NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Spent Thought: EC on wrong track asking parties to detail fiscal costs of 'populism'. That's a matter between voters & governments *(timesofindia.indiatimes.com)* Oct 11, 2023

Chief election commissioner Rajiv Kumar on Monday likened last-minute fiscal promises of political parties facing elections to a "tadka" of populism. His views must be read in the context of EC's discussions with political parties on a potential pro forma to quantify fiscal implications of promises. EC said the effort is meant to safeguard voter rights. Safeguarding voter rights is good but EC's effort to get parties to fill out a pro forma on fiscal implications is misdirected for two reasons.

First, a pro forma will convey little because it will necessarily be based on a set of assumptions. That hardly improves the meaningful information available to voters. Second, the narrative of states running amok on fiscal matters is misconstrued.

India has an elaborate system of checks and balances on state finances. State fiscal responsibility and budget management laws quantify fiscal thresholds that cannot be breached. GOI then enforces it by setting annual borrowing limits. On occasions GOI slashes the debt states can raise. Finally, CAG provides granular details on government accounts to the citizenry.

Take Rajasthan, for example. Its welfare package and debt implications are debated often. CAG's audit for 2021-22 said that Rajasthan's debt-GSDP ratio was 37.7%, which was consistent with the FRBM law. However, a greater share of debt receipts is being used towards redeeming old debt, a sign of incipient trouble. Voters do have enough safeguards on fiscal issues and promises and schemes are really a matter between them and the political executive. Information, however, is lacking on political funding. Funding instruments such as electoral bonds allow concealment of the source of funding even though it can influence public policy. This is an area where voters need safeguards, with or without a pro forma. https://timesofindia.indiatimes.com/blogs/toi-editorials/spent-thought-ec-on-wrong-track-asking-parties-to-detail-fiscal-costs-of-populism-thats-a-matter-between-voters-governments/

STATES NEWS ITEMS

2. CAG Report Highlights Challenges In PanchayatiRaj Institutions' Functioning *(guwahatiplus.com)* Oct 10, 2023

GUWAHATI: The latest report from the Comptroller and Auditor General of India (CAG) sheds light on the state of Panchayati Raj Institutions (PRIs) in Assam.

One of the key findings of the report highlights the formation of District Planning Committees (DPC) in all districts of General Areas.

However, these committees have not fully executed their mandated functions as outlined in Article 243 ZD of the Constitution.

The CAG report underscores the importance of empowering District Planning Committees (DPCs) to enable more efficient district-level planning and development.

The report also draws attention to the audit process of PRIs in Assam.

The Director of Audit, Local Fund (DALF), Assam, serves as the Primary Auditor for all tiers of PRIs in the state.

Nonetheless, the report reveals significant arrears in the audit of Panchayati Raj Institutions during the period from 2016-17 to 2020-21, ranging between 47.80% and 57.37%.

Timely and thorough audits are essential for ensuring transparency and accountability in the functioning of PRIs.

Furthermore, the report points out shortcomings related to budget preparation and approval.

According to Rules 32, 33, and 34 of AP (F) Rules, 2002, it is stipulated that every Gaon Panchayat (GP),

Anchalik Panchayat (AP), and Zilla Parishad (ZP) should prepare their budgets in prescribed formats before the start of the financial year.

ZPs are responsible for consolidating these budgets and submitting them to the State Government for final approval.

However, the report highlights that funds were released by the Government of Assam without regard to the receipt of budget proposals, potentially overlooking the unique needs of ZPs.

Another critical issue outlined in the report is the absence of maintained Asset Registers for PRIs.

This omission raises concerns about the monitoring and potential misutilisation or mismanagement of PRI assets. https://guwahatiplus.com/assam/cag-report-highlights-challenges-in-panchayati-raj-institutions-functioning

3. Irregularities of Assam Public Sector Enterprises Highlighted In CAG Report *(guwahatiplus.com)* Oct 11, 2023

GUWAHATI: An audit report has raised concerns regarding the financial state of State Public Sector Enterprises (SPSEs) in Assam.

As of March 31, 2022, there were 51 SPSEs within the audit jurisdiction of the Principal Accountant General (Audit), Assam, which represents the Comptroller and Auditor General (CAG) in the state. These SPSEs comprised 48 Government companies, three Statutory Corporations, and one State Regulatory Body, the Assam Electricity Regulatory Commission.

Out of the 51 SPSEs, only 9 (7 working and 2 non-working) had finalised their up-to-date accounts for 2021-22. Furthermore, 22 SPSEs (18 working and 4 non-working) had 57 accounts in arrears spanning one to five years, while the remaining 20 SPSEs (10 working and 10 non-working) had a total of 331 accounts in arrears for more than five years as of September 30, 2022. The Assam Government had invested ₹2,336.25 crore in 18 SPSEs during the years for which their accounts were in arrears.

Moreover, 4 out of 8 working Government companies required to spend on Corporate Social Responsibility (CSR) activities did not allocate any expenditure for such initiatives. There was an overall CSR spending shortfall of ₹5.31 crore in 5 working companies according to their latest finalised accounts. Additionally, there were lapses in governance, with 22 out of 31 working Government companies failing to hold the mandatory four meetings of the Board of Directors each year. https://www.guwahatiplus.com/assam/irregularities-of-assam-public-sector-enterprises-highlighted-in-cag-report

4. PM CAG Report Reveals Alleged Fraud In GMC's Bharalu River Desiltation Project *(guwahatiplus.com)* Oct 11, 2023

GUWAHATI: In a concerning revelation, it has been uncovered that the Commissioner of the Guwahati Municipal Corporation made a payment of ₹1.19 crore for a desilting project for the Bharalu river, with a significant portion of ₹45.75 lakh suspected to be related to fraudulent activities. The revelation was made in the Comptroller and Auditor General of India (CAG) report.

This news has raised questions about the transparency and accountability of the financial transactions within the Guwahati Municipal Corporation. Authorities are now expected to provide a detailed account of the payment and investigate the suspected fraudulent activities in this desilting project.

Another concerning finding in the report's points to an unfruitful expenditure of ₹53.74 lakh, attributed to the Mangaldoi Municipal Board's decision to undertake a project without ensuring the availability of a clear and feasible work site.

These findings highlight the urgent need for enhanced oversight, transparency, and scrutiny in financial operations within municipal bodies to prevent fraudulent activities and ensure that public funds are judiciously allocated to projects. https://www.guwahatiplus.com/guwahati/cag-report-reveals-alleged-fraud-in-gmcs-bharalu-river-desiltation-project

5. CAG Pulls Up GMC as Business Establishments Operate Without Licenses *(guwahatiplus.com)* Oct 11, 2023

GUWAHATI: In a recent performance audit focusing on the efficacy of the implementation of the 74th Constitutional Amendment Act, concerning the decentralisation of powers to Urban Local Bodies (ULBs), several crucial findings have come to light in Assam. The audit has unveiled a series of challenges and shortcomings in the implementation of constitutional provisions.

Under Section 53-A of the Assam Municipal (AM) Act, 1956, seven out of 18 functions were designated for transfer to ULBs. However, ten functions were categorised as inherent subjects, for which ULBs were expected to provide resources for implementation.

Alarmingly, there was no structured activity mapping to facilitate the transfer of subjects to ULBs. A significant issue pertained to the overlapping responsibilities of ULBs, parastatals, and various government departments, resulting in minimal roles for ULBs in the execution of devolved functions.

Furthermore, the 14th Finance Commission recommended substantial allocations of ₹776.42 crore under basic grants for the 2015-20 period and ₹194.1 crore under performance grants for the 2016-20 period. However, there was a significant deficit in the release of grants, amounting to ₹95.07 crore under the 14th Finance Commission, during 2015-20.

In addition, a striking observation was made regarding outstanding license fees. As of March 2020, ₹18.31 crore in license fees remained unpaid against a total demand of ₹41.15 crore in the Guwahati Municipal Corporation (GMC). This indicated that various business establishments continued to operate without valid licenses.

The audit further delved into the analysis of ULBs, revealing that the sanctioned staffing levels did not correspond with the population in the test-checked ULBs. The number of employees per 1,000 population varied significantly across the ULBs. A similar analysis of the working strength in 19 test-checked ULBs, based on the 2011 Census data, demonstrated a range between 0.49 and 3.43 employees per 1,000 population.

Assam Government's efforts were rendered ineffective due to the unavailability of necessary infrastructure, including furniture, training materials, and faculty. This audit has spotlighted the critical need for comprehensive reforms and efficient execution in the process of decentralisation, emphasising the necessity for stricter oversight and judicious resource allocation to ULBs. https://www.guwahatiplus.com/guwahati/cag-pulls-up-gmc-as-business-establishments-operate-without-licenses

6. South Lhonak GLOF Triggered Flood in Teesta Because Warnings Remained Neglected *(thewire.in)* Oct 11, 2023

Thus, state and national authorities knew that South Lhonak glacial lake is highly vulnerable to a GLOF event because the 60 metre high, 1200 MW Teesta 3 Hydroelectric Project is only 50 km downstream as the crow flies.

On May 13, 2022, Sikkim’s Information and Public Relations Department issued a press release about the risks posed in the event of Glacial Lake Outburst Floods at the South Lhonak and Shako Cho glacial lakes. It quoted DG Shrestha, Director, Sikkim Department of Science and Technology, who had highlighted the South Lhonak lake’s increasing size and urgent need for an Early Warning System for these glacial lakes in Sikkim.

In a presentation made at a National Disaster Management Authority conference, Ada Lawrence of the Sikkim State Disaster Management Authority had proposed an expert committee to study and evaluate the 10 vulnerable glacial lakes in Sikkim and to work out appropriate mitigation strategies against GLOF.

Thus, state and national authorities knew that South Lhonak glacial lake is highly vulnerable to a GLOF event because the 60 metre high, 1200 MW Teesta 3 Hydroelectric Project is only 50 km downstream as the crow flies. But the flash floods triggered on the night of October 3-4 showed that there was no early warning issued in time to downstream communities.

An account on page 73 of the CAG of India's 'Performance Audit on Schemes for Flood Control and Flood Forecasting' (Report No 10 of 2017) shows how much of Sikkim is flood prone. In its territory of 7.10 lakh hectares, in 1976, the Rashtriya Barh Aayog found that 0.00 lakh hectares are flood prone areas (FPA)! The state government's FPA estimate is 0.20 lakh hectares.

The region, which is home to several glacial lakes, whose GLOF hazards were known to glacier experts, used to under-estimate its susceptibility to floods until the mid-1970s! However, with increased development activities and the mania for hydropower that engulfed the state in the last 20 years, GLOF-triggered flash floods are a very real threat.

The same CAG audit report further said this on GLOFs, on page 80:

"The work on monitoring glacial lakes in the Himalayan region was taken up by CWC in 2009. The inventory of Glacial Lakes was prepared in 2011 based on satellite images taken in 2009. As per inventory there were 2027 glacial lakes/water bodies > 10 h. area. Since 2011, monitoring of only 477 glacial lakes/ water bodies having water spread of more than 50 h. was done every year during monsoon (June to October)."

CAG auditors should have pressed the Central Water Commission to make available for audit all the monitoring reports of these glacial lakes, or at least a dozen of them that have been identified as most vulnerable. CAG auditors appear to have not investigated the preparedness for GLOF and the monitoring of glacial lakes beyond accepting CWC's claims at face value. Had they consulted a person who lived in Sikkim on a glacier-fed watercourse, they would have encountered a different level of urgency.

In a story in Scroll, CWC officials claim that glacial lakes that pose the risk of GLOF are monitoring through satellite data on a monthly basis. If this claim is true, among the records there must be a report on the South Lhonak Glacial Lake for September. Satellite images released in the public domain by ISRO show that the South Lhonak Lake grew by 3% on 11-28 September. Was this analysed in the monitoring report for September and communicated with the Sikkim State Disaster Management Authority as a heads-up for an impending disaster?

A statement from a senior civil servant working in Sikkim shows that there was no coordination even hours after the South Lhonak Lake had burst its banks. He writes:

"The order to open gates of Dikchu Dam was given at 2.00 AM in the morning of 4th October 2023. Only when the floodwaters had already hit Dikchu Dam. So, when the Chungthang Dam breached the information was not available at (the downstream) Dikchu dam. Which means the early warning system was not in place. There was no notified chain of commands."

In a Twitter thread, Kerala-based civil engineer James Wilson states:

"Let's look at CWC Advisory Sheet on GLOF – South Lhonak Glacial Lake of 2015. CWC identified South Lhonak Lake as a potential hazard with an estimated area of 136 hectares and having water volume of 40.8 Million Cubic Metre in the year 2015 itself."

He adds that a highly sophisticated mathematical model (MIKE-11) employed by CWC to estimate the GLOF generated runoff found that if the South Lhonak Lake had burst in the 2015 monsoons, it would have drained out 6,210 cubic metres of water per second in two hours!

Affected communities downstream are busy organising relief. They feel that this disaster shall not be passed off as yet another flash flood following a cloudburst. They feel that tough questions will be asked about the cascading effect of a series of hydropower dams that were constructed, throwing the concerns raised by geologists to the winds.

"I think the risks of South Lhonak GLOF and what SSDMA was doing on the mitigation front was known only bureaucratic circles. However, local communities downstream were not kept informed about the risks generated by a likely event of a GLOF at South Lhonak or Shako Cho glacial lakes," said Mona Chhetri, a researcher based in Gangtok. She feels that in the discussions and conversations after the Teesta flash floods, the role played by downstream hydropower dams is crucially missing. She adds that it might have been triggered by a natural disaster such as GLOF, but the absence of an Early Warning System and the failure to open the dam gates at Teesta 3 Hydropower Dam needs to be talked about.

Unfortunately, even as this GLOF-triggered flash flood was knocking at their doors, the Sikkim bureaucracy was busy issuing gazette notification to acquire land from farmers to construct yet another hydropower dam on the Teesta River basin, namely the 520 MW Teesta IV Hydroelectric Project! https://thewire.in/environment/sikkim-glof-triggered-flood-in-teesta-because-warnings-remained-neglected

7. Hold Odisha grant scamsters responsible *(newindianexpress.com)* 11 October 2023

The Comptroller and Auditor General (CAG) has exposed gaping holes in student scholarship schemes and thrown up serious posers about the direct benefit transfer mechanism in Odisha. The performance audit report, which was placed before the state assembly's last session, examined the post matric scholarship (PMS) and Medhabruti schemes; the former is jointly sponsored by the Centre and the Odisha government, while the latter is entirely state-funded. The auditor detected large-scale discrepancies in beneficiary coverage, institutional framework, fund diversion and ineligible institutions eating up financial support meant for students belonging to socioeconomically weaker sections. Sample this: between 2016 and 2020, at least 5,185 beneficiaries from 15 ineligible institutions were sanctioned PMS amounting to Rs 15.79 crore. In another instance, an institute applied for and availed of scholarships for students who had long discontinued their studies; it not only managed to receive Rs 2.36 crore in the bank accounts of the beneficiaries, but also got it transferred to its own account.

Several states are on their toes after the Union minority affairs ministry found massive frauds in its minority scholarship programmes. But the CAG report is disconcerting for the Odisha government in particular because it has blown the lid off the poor use of direct benefit transfers in the two schemes. Out of the 3,12,823 bank accounts of PMS beneficiaries, the audit found that a substantial 77 percent were not seeded with Aadhaar details. The state advisory committee on direct transfers did not have any representation of the National Payment Corporation of India; its web service to identify the latest Aadhaar-seeded bank accounts was not even used, leading to the leakage of crores of rupees. With poor synchronisation of data among two administrative departments, no one seemed to notice that the number of beneficiaries had dipped from 5.51 lakh in 2017-18 to 4.47 lakh in 2020-21.

The mismanagement and impropriety invited interventions of officials at various levels, thereby defeating the primary objective of direct benefit transfers to remove intermediaries. The two schemes help shape the academic dreams and lives of lakhs of students—primarily drawn from the scheduled tribes and castes, and other backward classes. No deserving beneficiary should be left out because of poor management. The Odisha government must not only fix the faults immediately, but also hold accountable those responsible for this mess. https://www.newindianexpress.com/opinions/editorials/2023/oct/11/hold-odisha-grant-scamsters-responsible-2622681.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Bogus work, forged bills in MGNREGS irregularities go beyond Bengal: Reports *(indianexpress.com)* October 11, 2023

According to the reports, these works were reported as "ongoing or completed" as per the NREGS MIS (Management Information Systems) but could not be "seen/found existing on the ground" during NLM visits.

While West Bengal is currently in the spotlight due to alleged irregularities in the Mahatma Gandhi National Rural Employment Scheme (MGNREGS) implementation, resulting in funds being stopped by the Centre, the National Level Monitoring (NLM) reports available with the Union Ministry of Rural Development show irregularities in implementing the rural job guarantee scheme across several states.

The reports also have a list of works where work done using MGNREGS funds could not be found existing on the ground. According to the reports, these works were reported as "ongoing or completed" as per the NREGS MIS (Management Information Systems) but could not be "seen/found existing on the ground" during NLM visits.

According to NLM guidelines, the Rural Development Ministry can depute NLMs in three conditions— regular monitoring of major schemes, special monitoring of an individual scheme and in cases of complaints or enquiries. A special monitoring of MGNREGS was conducted in three phases during 2022-23 across the country, three separate reports of which have been compiled by Delhi-based CMI Social Research Centre.

The first report of the special monitoring of MG-NREGS by NLMs, finalised in January 2022, gives details of onsite verification. The report states, "The selection of Gram Panchayat (GP) for this Special Monitoring was done at the Ministry level however the works to be verified were to be identified by NLM Teams on a random basis. Largely, in almost all the districts, the assets created under the works verified were found existing on ground."

However, the report highlights that of 55 MGNREGA works selected at random from the NLMs in Rajasthan's Jhalawar district, 23 were found to be "not existing". "NLM report for district Jhalawar (Rajasthan) has some very startling observations in this regard. The NLM Teams in 12 GPs have verified 55 MGNREGA works, selected randomly and out of them 23 works were found 'not existing'.

NLM has observed that most of these works were Water Conservation and Water Harvesting activities like earthen check dams/bunding/pond/desilting of pond etc. whereas some works of other categories were also found not existing," the report said.

"The NLM findings also suggest that the expenditure incurred on these works was bogus, fake bills have been produced and wages paid to the workers has been siphoned by the functionaries at different levels," the report said. The report shows two MG-NREGS works were found "missing" on ground in Jalpaiguri,West Bengal.

West Bengal report Works inspected by NLMs in Jalpaiguri (West Bengal) – asset/work missing

"Work sanctioned for plantation was for beneficiary name Shri Nonigopal Sarkar and the NLM Team on visiting the site found that no work has been undertaken. The beneficiary Shri Sarkar was absolutely unaware of the workers named in the muster roll. He accepted that only 18 no. of saplings were provided to him which he intends to plant himself on his field," noted the report.

The second report, finalised in May 2022, noted that out of 6,538 worksites inspected, no work had been initiated at 23 of these. "All of these works have been reported as ongoing or completed as per the MIS," the report said. Of these 23 works, 6 were in Karnataka, 5 were in Bihar, 4 each in Punjab and Rajasthan, two in West Bengal, and one each in Himachal Pradesh and Jharkhand. Citing an example from these 23 missing works, the report noted, Gravel Road Construction found missing…On inspection of the above work site by NLM, it was found that MR [Muster Roll] has been generated on this work and a total of 1993 persondays of employment is booked against which a payment of Rs. 4.31 Lakh has made. It was found that no work/activity has been undertaken on this site. The Village Development Officer and Sarpanch of the GP failed to provide any clarification and admitted that no work has been actually undertaken," the report said. https://indianexpress.com/article/cities/delhi/bogus-work-forged-bills-in-mgnregs-irregularities-go-beyond-bengal-reports-8977222/

9. Assam: ₹29.31 Lakh Expenditure For Unfinished Project Highlights Fiscal Irregularities *(guwahatiplus.com)* Oct 11, 2023

GUWAHATI: A recent investigation has unveiled glaring fiscal irregularities in Assam, underscoring the ineffective utilisation of ₹29.31 lakh in funds allocated for the construction of Bharat Nirman Rajiv Gandhi Sewa Kendra. Shockingly, the project remains incomplete despite the entire fund allocation having been disbursed.

The oversight of Executive Officer, Jugijan Anchalik Panchayat (AP) played a pivotal role in these financial mismanagements. The lack of adequate supervision regarding work execution and measurements resulted in a fictitious expenditure of ₹39.31 lakh.

In another disconcerting revelation, ₹27.04 lakh was disbursed for work that was valued at a mere ₹5.40 lakh.

This fictitious payment of ₹21.64 lakh transpired due to erroneous decisions made by the Block Development Officer, Katlichera AP.

Moreover, questionable practices have been unearthed in the procurement of materials, which lacked a corresponding engagement of labour in the execution of pro-siltation works. This discrepancy is particularly pronounced in works valued at ₹2 crore in Morigaon district.

Furthermore, the reporting of work programmes was found to be inconsistent, raising significant doubts regarding the actual execution of these works. This revelation has prompted a comprehensive review of financial practices and a call for increased accountability in the allocation and execution of funds for various projects. https://www.guwahatiplus.com/assam/assam-rs2931-lakh-expenditure-for-unfinished-project-highlights-fiscal-irregularities

10. Centre's direct tax collections up 21.8% at ₹9.57 lakh crore so far in FY24: CBDT *(livemint.com)* October 11, 2023

India's direct tax collections rose 21.82 per cent year-on-year (YoY) at ₹9.57 lakh crore in the current fiscal (2023-24) till October 9, 2023, according to the Central Board of Direct Taxes (CBDT). The direct tax collections - net of refunds, is 52.50 per cent of the total budget estimates of direct taxes for FY24.

The provisional figures of the direct tax collections showed that gross collections are at Rs. 11.07 lakh crore which is 17.95 per cent higher than the gross collections for the comparable period of last year.

The growth rate for corporate income tax (CIT) came in at 7.30 per cent and personal income tax (PIT) stood at 29.53 per cent in terms of gross revenue collections, according to the Revenue Department of finance ministry.

‘’So far as the growth rate for Corporate Income Tax (CIT) and Personal Income Tax (PIT) in terms of gross revenue collections is concerned, the growth rate for CIT is 7.3 per cent while that for PIT is 29.53 per cent (PIT only)/ 29.08 per cent (PIT including STT).

After adjustment of refunds, the net growth in CIT collections is 12.39 per cent and that in PIT collections is 32.51 per cent (PIT only)/ 31.85 per cent (PIT including STT)," said the finance ministry in a statement on Tuesday, October 10.

After adjustment of refunds, the net growth in CIT collections is 12.39 per cent and that in PIT collections is 32.51 per cent. The refunds amounting to Rs. 1.50 lakh crore have been issued during April 1, 2023 to October 9.

The growing direct tax collection displays success in the government's efforts on enforcement and use of technology in the tax collection process.

Meanwhile, India's fiscal deficit for the first five months of the financial year that started April 1 stood at ₹6.43 trillion, 36 per cent of the estimate for the whole year, according to government data. https://www.livemint.com/economy/gross-tax-collections-up-17-95-at-rs-11-07-lakh-crore-so-far-in-fy24-cbdt-11696939945996.html

11. Achieving the green energy goal *(thehindubusinessline.com)*

October 11, 2023

Green push. For increasing the share of renewables in our energy mix, domestic production of inputs needs to be hiked

Big ambitions demand bigger policy push. Even the best laid plans with best intentions are fraught with challenges.

At COP 26 in Glasgow Prime Minister Narendra Modi spelt out the five-pronged ‘panchamrita’ which specifies, by 2030, getting 500 GW non-fossil fuel based energy capacity; meeting 50 per cent of energy with renewables; reduction of Co_2 emissions by one billion tonnes; reducing carbon intensity by less than 45 per cent over 2005 level and to be net-zero emitter by 2070.

It was boldly ambitious in scope and aptly contextual in fight against global climate change. For a nation whose energy economy is coal driven the statement underscores the country’s commitment to reduce carbon intensive approaches.

Every great initiative has two components. What and How. Action and Result. While what is well defined, how is the big question.

India’s commitment to control carbon emissions is important because it is the third highest emitter in the world. But its emissions per person ranks it near the bottom of the world’s emitters and lower still if one considers historical emissions per person. The country's massive geography and great potential for growth means its energy demand is bound to rise relatively higher than any other country in the coming decades. Which in turn means in future India's carbon emissions are set to increase.

The two commitments important for India's green energy pathway are to reduce emissions intensity of GDP by 45 per cent by 2030, from 2005 level, and achieve 50 per cent of cumulative electric power installed capacity.

Installed capacity of non-fossil fuels has to be scaled up from nearly 179 GW ending FY23 to 500 GW in the next seven years, a 321-GW jump. Given that the average annual capacity addition has been around 13 GW during the last two years ending FY23, going forward close to 46 GW has to be added every year. This is nearly 3.5 times the average addition of last two years. Yet another daunting task is doubling electricity generation from non-fossil fuels from about 26 per cent ending FY23 to 50 per cent by 2030.

Solar and wind power are the dependable twins of the clean electricity revolution and are the fastest growing alternatives. Solar power, where India is ranked 4th globally, would particularly be the decisive contributor. It is expected that by 2030 installed capacities of solar and wind will be 280 GW and 140 GW respectively. Combined, they account for 84 per cent of the total non-fossil fuel target. But the gap between their current standing and where they need to be in 2030 is disconcerting.

Solar growth

If one looks at solar power growth in India, its capacity installation in real sense started from 2011-12. Earlier, the cumulative installed capacity was only 35.93 MW. In a sharp rise it went up to 896 MW in 2011-12 which since then was on ascending mode. Though some momentum was visible the growth got affected during the Covid year.

Solar's annual growth rate during the last six years was 33 per cent which if sustained, India can achieve the target. But it requires sizeable growth in real terms. The target of 100 GW by 2022 was widely missed by around 40 GW shortfall but one should bear in mind the two-year Covid slowdown. 100 GW is unlikely to be achieved by 2025 unless there is substantial increase in real numbers.

Till FY23 India had nearly 67 GW installed solar power capacity whereas in the next seven years it has to reach 280 GW, a fourfold upswing.

Target of wind energy installation is even more challenging. With installed capacity of 42.6 GW till FY23, growth in last six years has been less than 5 per cent. Whereas, the required rate is about 20 per cent. This means in the last seven years additional capacity installed was only about 16 GW and the requirement is to install 100 GW in next seven years. Unless a major overhaul in the policy framework is made to promote wind energy, achieving the target appears difficult.

The most important action point to accelerate renewables is to improve supply chain. In the long term, dependency on a single source country for solar cells and modules needs to be reduced. Indigenous production of solar wafers is critical in ensuring the supply chain.

In a leg up for domestic Solar PV module manufacturing capacity the government has initiated a PLI scheme, and under Tranche II 39,600 MW capacity was allocated to 11 companies including Reliance, Indosol, First Solar, ReNew and Tata Power Solar.

Combined with the 8,737 MW capacity under Tranche I, total manufacturing capacity allocated under PLI Scheme stands at 48,337 MW. This is a positive stride in boosting solar capacity installation. Adani Solar said it has produced the first large size monocrystalline silicon ingots in India. It intends to add 2 GW of wafer and ingot capacity by 2023 with plans to scale up to 10 GW by 2025.

Skilling matters

Skilling adequate manpower right from manufacturing ingots to maintaining solar power stations needs closer look. The country has large young population but adequate skill sets have been missing. Land availability is a major pain point. Although many State Governments have identified land, especially Rajasthan, these land parcels may not be adequate to meet the requirement. Identifying large parcels of lands suitable for solar plants must get top priority.

Since solar plants are likely to come up only in certain parts of the country where solar radiation is high, creating adequate transmission infrastructure is very critical. The Centre has already launched a scheme at ₹2.44-lakh crore to increase inter-regional transmission capacity to evacuate 500 GW non-fossil fuel based energy by 2030 entailing 50,890 circuit KM transmission lines. But the gestation period is much longer than installing solar power stations. Hence concentrated focus is required to implement this project.

Reaching the green energy goal through non-fossil fuels by 2030 may be challenging but with resilience and timely policy push the desired goal can be scored. https://www.thehindubusinessline.com/opinion/achieving-the-green-energy-goal/article67404979.ece

12. New freebies threaten to undo fiscal gains of MP, Chhattisgarh

(financialexpress.com) October 11, 2023

Ahead of the assembly elections in the central Indian states of Madhya Pradesh (MP) and Chhattisgarh, main political parties have promised more welfare schemes, the implementation of which could potentially push back fiscal consolidation achieved by these states in recent years.

After electoral success in Karnataka recently, the Congress is pinning hopes on its five promises to the MP voters for electoral success: cooking gas cylinder at Rs 500 (against market rate of Rs 900), Rs 1,500 to every woman per month, 100 units of free electricity and up to 200 units at half the tariff, farm loan waiver, besides the non-contributory old pension scheme (OPS).

Countering these, the ruling Bharatiya Janata Party (BJP) in the state has already announced that 12.5 million women would get Rs 1,250/month from October which would be hiked to Rs 3,000 in due course. The state government has also rolled out LPG cylinder at subsidised rate of Rs 450/refill for PM Ujjwala and women beneficiaries under Ladli Behna Yojana.

The electoral promises already made by the Congress to MP voters are similar to the ones being implemented by the government in Karnataka run by the party. It is estimated that the newly formed Congress government in Karnataka will have to bear Rs 50,000 crore annually to implement the poll promises, other than the OPS.

Like a few other Congress-ruled states, Chhattisgarh already reverted to OPS last year. Besides already running populist schemes, the Chhattisgarh government has also announced that it would procure 20 quintals – against the earlier 15 quintals — of paddy during the ongoing Kharif season.

As both the states go to polls next month, more announcements from both Congress and BJP are expected.

The debt to GSDP of MP is 28% while it is 27% for Chhattisgarh as against the prudential level of 20%. While the ratio is relatively better compared to many of its peers including Punjab and Rajasthan, these could deteriorate if populist measures like OPS are adopted or continued.

The fiscal deficit of MP is projected to be 4% of GSDP in FY24, up from 3.6% estimated for FY23. It had touched a high of 5.1% during the pandemic year FY21. Chhattisgarh has estimated its fiscal deficit at the prudential level of 3% of GSDP. Of course, these numbers were announced in February and could be revised upwards depending on spending splurge on social sector schemes. Own tax revenues in both states are nearly half of their total tax revenues including central tax devolution.

Thankfully, the pace of capital expenditures was kept in both Madhya Pradesh and Chhattisgarh in the first five months of the current financial year. MP's capex was 22% of total spending in April-August compared with annual trends of 16-18% whereas Chhattisgarh's capex was in line with its annual trends. However, these could change in the coming months due to higher spending on welfare and freebies from September onward.

With some states reverting to the OPS for their staff, a Reserve Bank of India (RBI) paper has warned that the fiscal cost of OPS could be as high as 4.5 times that of the NPS in the event of all the states switching to OPS. https://www.financialexpress.com/policy/economy-new-freebies-threaten-to-undo-fiscal-gains-of-mp-chhattisgarh-3268915/

13. Over Rs 15,000 Cr spent on J&K security in 34 years: MHA Report *(risingkashmir.com)* 10 Oct 2023

In the span of 34 years, the Government of India has allocated a staggering sum exceeding Rs 15,000 crore for various security-related expenditures in Jammu and Kashmir, according to the Ministry of Home Affairs' Annual Report for 2022-23.

The report reveals that a substantial Rs 10,528.72 crore was spent on Security Related Expenditure (Police), in addition to Rs 5,348.68 crore allocated for Security Related Expenditure.

As of December 31, 2022, the Jammu and Kashmir Government has already received reimbursements from the central government. Specifically, Rs 308.98 crore has been reimbursed under Security Related Expenditure (Police), and Rs 198.62 crore under Security Related Expenditure (Rehabilitation and Relief). Furthermore, Rs 2.51 crore has been disbursed under the Security Related Expenditure (Security Environment) Scheme during the fiscal year 2022-23.
Given the persistent challenge of militancy in the region, a Security Related Expenditure (SRE) scheme for Jammu and Kashmir was initiated in 1989-90. This scheme facilitates reimbursement of 90% and 100% of incurred expenses.

The SRE (Police) component aims to support the logistical needs of the Jammu and Kashmir police force in countering militancy, while the SRE Relief & Rehabilitation (R&R) program focuses on aiding the relief and rehabilitation of Kashmiri migrants displaced during the period of militancy, among other initiatives.

Over nearly three decades, Jammu & Kashmir has faced a prolonged wave of terrorism and secessionist violence, often fuelled by external sources. In 2018, the region saw 228 terror-related incidents, 189 encounters or counter-terrorism operations, resulting in the loss of 91 Security Forces (SFs) members and 55 civilians. However, 257 terrorists were eliminated, reflecting relentless efforts to combat insurgency.

Subsequent years also presented security challenges. In 2019, there were 153 recorded incidents of terror, with 102 encounters, resulting in the loss of 80 SFs personnel and 44 civilians, while 157 terrorists were neutralized. In 2020, 126 terror incidents were recorded, with 118 encounters, resulting in 63 SFs members and 38 civilians falling victim to violence, but 221 terrorists were eliminated.

In 2021, there were 129 terror incidents and 100 encounters, with 42 SFs personnel and 41 civilians losing their lives, while 180 terrorists were neutralized. In 2022, there were 125 recorded incidents of terror, with 117 encounters, resulting in lower casualties (32 SFs and 31 civilians), but 187 terrorists were eliminated.

The report also highlights the evolving patterns of infiltration. In 2017, Jammu and Kashmir reported 419 infiltration attempts, followed by 328 in 2018, 216 in 2019, 99 in 2020, 77 in 2021, and 53 in 2022. Additionally, the data indicates that the number of net estimated infiltration attempts exhibited a similar trend: 136 in 2017, 143 in 2018, 141 in 2019, 51 in 2020, 34 in 2021, and 14 in 2022. http://risingkashmir.com/over-rs-15000-cr-spent-on-jk-security-in-34-years-mha-report-88ccbc73-a4d3-4693-8f88-81947a5f721b

14. Mass ageing poses a challenge we've never faced before *(livemint.com)* 10 Oct 2023

The data is staring hard at us and we had better start trying out a variety of solutions

The world is ageing rapidly. In 2022, there were nearly 800 million people aged 65+ years, globally, representing 10% of the world's population. This is likely to increase by 5-6% every 30 years to reach 16% by 2050 and nearly 1 in 4 people by the end of the century. The wider implications of ageing societies will increasingly occupy our mind-space in the decades to come.

What's fast becoming a reality is that ageing is the dominant global demographic trend. Rapid and accelerating ageing is taking place on account of declining fertility, increasing longevity and the movement of large cohorts into the ranks of the elderly. The population structure has changed substantially over the years. Global life expectancy has more than doubled over the last century and is expected to continue climbing along that path. At the same time, fertility has dropped in every country around the world. In many developed countries, fertility rates, recorded as number of births per woman, have dropped to nearly 1.3 or lower. South Korea recently reported a fertility rate of 0.9. India's fertility rate has more than halved to 2.0 in just four decades.

The power of this mega-trend is so great that even a global event like the covid pandemic has only slightly affected population size and growth, despite an estimated 15 million direct and indirect covid-related deaths and a two-year decline in life expectancy for the duration of the pandemic. Any long-run impact on fertility from the outbreak of Sars-CoV-2 is still uncertain.

All countries face major challenges to ensure that their social and health systems are prepared for this change. The shift in age distributions began in high-income countries like Japan and Germany, but it is now low and middle-income countries that are experiencing the biggest changes. By the middle of this century, two-thirds of the elderly will live in low and middle-income countries. Since this is happening over the same time span as climate change, it will add to the financial burden of each country at a time when their resources are already stretched.

There are opportunities and challenges that arise from this dramatic shift. As societies age, it offers an opportunity to tap the experience of elderly individuals who possess a wide range of functional capabilities. If done systematically and creatively, what might otherwise be perceived as a liability can be converted into an asset. The biggest challenges, of course, are related to income security, healthcare (and related costs) and, no less importantly, ensuring lives of dignity for the elderly.

Many in India probably consider this issue as one for the future. Au contraire, India already has the second largest population of elderly folks at nearly 100 million. By the end of this century, that number will rise to 330 million people, nearly the same as the population of the entire US today. With that size, issues of elder care, health systems and income and pension security are already upon us.

The 'wicked' problem for India is that even as the country works on the important issue of providing employment to young persons, it will need to consider extending the retirement age, increasing what employers put in for pensions, and providing incentives for household savings and elder care.

The issue is further complicated by the fact that there is a stark difference between states in demographic structure. Many of the states with higher GSDP per capita, like Maharashtra, Tamil Nadu, Gujarat, Karnataka and Kerala, have fertility rates well below 2.0, while Uttar Pradesh (UP) has a fertility rate of 2.4 and Bihar (highest of all states) of 3.0. While the median age of India will rise from the mid-twenties to the mid-thirties over the next decade, Tamil Nadu and Maharashtra will be closer to 40 and Bihar and UP closer to 30.

Additionally, women outlive men by about 3-4 years on average, which compounds the income security problem.

Like many other developing countries, India is underprepared for this complex demographic evolution. Defined benefit pensions (DB, where benefits of income and healthcare are assured) have given way to Defined Contribution plans (DC, where tax-advantaged contributions are made). DB plans are unaffordable to employers and DC plans are generally insufficient to cover the cost of increases in lifespan. The net result is a household deficit for elder care. As the absolute number of school-going children reduces in some states, schools will need to be closed and hospitals opened instead.

A whole range of solutions will need to be tried. The first is to increase the productive lifespan of people by gradually raising the retirement age, so that in both full-time and freelance capacity, the elderly can contribute and in turn receive some income security. Healthcare and wellness will need to be strengthened from birth to old age including early-motherhood prevention and mitigation of lifestyle diseases like diabetes and hypertension. A 'calorie' mindset should give way to a 'balanced nutrition' mindset; all this to increase 'health spans' and lessen the financial burden on households and society at large. An increase in permissible contributions to DC plans will be required, so that the magnitude of savings work for longer lifespans.

As it happens, humankind has never faced this problem before. https://www.livemint.com/opinion/online-views/mass-ageing-poses-a-challenge-we-ve-never-faced-before-11696937133468.html

15. In the works since 2010, Jangpura parking still unfinished *(hindustantimes.com)* Oct 11, 2023

The Jangpura multi-level parking project – in the works since 2010 – is expected to witness another delay as the Municipal Corporation of Delhi's (MCD's) revised assessment of the project now indicates that an additional ₹20 crore is needed to complete it.

This, after the a dispute between the contractor and the MCD paused work. The three-storey underground parking project, with a holding capacity of 308 vehicles, is located near Jangpura block-A and Jangpura Extension in south Delhi. A local resident said there has been no work at the parking for the past at least three years.

Ahead of the 2010 Commonwealth Games (CWG), the unified MCD had commissioned nine such parking projects in the city, including the one in Jangpura. Of the nine parking lots, those in Hauz Khas, Subhash Nagar, and New Friends Colony are currently functioning in the city.

A senior MCD official, overseeing the parking development projects in Delhi, said that the work on the underground parking lot in Jangpura could not be completed due toa dispute with the contractor. "We have blacklisted the company and forfeited its security deposits. The matter is also being pursued legally. A penalty of around ₹5.5 crore has been imposed on the company, and we are planning to float the tenders to hire a new company to complete the project," the official stated.

Since work began on this project over a decade ago, it's been marred by several delays, especially between 2016 and 2108, mostly due to disputes between the erstwhile South Delhi Municipal Corporation (SDMC) and the contractor over payments.

The MCD has faced flak from affected residents of Jangpura over this delay, as the project was supposed to be completed by 2014. Anil Goswami, a resident, said, "This pending project needs immediate attention as the site is full of filth and gets inundated with stagnant water during the monsoon."

The initial estimated cost was ₹36 crores and it has seen multiple revisions.

The MCD official told HT that as per the revised estimates prepared by the remunerative projects cell of the MCD, the revised cost of the project is estimated to be Rs127 crore. "The previous contractors have completed development work worth around ₹108 crore and we will have to float tenders for completion of remaining work which will come out to be around ₹20 crore," he added. The civic body will need approval of the standing committee for revised expenditure.

Interestingly, while the project missed the 2014 deadline, it did get partially "inaugurated" ahead of the 2017 MCD elections. The event was attended by Shyam Sharma, then mayor of South MCD Shyam Sharma; Mahesh Giri, member of Parliament; Ajay Maken, the-then Delhi Congress chief; and Sandeep Dikshit, MP, as indicated in the black granite plaque outside the locked gates. The parking lot, however, has not been open for a single day to residents.

Rajender Chaudhary, a security guard employed at the nearby Bhogal market, spoke about the 2017 "inauguration" of the parking lot. He said, "Once the 2017 MCD polls were over, it was back to square one. The market has never been able to reach its full potential due to the lack of parking space. The whole area is jam-packed in the evening, and it takes hours to get out here."

Praveen Arora, who heads the Jangpura-A residents welfare association (RWA), laments how it's become difficult for residents to park their own cars in front of their homes. "People visiting the market or a bank nearby park their car outside our homes and we are left to scramble for space. There are increased arguments among neighbours and finding parking space remains a headache, even as a solution sits right in front of our eyes," he said.

The gates of the parking lot are locked, and vehicles are parked in a haphazard manner outside it. The inner colony roads in Jangpura-A and Jangpura Extension are crammed with vehicles that encroach half the road. Meanwhile, traffic from the busy Bhogal market nearby adds to the pressure on the limited space.

Residents rue that over the years, the colony has turned into a giant, unregulated parking lot. HT found out that while most of the structure of three-storey underground facility is complete, electrical equipment and the air circulation system haven't yet been put in place.

The lower levels of the parking lot are plunged in darkness, with garbage left over by people who've illegally broken into the facility. The ground floor of the parking lot is being used by washermen to dry clothes.

Residents complain that the project has also led to the neighbourhood losing its green space. Laxmi Narayan, general secretary of the Bhogal-Jangpura RWA, said that the parking area under construction used to be a green patch with a dispensary earlier. "In response to an RTI that we had filed, the MCD stated that 84 fully grown trees were chopped for the project... We just can't understand why this project is stuck" he said. https://www.hindustantimes.com/cities/delhi-news/in-the-works-since-2010-jangpura-parking-still-unfinished-101696961359348.html