonds, designed as confidential financial instruments, enable both individual and corporate benefactors to secretly fund political parties in India. To instil a degree of regulation, only political entities that have secured at least 1% of the votes in the most recent national polls qualify to cash in these instruments. Available in denominations from Rs 1,000 to Rs 1 crore, the bonds can be acquired exclusively at designated State Bank of India branches, mandating the use of traceable transaction methods such as bank transfers or electronic payments. The identities of the donors remain undisclosed, allowing political organizations to anonymously redeem the bonds within a fixed period of 15 days, channelling these funds into electoral campaign endeavours. There is no cap on the number of electoral bonds that can be purchased.

Historically, any political donation over? 20,000 necessitated reporting to the Election Commission, which was integral for donors to receive an income tax deduction. However, with the introduction of electoral bonds, donors can now anonymously contribute substantial amounts, ranging from ?20 crore to even ?200 crore, bypassing previous disclosure requirements.

Legislative revisions have endowed political parties with three significant liberties. First, the obligation to report/ publish bond-derived contributions under the Income Tax Act, 1961 and Representation of People's Act, 1951 was nullified. Second, the revocation of the corporate donation cap to political parties unleashed unlimited financial patronage (Companies Act, 2013). Third, the modifications to the FCRA, 2010 have carved out exemptions for political parties receiving funds from abroad, sparking worries over the possibility of external influence in domestic politics.

Despite their intention to sanitize political financing, electoral bonds have invited intense scrutiny and debate. Critics point out a stark vulnerability: the anonymity provision primarily fortifies the ruling government. With the State Bank of India, a government-operated bank, as the issuer of these bonds, there lies a potential for donor identity tracking. This risk spawns concerns over possible exploitation or reprisal, giving the governing party, which reportedly garners more than three-quarters of these bond funds, a considerable advantage. Originally heralded as a step towards financial transparency in politics, electoral bonds have instead fostered a climate of opacity, igniting alarm over prospective corruption and exploitation within the political funding landscape.

Transparency vs. Secrecy in Political Funding

Petitioners led by the Association for Democratic Rights (ADR) have challenged the scheme's constitutionality, on three fundamental grounds:

The right to information is inherently embedded within the right to freedom of speech and expression, as enshrined in Article 19(1)(a) of the Indian Constitution. However, the scheme fosters a system of selective secrecy, wherein the recipients of donations are privy to the donor's identity, yet this information remains undisclosed to the public, enabling a veiled transactional environment.

It is inconsistent in permitting political entities to receive foreign contributions without the same rigorous restrictions that are imposed on other sectors like the media and non-governmental organizations.

It facilitates a potential for undue influence, as corporate entities could potentially leverage substantial donations to curry favour and negotiate policy benefits from the ruling parties, all under the guise of anonymity provided by the electoral bonds.

It is profoundly concerning to observe the Solicitor General's response that the disclosure of donors and recipients in political funding is not a public entitlement. Further, he pointed out that the purpose of maintaining confidentiality (of political donations) must be assessed in accordance with the reasonable restrictions under Article 19(2). This perspective is incongruent with the expected transparency standards of a sovereign nation committed to democratic values. Moreover, just as voters are empowered to make informed decisions by being aware of a political candidate's criminal history, understanding who financially supports our prospective lawmakers provides essential insight into the political parties' loyalties and affiliations. The lack of transparency concerning the origins of political funding obscures the electorate's awareness of financial backers, thereby inhibiting voters from making informed choices and consequently fostering an environment conducive to quid-pro-quo/corruption.

What practical function do electoral bonds fulfil when powerful figures may employ intermediaries to acquire numerous electoral bonds, circumventing oversight, and corporations might establish subsidiary entities for equivalent purposes. Considering the scheme's allowance for unlimited donations, it becomes a straightforward conduit for individuals to exert influence over political parties, regardless of whether such influence aligns with the broader public interest.

The interwoven relationship between financial resources and influential strength means that typically only the affluent and mighty secure candidacy for elections. A significant number of political parties are likely to abstain from competing in elections. Such entities might engage in money laundering or exploit their political standing to legitimize illicit funds.

During the hearing it came to light that after the introduction of this scheme political parties could get donations even from shell companies, or any other company, even loss-making ones, which defeats the very purpose of the scheme.

"In the dance of democracy, electoral bonds have become a masquerade for anonymous donors and receivers, leaving the audience – the citizens – blindfolded."

Possible Solutions

To address the controversies surrounding electoral bonds and enhance transparency in political funding in India, several measures could be considered. First, the scheme could be modified to ensure that all donations received through electoral bonds are fully disclosed to the Election Commission and potentially to the public. Additionally, a cap on the purchase of electoral bonds by individuals or entities could be introduced to prevent excessive influence by any single donor. To further promote transparency, real-time disclosure of bond purchases and redemptions to an independent regulatory body could be mandated.

While preserving the anonymity of donors to protect their privacy, their identities could be known to a regulatory authority to maintain accountability. Regular audits by an authority like the Comptroller and Auditor General (CAG) could be instituted to ensure that the funds are used appropriately. Limiting the redemption period of electoral bonds to match election cycles would also prevent the constant, opaque flow of funds. Corporate donations could be capped once again to limit corporate influence and protect corporate governance. Foreign funding through electoral bonds should be explicitly prohibited to safeguard against external influence on domestic politics. To empower voters, a centralized database with aggregated data on electoral bond donations could be made available to the public.

Exploring public financing options for elections may reduce dependency on large private donations. Implementing a sunset clause would ensure periodic review and renewal of the scheme, adjusting to new challenges and concerns. Engaging a wider array of stakeholders, including political parties, civil society, and experts in policy reform, would help create a more inclusive and considered approach to reforming political financing. The Indian judiciary, particularly the Supreme Court, will play a crucial role in shaping these reforms through its interpretation of the constitutionality and legality of the electoral bond scheme.

In conclusion, the integrity of the electoral process is fundamentally linked to the transparency of political contributions, a matter that has gained critical attention as the Supreme Court's decision is highly anticipated. It is crucial to extricate the democratic process in India from the deep-rooted influence of financial power. There is a strong hope that the Supreme Court will continue the legacy of its predecessors by upholding the fundamental belief that the purity of elections depends vitally on clear and open political financing. Moreover, it is expected that the highest court in the land will pave the way for a more open and just system of political funding, a move fraught with significant consequences and bearing immense significance for the future of India's democracy. https://www.dailyexcelsior.com/electoral-bonds-controversy/#google_vignette

2. Links of Son of Delhi Chief Secretary to Beneficiary's Family in Land Over-Valuation Case Raise Questions *(thewire.in)* November 10, 2023

The matter pertains to NHAI's acquisition of land for the Dwarka Expressway. Chief secretary Naresh Kumar says his son is 'not a dependent' and his business dealings are not known to him.

In the very public tussle between the Narendra Modi government and Delhi chief minister Arvind Kejriwal over how the national capital should be administered, Delhi chief secretary Naresh Kumar is used to being on the frontlines.

He was in the news earlier this year, for sending files directly to lieutenant governor VK Saxena on service matters, bypassing the Delhi government, as per allegations levelled by AAP.

But now a fresh dispute over the enhanced valuation of a plot of land being acquired by the National Highways Authority of India (NHAI) for the Dwarka Expressway raises questions over how chief secretary Naresh Kumar may have handled the matter.

The plot in question was to be acquired from two Delhi businessmen, one of whom is related by marriage to the promoter of a realty firm where Naresh Kumar's son works.

Though concerns have been raised about a potential conflict of interest, the chief secretary denies any wrongdoing.

The case in question

In May this year, the district magistrate (DM) of south west Delhi awarded Rs 353 crore as compensation to two individuals for 19 acres of land in Bamnoli village for a road project – at the rate of Rs 18.54 crore per acre.

The land was to be acquired for NHAI's Dwarka Expressway.

In doing so, DM Hemant Kumar overturned a 2018 decision by the adjudicating authority, the additional district magistrate, granting compensation of Rs 41.52 crore for the same parcel of land based on a valuation of Rs 53 lakh per acre.

The grounds cited to justify a whopping nine-fold increase in compensation was that the land was now deemed to be a low-density residential area, and not agricultural as was initially made out to be. Therefore, it needed to be compensated at a higher rate.

The beneficiaries of the hiked compensation were Subhash Chand Kathuria and his brother, Vinod Kathuria. Subhash Kathuria happens to be the father-in-law of Aman Sarin, who is the promoter of a realty firm, Anantraj Limited.

Sarin, in turn, has close business links with Karan Chauhan, son of Delhi chief secretary Naresh Kumar, and it is this association which has triggered questions over a potential conflict of interest in the matter.

The compensation was hiked on May 15, 2023 and the NHAI took note almost immediately. The DM's decision would lead to huge cost overruns on other road projects, the NHAI said, as it moved the Delhi high court.

The problem of cost overruns has been haunting NHAI. A recent CAG audit of the Dwarka Expressway saw the government auditor flagging the huge overrun from the approved amount of Rs 18.2 crore per kilometre rising multi-fold to nearly Rs 251 crore per km, or 14-times, within a very short span of time.

Karan Chauhan and Anant Raj Ltd

Karan Chauhan, son of the Delhi chief secretary, is an employee of Anantraj Ltd, in addition to being a director in three other companies, some of which have links to Anantraj.

A spokesperson for the Anantraj Limited group told The Wire, "Karan is our employee since 01st June 2019 like any other employee of our Company and is working in the field of development of data centres which we are developing. We appoint some employees as Directors, as per policy and legal requirements."

But the web of connections is unusual for a mere employer-employee relationship.

Not only do Chauhan's companies and Anantraj Ltd and its various verticals have common directors, but the postal address in the case of some of these companies is the same as that of the realty firm, as is the email address.

For instance, Big Town Properties Pvt Ltd is a company with Chauhan as a director. As per ROC records, the registered email address is of Manoj Pahwa, an employee who has been company secretary to the Anantraj group since 1993.

Manoj Kumar is a director at Big Town Properties, as is Narayan Singh Rajpoot. As senior GM (operations), Rajpoot is a key team member of Anantraj Limited in addition to being director at several other Anantraj group verticals.

Puneet Kumar Bajpai is also a director at Big Town Properties as well as a director at other Anantraj group verticals.

The postal address for Big Town Properties is the same as that of many Anantraj group firms located at the company's Manesar address.

Since February 2022, Karan Chauhan has also been a director at ES Health Care Private Limited. The email address provided while setting up this company belongs to the Anantraj group domain.

Anish Sarin, other than being a promoter of Anantraj Limited, is the co-founder of Metamix Tech. Karan Chauhan is also listed as the founder of this company. The email address is one which several Anantraj verticals share.

Chief secretary says son 'not dependent on me'

Naresh Kumar told The Wire, "My son Sh. Karan Chauhan works with a listed public limited company Anant Raj Housing Ltd. since June 2019. He is also not dependent on me. Neither I know about the relationship between Directors of Anant Raj Housing Ltd. with Sh. Subhash Kathuria, nor there was any occasion by which I would have known about the same."

The Wire has reached out to Karan Chauhan. The copy will be updated if he responds.

Suspending the DM

The chief secretary has been at pains to distance himself from the entire affair. But questions about his role in not declaring the potential conflict of interest when NHAI raised an alarm in the summer remain.

Also, sources say that once NHAI raised the alarm, the matter should have rested there because the DM was acting in his judicial capacity and his decision was anyway being challenged in court. Instead, the chief secretary recommended action against the DM, which set in motion a chain of events by other government departments which led to the latter's transfer away from Delhi.

If the DM's decision to raise compensation was "suspect", as his immediate superior, the divisional commissioner, made it out to be, then the matter should have gone to the National Capital Civil Services Authority (NCSSA) headed by chief minister Arvind Kejriwal.

By September 19, the file was sent back to the chief secretary by LG Saxena.

The DM was suspended soon after, and a CBI probe ordered on October 21.

Surprisingly, Hemant Kumar was also transferred out to the Andaman Islands. Delhi government sources say they suspect the reason Hemant Kumar was transferred out was that the NCCSA could have summoned the files and Kejriwal could have had a say in the matter.

"By shifting him to a full Union Territory under the control of the Ministry of Home Affairs (MHA), the Union government has ensured that the heat is off the officer," said a Delhi government source, speaking on condition of anonymity.

On his part, Naresh Kumar says it was the MHA which decided to transfer Hemant Kumar and that he had "no role."

The Wire is not able to independently confirm the reasons for moving the suspended former DM from Delhi to the Andamans.

Meanwhile, pursuant to the matter in court in the NHAI vs Subhash Chand Kathuriya case, the Delhi high court on October 31 cancelled the DM's order to raise compensation.

Shadow on CBI Inquiry?

The Central Bureau of Investigation is now looking into the matter but sources in the Delhi government are asking how impartial the probe will be given the potential conflict of interest.

The chief secretary insists there is no conflict. "It seems that your query has been drafted in a manner to sling mud on me on behalf of the actual delinquent officer who did this misconduct," Naresh Kumar told The Wire. Are you siding with the officer who passed such an order?"

Naresh Kumar added, "It seems that some disgruntled elements against whom action has been taken/is being taken, including related with Delhi Excise Scam and Sheesh Mahal matter, are trying to circulate false and fabricated complaints."

He said, "Since you haven't shared any complaint(s), I request you to share such complaint(s) so that replies to the same be provided to you, and actions as per law may be taken against such disgruntled elements who made such false and motivated complaint(s)…In case of publication of factually incorrect information, I reserve my rights to take appropriate action."

Hemant Kumar, the former DM who was transferred, has yet to respond to The Wire's queries. His response will be incorporated if and when he responds. https://thewire.in/government/delhi-chief-secretary-nhai-land-compensation

3. A lifeline takes a troubling turn *(thehindu.com)* 10 Nov 2023

A spate of train accidents has ignited serious concerns regarding railway safety. The October 29 collision in Andhra Pradesh's Vizianagaram district, which claimed 14 lives, has left numerous questions unanswered and serves as a stark reminder of the persistent challenges in ensuring a safe mode of travel for thousands. Sumit Bhattacharjee and B. Madhu Gopal track the problem areas

Pilla Kalavati, 30, wakes up at 5 a.m., just as she always has, but there's been an overwhelming void in her life over the past couple of weeks. For years, her early mornings were dedicated to preparing breakfast and a warm lunchbox for her husband, Pilla Nagaraju, 40, before he left for work. Now, at the crack of dawn, the kitchen lies cold as she and the couple's 10-year-old son grapple with the harsh reality of his sudden demise in the October 29 train accident in Andhra Pradesh's Vizianagaram district that claimed 14 lives and left several injured.

For years before the accident, Nagaraju, a resident of Kapusambham village in Vizianagaram district of Andhra Pradesh, used to embark on a daily struggle that defined his life. Leaving home around 6.45 a.m., he would take an autorickshaw to reach the Garividi railway station, 10 kilometres away, to board the Palasa-Visakhapatnam passenger train no. 58531 at 7.41 a.m. The clang of steel, drone of machinery, and dusty precincts of a construction site in Visakhapatnam awaited him. He chose to make the arduous two-and-a-half-hour journey daily, as moving to the city along with his family was an expensive proposition.

Kalavati's voice trembles with grief as she reflects on their circumstances: "Our village had no employment opportunities. That is why he took up a daily-wage job in Visakhapatnam."

On the return journey, he would take the same train, the Visakhapatnam-Palasa train no. 58532 at 5.45 p.m. and reach Garividi at 7.33 p.m. By the time he got home, it would be 9 p.m. His daily grind deprived him of the simple joys of a relaxed conversation with his wife and child after a hectic day.

This had been Nagaraju's routine for the past 10 years, but on the evening of October 29, everything changed. It was way past 9 p.m. and he had not returned home. Around 9.30 p.m., a fellow villager delivered the devastating news that Nagaraju's train had met with a major accident.

It took three hours for Kalavati to reach the accident site, along with some friends and neighbours, as she navigated her way using the torch light on her mobile phone.

Amid the wreckage, she found Nagaraju's mangled body, identifiable by the shirt he had worn that morning. The breadwinner of the family was lying lifeless near the train that had been his lifeline for almost a decade.

As she would find out later, the Visakhapatnam-Rayagada express had rammed into a stationary Visakhapatnam-Palasa passenger train. Three bogies were crushed and derailed, halfway between the Kantakapalli and Alamanda railway stations in Vizianagaram district.

S. Lakshmi, a resident of Gangavaram village in the district, who works as a babysitter in Visakhapatnam and commutes by the same train, recalls, "I was in the fourth compartment from the front in the Palasa passenger train. My cousin, Ravi Kumar, met me at Visakhapatnam station and said he would sit a few coaches behind as it was closer to the exit gate. That's how he perished in the accident. His family was looking for a bride for him." Still in a dazed state, she adds, "If I were also in the same coach as him, I would have met with the same fate."

Loco pilot S.M.S. Rao and assistant loco pilot Chiranjeevi of the Visakhapatnam-Rayagada train were among the 14 who died in the accident.

Rail accidents on the rise
Rail mishaps, whether due to human error, negligence, or a safety lapse, have been on the rise across India, causing serious concern. There have been at least 10 reported incidents — of collision, fire, and derailment — this year so far, and the Visakhapatnam accident is the latest in the tragic series. The worst was the June 2 three-way accident near the Bahanagar Bazar Station in Odisha's Balasore district. The calamity involving three trains — the Shalimar-Chennai Coromandel Express, Bengaluru-Howrah Superfast Express, and a stationary goods train — claimed 296 lives and left over 1,200 injured.

K. Hemalata, national president of the Centre of Indian Trade Unions (CITU), an organisation that has been working for the welfare of the working class including those in the railway sector, attributes the recent surge in railway accidents across the country to policies promoting privatisation and the contracting out of various railway departments, including safety aspects such as track maintenance. She points out that the Central government has been increasingly entrusting trains and stations to corporate entities. While modern signal systems have been installed, loco pilots are not adequately trained, she claims.

"There were over 1.7 lakh vacancies in safety categories of the Railways. Though recruitment was conducted, and some posts filled up, there still are some 50,000 vacancies across the country. The Comptroller and Auditor General has also found fault with the Railways for diverting safety funds for other purposes," Hemalata says.

CITU State general secretary Ch. Narasinga Rao says regular track maintenance assumes more significance as semi-high-speed trains have been introduced recently. "Loco pilots who passed the Visakhapatnam-Palasa section on the morning of October 29 reported malfunctioning of the signal, but they were asked to proceed at a slow speed. Immediate rectification of the system could have prevented the accident," he asserts.

This is the third major accident in Waltair Railway Division of East Coast Railway (ECoR) since 2013. All of them were in Vizianagaram district, in which cumulatively about 65 people have died.

On November 2, 2013, up to 10 passengers of the Alleppey-Bokaro Express train died when they were mowed down by another train, the Rayagada-Vijayawada passenger, near Gotlam East Cabin in the district.

On January 21, 2017, the Jagdalpur Vizianagaram-Bhubaneswar Hirakhand Express derailed near Kuneru station, in which about 41 passengers died.

The latest accident shares some similarities with the Bahanaga Bazar train accident of June 2, this year, near Balasore in Odisha. As per the findings, the Coromandel Express hit a stationary goods train at a high speed, due to faulty signals, and the bogies fell on the adjoining track on which the Bengaluru-Howrah Superfast Express was running at its usual speed.

Inaccessible terrain

The October 29 accident took place in difficult terrain between Kantakapalli and Alamanda stations. Darkness surrounded the tracks that cut through sprawling paddy fields and mango orchards. Many passengers on both trains, especially daily wage labourers, had dozed off after a gruelling day of work. A loud bang followed by violent jolts startled them awake. They stumbled from their seats as three of the rear coaches of the Visakhapatnam-Palasa train derailed.

Of the 38 injured, many suffered fractures, including cracked ribs, due to a stampede following the accident. Murru Lakshmi, a passenger on the Visakhapatnam-Rayagada express, recalls falling from her seat to the floor due to the impact of the collision. A fellow passenger inadvertently trampled upon her, resulting in severe rib fractures. She was admitted to King George Hospital in Visakhapatnam, where she died while undergoing treatment on November 1.

Survivors are still haunted by the memories of that evening, when they wriggled out of the coaches through windows and doors, amid the pitch darkness both inside and outside the train compartments.

“We used the torchlights on our phones. Bone-chilling cries of the injured echoed through the area. Passengers of the unaffected bogies rushed to our rescue. The first help from the authorities came only after around two hours, but they did a good job. All the injured persons were shifted to hospitals in about three hours,” said a survivor.

Residents of Alamanda and Kantakapalli were the first to reach the spot and played a vital role in rescue operations. They entered the mangled bogies and pulled out many injured persons. “They got us food, water packets, and glucose sachets. They were angels for us,” said Murru Venkat Rao, a survivor.

Personnel from the National Disaster Response Force, State Disaster Response Force, Government Railway Police, Railway Protection Force, Fire Service, and railway officials, along with Vizianagaram Collector S.Nagalakshmi, had a tough task at hand.

“Using Aska lights and cutters, we started the rescue operation. It was only a couple of hours later that heavy cranes and earthmovers arrived. We completed the rescue operation and restored the tracks within 19 hours,” said an officer of NDRF.

Assumptions galore

On that fateful Sunday, the Visakhapatnam-Palasa passenger train chugged out of Kantakapalli station around 6.34 p.m., closely followed by the departure of the Visakhapatnam-Rayagada passenger train from the same station approximately at 6.50 p.m., both sharing the same track.

The two trains have been the lifeline for countless farmers, migrant labourers, daily wage workers, students, and employees in the region for the past few decades, providing them a secure and economical means of transport. However, the collision has now casts a shadow of doubt on the safety of this vital transport link.

The precise cause of the accident is yet unknown, as the official report from the Commissioner of Railway Safety (CRS) team is awaited.

However, preliminary investigation suggests that the Visakhapatnam-Palasa passenger, after leaving Kantakapalli, slowed down nearly 4 km from the station, says Saurabh Prasad, Divisional Railway Manager, Waltair. There is another view that the train halted. So, when the Visakhapatnam-Rayagada passenger left the Kantakapalli station 15 minutes later, it ended up ramming into the Palasa passenger.

The initial explanation offered by railway officials was that the loco pilot of Visakhapatnam-Rayagada passenger train had 'overshot' the signal. This implied that the signal might have been yellow, double yellow or red, instead of green, and the pilot failed to notice it. However, there is no clarity on the status of the signal at that time and it is currently under investigation, say railway authorities.

Experts and former loco pilots have demanded to know why the Visakhapatnam-Palasa train slowed down or came to a halt just a few kilometres from Kantakapalli.

There is speculation that the overhead electric cable may have snapped. Railway officials, however, refute this claim, arguing that if the cable had indeed snapped, it would have led to a complete power outage across the sector, affecting the Visakhapatnam-Rayagada train as well, and causing it to slow down or stop.

Officials have offered an alternative explanation, stating that there may have been an issue with the pantograph, or 'panto', an apparatus mounted on the roof of all electric trains to extract power from the overhead power line through contact.

According to the Divisional Railway Manager, all passenger trains on this route have been authorised to clock speeds of up to 110 kmph. At the time of the collision, the Visakhapatnam-Rayagada train was reportedly running at 60 kmph to 80 kmph. However, this aspect too is subject to further investigation.

Technical glitch or human error?

The route connecting Visakhapatnam, Kothavalasa, and Vizianagaram is the only fully automated section featuring an interlocking system. Within this system, the signals operate with a smart technology that adjusts according to a train's speed and track conditions. For instance, if the 58532 Visakhapatnam-Palasa passenger train were to slow down or come to a halt, the signals would automatically have changed.

ECoR officials emphasise the need to investigate whether the signals indeed changed or if there was a malfunction. "We have to verify if the Visakhapatnam-Rayagada train had overshot the signal due to negligence or if it was just human error," point out ECoR officials.

In the automatic signal system, signal posts are positioned every 500 metres, unlike the manual system where trains running on the same track are given the green signal once they leave a station. Within this system, trains are scheduled to operate on the same track with a time gap of approximately 15 to 20 minutes.

Authorities say that due to the possible faulty red signal, the Palasa passenger train came to a halt for about two minutes and then resumed its journey at a speed of about 10 kmph. However, the other train allegedly did not exercise caution, despite encountering the malfunctioning caution signal, and continued to advance at a considerable speed.

According to the Divisional Railway Manager, neither train was equipped with the indigenous Train Collision Avoidance System (TCAS), subsequently renamed Kavach, but instead, were fitted with the earlier version known as Vigilance Control Device (VCD).

"All angles, including the signal fault aspect, speed graph, and other human errors are being examined and the final report will be released shortly," an officer from the CRS says.

Andhra Pradesh Chief Minister Y.S. Jagan Mohan Reddy has requested the Centre to constitute a high-level safety audit committee to examine the reasons behind all the train accidents in the country, with special focus on braking and signalling issues. https://www.thehindu.com/news/cities/Visakhapatnam/a-lifeline-takes-a-troubling-turn/article67516879.ece

STATES NEWS ITEMS

4. L-G orders probe into 'misuse' of funds by child rights' body *(tribuneindia.com)* November 10, 2023

Delhi Lieutenant Governor VK Saxena on Thursday ordered for a special audit into the alleged misuse of funds in the functioning of the Delhi Commission for Protection of Child Rights (DCPCR).

The Department of Women and Child Development of the Delhi Government proposed an inquiry after it noticed that the budget demands by the child rights body increased from Rs 2 crore in 2017-18 to Rs 15.2 crore in the current financial year.

An official said the WCD Department also alleged that the salary component of the body had increased from Rs 17 lakh in 2017-18 to Rs 2 crore in the current financial year.

Several consultants were hired and the salary of the chairperson and members was increased without following laid-down procedures, which envisage that any increase needs the approval of the L-G, the official added.

"It was found that the child rights body was incurring expenditures and engaging itself in activities beyond its mandate and scope of work particularly in the case of Government of India schemes such as Integrated Child Development Schemes (ICDS), Pradhan Mantri Matru Vandna Yojana (PMVVY) and PM's Overarching Scheme for Holistic Nourishment (POSHAN) Abhiyan," an official from the L-G office said.

The official added that the department proposed the inquiry and a special audit before any further request for allocation of funds.

The Directorate of Vigilance found that the body was not adhering to the provisions as envisaged in the Commission for Protection of Child Rights (CPCR) Act, 2005 and DCPCR Rules, 2008 etc, officials said.

The directorate found that the body was not replying properly to the audit para of Comptroller and Auditor General and test audit notes. Also, it was not submitting utilisation details to the administrative department, it added. https://www.tribuneindia.com/news/delhi/l-g-orders-probe-into-misuse-of-funds-by-child-rights-body-561248

5. Irregularities in KEONICS to be probed by Nagmohan Das Committee *(thehindu.com)* November 09, 2023

Launching a counter-attack on the Opposition BJP that has accused him of indulging in corruption in Keonics, IT&BT and RDPR Minister Priyank Kharge on Thursday announced that he would hand over investigations into alleged irregularities during the erstwhile BJP regime, unearthed by the CAG, to the Justice Nagmohan Das committee.

The committee is already looking into the allegations of payment of commission for awarding contracts and paying bills during the erstwhile BJP regime.

₹500-crore scam

Addressing a press conference in Bengaluru, Mr. Priyank said the CAG report had unearthed irregularities to the tune of ₹500 crore in the transactions and procurements made by KEONICS. He said such a probe by the committee will throw more light into the irregularities and help identify the guilty.

Stating that the findings of the CAG report had clearly shown that irregularities had taken place during the earlier regime, he remarked that the BJP had unleashed its "factory of lies" to cover up its own misdeeds.

Denying the BJP's charges that bills of contractors had not been settled as they had not paid commission, he said all the bills had been paid but for a few totalling up to ₹16 crore. Even those bills had been kept pending as per instructions as they were yet to be subject to third party inspection to ensure authenticity which was a mandatory norm as per the Finance Department's protocol, he said.

He said the BJP leaders were upset as he had kept those bills pending to ensure authenticity and adhere to transparency. The BJP regime had indulged in large-scale irregularities in KEONICS, including those in procurements and sales, he alleged.

Philips campus

Meanwhile, Mr. Priyank, along with Chief Minister Siddaramaiah, on Thursday morning inaugurated the Philips Innovation Campus in Bengaluru. The campus is 6,50,000 sq.ft. and can accommodate 5,000 professionals. Roy Jakobs, CEO Royal Philips, was also present at the event. https://www.thehindu.com/news/national/karnataka/irregularities-in-keonics-to-be-probed-by-nagmohan-das-committee/article67518305.ece

6. Nagamohan Das panel to probe Rs 500 cr KEONICS scam, says Minister Priyank Kharge *(thenewsminute.com)* 10 Nov 2023

Kharge was speaking at a press conference in Bengaluru where he presented the CAG report in response to the BJP's call for his resignation.

Karnataka Rural Development and Panchayat Raj, and IT-BT Minister Priyank Kharge on Thursday, November 9, said that corruption amounting to Rs 500 crore occurred in KEONICS (Karnataka State Electronics Development Corporation Limited) during the previous BJP administration. He announced that the case would be referred to the Justice HN Nagamohan Das panel, formed to investigate the 40% commission allegations by contractors.

Kharge was speaking at a press conference in Bengaluru, where he referred to the Comptroller and Auditor General (CAG) report in response to the BJP's call for his resignation, prompted by allegations from the Keonics Vendors Association regarding a 10-12% payment cut to officials for pending bills. Outlining the audit findings, Kharge highlighted various instances of misappropriation, including procuring goods at inflated rates resulting in a Rs 48 crore loss and generating fake bills for up to Rs 9.3 crore.

He alleged that some vendors claimed Rs 4.43 crore without supplying the goods, and Rs 24.15 lakh was disbursed for setting up computer labs in schools, instead of the market of Rs 5 lakh significantly exceeding the market rate by 474%.

Regarding accusations of withholding funds from vendors, in connection with an alleged 10% commission sought from the Keonics MD, Kharge clarified that all bills, except for a few amounting to Rs 16 crore, had been settled. The pending bills were deliberately held back in accordance with instructions, as they await to be subjected to third-party inspection to verify their authenticity which is mandatory as per the Finance Department's protocol.

The minister said that the decision to keep these bills pending was driven by the commitment to transparency and adherence to established procedures. He said the BJP leaders were dissatisfied because he had deliberately delayed the processing of those bills to guarantee authenticity and maintain transparency.

According to a Deccan Herald report, Keonics Vendors Association president Vasant Bangera defended the price variation and said, "A computer requires software that comes at a cost. Rates also go high because, unlike a retail shop that provides a one-year warranty, we provide a 3-year warranty. What about the cost of transport, installation, and all that?" https://www.thenewsminute.com/karnataka/nagamohan-das-panel-to-probe-rs-500-cr-keonics-scam-says-minister-priyank-kharge

7. Keonics saw Rs 500-crore scam during BJP rule: Priyank Kharge *(deccanherald.com)* 10 Nov 2023

Bengaluru: Armed with a Comptroller & Auditor General (CAG) report, IT/BT Minister Priyank Kharge on Thursday claimed that state-run Keonics witnessed a scam to the tune of Rs 500 crore between 2019 and 2023 when the saffron party was in power.

The minister said that his department would be handing over the CAG report to the Justice HN Nagmohan Das Commission, which is probing allegations of corruption, especially the '40% commission' charge, during the previous BJP government.

Priyank brought out the CAG report after the BJP demanded his resignation following the Keonics Vendors Association's charge that they had to pay a 10-12% cut to officials in order to get payments for pending bills.

Reeling out numbers from the CAG report to buttress his point, a combative Priyank said items were procured at inflated rates ranging from 38% to 1,577%.

"Going by this, MLAs and the minister concerned from the previous government will be in trouble. Now, whose resignation will the BJP demand?" Priyank said.

The minister alleged that the audit report found glaring lapses on the part of the previous government by not taking up third-party evaluation, scrutinising bills and grossly flouting several norms set by the finance department in clearing bills in a hurried manner.

Priyank asserted that the CAG report found the Keonics had procured goods at a higher rate without analysing market rate, resulting in huge losses.

"To set up Type-1 Computer Lab for the Tribal Welfare Department, the price variation was 474%. Procurement of computer accessories to set up labs saw a jump of 597%," he pointed out.

Keonics paid Rs 63,720 to procure an amplifier, which is available in the market for Rs 3,799 — a 1,577% jump in procurement rate. One UPS was procured at Rs 29,200 against just Rs 3,200 in the market — a 822% variation, he said.

"CCTV and a monitor with six cameras were procured at Rs 6,72,600, which ideally costs only Rs 53,454 in the market. This is 1,158% higher than market price," Priyank said.

Reacting to this, Keonics Vendors Association president Vasant Bangera defended the price variation. "A computer requires software that comes at a cost. Rates also go high because unlike a retail shop that provides one-year warranty, we provide 3-year warranty. What about the cost of transport, installation and all that?"

CAG findings
* Extra burden of Rs 47.76 cr due to procurement at higher rates
*Payment of Rs 76.5 cr without third-party inspection
* Payments of Rs 71.5 cr without photo proof and inspection report
* Payment for materials supplied worth Rs 9.98 cr on forged third-party inspection reports * Irregular payments of Rs 10.56 cr on fake bills and photocopies
https://www.deccanherald.com/india/karnataka/keonics-saw-rs-500-crore-scam-during-bjp-rule-priyank-kharge-2764824

8. The system is bent towards making the elected, non-accountable to the people *(heraldgoa.in)* 10 Nov 2023

The resignation of the Portuguese Prime Minister Antonio Costa, purely on charges of suspected involvement (without being listed as a suspect or accused) in the allotment of lithium mining concessions, to protect the integrity of his office, is a sign of civility, decency and transparency of the highest office of the government.

It depicts something else, in countries with honest democracy, the entire system of governance is not shaped and crafted to suit those in power. Even the Prime Minister of Portugal is subject to investigation and checks like any other citizen of the country. Here, an inquiry into an investigation becomes a ground for the person occupying the highest elected office of the land.

Those in power are accountable to the state and the people. It is such a common sense statement which is not at all common at all

Governance is as simple as delivering services for the people who pay taxes and are under your care. And this should be done without bending rules, making policies that are ultimately pro-people and not pro-lobbies like mining, real estate and corporate, and most importantly, there is accountability for non-delivery and poor performance. Let us point to some areas:

Who will pay for the loot of Rs 40 cr from the welfare scheme budget? It is people’s money.

Let us take some examples. In 2017, the report of the Comptroller and Auditor General of India (CAG) stated that social welfare schemes, Dayanand Social Security Scheme, Griha Aadhar Scheme and Ladli Laxmi Scheme have critical gaps.

The choice of beneficiaries, either due to incompetency or “otherwise” led to a huge number of people who were not entitled to those benefits availing of them, with an additional burden of over Rs 40 crore to the exchequer, under schemes for senior citizens, single women and differently-abled.

Even some dead people were identified as beneficiaries.

Was there any further inquiry or investigation? Were the guilty punished or made accountable?

When any State is in a state of dysfunction, it’s like a failure in an exam. Can the same people be promoted to rule again?

Everyone in a State is subject to a performance review except the elected politician. Every selected government servant - the peon, the clerk, the constable, the head constable, the PI to every State and central service officer right up to the Director General of Police and the Chief Secretary have their performances reviewed.

But nobody touches the Godfathers who are elected, not selected

The elected never has any performance review. Does a minister of a department have to subject himself or herself to any performance review which examines if all the promises made have been fulfilled, or the efficiency of the department measured or its dealings with people, the speed of decision making and the manner in which files are handled and decisions made scrutinised?

And then there are those who are specially selected by the elected. it is not secret that certain police stations and then a cluster of police stations have handpicked people in charge or those willing to "invest" in that position. And those who 'invest' spend their time doing everything possible to get returns on their investment. In this race is there any time for the common, man? Can democracy ever be about the common man and not for the politically powerful like this?

The cruel reality is this. Democracy serves only those who serve the ruling elected elite

Greasy palms move files, influences policies and introduces new sections in acts, but never for the common man

A parallel "democracy" like a parallel economy works well. It's called the greasy palm economy. The "ease" of doing business is directly proportional to the amount of grease applied. People doing big-time projects have a budget for this grease. But a middle or lower-middle-class person, has to run all over the place to get critical work done like getting compensation for crop loss, reimbursement for getting bhandaras and broken river embankments repaired to prevent flooding in their agricultural fields, or simply make rounds of government offices to get their welfare scheme money disbursed.

Accountability is brushed under the carpet, people are being cheated, but this is what you get when votes are sold

When votes are sold, you lose control over ports, rivers, fields and hills slopes. And you have no right to ask questions when you allow religious institutions to influence your voting decisions. These priestly decisions ultimately lead to political choices which lead to the absolute ruin of the land which you will leave behind for your children and their next generation.

There are drug gangs making a State a drug manufacturing exporting and trading point. Rapes and sexual violence is happening with impunity, our fishermen have no protection from LED light-laden trawlers sucking out our fish, and virtually no money has been recovered from the Rs 35,000 crore and counting mining scam in Goa, with some of the perpetrators of this mining fraud are in line to get fresh rights to bid and win mineral blocks.

Real estate is being bought left right and centre at times years before an airport or flyover is built. Mopa is not merely an airport project. The real estate game around the Mopa airport is worth multiple crores and will escalate more than the cost of the airport itself.

Who are the buyers? When did they buy it? Dig deep- a merry dance of real estate, dancing to the tune of politics and vice versa is what has led to changes in various acts. As people are increasingly agitating to fight to protect the land, the land itself has long gone, often sold by absentee landlords who sold the future of those living on the land for centuries.

Panjim was once a gorgeous pretty little town with prettiest architecture and exquisite heritage. The alleged scam-ridden city project often called the Scam City project had literally butchered Panjim into a dug-up, dusty town, with the road digging and construction madness leaving Panjim in utter ruin. Who is accountable? Everyone is passing the buck but the Smart City project body has not even put its hand up to say , we are sorry, we will repair this at this specific time.

Why does this happen? It's simple- Inefficiency and corruption are bedfellows

The tiny fish feed on weeds, the bigger fish feast on the tiny fish, the still bigger fish consume the medium-sized ones and then the biggest aqua creatures feast on all others in the food chain. Similarly in a 'democracy' without accountability, everyone feeds off each other for the loaves and fishes of power and greed. But do those in power realise what are leaving behind for their future generations- an absolute wasteland

Lokayukta, the biggest institution to probe and recommend action against official corruption has been undermined

Former Chief Minister Manohar Parrikar constantly spoke about creating the Lokayukta to check official corruption. But the words of the former Lokayukta clearly reveal that the former Chief Minister was a man who did not give any teeth to the Lokayukta leaving it literally helpless and powerless. The reality is that there was no desire to constitute a powerful Lokayukta institution. This was felt acutely by former Lokayukta Justice Misra.

In 2020, Former Goa Lokayukta Justice Prafulla Kumar Misra (retd) in an interview, called for "giving teeth to the institution of Lokayukta". He mentioned he was "disenchanted" with the Goa government as it has "to date has not executed a single Lokayukta report."

An obvious example of how toothless the Lokayukta was made, initially by the Parrikar government was the manner in which it removed the power of prosecution from the Lokayukta. Under Section 17, the power to prosecute should be given to the Lokayukta. This power is there in Karnataka and Kerala (laws) — from where the Goa (Lokayukta) Act is modelled. But the Goa Lokayukta Act doesn't state 'power to prosecute'.

Justice Misra revealed his utter frustration in an interview to the Indian Express on October 7, 2020. In response to a question he said, "Except one, most of my reports have not been accepted or executed. That's a hurdle. Goans come to Lokayukta with all hope but ultimately nothing happens, and that is some sort of hurdle.

I can explain this through a case. In a particular case, to expand a tarred road four mango trees were cut in the constituency of an influential minister without any procedure. The owner came to me with grievances. I said he needed to be compensated, as they were fruit-bearing trees and were cut without following any law. The Act says no Lokayukta order can be challenged, but here the Advocate General advised (the government) to approach the High Court."

If we can really take pride in the democracy we claim to have, then those who are elected to serve must commit to leaving behind a Goa better and more sustainable than what it was when they started ruling, because we are only borrowing this land from our children. The real estate shark and his Godfather obviously do not know this.

If there is any doubt learn what former South African President Nelson Mandela said, at a Special session of the UN for Children, in New York in May 2002:

"History will judge us by the difference we make in the everyday lives of children."
https://www.heraldgoa.in/Insight/The-system-is-bent-towards-making-the-elected-nonaccountable-to-the-people/213437

SELECTED NEWS ITEMS/ARTICLES FOR READING

9. The Old Pension Scheme is fiscally risky but there's a case for it too *(livemint.com)* 09 Nov 2023

The switchover to NPS has been unfair to newer government recruits—for which they should be compensated one way or another. A way out could be to raise the salaries of those under NPS for parity with those under OPS. This would not only be fair, it could also act as an economic stimulus too.

The majority view on the Old Pension Scheme (OPS), at least in opinion spaces, is that it's detrimental to public finances. Simply put, the OPS, which has been largely disbanded but is slowly coming back, involved paying retired personnel a pension from government revenue as long as they lived. The amount was 50% of the last pay drawn. This held for all employees who joined government service before 2004. Therefore, the government's liability extends for a prolonged period of time. Those who joined after 2004 contribute from their salary to the new pension scheme (NPS) instead of the provident fund (PF), with the government contributing a similar amount, as with PF. On retirement, one gets payouts from the pension fund in perpetuity. But the government bears no liability. Theoretically, the pension fund cannot guarantee a return, unlike the old scheme which assured payments linked to the last drawn salary, with periodic adjustments made for inflation-based changes in dearness allowance.

The OPS is of disadvantage to the government, while the NPS disfavours the employee. That's why some states have been looking to go back to the OPS, which critics term populist. There are arguments on both sides if populism is kept aside.

The crux is the ability of budgets to support such expenditure. Going by Reserve Bank of India (RBI) data, in 2021-22, all states had a salary bill of ₹9.74 trillion and a pension bill of around ₹4 trillion; numbers for 2022-23 are not yet available. Hence, pensions would be around 40% of the salary bill and will keep increasing for two reasons. First, there would be more people retiring every year; and second, pension is indexed to the dearness allowance twice a year, and the payouts will be progressively higher for every pensioner. The argument goes that as the payout burden keeps rising, states will have to commit more of their funds to pensions, leaving less for capital expenditure and other development efforts. There can be no dispute on this point.

However, if one applies the Rawlsian theory of justice to public finance, which was originally used more in the context of freedom (to ensure every citizen is entitled to the same rights), then the argument for not reviving the OPS is flawed. This is so because switching to the NPS discriminates between old and new government employees.

In the same organization, employees who do the same work cannot be treated differently in terms of pay packages because of an arbitrary cut-off date.

This is significant because in the government sector, salaries and perquisites get linked to one’s designation, but there is silence on post-retirement benefits. Proponents of the OPS may have a convincing argument here. In fact, there was the concept of OROP (one-rank, one-pension) which was adopted for the military, which follows the OPS to a greater extent. So, why not have this for all government employees?

Critics may aver that a high pension burden can jeopardize public finances if the OPS is re-adopted. Here, we must understand the ethos that drives private and public sector compensation packages. The public sector under the government offers smaller pay packages than the private sector, but throws in perquisites such as generous pensions. The private sector usually offers few if any perquisites, but follows the concept of cost-to-company (CTC), which subsumes all benefits in the pay package. Even the employer’s PF contribution, which is mandatory, is counted as part of the employee’s CTC. A logical response would be to have the government follow a similar CTC policy.

But if the government takes the CTC approach, then its salary bill would get inflated, which would again attract the attention of critics. These structures are a legacy of past decisions and correcting them is a challenge, as it creates a disequilibrium in some other area. The idea of deferred payments in the form of pensions from the exchequer was a way to offer old-age social security as well as control immediate government expenses. In a way, this is analogous to the government issuing extremely long-dated paper to stretch out its debt payments over an elongated span of time.

A broader issue is the role of the state in any economy. Principles of public finance focus on redistribution of income, which is done through a progressive tax structure and spending on schemes for the poor as well as investments in infrastructure, where private enterprise does not venture. Over the years, this line of thinking has changed and attention has shifted to making government revenue work better. This has led to the onus of capital formation falling on the government. Facilities that were free are now being priced based on market principles. Subsidies are being scorned at, and with the spread of capitalist principles, there has been a tendency for state spending to get aligned more with private interests. One could even say we have seen a capitalist capture of public policy all across the world. The last area which is now being looked at closely is the ‘committed expenditure’ of governments, of which salaries and pensions are a significant component. In the West, health-care is another issue that is often brought up for discussion.

There are evidently strong arguments on both sides. A way out would be to go back to the drawing board and balance compensations by raising the salaries of those under the NPS to assure them parity. Perquisites can also be reworked so that within the same government department, there is a similar compensation structure. Also, we should recognize that pensions have a strong spending multiplier value for the economy as people with few alternative avenues of income tend to spend their pensions, which helps even out demand across all age groups.

India's Pay Commission could consider this proposal and rationalize structures in its next set of recommendations. https://www.livemint.com/opinion/online-views/the-old-pension-scheme-is-fiscally-risky-but-theres-a-case-for-it-too-11699524898693.html

10. 11 states budgeted revenue deficit in FY24 amid tapering grants: Report *(business-standard.com)* Nov 9, 2023

As the 15th Finance Commission grants taper, 11 states budgeted a revenue deficit for FY24, constraining their capital outlay, according to a report by the PRS legislative research released on Thursday.

The budgeting of revenue deficit implies that these states will require borrowings to meet their revenue expenditure on items like salaries, subsidies, and pensions.

These states include Andhra Pradesh, Himachal Pradesh, Kerala, Punjab, West Bengal, Assam, and Uttrakhand, among others.

The report titled 'State of State Finances' notes the finance commission grants are awarded to address any revenue needs of the states which may remain after accounting for devolution of central taxes, as on an aggregate states have observed a revenue deficit since FY17.

The 15th Finance Commission has recommended revenue deficit grants worth Rs 2.95 trillion for 17 states between FY22 to FY26, of which 87 per cent grants were awarded in the first three years.

"As the grants will be substantially lower in the next two years, states would have to augment their own sources of revenue or cut down on expenditure to maintain revenue balance," the report notes.

It said the goods and services tax (GST) compensation for states ended in June 2022, but SGST revenue continues to be lower than both the pre-GST period and the level of guaranteed revenue.

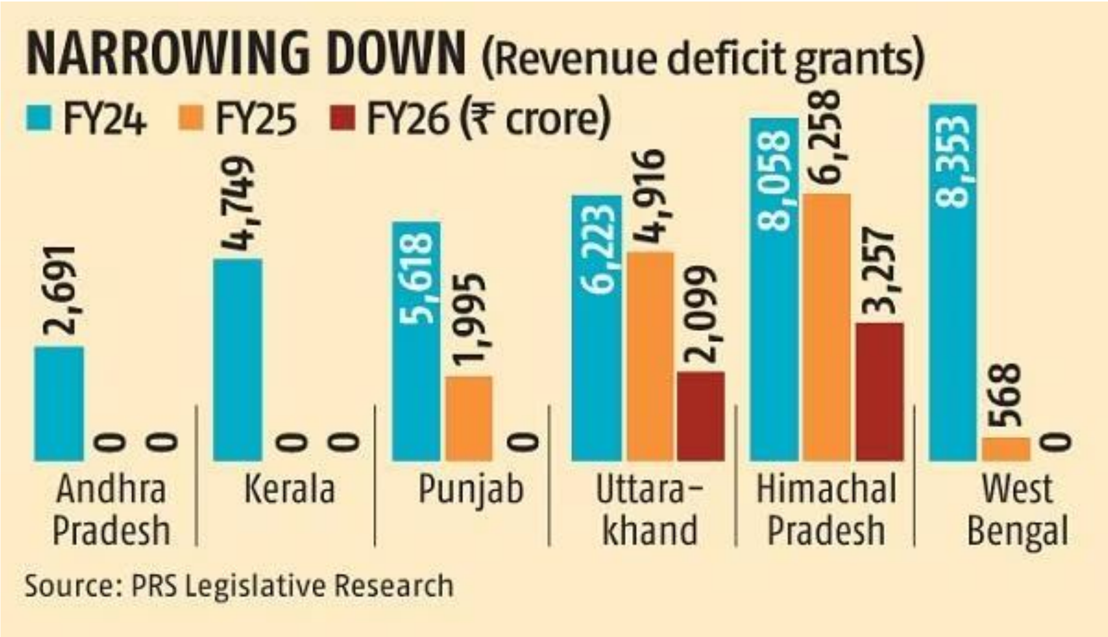
"In order to restore the revenue neutral rate under GST, the 15th Finance Commission had recommended merging tax slabs and minimising exemptions. In the post-compensation period, rationalising GST slabs may bring additional revenue," it noted.

The report noted that states spent 9 per cent of their revenue receipts on subsidies in FY23, of which a major portion went towards providing free/subsidised electricity.

"Discoms, mostly state-owned, have improved their financial parameters from 2019-20 to 2021-22. However, high debt and guarantees extended by states continue to pose risk to state finances.

As of March 2022, discoms have an outstanding debt of roughly 2.5 per cent of national GDP," it notes.

The decision by the Centre to include off-budget borrowings done by states, while deciding their borrowing limits in March 2022 led to a sharp decrease in such borrowings -- from Rs 66,640 crore for 15 states in 2021-22 to Rs 18,499 crore for 14 states in 2022-23.



https://www.business-standard.com/economy/news/11-states-budgeted-revenue-deficit-in-fy24-amid-tapering-grants-report-123110901119_1.html

11. CPCB audit finds irregularities in 3 state boards; fines 4 firms more than Rs 355 crore for violating norms *(indianexpress.com)*

Nov 9, 2023

The Central Pollution Control Board (CPCB) has found irregularities in its Karnataka, Maharashtra and Gujarat counterparts with respect to four plastic waste processor units located in these states and has directed them to take action against them for violating extended producer responsibility (EPR) guidelines. The penalty imposed on the firms collectively is more than Rs 355 crore.

While the audits were held in August and September, the CPCB wrote to the state pollution control boards on October 26.

Karnataka

In a directive issued to the Karnataka State Pollution Control Board (KSPCB) on October 26, CPCB Chairman Tanmay Kumar said that in random auditing of M/s Enviro Recyclean Pvt Ltd, Bengaluru, conducted by the CPCB on August 30 this year, it was observed that EPR certificates of the value of 3,50,000 tonnes have been generated by the unit whereas it has neither the processing capacity for the said quantity nor relevant prescribed supporting documents or information for the same.

“The unit has obtained registration and generated the said EPR certificates of 350,000 tonnes without any actual processing of plastic waste at the unit and by submitting false documents/information, which is in gross violation of provisions of EPR Guidelines,” the document accessed by The Indian Express states.

The letter further adds that as per the audit team’s observations, “one double shredder machine (manual feeding to shredder), four washers (two washers in series), two driers, one agglomerator and one extruder machine were installed in the plant but the same were not in operation as electricity and water connection had not been provided to the plant machinery”. “…electrical and civil works were in progress during the audit,” it adds.

During the auditing, the unit is said to have not performed or demonstrated a trial run to assess the processing capacity. “Further, the machinery placed in the plant is not in conformity with the plant machinery declared in the application form. The plant machinery corresponding to the registered capacity of 350,000 TPA was not found to be installed/commissioned in the unit by the audit team,” the CPCB letter said.

The CPCB said that quantities mentioned in the invoices uploaded on the EPR portal by the unit are fallacious and no relevant information regarding the procurement of plastic waste and sale of recycled plastic was made available to the auditing team to verify the processing of 350,000 tonnes of plastic waste and sale of corresponding quantity of finished product.

Moreover, the auditing team also said that the geotagged photographs/video of the plant uploaded with the application are not in conformity with the actual observations during the audit, indicating that fabricated photographs had been uploaded with the application.

The CPCB also stated that these observations were not made by the KSPCB.

The CPCB said that consent to establish (February 27, 2023) and consent to operate (March 7, 2023) have been granted by the KSPCB in quick succession within a gap of seven days. “It is not clear as to how the unit, which is a large-scale unit, was established within seven days’ time. It was also observed that the rental agreement of the unit was signed only on February 1, 2023. Though the Effluent Treatment Plant (ETP) of the plant was found to be under construction during the audit, the Consent to Operate (CTO) was granted to the Unit by KSPCB,” the CPCB said.

“The process of generation of EPR certificates by the unit was also not monitored by KSPCB, despite being the enforcing agency,” the CPCB said.

The central board has now directed the KSPCB to conduct a detailed enquiry into the issuance of CTE and CTO and take action against the erring officials. The CPCB has also sought the suspension of consent given to the company. A fine of Rs 175 crore has been levied on the company.

Gujarat
During its audit, the CPCB found that EPR certificates of the value of 11,482 tonnes have been generated by M/s Asha Recyclean India Private Ltd, registered with the Gujarat State Pollution Control Board (GPCB), in excess of its actual processing capacity. The CPCB said that the unit neither has processing capacity for the said quantity nor relevant prescribed supporting documents or information.

"The unit has obtained registration and generated the said EPR certificates of 11,482 tonnes without any actual processing of plastic waste at the unit and by submitting false documents/information, which is in gross violation of provisions of EPR guidelines. The process of generation of EPR certificates by the unit was also not monitored by GPCB. Only 8 workers were available in the unit as against 30 reported in the application form," the CPCB said.

A fine of Rs 6 crore has been levied on the company and the GPCB has been directed to take action against the board officials and suspend the consent given to Asha Recyclean India Private Ltd.

Maharashtra
Located in Maharashtra's Palghar, M/s Shakti Plastics Industries generated EPR certificates of the order of 2,56,240 tonnes, in excess of its actual processing capacity of 17,760 TPA, even though the plant has not commenced its operation, the CPCB audit found. Only 40 workers were available in the unit as against 125 reported in the application form. The unit obtained registration and generated the said EPR certificates without any actual processing of plastic waste at the unit and by submitting false documents or information, the audit found. A fine of Rs 128.12 crore has been levied on the unit.

Another plastic waste processor, Technova Recycling India Pvt Ltd in Thane, has generated EPR certificates to the order of 92,500 tonnes but the same could not be verified by the audit team as no relevant documents and statements related to sale or payment of taxes could be produced by the unit, the CPCB pointed out.

"Only six workers were available in the unit as against 30 reported in the application form. In view of the above, it is observed that EPR certificates of the value of 92,500 tonnes have been generated by the unit in excess of its actual processing capacity (4,700 TPA) and the unit neither has processing capacity for the said quantity nor relevant prescribed supporting documents/information for the same. The unit has obtained registration and generated the said EPR certificates of 92,500 tonnes without any actual processing of plastic waste at the unit and by submitting false documents/information," CPCB said. https://indianexpress.com/article/cities/bangalore/cpcb-audit-finds-irregularities-in-3-state-boards-fines-4-firms-9020554/

12. India Finance Report: A warning against repeating past mistakes *(indianexpress.com)* Nov 10, 2023

India Finance Report, Centre for Advanced Financial Research and Learning (CAFRAL), CRAR, non-performing asset (NPA) ratios, editorial, Indian express, opinion news, indian express editorialThere are two reasons both the RBI and the government should take this report's findings seriously.

The first edition of the India Finance Report published by the Centre for Advanced Financial Research and Learning (CAFRAL), an independent body set up by the Reserve Bank of India, has taken stock of India's non-bank financial companies sector — commonly called the shadow banking sector — and pointed out both the ongoing improvements and emerging risks. On the positive side, the CAFRAL report finds that after the liquidity crisis of 2018 and the Covid pandemic, the NBFC sector has improved, along all dimensions — capital position, asset quality, and profitability. For instance, as against the stipulated norm of 15 per cent of the capital to risk-weighted assets ratio (CRAR), in 2022-23, NBFCs witnessed a notable improvement with the CRAR rising to 27.6 per cent from 22.9 per cent in 2019-2020. Similarly, gross and net non-performing asset (NPA) ratios continue trending downwards.

However, the study also points to some new risks. It notes that in the past few years, bank financing for NBFCs has begun to rise again. "This raises concerns about systemic contagion and underscores the need for tighter preventive measures to mitigate potential systemic fallout". Explaining the notion of systemic risks when several key parameters look benign, the CAFRAL report states: "Although current ratios post-2017 show lower liquidity risk, they are not a good gauge for systemic risk — the risk which arises due to externalities that individual firms do not take into account in their decision-making process, and an unravelling of which can have deleterious effects on the real economy." It underlines that systemic risks build up in periods of tranquil financial conditions due to increased risk-taking, and tend to aggravate the effect of a shock through negative spillovers such as fire sales across firms during a crisis.

There are two reasons both the RBI and the government should take this report's findings seriously. One, the global, as well as the Indian, economy has just witnessed two periods of stark contrast in terms of monetary policy. First, there was an extremely loose monetary policy, aimed at protecting economic growth and businesses during the pandemic. This was immediately followed by an equally sharp contraction in monetary stance following the sudden and sharp rise in inflation. The back-to-back monetary shocks are catching businesses off-guard. Two, the events of the past 15 years have shown that the health of India's NBFC sector is crucial to sustaining India's economic growth, especially through millions of MSMEs. In the decade after the Global Financial Crisis of 2008, the NBFCs acted like shock absorbers to the Indian economy — providing credit when formal banks were struggling with NPAs. Regulators must ensure that past mistakes are not repeated. https://indianexpress.com/article/opinion/editorials/india-finance-report-a-warning-against-repeating-past-mistakes-9020788/

13. How illegal coal mining continues in Assam, near a rain forest *(indiatodayne.in)* Updated Nov 09, 2023

In the past several years, environmentalists have often cautioned against illegal coal mining around the rainforests located near the Assam-Arunachal border.

An April 2021 report by a one-man commission of enquiry headed by Justice (retired) BP Katakey reported serious violation of the Biological Diversity Act, 2002 by the extensive illegal coal mining that happened between 2003 and 2009 in the Tikok Open Cast Project (OCP) under the Saleki Reserve Forest (SRF), covering areas of adjoining districts of Dibrugarh and Tinsukia.

More importantly, this area is close to the 232 sq km Dehing Patkai National Park, a rainforest, which is part of the 937 sq km Dehing Patkai Elephant Reserve. Following this report, which was tabled in Assam assembly in December 2021, Assam government even formed two committees—one with the chief secretary as the chairman and the other helmed by the DGP—to stop illegal coal storage and transportation.

Even as Assam Chief Minister Himanta Biswa Sarma, on multiple occasions, has assured that his government will not allow illegal coal mining in the state, an India Today NE ground investigation has found rampant illegal coal mining at the Ledo-Margherita areas of Tinsukia district, which is geographically part of Dehing Patkai Elephant Reserve. The India Today NE team visited multiple locations, including Jharna Basti in 3 Mulong Village, Tipong Colliery, and Aradhara Hills in SRF. Unauthorized mines in these areas, on the state's eastern border with Arunachal Pradesh, are frequently smuggling coal to other areas of the state.

For instance, in Tipong and Namdang collieries, part of SRF, where Coal India ceased operations in 2022, illegal mining has been going on, particularly through rat hole mining, which was banned by the National Green Tribunal in 2014. Rat-hole mining involves the digging of very small tunnels, usually only 3-4 feet high, through which workers enter and extract coal from. Jishu Thapa, an illegal mining owner at Tipong Colliery, admits that that the mining operations in the area are rat hole in nature. Sources claim that there are more than 1,000 rat hole mines in the area.

During the ground visit by India Today NE, excavators were found to be extracting coal in the foothills while freshly dug coal heaps were seen at various locations, and even in front of the residences of some locals there. Large number of migrants and locals including women and children—some are armed with country-made guns—dig out coal with sharp tools, which are then transported in gunny bags and head slings to selected spots in the villages and subsequently loaded onto trucks or other vehicles. Mafia agents keep a close watch either from hilltops or coal reserves to ensure that these labourers deposit the extracts at coal bhattas in three shifts. A labourer, male or female, usually carries a load of 75-100 kg of coal on their back. The illegally mined coal is transported down to the foothill, where it is collected before being moved by over 1,000 vehicles daily through the mountainous routes created by the coal mafia. This route leads to the nearest unlawful depots adjacent to NH 315. The illicit coal is then loaded onto large 16-20-wheeler trucks that are parked on either side of NH 315. Reportedly, this illegal coal is also stored in the backyards of numerous unauthorized truck parking lots.

The Katakey commission found that the North Eastern Coalfields (NEC), a subsidiary of Coal India Limited, had extracted coal despite the non-renewal of several mining leases in the Digboi Forest Division, which had expired in 2003. In March 2021, the Union environment ministry, while replying to an RTI application, admitted that large-scale illegal coal mining by Coal India had taken place in the said region since 2003.

The commission was set up after the state government had, in July 2020, ordered an inquiry into allegations of illegal mining in Tinsukia district's Digboi Forest Division, which falls within the Dehing Patkai Elephant Reserve. According to Katakey Commission, the NEC had illegally mined coal worth Rs 4,872.13 crore. Besides, Katakey commission report, another report, prepared by a local official, estimated that apart from NEC, nearly 400-40,000 individuals illegally extracted 30-40 kg of coal per day (approximately 12,000 to 1200,000 kg of coal daily) from the area causing huge loss to the state exchequer.

In April 2022, the National Board of Wildlife allowed Coal India to conduct opencast coal mining in 98.59 hectares of the Dehing Patkai Elephant Reserve provided it fulfilled 28 pre-conditions. An official of the NEC told India Today NE that it has ceased most operations in the area with East Mining in Tikok being the only functional unit. Despite the NEC suspending most of its operations, coal mining has continued unabated in Margherita, Bargolai, Ledo, Aradhara, Namtok, Seleki and Tipong areas of Tinsukia district, allegedly with the blessings of politicians and government officials. Even the Katakey commission report mentioned involvement of politicians and government officials in illegal coal mining. Last year, the state government even admitted on the floor of the Assembly that the reports of miscreants encroaching upon some areas of Coal India in Ledo and Margherita and mining there illegally are true.

For anyone to extract coal in these areas, "entry passes" are to be collected from the political authorities. For each dumper illegally extracting coal and truck transporting it, commission has to be paid to the coal mafia syndicate. Local sources claim that the mafia racket allegedly collects up to Rs 18,000 from each dumper and up to Rs 65,000 from each truck per trip from Ledo to Margherita. The charge goes high up to Rs 75,000 per truck per trip from Jagun to Lekhapani. In Jharna Basti, even residents are part of this illegal coal business. The villagers not only collect Rs 4 per kilogram of coal but also impose a Village Development Committee levy on the coal buyers, which varies from Rs 300 to Rs 400 per vehicle per trip. A government official, on condition of anonymity, said that between November 2022 and March 2023, 36,000 trucks transported coal from Tinsukia district to various places in India and Bhutan.

Government actions seem to have little impact on illegal mining in these areas. On March 12, 2019, the director of geology and mining in Assam filed an FIR against 19 coal mafias but no action has been taken against them so far. Assam's Director General of Police (DGP), GP Singh, told India Today NE that 63 cases were registered in connection with illegal coal activities in 2022-23 and 62 arrests were made. As part of the crackdown, authorities seized 203.5 tons of coal from seven vehicles. Singh also added that consistent monitoring and action are being taken against illegal coal mining. Meetings under his chairmanship are conducted regularly, with all agencies collaboratively working to prevent and act against illegal coal transportation and storage. Despite multiple attempts, Chief Secretary Paban Kumar Borthakur, who is the head of the other committee, did responded to the queries sent by India Today NE.

Occasionally, the forest department goes on drives to check illegal mining, but such initiatives are also crippled with a dearth of human resources. Montu Chetia, a forester with Tipam Reserved Forest, admits that illegal mining activities have been taking place within the forest and several individuals and vehicles have been apprehended for engaging in rat hole mining and carrying coals illegally. However, authorities find it difficult to control rat hole mining in the hilly regions where miners can spot patrolling officers from a distance and then run away.

The India Today NE team also has witnessed a huge number of illegal 'coke bhattas' (kilns or oven plants) in the Ledo-Tirap area. According to sources, around 60 illegal coke coal bhattas are operational in these areas. The bhattas, located within the jurisdictions of Borgolai Panchayat, Ledo Colliery Gaon Panchayat and Samukjan Panchayat in Tinsukia district's Margherita sub-division, are major hubs for illegal coal trade. Only a handful of these bhattas lift legally available coal from the NEC. The rest procure and consume lakhs of tonnes of pilfered coal, leading to massive revenue loss for the government. There are reports that these also violate the Pollution Control Board norms. Preeti Kumari, the SDO of Marherita, acknowledged that there have been instances of coal theft. FIRs have been lodged and actions taken but expressed ignorance about the number of operational coke industries and their coal sources.

With the illegal coal trade flourishing in the Tinsukia district, it's a big puzzle why the government has failed to stop this daylight robbery, despite multiple interventions from court and environment bodies. https://www.indiatodayne.in/assam/video/exclusive-ground-report-how-illegal-coal-mining-continues-in-assam-near-a-rain-forest-708565-2023-11-09

14. Food security with a farmer-centric approach *(thehindubusinessline.com)* Updated - November 09, 2023

How schemes like 'One Nation One Fertiliser' can reduce freight costs and shape India's future

The upliftment and growth of farmers has remained a national priority for 70 years. The Centre's 'One Nation One Fertiliser' (ONOF) scheme is a step forward in this direction — in the farming sector's collective aim to build farmers' self-sufficiency and improve India's food security.

Under 'One Nation One Fertiliser', all types of fertilisers, including Di-ammonium Phosphate (DAP), Nitrogen, Phosphorus, Potassium (NPK), and urea, will be sold under the brand name 'Bharat'. Experience has taught us that farmers are brand loyalists regarding pesticides and seeds but are open to using more than one fertiliser.

After food subsidy, the fertiliser subsidy is a major expenditure for the exchequer. The agricultural sector thus stands to gain not just from the lowered spending on freight subsidy — through reduced transport costs — but also the improved availability of products, especially urea. The single name 'Bharat' will help minimise the fertiliser's cross-country movement, saving large freight subsidies.

According to the Ministry of Fertilisers and Chemicals, 'One Nation One Fertiliser' is being introduced as a 'Single Brand for Fertilisers and Logo' under the fertiliser subsidy scheme named 'Pradhanmantri Bhartiya Janurvarak Pariyojna' (PMBJP). The memorandum says, "the single brand name for urea, DAP, MOP, and NPK, etc. would be Bharat Urea, Bharat DAP, Bharat MOP and Bharat NPK, etc. respectively for all fertiliser companies, state trading entities (STEs) and fertiliser marketing entities (FMEs)".

The proper implementation of the scheme will ensure uniformity and standardisation, and help in savings for the exchequer.

Kisan Kalyan

This scheme is part of the 'Kisan Kalyan' vision, which empowers farmers at the grassroots level through simple but effective initiatives, such as the availability of seeds and fertilisers under one roof and one quality.

The fertiliser industry participants both in manufacturing and distribution are always taking inspiration from progressive interventions. Over the years, fertiliser production in India has increased drastically, from an annual production of 22.23 mt (million tonnes) in 1990–91 to 43.66 mt in 2021–22.

Consider, for example, how linkages to custom hiring centres have enabled farmers to use drones in their weekly tasks. In recent years, female farmers' contributions have been recognised, and public-private partnerships are leveraging the power of Farmer Producer Organisations (FPOs).

By investing in processes like soil fertility mapping, crop advisories and farmer education programmes and setting up consultations with experts for farmers in need, we are investing in a promising future.

Empowered farmers, and maximised farm production in their fields, are the building blocks of India's food security and prosperity. In working towards this goal, we will ensure that our fellow compatriots have access to a healthy diet, not just three meals a day.

As stakeholders in the agrarian sector, we should consider the roles we can play in increasing yields — an essential intervention for the supply side to ensure that food prices remain stable. Our source of inspiration lies in our own history books, the Green Revolution.

Since Independence, India's foresight in envisioning food security goals has supported young children, pregnant women, and lactating mothers to receive nourishment.

In the years ahead, our capacity building will have far-reaching consequences — supporting vulnerable populations in their sustenance and ushering in a new era of economic development. https://www.thehindubusinessline.com/opinion/food-security-with-a-farmer-centric-approach/article67518222.ece

15. After 1% TDS, crypto users shift to offshore platforms, ₹3,500 cr tax goes uncollected: Report *(thehindubusinessline.com)* Updated - November 09, 2023

The report ''Impact Assessment of Tax Deducted at Source on the Indian Virtual Digital Asset Market'' has found that the move deprived the exchequer of ₹3,493 crore revenues, as against the collected revenue of ₹258 crore.

The imposition of a one percent tax-deducted-at-source (TDS) on the trading of virtual digital assets (VDA) in India, has made three to five million users shift to offshore trading platforms, according to a report by the Esya Centre, a New Delhi-based technology policy think tank.

In February 2022, the Ministry of Finance announced the levy of one percent TDS on VDA trade with the intention of discouraging speculative activity and increase traceability in India's VDA ecosystem. The report ''Impact Assessment of Tax Deducted at Source on the Indian Virtual Digital Asset Market'' has found that the move deprived the exchequer of ₹3,493 crore revenues, as against the collected revenue of ₹258 crore.

Additionally, India's digital economy lost opportunities to the tune of four to five times of this value from the forgone positive externalities, it noted. Out of the ₹258 crore collected, ₹250 crore was paid by domestic Indian VDA exchanges (or 97 per cent of the total amount). On the other hand, only ₹7 crore was collected from trades by Indians on offshore platforms.

"VDA tax architecture in India marks a significant opportunity loss in terms of both revenue loss for the exchequer and global competitiveness. There is an urgent need to reduce the TDS to bounce back", said Dr Vikash Gautam, the author of the report and an Adjunct Fellow at the Esya Centre

Five million Indian users have shifted to offshore platforms, with a single offshore exchange reporting 4,50,000 sign-ups in the month following its implementation in July 2022. Web traffic, active users and downloads by Indians on offshore platforms have increased secularly since July 2022, in tandem with a secular decline in the Indian VDA exchanges in the same period.

The analysis of data on weekly active users, downloads and web traffic shows that the TDS provision and the lack of government respite from this penal tax regime have had the greatest impact on users, who want the levy to be suspended. The impact was in the range of 44 to 74 per cent on these parameters.

A dive into the P2P traders' data, which was collected from leading offshore exchanges, suggests that over ₹3,50,000 crore worth of VDAs were traded by Indians on offshore platforms between July 2022 and July 2023, accounting for more than 90 percent of the total VDA trade volume by them.

The report noted that its survey of executives at seven leading Indian VDA exchanges finds that the TDS is the most important reason for high offshore P2P trading.
Lowering the TDS to 0.01 per cent would be the most important corrective measure to

motivate traders to trade on domestic exchanges.
https://www.thehindubusinessline.com/money-and-banking/after-1-tds-crypto-users-shift-to-offshore-platforms-3500-cr-tax-goes-uncollected-report/article67517225.ece#:~:text=The%20report%20"Impact%20Assessment%20of,revenue%20of%20%E2%82%B9258%20crore.