

## **NEWS ITEMS ON CAG/ AUDIT REPORTS**

### **1. Our cities are struggling; what do BJP and Congress manifestos promise them? ([citizenmatters.in](http://citizenmatters.in)) April 17, 2024**

#### **What do BJP and INC manifestos have on key urban issues such as water, mobility and healthcare? Will their agenda make our cities more liveable?**

As the Lok Sabha 2024 election is underway, political parties have released their election manifestos. What do the parties promise for us urban residents? How do they plan to make our cities sustainable and liveable?

#### Why cities matter

-In 2022, approximately a third of the total population in India lived in cities. The trend shows an increase in urbanisation by more than 4% over the last decade, which means that people have moved away from rural areas to find work and make a living in the cities.

-The demographic dividend of India is significant, with 65% of its population being below the age of 35 years.

-Unemployment rate in February, 2024 was at 8%, according to Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE's) Consumer Pyramids Household Survey.

Workers are increasingly migrating to urban areas that face various challenges related to natural resources, amenities and services. In light of this, we examine the political parties' manifestos to understand their proposed solutions. Our analysis specifically focuses on their policies concerning healthcare, urban development, and water management.

#### Urban issue #1: Healthcare

When it comes to the health of urban populations and the major challenges that the sector faces, here are some of our key findings:

-Bengaluru: The city witnessed over 4,000 cases and several deaths due to dengue last year. At 4.08, Karnataka tuberculosis (TB) prevalence (P:N) ratio is far higher than the national average of 2.84, Bengaluru recorded a rise of 17% of the notified cases.

-Chennai: Despite experiencing heat-related health issues and high workloads, nurses in Chennai receive no support to brave extreme heat conditions. Climate change is wreaking havoc around the world. Now, research has found that climatic factors play a role in tuberculosis infections in Chennai.

-Mumbai: Mumbai witnessed an increase in monsoon maladies, rising TB – 65,617 cases were detected in Mumbai in 2022. Over 40% of Mumbai students suffer from anxiety, depression, and related mental health issues.

BJP has claimed that 34+ crore citizens are receiving free health insurance of Rs 5 lakh under Ayushman Bharat, but data proves otherwise.

According to a paper published by Ashoka University, however, Indian households spent an estimated Rs.120 billion on health and healthcare-related services in November 2022. Government spending on healthcare remains low in India as compared to global standards, resulting in high reliance on the private sector and high proportions of out-of-pocket expenditures by households. Compared to the global average of 18%, Indians spend close to 55% of all expenditure on health, which is financed out-of-pocket.

So, what are the key agenda items for the sector that the two main contenders in the upcoming general elections — the Bharatiya Janata Party (BJP) and the Indian National Congress (INC) — have laid out in their manifestos?

<b>BJP promises on health and related issues</b>	<b>INC promises on health and related issues</b>
<ul style="list-style-type: none"> <li>• Expand the Ayushman Bharat Yojana to cover senior citizens.</li> <li>• Strengthen and expand Ayushman Bharat programme</li> <li>• Expand schemes for women to prevent and reduce anaemia, breast cancer, cervical cancer and osteoporosis; a focused initiative to eliminate cervical cancer</li> <li>• Make sanitary pads available at 1 Rupee</li> <li>• Strengthen traditional practices, including yoga and meditation. Enhance the scope and coverage of mental health initiatives like Manas and Manodarpan</li> <li>• Enhanced training capacity for paramedics, technicians, pharmacists and nurses</li> <li>• Support 'Bharatiya' vaccine manufacturers and biopharma companies to boost production and distribution</li> <li>• Emergency and Trauma Care Mission for immediate and effective care to trauma patients</li> <li>• Increase the number of UG and PG seats in medical education. Strengthen AIIMS network</li> <li>• Work towards elimination of malnutrition among tribal children and of sickle cell anaemia</li> <li>...and more</li> </ul>	<ul style="list-style-type: none"> <li>• Increase budget allocation for health annually, to achieve 4% of total expenditure by 2028-29</li> <li>• Rajasthan model of cashless insurance up to Rs 25 lakh</li> <li>• Maternity benefits for all women and mandate paid maternity leave by all employers</li> <li>• Double the number of Anganwadi workers and creation of additional 14 lakh jobs</li> <li>• Double central government contribution to the pay of frontline health workers (such as ASHA, Anganwadi, Mid-Day Meal cooks, etc.)</li> <li>• National Mission on Immunisation to ensure 100% of children are immunised within 5 years of age</li> <li>• Extend the mid-day meal scheme up to Class XII to fight nutritional deficiency</li> <li>• Fill all vacancies in medical and paramedical posts in public health institutions and in medical colleges in three years; establish a government medical college-cum-hospital in each district</li> <li>• Review the National Medical Commission (NMC) Act and ensure full autonomy for the NMC to carry out the obligations under the Act</li> <li>• Support all medical systems and scrutinise all medicine manufacturers to ensure quality and good manufacturing practices</li> </ul>

#### Urban issue #2: Water management and sanitation

According to a Central Ground Water Board (CGWB) report, 'Dynamic Ground Water Resources Assessment of India – 2022', the overall stage of groundwater extraction in the country is 60.08%! According to the World bank, India is home to 18% of the

world's population, but only 4% of its water resources, placing it among the most water-stressed countries in the world.

Here is how the water situation is in cities we looked at:

-Bengaluru: Karnataka has declared drought in 223 out of 240 taluks. Bengaluru has been facing severe water shortage forcing The Bangalore Water Supply and Sewerage Board (BWSSB) to implement restrictions, such as banning the use of portable water for non-potable use, and implementing measures to conserve water such as fixing aerators and re-use of treated water for construction, etc. In 2022, the city experienced severe flooding.

-Chennai: Illegal extraction and poor rainwater harvesting affect groundwater in Chennai. There are issues with water supplied from the Nemmeli desalination plant. A city plagued with cyclones and other weather vagaries is in urgent need for an integrated water management system to prevent floods and drought.

-Mumbai: Water crisis is deepening gender inequality. Despite promises by political parties, annual Mumbai floods are still a problem. The impact of climate change in Mumbai will increase, according to a new report.

What do the manifestos of BJP and INC say about solving water-related issues?

<b>BJP agenda for water-related issues</b>	<b>INC agenda for water-related issues</b>
<ul style="list-style-type: none"><li>• Revive water bodies as part of overall thrust on sustainable and people-friendly cities</li><li>• Create water-secure cities, leveraging best practices for wastewater treatment, aquifer recharge and smart metering for bulk consumers.</li><li>• Create a curriculum for urban governance that will include urban water management</li><li>• Revitalise rivers</li><li>• Support state governments in developing systems to treat water contamination; ensure comprehensive water quality management</li><li>• Ensure clean drinking water, Har Ghar Nal se Jal, for all households; use technology to reduce water wastage</li></ul>	<ul style="list-style-type: none"><li>• Work with state and local governments to stop discharge of effluents into rivers and water bodies; Discharge of any kind of effluent into rivers will be prohibited by law</li><li>• Expand the remit of Ministry of Jal Shakti and bring all water-related activities and departments under one authority.</li><li>• Implement a nationwide plan to provide potable water in all cities</li><li>• Mandatory water harvesting; Desalination plants in coastal areas</li><li>• Collaborate with states to create comprehensive underground drainage network and safe disposal of sewage in all towns and municipalities in 10 years</li><li>• Focus on storage in dams and water bodies, and on replenishing groundwater. Create a large participatory water management programme</li></ul>

Urban issue #3: Overall city governance

Urban development in India is a multifaceted challenge, encompassing the need for improved mobility and sustainable transportation, robust infrastructure, and efficient waste management.

Here are some of the key issues plaguing our cities:

-Bengaluru: A long pending, yet key demand has been the implementation of the 74th Amendment. The last municipal election was in 2015, the city has been functioning without an elected municipal government for the last 4 years now. Poor implementation of Smart city projects.

-Chennai: Civic organisations in Chennai have voiced several concerns and put forward demands for clean air, better mobility, housing and fisher welfare.

-Mumbai: This city, too, has been waiting for civic body elections for over two years now. Several Metro lines have been commissioned, but it has not resulted in reduced traffic and last mile connectivity continues to be a problem for Mumbaikars. Toll charges are adding to their travel costs.

The Comptroller and Auditor General of India (CAG) Audit report flagged urban local bodies (ULBs) as being powerless and cash-strapped. ULBs, of which the Mayor is the head, are powerless. The Mayor's short tenure further prevents him/her from making any meaningful contribution. The 74th Amendment was meant to devolve powers to the ULBs but successive governments have done little to implement it; some manifestos even promise devolution of powers, but only on paper.

Centre-State relations in India have been a topic of intense discussion, particularly with some southern states expressing discontent. The issues often revolve around financial allocations, and the perceived encroachment of the Centre on state powers. Concerns abound over the distribution of resources.

But even with these issues calling for urgent attention, the manifestos of the two largest parties seem to lack a clear roadmap on many of the gaps that cities experience today. Here are their key agenda items for overall urban improvement:

<https://citizenmatters.in/bjp-congress-manifestos-promise-for-urban-india/>

## **2. Maharashtra's Marathwada region faces another drought year ([groundreport.in](https://groundreport.in)) 17 Apr 2024**

The Marathwada region's water levels dropped from one to three to four metres between 2014 and 2019. Marathwada lies in the southeastern part of the state of Maharashtra.

Marathwada lies in the southeastern part of the state of Maharashtra. It covers eight districts – Aurangabad, Beed, Jalna, Latur, Nanded, Osmanabad, Parbhani and Hingoli, with a population of approximately 18 lakhs (1.8 million). Earlier, we reported that Maharashtra experienced 49 per cent less rainfall from January to February 2024, with the most affected districts being in Marathwada.

The districts in this region experienced 100 per cent less rainfall than normal. Meanwhile, Nanded and Jalna received 49 per cent and 38 per cent less rainfall respectively. Cyclical drought is a common occurrence in this region. In 2019, more than 151 talukas of the region were declared drought-ridden. According to the

Groundwater Survey and Development Agency, the region's water levels dropped from one to three to four metres between 2014 and 2019.

The JalYukt Shivar Abhiyaan was launched in 2015 by the Maharashtra government, to make the state "drought-free by 2019". To build cement chain canals, deepen canals and nullahs, increase water storage capacity, and promote tree plantations, among other things, the government initiative spent Rs. 9,633 crore (Rs. 96.33 billion). A Comptroller and Auditor General of India audit report criticised the lack of proper implementation of the scheme stating there was "inadequate monitoring by the state water conservation department of the project." It also questioned how the money was used.

No water around

On 30 September 1993, within a few seconds, Killari, a village on the north bank of the Tirna River in central India, along with scores of others, was reduced to rubble. Ten thousand people died in the worst earthquake disaster to hit India in over half a century. At the time of that earthquake, Pradeep Balkunde's village Kaddora in Osmanabad district (now Dharashiv) was also destroyed. He recalls,

"This village had shifted to around 1 km downwards, due to the earthquake that year, now the water-bodies here do not hold much water."

Navchaitanya Manch is an informal organisation with a collective of at least 50 people from the village, of which Balkunde is a part. The organisation is actively working to dig wells and bunds in the village.

"I have been working for water since 2016, today we get 4-5 tankers a day from the government. People here majorly grow sugarcane and wheat which require intensive water," he informed Ground Report.

Sanjay Shinde, a farmer from Neknoor village of Beed district is facing a challenge to grow Bajra and Jowar year after year. He said,

"This year we have grown approximately 30% less of both crops compared to last year. The situation is severe and people are even forced to sell their cattle stocks at cheap rates."

Government's failure to provide relief

A paper by Watershed Organisation Trust analysed a farm pond scheme and observed that farmers, to fill up their ponds, ended up exploiting groundwater further. "The long-term strategy should be to limit the number of farm ponds, regulating their size, and most importantly ensuring that groundwater is not extracted to be stored in farm ponds," the paper noted.

Climate change is making the state more vulnerable. Maharashtra has experienced a seven-fold and six-fold increase in drought and flood events over the past 50 years, according to a Council on Energy, Environment and Water (CEEW) report published in 2020. At least 5,000 villages experienced a drought in 2019, and over 1,300 farmers committed suicide.

Poor implementation, governance and unscientific approach to the schemes were to be blamed, according to a research paper Challenging Today's Water Threats for a Tenable Tomorrow: A Review of Policies and Programs in the Water Sector of Maharashtra published in March 2022. Moreover, the CAG found that groundwater exploitation increased with a spike in the number of dug wells and borewells.

“We are now forced to dig 300-400 ft borewells to get water and walk up to 3 km every day to fetch water from the drying well,” added Shinde. <https://groundreport.in/environment/maharashtras-marathwada-region-faces-another-drought-year-4485957>

### **3. Driving tests in Kerala: AG's audit report exposes glaring deficiencies ([english.mathrubhumi.com](https://english.mathrubhumi.com)) 18 April 2024**

Kottayam: An audit report submitted by the Principal Accountant General (AG) to the transport commissioner has exposed significant shortcomings in driving test facilities across Kerala. It marks the first such inspection in Kerala conducted by the AG in the interest of road safety.

The report, based on last year's inspections of 37 testing grounds in Kozhikode, Palakkad, Ernakulam, Pathanamthitta, and Thiruvananthapuram districts, revealed glaring deficiencies. Shockingly, 34 of the examined grounds lacked a parking track alongside the mandatory H track.

Furthermore, seat belts were not utilized during tests at 31 grounds, potentially compromising safety standards. This oversight allows test-takers to manipulate the H track by looking back, as noted in the report.

Moreover, the audit highlighted that 20 testing grounds failed to enforce helmet usage during two-wheeler tests, while an equal number conducted road tests within the premises.

Of particular concern, 15 vehicles utilized for these tests lacked insurance coverage, with seven lacking valid pollution test certificates. Additionally, 16 driving school instructors were observed intervening during tests, undermining the integrity of the evaluation process. Shockingly, only 12 grounds provided basic facilities such as drinking water and restrooms.

According to regulations, individuals obtaining learner's permits should receive mandatory road safety instruction. However, a staggering 23 grounds failed to provide even this fundamental awareness session. <https://english.mathrubhumi.com/news/kerala/driving-tests-are-ineffective-reads-audit-report-of-ag-1.9493387>

### **4. Less than 40% consumers in Hyd have water ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) April 17, 2024**

Hyderabad: Out of 13.5 lakh consumers in the city, a mere 5 lakh consumers have water meters, records with the Hyderabad Metropolitan Water Supply and Sewerage Board



(HMWS&SB) show. These figures reveal how Hyderabad stands in comparison to others cities such as Bengaluru, where 80% of consumers have meters.

Incidentally, as the city faces water scarcity with peak summer setting in, the Hyderabad Water Board is providing 580 million gallons water a day (MGD) to meet the needs of a 1.3crore population.

The Bengaluru water board in contrast supplies only 320 MGD to meet the needs of the same number of consumers. Officials say the lack of metering is also leading to huge revenue loss for the HMWS&SB.

Not just this, figures from an audit report for 2021 by the Accountant General, Telangana, also reveal the need to improve use of water meters in the city. The report shows that about 82% of Consumer Account Numbers (CANs) either did not have water meters installed or had meters that were not in working condition.

Despite attempts made by the HMWS&SB to encourage metering, they have not been able meet their target. “We have organised special camps across Greater Hyderabad, but received a lukewarm response,” a water board official said. The month-long drive saw only a lakh consumers come forward and give consent to use meters. Officials also blame ‘political interference’ during election period for inability to enforce metering.

A senior HMWS&SB revenue official also admitted to other issues. “Most consumers have mechanical water meters and are issued monthly bills based on the meter reading. While over 80% of bills are issued with accurate meter readings, in about 20% of the cases there is difficulty in accessing the meters. Reasons for this include consumers’ premises being locked, consumers not being available at premises, and consumers not allowing the meter readers to note down readings,” said the official.

While Water Board strives to boost metering, some resident welfare associations — especially in areas such as Kukatpally, Begumpet, Secunderabad, LB Nagar — have pointed out they have been facing issues of durability. “The meters often get stuck and become dysfunctional if clogged in rains. Whenever the meters don’t function, HMWSSB issues monthly water bills based on average consumption,” said one RWA member. <https://timesofindia.indiatimes.com/city/hyderabad/less-than-40-consumers-in-hyd-have-water-meters/articleshow/109359771.cms>

## **SELECTED NEWS ITEMS/ARTICLES FOR READING**

### **5. Fiscal democracy ([financialexpress.com](https://www.financialexpress.com)) April 18, 2024**

**Kelkar is right in denouncing high GST rates, and seeking larger fiscal roles for states and local bodies.**

Former finance secretary Vijay Kelkar has recently renewed his pitch for simplification of the “unnecessarily complex” structure of India’s Goods and Services Tax (GST) and called for further democratisation of its administration, and the resource-sharing mechanism. His preference for a single GST rate (12%) hogged the headlines, but a few other suggestions made by the veteran policymaker need greater attention. Kelkar has virtually debunked the practice of setting tax rates “largely with the objective to

maintain revenue neutrality”. He called this “counter-productive”, and pointed out that high rates would make it lucrative for the fraudsters to evade taxes. This is when policymakers in the saddle are contemplating to raise the average GST rate by a substantial 5-6 percentage points to the so-called “revenue neutral rate” (which means rate increase for a broad set of goods). Kelkar also advocated “equitable” sharing of GST proceeds among the three tiers of government that includes the local governments (gram/block/zilla panchayats and municipal corporations), and a larger role of states in the GST Secretariat.

These are sage counsels, and would require to be acted upon with a sense of urgency by the new government after the polls, if India were to take its indirect tax reforms to its “natural destination”. Unlike many others, Kelkar doesn’t seem to think that wholesale rate hikes are indispensable to improve the tax-GDP ratio. Bibek Debroy, chairman of the Economic Advisory Council to the Prime Minister, too, had underlined the need for a less complex, single-rate GST, but he said, “We must either be willing to pay higher taxes or settle for reduced delivery of public goods and services.” Debroy feels that the continuing wide gap (8% of GDP) between tax revenues and the requirement of government spending on infrastructure, education, healthcare and defence, would need to be resolved without any further delay, and this might also need higher tax rates.

Evidence shows revenue mop-up doesn’t require loading (high) taxes onto a narrow base, but a broader base for the levies. Several countries including Japan, South Africa, and Malaysia that have embraced GST regimes over the last decade and more, have kept rates low and bases wide, and seen rise in revenue buoyancy. A broader and enduring consumption revival is essential for meeting India’s goal of sustainable 7%-plus economic growth. The country can’t afford to jack up prices with higher indirect taxes, which are, by nature, regressive.

Come July, India’s GST will have completed seven years, but the tax reform won’t have yet yielded much incremental fiscal or economic dividends. The GST-GDP ratio remained a lowly 6.2% for five years, and improved to 6.6% in 2022-23, and further to 6.9% in 2023-24. Despite the revenue guarantee enjoyed by them during the first five years of GST, state governments’ “own tax revenues” have stagnated at 6-7% of GSDP over the last decade. The growths envisaged by the last two Finance Commissions (FCs) on tax devolution haven’t been achieved either. During the first four of the 15th FC’s six-year award period, states have lost around Rs 65,000 crore as grants. The local bodies are left high and dry, even though the Constitution was amended three decades ago to empower them fiscally. Kelkar is right when he says that, to deepen democracy and governance at the grassroots level, the states’ say in GST administration, and local bodies’ fiscal base must both increase. But differential tax rates still have relevance for India. <https://www.financialexpress.com/opinion/fiscal-democracy/3460234/>

**6. Raghuram Rajan calls for focus on human capital to maximise India’s demographic dividend ([thehindubusinessline.com](https://www.thehindubusinessline.com))** Updated - April 17, 2024

**Rajan highlighted the importance of job creation and enhancing capabilities to create a more productive workforce**



India is not reaping the benefits of democratic dividends, former RBI governor Raghuram Rajan said Tuesday, emphasizing that there is need to focus on improving the human capital and enhancing their skill sets.

“I think we are in the midst of it (democratic dividend), but the problem is we are not reaping the benefits,” Rajan said at a conference on “Making India an Advanced Economy by 2047: What Will it Take” at the George Washington University here.

“That's why I said 6 per cent growth. If you think that's about what we are right now, take away the fluff in the GDP numbers. That 6 per cent is in the midst of a demographic dividend. It is much below where China and Korea were when they reaped their demographic dividend. And that's why I'm saying we are being overly complicit when we say this is great. This is not because we are losing the demographic dividend because we are not giving those guys jobs,” the former RBI governor said.

“And that leads us to the question, how do we create those jobs? The answer to my mind is partly enhancing the capabilities of the people we have, partly changing the nature of the jobs that are available and we need to work on both fronts.

“This idea of apprenticeship, which the Congress has in its manifesto is worth working on. I think there's a lot that needs to be done to make it effective, but we need many more students to at least be capable of doing a good job,” Rajan said, adding that there also needs to be focus on job creation.

Rajan was critical of India spending billions of dollars on chip manufacturing. “Think about these chip factories. So many billions going to subsidise chip manufacturing,” he said, adding that a number of job intensive areas like leather are not doing good.

“We are going down in those areas. No wonder we have more of a job problem. The job problem was not created in the last 10 years. It's been growing over the last few decades. But if you neglect the areas which are more intensive, I'm not saying we need to now offer subsidised subsidies to leather examples, but figure out what's going wrong there and try and rectify that,” he said.

Innovators eye global markets

Responding to a question, Rajan said a lot of Indian innovators now are going to Singapore or to Silicon Valley to set up because they find access to the final markets much easier there. “We need to ask what is it that forces them to go outside of India to set up rather than stay inside India? But what is really heartwarming is talking to some of these entrepreneurs and seeing their desire to change the world and increasingly many of them are not happy staying in India,” he said.

“They want to actually expand more globally. I think there is a young India that has a Virat Kohli mentality. I'm second to none in the world,” Rajan said.

Earlier in his presentation, Rajan said regardless of whether one picks services, manufacturing, agricultural construction, India has a problem.

“And this is so well known, I don't need to elaborate. Unemployment numbers are high, disguised unemployment is even higher, labor force participation is low, female labor

force participation is really alarmingly low...the share of agriculture and jobs is increasing in recent times. Of course all this is exhibited in highly educated unemployment and massive numbers of people applying for government jobs. PhDs applying for jobs as peons in railways,” he said.

“Even as this is happening. Even as we have a massive labour which is unemployed, we have the capital intensity of manufacturing steadily going up,” Rajan said. <https://www.thehindubusinessline.com/economy/raghuram-rajan-calls-for-focus-on-human-capital-to-maximize-indias-democratic-dividend/article68074634.ece>

## **7. Union Govt Spent Rs 14 Cr of Taxpayers' Money on Running the Electoral Bond Scheme: RTI ([thewire.in](http://thewire.in)) 17 April 2024**

It may be noted that the cost of printing and managing these bonds was not borne by the donors or the recipients but by the government and, by extension, the taxpayers.

The Union government has incurred a bill of nearly Rs 14 crore, to be paid with taxpayers' money, on printing and managing electoral bonds according to data revealed in response to a Right to Information (RTI) query filed by transparency activist, retired Commodore Lokesh Batra.

Of the total, Rs 12,04,59,043 has been charged as ‘commission for the sale of electoral bonds’ over 30 phases while Rs 1,93,73,604 account for the printing costs of the bonds. The commission amount refers to the money charged by the State Bank of India to sell and manage the electoral bonds. An additional Rs 6,720 has been levied for ‘device to verify Mask-A print security’, the Department of Economic Affairs’ RTI response said.

Nashik-based India Security Press, tasked with printing these bonds, also revealed the denomination-wise breakup for printing bonds worth Rs 1,000, Rs,10,000, Rs 1 lakh, Rs 10 lakh and Rs 1 crore.

- 2,65,000 electoral bonds of Rs 1,000;
- 2,65,000 bonds of Rs 10,000;
- 93,000 bonds of Rs 1 lakh;
- 26,000 bonds of Rs 10 lakh; and
- 33,000 bonds of Rs 1 crore.

It may be noted that the cost of printing and managing these bonds is not borne by the donors or the recipients but by the government and, by extension, the taxpayers.

“The irony of the EB scheme is that while donors who buy bond are not required to pay any service charges (commission) to SBI and even printing cost of EBs, it is the government or ultimately, the tax-payers who bear this cost... for enabling transactions of ‘anonymous tax-free funding’ to political parties through the opaque Electoral Bonds Scheme 2018,” Batra said.

“In addition, there is a huge amount being spent on the use of government machinery and manpower for managing and operating EB scheme for the tax-free benefits of political parties at the tax-payers cost,” he added.

An earlier RTI filed by Batra also revealed that the Narendra Modi government printed 8,350 electoral bonds of Rs 1 crore each in 2024 alone, after the Supreme Court had already reserved its verdict on the constitutionality of the scheme in November 2023.

The cost of printing one electoral bond comes to Rs 25, with an additional 6% GST charged both by the Centre and the state governments, The Wire had reported.

The Supreme Court on February 15 had struck down the electoral bonds scheme. While calling it unconstitutional and in violation of the voters' right to this information, the court had directed the SBI to furnish the details of the bonds to the EC. <https://thewire.in/government/union-govt-spent-rs-14-cr-of-taxpayers-money-on-running-the-electoral-bond-scheme-rti>

## **8. Government's Aggressive Debt Reduction Plan for NHAI, To Fast-Track India's Highway Growth ([swarajyamag.com](https://www.swarajyamag.com)) Apr 18, 2024**

India's National Highway Authority of India (NHAI), the backbone of the country's road transport infrastructure, faces a significant challenge: a staggering Rs 3.4 trillion debt.

This burden restricts the agency's ability to invest in new highway projects and improvements, hindering economic growth and connectivity.

The government's ambitious goal is to reduce NHAI's debt by a substantial Rs 50,000 crore to Rs 75,000 crore annually over the next five years. This aggressive target, if achieved, would transform NHAI into a debt-free entity.

### **The Debt Dilemma: Stifling Infrastructure Development**

NHAI's debt has ballooned over the past decade, jumping from Rs 24,188 crore in FY15 to its current level. This rapid rise is primarily due to heavy borrowing to fund ambitious highway development projects. While this strategy has undoubtedly expanded the national highway network, it comes at a cost, reports Mint.

A large portion of NHAI's budget, estimated at over Rs 30,000 crore in FY24, is currently allocated towards servicing this debt, leaving less for crucial infrastructure projects. This debt burden creates a vicious cycle, limiting NHAI's ability to generate revenue through tolls and user fees, further hindering its capacity to invest in new projects and improvements.

### **A Multi-Faceted Approach to Debt Reduction**

Recognising the urgency of the situation, the government has formulated a comprehensive plan to tackle NHAI's debt. This plan utilises a combination of financial instruments and strategies:

**Strategic Prepayment:** The government will prioritise the retirement of bonds maturing between 2025 and 2030. This will free up a significant amount of resources currently allocated towards debt servicing. Additionally, negotiations are underway

with long-term bondholders to explore early exit options, potentially accelerating debt reduction.

**Debt Swapping for Savings:** NHAI currently holds a mix of debt instruments with varying interest rates. The government plans to strategically swap high-interest debt with lower-interest loans. This will significantly reduce the overall debt servicing cost, freeing up more funds for infrastructure development.

**Unlocking Revenue Streams with InvITs:** Infrastructure Investment Trusts (InvITs) are financial instruments that pool money from investors and invest it in income-generating infrastructure assets like roads and bridges. The government plans to leverage InvITs to raise additional capital. The revenue generated by these investments can then be used to further reduce NHAI's debt burden.

**Increased Budgetary Allocation:** While NHAI has traditionally relied on borrowing to fund its projects,