NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Railways Unlikely to Meet Asset Monetisation Targets by 2024-25: Report *(thewire.in)* Updated: 16 Oct 2023

'Deccan Herald' reports that the Railways has 'been able to achieve only a lower single-digit percentage of its goal.'

The Indian Railways is unlikely to meet its asset monetisation targets for the four-year period ending 2024-2025, Deccan Herald has reported.

The NITI Aayog-developed 'National Monetisation Pipeline', brought in 2021-22, estimated an aggregate asset monetisation potential of Rs 6 lakh crores through core assets of the Union government, over a four-year period, from FY 2022 to FY 2025.

Among the top five sectors in focus were the Railways, which aimed for the second largest target – 25% of the Rs 6 lakh crore or Rs 1.52 lakh crore.

The report quotes sources as having said that the current realisation remains "short of aspiration at Rs 20,000 crore per year."

"Figuratively, it managed asset monetisation of around Rs 30,000 crore against the target of Rs 57,222 crore in FY23," the report says.

The report notes that the Railways had planned to redevelop 400 stations, privatise of 90 trains and 15 railway stadiums. In fact, development of stations is a significant part of monetisation plans, over 50%.

The report also has it that according to the NITI Aayog, the government has monetised assets worth Rs 26,000 crore during FY24 against the target of Rs 1.6 lakh crore for the current fiscal.

Former senior officials at the Railways told DH that the sector has got a bit of a leeway from the government and that other sectors have done better. The Wire has reported how the mining industry – which is one of the core industries of the economy – has been making up for the poor show of the Railways.

In January this year, Financial Express had reported that the Railways, telecom and petroleum sectors are unlikely to meet their targets.

In 2021, in an interview to The Wire, former finance minister P. Chidambaram had noted that the NMP brought with itself concerns on corporate favouritism, rising costs for users and handing over strategic assets.

Meanwhile, the Comptroller and Auditor General report on the Union Government, (Railways) Railways Finances, presented to the parliament this monsoon session revealed that the Indian Railways could not generate a net surplus during 2021-22 as compared to 2020-21. It also found that the Railways incurred an additional expenditure of Rs 7,778.43 crore more than the sanctioned budget of Rs 5,7626.20. https://thewire.in/government/nmp-national-monetisation-pipeline-railways

2. PMJAY scam? More patient treated than hospital capacities in Gujarat *(gujaratsamachar.com)* Updated: 16 Oct 2023

The report of the Comptroller and Auditor General (CAG) revealed private hospitals with a capacity of 50 beds are admitting 150 patients

As the misconduct of private hospitals continues regarding Ayushman Bharat Pradhan Mantri Jan Arogya Yojna (PMJAY) in Gujarat, the report reveals admission of patients beyond the available capacity of hospital beds.

As per the report of the Comptroller and Auditor General (CAG), private hospitals with a capacity of 50 beds are admitting 150 patients for dialysis, chemotherapy, and radiotherapy.

Moreover, even the State Anti-fraud Unit (SAFU) has not investigated the misconduct and has reimbursed a huge amount of PMJAY money to the private hospitals' accounts.

Around 49 hospitals in Gujarat are said to be admitting more patients than their capacity. The national health authority has not issued the real-time numbers of the patients admitted to hospitals, the number of days of admission for each patient, or other details.

Some of the hospitals mentioned in the CAG report are:

Name of the hospital	Capacity	No of patients admitted
Agaman Dialysis Centre	9	79
Apollo Cancer Care Unit	55	240
Avishkar Dialysis Centre, Himatnagar	5	23
Saboo Kidney Care	27	77
Shaleen Health Care	38	202
Shankus Hospital	65	397
Shree Sainath Charitable Trust, Dharampur	5	39
Rajkot Cancer Society & Allied Hospitals	160	283
Karuna Trust	10	47
Sterling Cancer Hospital	72	216
Upasna Kidney Hospital	40	143
Star Hospital	65	105
Medico Multispeciality Hospital Pvt Ltd	34	97
Jamnagar Critical Care Centre Pvt Ltd	25	44
Divyam Cancer Hospital	15	23
Kidney Health- Maninagar	10	40
Bharat Cancer Hospital & Research Institute	100	161
Manav Seva Sangh Sanchalit Jivan Jyot Diagnostic and Health Centre	12	54
Madhuri Dialysis & Research Centre	6	26

Just last month, the health department levied a fine of ₹8.06 lakh to 26 hospitals in Ahmedabad in two years after 55 complaints were registered against them for heavily charging patients, as stated by Gujarat's health ministry in the assembly on Sept 14. https://www.gujaratsamachar.com/news/gujarat/pmjay-scam-more-patient-treated-than-hospital-capacities-in-gujarat

3. FCRA License Suspension: Delhi High Court Allows Centre for Policy Research to Use 25% Of 'Unutilized Funds' *(livelaw.in)* 16 Oct 2023

The Delhi High Court on Monday allowed a plea moved by India's leading think-tank Centre for Policy Research (CPR) seeking permission to utilise 25% of "unutilized funds" in the fixed deposits towards the payment of salaries of its employees.

Justice Subramonium Prasad allowed the application moved by CPR in the petition against the suspension of its licence under Foreign Contribution Regulation Act (FCRA) by the Union Government on February 27.

"Application allowed. List the writ petition for hearing on January 11," the court said. Detailed order is awaited.

As per Rule 14 of FCRA Rules, when FCRA certificate is suspended, up to 25% of the unutilised amount may be spent with prior approval of the Central Government for "declared aims and objects" for which the foreign contribution was received.

The Central Government had opposed the application and said that the unutilized amount means an amount that is unspent and funds in fixed deposits are outside its ambit.

On the other hand, Senior Advocate Arvind Datar representing CPR prayed that the funds be released as an interim measure to enable the think tank to pay salaries of its employees which were unpaid from the last six months.

"This is extremely sad. It is not an ordinary NGO. This is India's number one think tank. We started in 1973. We come under the CAG audit and the Home Ministry audit. The Home Ministry completed its audit in February 2022. The CAG audit was completed on 22.04.2022. All allegations in the show cause notice are of the year 2018, 2019 etc. Everything has been examined by CAG. Nothing wrong found," Datar had said.

The Union Ministry of Home Affairs had suspended CPR's FCRA license in February, months after surveys were conducted in the organisation's official premises by Income Tax Department.

The officials had said that the exercise was done as there was prime facie evidence that certain provisions of the enactment were not followed. After suspension, a thorough investigation will take place and further decision will be taken, the Ministry had said.

FCRA licences can be suspended for 180 days. During this time, an organisation cannot receive foreign funding and the money in foreign funding account can only be used with prior approval of the Union Government. https://www.livelaw.in/high-court/delhi-high-court/delhi-high-court-capital-tv-to-the-point-special-report-trademark-tv-today-240324?infinitescroll=1

4. Developing argumentative skills with Moot Courts *(dailypioneer.com)* 17 October 2023

In a bid to improve the argumentative skills of budding lawyers, law colleges and schools across India are choosing 'Moot Court' competitions

The syllabus of the law universities features 'Moot Court' as a compulsory topic, the marks scored in it playing a crucial role in determining the grade with which the students pass out of the LLB degree examination. Persons outside the legal fraternity or law colleges may stare back when they are asked about Moot Court. "Though Moot Courts are as important and interesting as Mathematics Olympiad, they are yet to get the public recognition. For those interested in legal affairs, this is an event equal in status to the Mathematics Olympiad," said Prof V R Jayadevan, principal, of Government Law College, Thrissur, who successfully conducted an all-India Moot Court event in his college in the last week of September.

Though planned as a low-profile event the Thrissur Moot Court Competition drew 36 teams from all over India. The winners walked away with the Justice T Ramachandran Memorial Trophy. The event saw intense competition as participating undergraduates switched over from one section of the law to another section with elan and poise.

If you ask a person without a legal background what moot court is about, chances are that you will get a grumpy look. No one can blame him/her because persons without knowledge of legal education are not at all familiar with the term. Moot Courts are simulated lessons held in law schools to make budding lawyers ready to face real-life battles in courtrooms. It is an intellectual bout conceived to test the prowess of law students in their academic pursuits.

The organisers take out subjects of national and international events, put them as a legal issue and ask the students to argue for and against the topic. Classrooms in law schools are converted into real-life courtrooms with all resplendent ambience. These bouts turn out future Jethmalanis, Servais, Narimans and Sorabjees!

Those familiar with the nuances of law and legal codes are sure to take a liking to the event. "I always feel that Moot Courts resemble Kathakali, a pantomime of Kerala, which could be enjoyed only by the connoisseurs of art. For those who are uninitiated about Kathakali, watching it is a futile exercise. There is a saying in Malayalam that watching the art form without knowing the story is a waste of time," said Parvathi Sreejth Valliathan, Assistant Professor, SRM Law School, Chennai. The Thrissur event was the 12th edition of the annual Moot Court competition held by the College. "This year we selected a topic right out of a real-life event. Dharmanchal, a State in the Union of India, enacted Dharmanchal Infrastructure Investment Fund Act 2001. The preamble of the Act states that it was expedient to constitute a fund for investment in infrastructure projects in the State. The Act was similar to the provisions of the Kerala Infrastructure Investment Fund Act 1999," explained Prof Sonia K Das, the livewire of the event.

The Comptroller and Auditor General of India took strong objections to the way the KIIFB was functioning and the availing of loans beyond the repaying capacity of the State. The Articles concerning the federal structure and the freedom of the States were used as weapons by the participants in simulated courtrooms which were presided over by judges who needled the counsels appearing for the petitioners and respondents with questions that went deep into the subject. The expressions on the faces of the audience spoke a lot. They too were taken to the hitherto undebated issues in the Indian Constitution. "Our intention is to tone up the skills of advocacy," said Prof Jayadevan.

The competition witnessed high-pitch arguments and counter-arguments. "Besides arguments, Moot Courts are the path for law students to have practical knowledge in drafting, pleading and conveyancing. The Moot Courts will intellectually stimulate students to develop skills that will be of great importance in future The participants (addressed as Mooters) should possess sharp analytical skills to dissect complex legal issues, identify key arguments and develop logical frameworks," said Parvathy Kumar, who has more than a dozen Moot Court events to her credit.

Moot Court also have a number of participants performing various tasks like researching and drafting which are put to the Court for approval/consideration. The participants are hopeful that one day they will be able to compete in the Philip C Jessup International Law Moot Court hosted in Washington DC. Considering the fact that there is no empowered body to ask the global community of nations to follow the diktat of the International Court of Justice, it is for the Gen Next to come up with ideas and solutions that make the States obey the orders issued by it. The progress made in science and technology has brought together warring nations of Europe is a hopeful signature. Let the Moot Courts flourish in India. https://www.dailypioneer.com/2023/columnists/developing--argumentative-skills-with-moot-courts.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. Weeding out fake welfare scheme beneficiaries to help save ₹18K cr *(economictimes.indiatimes.com)* Oct 16, 2023

The Centre expects to save ₹18,000 crore in the current fiscal by identifying and removing fake welfare beneficiaries across schemes. Together with states, the Centre has launched a verification drive for fertiliser subsidy beneficiaries, PM Kisan Samman Nidhi recipients and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers.

A large number of duplicate or fake beneficiaries of these schemes have already been blocked.

"We will be able to save at least ₹18,000 crore in this fiscal just on the account of weeding out fake or duplicate beneficiaries under various schemes," a senior official told ET.

So far about 17.1 million duplicate or ineligible farmers receiving PM Kisan benefits have been removed from the database.

"In last six months states and the Centre are jointly working on the beneficiary list, removing duplicate or fake beneficiaries under PM Kishan, so that the benefit should reach the right person," the official said.

The PM Kisan scheme alone will help in saving ₹9,000 crore in the current fiscal.

Under the PM Kisan scheme, smaller farmers get an annual support of ₹6,000 per year from the Centre directly in their bank account in three tranches of ₹2,000 each. Since its launch in February 2019, ₹2.40 lakh crore has been disbursed through the scheme to 11.5 crore farmers. The government has budgeted ₹60,000 crore for PM Kisan scheme for the 2023-24 financial year (FY24).

In a separate drive, fertiliser squads have been formed to check the diversion of subsidised agriculture fertilisers for industrial use.

The squad has registered about 30 first information reports after seizing 80,000 agrochemical bags and made several arrests under the Prevention of Black Marketing and Maintenance of Supplies Act. The Centre provides urea at a highly subsidised rate of ₹266 per bag (of 45 kg) to farmers. It has to bear a subsidy of about ₹2,500 per bag.

The government has earmarked ₹1.75 lakh crore for fertiliser subsidy in FY24 Budget. The Centre has indicated that India's fertiliser subsidy bill is likely to overshoot the budgeted amount by ₹40,000 crore to ₹2.25 lakh crore in FY24.

In the case of MGNREGA, the Centre had last year initiated a drive to plug in leakages by deleting almost 3.3 million duplicate or fake job cards. The Centre expects to save about ₹4,000 crore.

The FY24 Budget allocated only ₹60,000 crore for MGNREGA, 18% lower than the previous year's Budget allocation. https://economictimes.indiatimes.com/news/economy/policy/weeding-out-fake-welfare-scheme-beneficiaries-to-help-save-18k-cr/articleshow/104476897.cms?from=mdr

6. Tweak policy for greener energy *(thehindubusinessline.com)*

Updated: Oct 16, 2023

The energy transition away from fossil fuels which India has embarked on poses formidable challenges. Learning from experience to craft the right policy instruments would be the key to success.

There was remarkable success in getting private investment in wind energy in the 1990s. India became among the top five developers of wind farms. It also developed a globally competitive manufacturing industry.

The triggers were two smart decisions. One was the introduction of banking of electricity by the southern States which had wind power potential. Industrial units could put up wind farms. The State grid absorbed all the electricity generated by the wind farm and set it off against the electricity consumed by the industrial plant.

As industrial tariffs were far higher than the cost of wind energy, the industrial plant saved money for each unit of wind energy generated.

Further, the Finance Ministry incentivised wind farm investment by providing the special dispensation of 100 per cent depreciation. This made investments in wind farms very attractive. The State governments were forward looking and willing to forego some cross subsidising revenue from industrial consumers and the Finance Ministry some tax revenue to promote a sunrise sector.

Solar success

The National Solar Mission is a success. When it was launched in 2010, the cost of solar power approved by the Regulator was about ₹17 per unit whereas the price of conventional thermal power from a new plant was a little over ₹4 a unit. Under the Mission competitive bids for long-term contracts for the supply of solar power were invited repeatedly.

Initially, the expensive solar power was bundled with much cheaper power from the older depreciated plants of the NTPC and given to the Distribution Companies at rates comparable to the price at which they were entering into contracts from new plants. No subsidy from the budget was needed for this. A competitive industry structure emerged.

Private investment was de-risked by the implicit guarantee of the State. India now has one of the lowest costs of solar power in the world, between ₹2 and ₹3 per unit.

The invitation of bids for renewable energy and storage has been initiated. The bid prices indicate that we could meet all additional power demand from renewable energy and storage.

Competitive procurement by government can be used to create globally competitive manufacturing capacity. Bids may be invited for the supply of solar panels with full value addition in India for five years from the date the plant goes into production. A five-year assured off take would de-risk investment and result in lower prices. With competition in successive bids, prices would go down. We would become self-reliant.

The government could use these panels, even if they are initially more expensive than imported ones, in its institutions such as universities, schools and defence establishments.

Green hydrogen

A similar approach could be used for procuring Green Hydrogen from a prospective date. Competitive procurement is a better instrument than Production Linked Incentive (PLI) as it incentivises movement down the cost curve.

Green hydrogen can then be provided for downstream uses as a substitute of fossil fuels in the production of ammonia, fertilizer, steel, etc. The setting up of the first pilot green fertilizer and steel plants may need government backed risk capital as well as assured offtake. Once these start working smoothly, then green fertilizer and steel can be competitively procured by government to incentivise cost reduction. Green fertilizer for supply to farmers would need a higher subsidy. Steel may be used by government agencies who could absorb the higher cost.

The large GST rate differential put in place between electric vehicles (EVs) and conventional motor vehicles along with financial support from the Centre as well as the States is having an impact with EVs gaining market share.

The results of the innovative bulk procurement tenders for running electric buses in cities have yielded surprising results; the cost per km of an electric bus has turned out to be lower than that of diesel buses. Mandating change from a prospective date giving sufficient time for green supply to emerge at reasonable prices and gain acceptance is a sensible approach.

After major car companies started bringing a range of EV models into the market, the UK decided that from 2030 sale of vehicles using fossil fuels would not be permitted.

California and the EU have set the year 2035 for this. India could consider setting a date for new taxis and buses being only electric.

The transition to a fossil fuel economy is a necessity. India has taken the right strategic decision to bypass the development path taken by the advanced industrial economies and move directly into the green economy. This would also give us competitive advantage. The challenge would be to craft pragmatic and affordable policies for this historic transformation. https://www.thehindubusinessline.com/opinion/tweak-policy-for-greener-energy/article67427886.ece

7. Wilful default cases on the rise: Banks filed suits against 36,150 NPA accounts to recover Rs 9.26 lakh cr in FY23

(businesstoday.in) Updated: Oct 17, 2023

Banks are expected to see a significant surge in wilful defaults, as per data available on TransUnion Cibil. In September, the Reserve Bank of India (RBI) had proposed draft master directions on the treatment of wilful defaulters and large defaulters to refine the identification process. The central bank has said that a borrower will be classified as a wilful defaulter within six months of the account becoming a non-performing asset (NPA). Earlier, it did not have a specific timeline within which such borrowers had to be identified.

As per data on credit information company TransUnion Cibil, the number of wilful defaulters has gone up by nearly Rs 50,000 crore to Rs 353,874 crore involving 16,883 accounts as of March 2023 as against Rs 304,063 crore (14,899 accounts) in March 2022. About 77 per cent of the total wilful defaults are accounted by nationalised banks and SBI.

The State Bank of India (SBI) has reported 1,921 wilful default accounts, involving Rs 79,271 crore, Punjab National Bank Rs 41,353 crore, Union Bank Rs 35,623 crore, Bank of Baroda Rs 22,754 crore, and IDBI Bank Rs 24,192 crore.

Banks, all types, have filed suits against 36,150 NPA accounts to recover Rs 9.26 lakh crore as of March 2023. Many of these legacy accounts are likely to be added to the wilful default category when the RBI issues the final guidelines.

In December 2021, there were 14,202 wilful default accounts involving Rs 285,474 crore. In December 2020, there were 12,907 accounts for Rs 245,767 crore.

State Bank of India (SBI) topped the list with 1,881 wilful default accounts for Rs 79,227 crore as of December 2022, followed by PNB at Rs 38,333 crore (2,143 accounts), Union Bank of India Rs 35,561 crore (1,747 accounts), IDBI Bank Rs 23,601 crore (335 accounts) and Bank of Baroda Rs 23,879 crore (2,203 accounts), according to data from Cibil website. Public sector banks account for 85 per cent of the wilful defaults at Rs 292,865 crore.

Among private banks, Axis Bank had 607 wilful default accounts for Rs 2,005.9 crore, ICICI Bank 59 accounts for Rs 2,136.5 crore and HDFC Bank 49 accounts for Rs 505.5 crore. Private banks (excluding IDBI Bank) reported 1.822 such accounts for Rs 30,809 crore as of December 2022.

Suit Filed Accounts - Defaulters Rs 1 crore and above and Suit Filed Accounts - Wilful Defaulters Rs 25 lacs and above as on 31-Mar-2023 - Summary
Date of Extraction 17-Oct-2023

		Defaulters Rs 1 crore and above		Wilful Defaulters Rs 25 lacs and above	
Category of Credit Institutions	Total No. of CIs	No. of CIs.	No. Of Records	No. of CIs.	No. Of Records
CO-OPERATIVE BANKS	59	39	806	20	145
FINANCIAL INSTITUTIONS	12	7	333	5	75
FOREIGN BANKS	28	18	622	10	217
NATIONALISED BANKS	22	11	19,198	11	11,935
PRIVATE SECTOR BANKS	46	25	10,087	21	2,332
SBI AND ITS ASSOCIATE BANKS	2	1	5,041	1	1,921
SFB	3	2	12	1	31
SFC	3	2	51	1	1
GRAND TOTAL	175	105	36,150	70	16,657

As per RBI, wilful defaulters are those who have the ability to pay a bank's dues but do not divert bank funds.

While large defaulter means a defaulter with an outstanding amount of Rs 1 crore and above, and whose account has been classified as doubtful or loss, a wilful defaulter means a borrower or a guarantor who has committed wilful default and the outstanding amount is Rs 25 lakh and above.

In its September circular, RBI said: "The instructions on wilful defaulters have been revised after a review of the extant instructions and consideration of various judgments/ orders from the Hon'ble Supreme Court and Hon'ble High Courts, as well as representations/ suggestions received from banks and other stakeholders."

The draft Master Direction expands the scope for Regulated Entities which can classify borrowers as wilful defaulters, broadens the definition of wilful default, refines the identification process and mandates a review and finalisation on wilful default aspects within six months of an account being classified as a non-performing asset, RBI said.

Rule applicability

The new rules are proposed to be applicable to all regulated entities, including banks, non-bank lenders including housing finance companies, Co-operative Banks, Regional Rural Banks, Local Area Banks, and All India Financial Institution (AIFI) including NABARD, SIDBI, EXIM Bank, NHB and NaBFID.

However, wilful defaulters will be eligible for compromise settlements as per a June 8, 2023 circular of the RBI.

Earlier, the Supreme Court had passed an order that made it mandatory for lenders to give borrowers a chance to represent themselves before declaring an account as fraudulent.

In August, the Finance Ministry told the Rajya Sabha that top 50 wilful defaulters owe Rs 87,295 crore to banks and financial institutions. These wilful defaulters include fugitive Mehul Choksi's Gitanjali Gems Limited, Rishi Agarwal's ABG Shipyard Limited, REI Agro Limited, and Era Infra Engineering Limited. Of these wilful defaulters, top 10 owe a whopping Rs 40,825 crore to scheduled commercial banks (SCBs).

Citing RBI's provisional data for FY22-23, Minister of State for Finance Dr Bhagwat Karad said that the SCBs have written off an aggregate amount of Rs 10,57,326 crore during the last five years. "The Reserve bank of India (RBI) has apprised that the amount owed by top 50 wilful defaulters in SCBs was Rs 87,295 crore as on March 31, 2023," he was quoted as saying by PTI. Fugitive Mehul Choksi's Gitanjali Gems is the biggest wilful defaulter as it owes Rs 8,738 crore to banks.

Gitanjali Gems is followed by Era Infra Engineering Limited (Rs 5,750 crore), REI Agro Limited (Rs 5,148 crore), ABG Shipyard Limited (Rs 4,774 crore), and Concast Steel and Power Limited (Rs 3,911 crore). Other wilful defaulters include Rotomac Global Private Limited (Rs 2,894 crore), Winsome Diamonds and Jewellery Limited (Rs 2,846 crore), Frost International Limited (Rs 2,518 crore), Shri Lakshmi Cotsyn Limited (Rs 2,180 crore), and Zoom Developers Private Limited (Rs 2,066 crore). https://www.businesstoday.in/latest/economy/story/wilful-default-cases-on-the-rise-banks-filed-suits-against-36150-npa-accounts-to-recover-rs-926-lakh-cr-in-fy23-402252-2023-10-17

8. Defence ministry seals Rs 313 crore deal for mid-life upgrade of frigate INS Beas *(moneycontrol.com)* 16 Oct 2023

The ministry said the "transformative maiden re-powering" project marks a significant stride in the maintenance philosophy of the Indian Navy and repair capabilities of CSL. "The ministry of defence signed a contract on October 16 in New Delhi for mid-life upgrade and re-powering of INS Beas with Kochi-based M/S Cochin Shipyard Limited at an overall cost of Rs 313.42 crore," it said.

INS Beas is the first of Brahmaputra class frigates to be re-powered from steam to diesel propulsion. "After completion of the mid-life upgrade and re-powering in 2026, INS Beas will join the active fleet of the Indian Navy with a modernised weapon suite and upgraded combat capability," the ministry said in a statement.

"The transformative maiden re-powering project marks a significant stride in the maintenance philosophy of the Indian Navy and repair capabilities of M/S CSL," it said. "The project would involve more than 50 MSMEs and would lead to generation of employment for more than 3,500 personnel," the ministry said.

It said the project will be a "proud flag bearer" of 'Atmanirbhar Bharat' initiative in consonance with the 'Make-in-India' programme of the government. https://www.moneycontrol.com/news/india/defence-ministry-seals-rs-313-crore-deal-for-mid-life-upgrade-of-frigate-ins-beas-11541821.html

9. Rail modernisation cannot be at the cost of passenger safety *(newindianexpress.com)* 17 Oct 2023

For the Indian Railways, progress usually seems to be one step forward, two steps back. Every time it rolls out grand modernisation plans, harsh realities pull it back to ground.

The North East Express derailment is one such grim reminder. Last Wednesday the Guwahati-bound train jumped the tracks near Raghunathpur in Bihar's Buxar district, leaving four dead and over 70 injured. The accident, which occurred four months after the devastating Balasore mishap in June that claimed 296 lives, has again raised red flags about railway safety. At least 219 train accidents have been reported in the last five years, of which 48 were logged in 2022-23 alone. The Balasore derailment was one of the worst in recent memory.

To be fair, hoping for things to change between June and October would be asking too much of the Railways; the safety shortcomings are deep-rooted, as was evident at Buxar. The first internal inquiry found fault with the track and put the responsibility on the engineering department. A Comptroller and Auditor General audit raised the issue last year. It assessed eight zones where renewal work had decreased. The allotment of funds from the Rashtriya Rail Sanraksha Kosh for track renewal had dropped from Rs 9,607 crore in 2018-19 to Rs 7,417 crore in 2019-20; even the sanctioned funds were not fully used. More importantly, the audit stated that about a quarter of the derailments were linked to the lack of track renewal. There were issues with inspection and timely submission of reports, too.

The rail ministry says the number of consequential accidents has fallen significantly—from 471 in 2000-01 to 48 last year. But the recurrence of derailments dents the claim. In August, the prime minister unveiled a large redevelopment plan worth Rs 24,470 crore that would improve 508 stations across the country. The rail ministry has spent over Rs 1,343 crore on the new Vande Bharat trains, launching 34 of them. All these measures to provide an improved travel experience are well-intentioned, but they would be futile if lives and property are lost. This year the railways received their highest ever budget allocation of Rs 2.5 lakh crore, but any modernisation plan should have safety at its core. A country that runs the world's fourth largest rail network and is gunning to put bullet trains on tracks cannot afford to neglect this. Image makeover must never get precedence over basic passenger safety. https://www.newindianexpress.com/opinions/editorials/2023/oct/17/rail-modernisation-cannot-be-at-the-cost-of-passenger-safety-2624524.html

10. India's economy, on the upswing *(indianexpress.com)* 17 Oct 2023

India's GDP growth, International Monetary Fund, RBI's forecast, indian exprtess news, indian express newsThere are many interesting facets of this continued traction in credit growth. The combined incremental growth in assets and liabilities of ASCB for the nine-year period that ended in March is at Rs 186 lakh crore.

The International Monetary Fund has recently upgraded India's GDP growth forecast to 6.3 per cent for 2023-24, up 40 basis points from its April forecast. The RBI's forecast remains unchanged at 6.5 per cent. While the latest geopolitical conflict in West Asia may have opened a pandora's box, we still believe the Indian economy could grow at a faster pace than expected. Our growth projection for the full year is at 6.7 per cent.

Let us first assess the economic momentum in the second quarter (July-September). While the RBI is projecting growth at 6.5 per cent, our tracking of the latest leading indicators suggests the possibility of the economy growing at a faster pace. The long-term trends suggest that whenever the percentage of leading indicators showing acceleration in a quarter crosses the threshold value of 70 per cent, the GDP growth numbers surprise on the upside. Currently, this is at 80 per cent, increasing the possibility of growth surpassing 6.5 per cent in Q2 FY24. The nominal GDP growth could well be in the range of 8-8.5 per cent and given that the GDP deflator is currently tracking at 1.5-2 per cent, a 6.5 per cent or higher growth looks eminently achievable.

The reasons for our optimism are four-fold.

First, the monsoon. While the overall rainfall was 6 per cent below the expected during the monsoon season (due to 36 per cent deficit rains in August), the spatial distribution is quite even. Out of 36 states/UTs, 29 received normal/above-normal rains. The SBI Monsoon Impact Index, which considers the spatial distribution, has a value of 89.5, faring much better than the full season index value of 60.2 in 2022.

Second, the thrust on capital expenditure continues. During the first five months of the current year, the capital expenditure of the states as a percentage of the budgeted target is at 25 per cent, while the Centre’s is at 37 per cent. Nearly all states are on a spending spree, with Andhra Pradesh leading the pack, spending as much as 51 per cent of the budgeted amount.

Third, the robust new companies’ registration depicts strong growth intentions. Around 93,305 companies were registered in the first half of 2023-24 as compared to 59,241 five years back. It is interesting to note that the average daily registration of new companies increased to 622 in 2023-24 (an increase of 58 per cent) from 395 in 2018-19.

Fourth, what is revealing is the continued traction in credit growth. All scheduled commercial banks’ (ASCB’s) credit growth (year-on-year) has been accelerating since early 2022. Aggregate deposits grew by 13.2 per cent and credit by 20 per cent (without HDFC it was 15.3 per cent, but still broadly similar to FY22) till September. In the coming months, we expect credit demand to remain robust due to the festive season.

There are many interesting facets of this continued traction in credit growth. The combined incremental growth in assets and liabilities of ASCB for the nine-year period that ended in March is at Rs 186 lakh crore. If we compare this incremental growth with the previous decade that ended March 2014, it was Rs 119 lakh crore. If we include the 2023-24 trends, the incremental growth for the banking system for the current decade ending March 2024 could be close to Rs 225 lakh crore — 1.9 times higher than the last decade. This incremental growth, even after accounting for the exceptional years of the Covid pandemic, is staggering.

We believe what is driving this credit growth is the rapid formalisation of the economy over the past decade. Those with no credit history are getting significantly integrated with the banking system. A back-of-the-envelope calculation suggests that the number of beneficiaries who have been either new to credit/deposit in the last nine years is at least 40 per cent on average (of the new credit accounts added during this decade), contributing to at least 10 per cent of incremental credit growth. This is why we believe that there is a revolution at the bottom of the pyramid and this is likely to sustain the credit growth.

Doubts have been expressed about the jump in the outstanding credit card portfolio and the unsecured portfolio. But what does the data say? Household debt as measured by credit card outstanding per credit card in India has been either static or declining both in nominal and real terms (after adjusted for CPI inflation) in 2023. In nominal terms, the outstanding per credit card rose by 13 per cent in August, down from 24 per cent in January. The real outstanding per credit card growth in August declined to 5.8 per cent from 16.4 per cent in January. We thus believe that the hullaballoo about growth in unsecured loans is uncalled for now.

In fact, through schemes like PM SVANidhi, credible borrowers can have continued access to the financial system in the form of repeat loans (second loan at double the first loan, third loan at 5 times the first loan amount of Rs 10,000) provided that they have a good credit repayment history.

Programmes like Jan Dhan Yojana allow banks to meet the demand for credit for households that were operating outside the formal banking sector. We believe that the aspirations of such households are much stronger now and there is nothing to get alarmed at such trends.

Lastly, this sustained healthy credit growth could continue to propel the economic momentum across the country.

The ASCB data for the period 2000-2010 indicates that bank credit grew at an average of 1.86 times of nominal GDP growth, during a period of high growth. However, in 2010-2020, the relationship weakened, and credit to GDP growth declined to 0.99 times, largely because of the severe asset quality issues of banks post the 2008 global crisis. The relationship broke down during the pandemic years of 2020-21 and 2021-22 as DP contracted.

India needs more doctors — and how it can happen
In 2023-24, the credit to nominal GDP ratio may end up being around 1.7 times, up from 0.93 times in 2022-23, boosting the flow of funds to the broader economy, and helping to sustain the momentum. If the banking sector's indicators are taken as a new normal, we are in for a sustained period of growth. https://indianexpress.com/article/opinion/columns/indias-economy-on-the-upswing-8986350/

11. Pernicious changes *(millenniumpost.in)* 17 Oct 2023

The amendments to Forest Conservation Act, 1980, create a potential ground for diversion of forest lands to non-forest use under the guise of national importance; writes Yash Mittal

With the aim to recognise India's global obligations and its domestic goal of attaining Net Zero emissions by 2070 through the preservation and augmentation of forest carbon reserves, additionally to meet India's Nationally Determined Contribution by establishing a carbon absorption capacity of approximately 2.5 to 3.0 billion tons of CO_2 equivalent by 2030, and to expand India's forest and tree coverage to encompass one-third of the nation's land area, the Parliament had brought amendment to the Forest

(Conservation) Act, 1980, giving a new definition to “forest land” and renaming it as Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980. The situation that existed before the passing of the FCA was that the states were too liberal in granting permission to the use of forest land for the non-forest purposes, especially for cultivation. But, with the 42nd Constitutional Amendment, the Parliament has curbed the wholesome legislative power of the States in relation to the forests, and transferred the subject “forest” to the concurrent list, which has led to the culmination of the FCA requiring the states to have a prior sanction of the Central Government before diverting forests for non-forest activities.

The purpose of this article is to: firstly, understand the term “forest land”, secondly, find out how the amendment act goes against the preamble of the act itself, and thirdly, understand how the amendment act vitiates Supreme Court’s ruling in Niyamgiri Case, and takes away the protection granted to forests under Forest Rights Act, 2006.

Forest land

It is worthwhile to mention that the term forest, as per the FCA, meant that area which found its place in the revenue record of the government. However, the Supreme Court in T.N. Godavarman has whittled away the narrow and pedantic approach given to “forest land”, and rather added the wider connotation to it by bringing forest land within the purview based on the dictionary meaning, irrespective of ownership. Nonetheless, the 2023 amendment i.e., VSESA, offers a significantly more restricted definition of "forest land" by introducing Section 1A, which includes only two categories of land: land officially designated or announced as forest under the Indian Forest Act, 1927, or other relevant regulations, and land documented in government records on or after October 25, 1980. Consequently, the new provision contradicts the SC’s Godavarman ruling as it exempts those forest land converted for non-forest purpose before the Godavarman judgment, thereby by default declining any protection to the 28 per cent of the India’s Forest Land lying outside the Recorded Forest Areas (RFA).

Amendments with unclear objectives

The Act commences with a preamble advocating a pro-environment stance, but it includes a series of exemptions that dilute the current regulations concerning forest diversion. These exceptions apply to forest areas located adjacent to a government-maintained railway line or public road, especially for the development of nationally significant projects with implications for national security. Additionally, they pertain to the construction of security-related infrastructure, defense projects, paramilitary force camps, and projects related to public utilities. The Act also allows for the liberal allocation of forested land for non-forestry purposes, including the installation of wireless communication systems, the construction of fences, boundary markers, bridges, culverts, check dams, waterholes, trenches, and pipelines, as well as the establishment of zoos, safaris, and eco-tourism facilities, among other activities. Amongst all such exemptions, the exemptions for linear projects provide a carte-blanche not only to the military but to the government, as it can classify virtually anything as "strategic" or of "national significance." The issue has a greater ramification in the north-eastern states where exemption would cover almost the entire region. Therefore, states such as Nagaland and Tripura demanded to make the area of exemption to be flexible in terms of the land area of the states. Additionally, the amendment lacks clarity regarding its intentions concerning compensatory afforestation as a means to combat climate change or boost carbon storage while permitting the conversion of natural forest land for non-forestry purposes. It also fails to address the potential consequences such as biodiversity loss, ecological disruption, or harm to wildlife resulting from the clearance of forested areas.

VSESA bypasses Niyamgiri judgment

The amendment does not indicate its approach to ensuring the livelihoods of communities dependent on forests, without even acknowledging the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights Act), 2006 ("FRA"), designed to safeguard the rights of scheduled tribes and other forest-dependent communities by vesting rights over forest to such tribes and communities. The VSESA appears to take away the power of the forest dwelling communities to pass a resolution through the Gram Sabha to undertake diversion of any forest land for non-forest use, as provided by FRA. Section 6 of the FRA stipulates that the Gram Sabha's decision is transmitted to the Sub-divisional level committee, then to the District level committee, and oversight is carried out by a State Level Monitoring Committee. Moreover, in the 2013 Niyamgiri case, the Supreme Court upheld the community's entitlement to participate, leading to the cancellation of the Vedanta bauxite mining project, as one village after another declined consent for diversion. Consequently, it can be inferred that the 2006 Act establishes an equilibrium between safeguarding forest rights and preserving the rights of forest-dwelling communities, albeit through a detailed process that necessitates approval from multiple authorities.

Conclusion

Although matters of national significance and security are undeniably vital and non-negotiable, there are also other legitimate concerns that warrant attention. For instance, providing a blanket exemption for forest land within 100 km of the international border may severely impact the extensive forest cover. This is due to the lack of objective clarity regarding what constitutes matters involving national interests, which, in turn, tends to divert forest land to non-forest use under the guise of strategic and national importance. Thus, the removal of the "deemed forest," as determined by the Supreme Court in Godavarman, from the purview of the Amendment Act, without undertaking an exercise to determine the forested area, would undermine the objectives of the Act and may lead to ecological imbalances and a loss of habitat for various living beings.
https://www.millenniumpost.in/opinion/pernicious-changes-536887

12. Coal Ministry Converting Waste into Wealth through its Special Programme *(thenorthlines.com)* 16 Oct 2023

After successful swachhata campaign by Prime Minister Narendra Modi government during the last 2-3 years to clean up government ministries and buildings by getting rid of musty files and condemned scrap furniture, Coal ministry has shown the way to convert this waste into wealth. "Kabad se Kalakrity", a novel initiative has been launched by the ministry as part of the centre's special swachhata campaign 3.0 from October 2-31 to turn scrap into sculpture.

The Jamuna Kotma colliery in Madhya Pradesh has created sculptures using various scrap materials and installed them in a public park. This has not only tackled the problem of scrap disposal but also helped in utilizing them for beautifying parks and providing employment to artisans. This is one such example of innovative ideas to deal with waste and scrap material that has surfaced in the wake of cleaning up campaign in various government buildings. This has already earned over Rs 700 crore revenue as well during the last three years.

This swachhata campaign has been undertaken as part of the government's administrative reforms and campaign 3.0 has received overwhelming response as compared to the previous two such campaigns in 2022 and 2021. There are several success stories under special campaign 3.0. The Public enterprises BHEL, has embarked upon clean water campaign and Global automotive research centre in Chennai organized a drawing competition to promote the importance of cleanliness and hygiene among school going children. The Braithwaite Burn and Jessop construction company organized meditation campaign and plantation of sapplings in heavy plant yard after removing the junk and scrap material from there. The armed forces too participated in a big way, especially Western and Southern Naval command, Indian Air Force, various commands of the Army and every armed forces centre organized some programme as part of the campaign to make cleanliness as part of the day to day routine.

One initiative that has gone unnoticed is the launch of digital special campaign by the central government's administrative reforms and public grievances department to make this an all India effort. The digital campaign launched by minister of state in the department Jitendra Singh in end September has gone unnoticed. The main focus is to revolutionizing service delivery and grievance redressal across India.

This is one service in government, which has not earned accolades in view of general lethargy and apathy by government servants in dealing with the public. Government usually is not known for Service delivery. Stonewalling has been mastered by bureaucracy and politicians in India, which they have learnt well from the British colonial power. The union government might be slightly better than state governments where service delivery is appalling. Some states like Tamil Nadu, Maharashtra and Gujarat fair slightly better.

Hopefully, this digital campaign launched by Jitendra Singh brings about changes in mindset and approach to service delivery in the government. It is not that all service delivery in government is bad. Some are good and there are some exceptions as well but by and large the approach is lackadaisical and the change can come about only by a sustained campaign.

According to Singh, the overarching theme of this digital campaign is to promote unified service delivery portals nationwide, reducing pending public grievances, harnessing Artificial intelligence and emerging technologies for effective grievance resolution. This will also advocate sustainable practices and ensure efficient record management offices. Record management has remained pathetic though there are some visible improvement since digitization began some years ago.

The use of Artificial intelligence helps in reducing fatigue among staff in carrying out mundane activities thereby improve efficiency. This is quite visible in filing of income tax returns and getting refunds in recent years with the adoption of faceless filing of income tax returns a few years ago.

Singh said the unified service portal will help in streamlining and digitizing government services, making them more accessible to citizens. In consultation with states, he said, the government has identified 164 services that could be delivered on a pan-India basis as e-Services, in addition to the existing 56 mandatory e-Services.

Singh said the states and union territories also discussed transitioning offline services to online platforms, emphasizing the need for faceless and proactive service delivery. Currently states and union territories offer 14,736 e-services, with Jammu and Kashmir leading the way with 1028 e-services. Singh hails from Jammu region. The average grievance resolution time across all ministries and departments stands at 19 days. This may be an improvement over the previous years but there is still a long way to go.

With the adoption of artificial intelligence and emerging technologies will help in speeding up grievance resolution. According to Singh, the intelligent Grievance Monitoring system dashboard developed in collaboration with IIT Kanpur leverages Artificial intelligence capabilities to provide instant analysis of grievances filed and disposed of, along with state-wise , district-wise and ministry-wise data.

This technology will assist officials in identifying the root causes of grievances, leading to more effective resolutions, Singh said adding Bharat GPT team led by IIT Mumbai is developing India specific large language model for the public grievances digital platform.

With the launch of this digital campaign, the department has successfully resolved 145 public grievances, reviewed 100 per cent of their files, identified 447 physical files for disposal and completed the weeding out process of 140 files. Further, 1317 e-files have been identified for closure, with all of them successfully closed in the e-office. All these have been achieved within one week of the launch of the campaign and it would only grow in the coming weeks and months. https://thenorthlines.com/coal-ministry-converting-waste-into-wealth-through-its-special-programme/

13. India to start monitoring high-risk glacial lakes next year *(devdiscourse.com)* 16 Oct 2023

India aims to install the first part of an early warning system at some high-risk glacial lakes in the Himalayas next year, a senior official said on Monday, as the country responds to deadly floods this month that killed at least 60 people.

There are 56 at-risk glacial lakes in India and the urgency to monitor them was stepped up after Lhonak Lake in the eastern Himalayas burst its banks two weeks ago and caused widespread damage in Sikkim, a small mountainous state wedged between China, Nepal and Bhutan. Reuters was first to report that India was working on a pilot project with Swiss experts to set up the country's first early warning systems at Lhonak Lake, and also at nearby Shako Cho lake. If the systems had been installed, they could have given 90 minutes warning before floods engulfed homes and structures.

"We will try some monitoring systems at lakes that are at risk," Krishna S. Vatsa, a member of India's National Disaster Management Authority (NDMA), told Reuters. The NDMA is co-ordinating with Indian and international institutes for the project. State governments will provide recommendations on which of the 56 at-risk glacial lakes in India need to be prioritised for setting up the monitoring systems, Vatsa said.

Vatsa said authorities will aim to set up some of these systems by next year to monitor the weather and environment at the lakes as a first component of an early warning system. The full system would be installed later based on the outcome of monitoring. He added though that this was "easier said than done" given the difficulty in reaching these lakes high in the mountains, which can be accessed only during summer months. Also, these will be unmanned systems running on solar or battery power.

As climate change warms high mountain regions, many communities are facing dangerous glacial lake outburst floods (GLOFs). Lakes holding water from melted glaciers can overfill and burst, sending torrents rushing down mountain valleys. More than 200 such lakes now pose a high hazard to Himalayan communities in India, Pakistan, China, Nepal and Bhutan, according to 2022 research, and India currently lags behind its South Asian neighbours in deploying glacial flood early warning systems. https://www.devdiscourse.com/article/science-environment/2651538-india-to-start-monitoring-high-risk-glacial-lakes-next-year

14. The silver lining in India's imminent ageing problem *(livemint.com)* 17 Oct 2023

For India, ageing is not a problem now as much as it is in many peer countries. But preparing for what lies ahead is essential. That readiness is centered around rethinking retirement and pensions better, so that the imminent crisis pays for itself

India's youthful population is often described as a key strength of the economy. India is among the youngest emerging market nations, and will remain so in the near future—a demographic dividend that makes it an attractive investment destination. According to the United Nations, a country is considered to be "ageing" if the share of the population over the age of 65 is more than 7%, "aged" when the share exceeds 14%, and "super-aged" when it crosses 20%. India will not be super-aged until 2050, but most Brics members will attain this dubious distinction earlier.

Having grown used to the idea of a young, aspirational India, it is quite disconcerting to discover that a rising elderly population could pose significant social and economic challenges in the years ahead, as the recently released India Ageing Report 2023 by the UN Population Fund (UNFPA) noted. The experience is not unique to India: the gradual ageing of a population over time is a natural demographic shift caused by falling fertility rates and higher longevity. Thus, it is not the ageing per se, but the pace of ageing that is a matter of concern. The population of India has been ageing at a faster rate since the early 2010s. It took 67 years from 1950 to 2017 for the 65-plus population to double from 3.1% to 6%, but the next doubling is projected to happen in just 25 years. By 2050, one in five Indians will be over 60 years of age, that is, effectively a senior citizen.

Old and poor
An ageing population dampens GDP in several ways: older people usually don't work, they pay less taxes and consume fewer items, all the while drawing down on pensions and social benefit schemes. Therefore, the economic cost of old age support increases with an ageing population. But India's income is not likely to grow as rapidly as its elderly cohort. Worse, the working-age population (15 to 59 years) is expected to peak at 64.8% of the population by 2031, while the elderly population will keep rising. Even under the most optimistic growth assumptions, per capita GDP will remain lower than

the $10,000 threshold until the 2040s. India runs the risk of growing old before it grows rich.

This will have two consequences: an older, potentially less productive workforce, and upward pressure on future fiscal deficits. Mitigating actions that India should seriously consider include bringing more women into the workforce, and harnessing the potential of the elderly.

Rethinking retirement

People retire when they reach the retirement age, have poor health, struggle to find work, or attain adequate pension or savings. Each factor can be looked at to find ways to enhance the elderly's productivity. Raising the official retirement age could postpone pension spending. Though unpopular in rich countries—France saw massive protests earlier this year after a similar move—opposition is less likely in India, where workers are often not well-prepared for retirement. The 2023 India Retirement Index Study shows that one in three urban workers worry about depleting their retirement corpus within five years.

Second, a government-backed active ageing programme to promote preventive health, incentivize upskilling, and discourage age-based discrimination is needed. Not all older workers can afford to or want to retire: surveys by the Centre for Monitoring Indian Economy show around 7% of 65-plus workers are working or looking for work. Thus, the mindset that older workers cannot contribute needs to be reversed.

Sustainable pensions

Pension coverage in India is quite inadequate. About 12% of the workforce has formal pensions; the rest—mainly informal sector workers—have to depend on the public provident fund or post office savings schemes. Nevertheless, the shift from a defined benefit to a defined contribution system in 2004 was an important step towards sustainable pensions. Recent reversions (or promises to revert) by some states risks fiscal disaster.

An India-specific solution, such as the guaranteed pension scheme adopted by Andhra Pradesh, which combines aspects of the old and new systems while guaranteeing a minimum pension, offers an acceptable middle path. It may also be a good idea to market the new pension scheme or retirement-specific annuities better—after all, the popularity of mutual funds owes much to its successful advertising campaign. A few far-sighted decisions can turn this impending old age crisis into an opportunity for reform. https://www.livemint.com/economy/the-silver-lining-in-india-s-imminent-ageing-problem-11697524222225.html