NEWS ITEMS ON CAG /AUDIT REPORTS

1. Centre sanctions 29 road projects worth ₹1,170 cr in Ladakh
(livemint.com) 29 Dec 2023

New Delhi: The central government has sanctioned 29 road projects worth ₹1,170.16 crore in the union territory of Ladakh.

A statement from the Union ministry for road transport and highways on Friday said that the projects will encompass state highways, major roads, and other district roads.

The ministry has also allocated ₹181.71 crore for eight bridges under the Central Road and Infrastructure Fund (CRIF) scheme for FY 2023-24.

"Ladakh, the largest union territory in terms of area and the second least populous in India will witness improved connectivity to its remote villages through the approved initiatives. This enhancement is expected to stimulate economic activities, particularly in agriculture and tourism, contributing to the overall infrastructural development of Ladakh," the statement quoted the minister for road transport and highways Nitin Gadkari as saying.

The CRIF scheme was introduced in Jammu and Kashmir in 2000-01 to develop and maintain national highways, state roads, rural roads, and railways under and over bridges, with resources being allocated under the scheme for construction and upgradation over the years.

In September, the minister had announced the upgrade and widening of the 230km-long Kargil-Zanskar road in the union territory, which forms part of the National Highway 301.

In a recent reply to Parliament, Gadkari had said that that under the 'Bharatmala Pariyojana' a total of ₹5.35 trillion has been approved for development of 34,800 km of national highway corridors. As on November 2023, projects of 26,418km have been awarded and 15,045km length have been completed.

A total of ₹4.10 trillion has been spent under Bharatmala Pariyojana up till October.

The government, however, faced flak after a report by the Comptroller and Auditor General showed cost overrun in the construction of the Dwarka Expressway under the project.

According to the report, the expressway, which spans 29.06km, is being built at the cost of ₹250.77 crore per km, against the estimated ₹18.2 crore per km that was sanctioned by the Cabinet Committee on Economic Affairs (CCEA).

The ministry, however, has contested claims of cost overrun.

Speaking at the Mint Sustainability Summit 2023 in August, the minister had said: "In the Bharatmala programme, there was no detailed estimated cost. It was written separately that the cost of ring roads and flyovers would be finalized after the DPR (detailed project report) is ready. In the case of Dwarka Expressway, for the first time, there have been multiple developments. There are tunnels, bridges and bridges over bridges. It is a state-of-the-art project. Despite that, our cost is ₹18.5 crore (per kilometre) only." https://www.livemint.com/news/india/centre-sanctions-29-road-projects-worth-rs-1-170-cr-in-ladakh-11703851480408.html

STATES NEWS ITEMS

2. How circumventing FRBM Act by BRS govt proved costly for Telangana's finances *(thenewsminute.com)* 30 Dec 2023

The measures taken by the BRS in open defiance of the Fiscal Responsibility and Budget Management Act weakened the state legislature as an institution eroding transparency and accountability.

How circumventing FRBM Act by BRS govt proved costly for Telangana's finances

'Debt' is the buzzword making rounds in India's youngest state Telangana following the state's third Legislative Assembly elections. The Congress won the polls dethroning the Bharat Rashtra Samithi (BRS) which led the government for two terms since state formation in 2014. Soon after coming to power, the Telangana Congress released a White Paper listing out how BRS had left Telangana with mounting debt.

The conversation around debt and Telangana's economy, however, should include the Telangana Fiscal Responsibility and Budget Management (FRBM) Act, the norms of which the BRS subverted and flouted over a period of nine years when it was in power. The problem isn't one of economics alone, as the measures taken by the BRS in open defiance of the FRBM Act has weakened the state legislature as an institution and caused erosion of transparency and accountability.

In their Swetha Patram (white paper), the Congress hinted at how the BRS' amendment to the FRBM Act of 2005 played a significant role in incurring debt. The Act allowed among other things to allow for the fiscal deficit limit for 2020-21 to be increased from 3% of the GSDP to 5% of the Gross State Domestic Product (GSDP), the sum of all value, in monetary terms, added by industries within a state.

It also allowed for annual incremental guarantees to be increased from 90% to 200% of the total revenue receipts of the previous year. In other words, the BRS-led state government could borrow significantly more money than they could have earlier. The decision by the BRS to amend the Act itself did not see any public scrutiny. However, economists TNM spoke to and a report by the Comptroller and Auditor General have shed light on the pitfalls of flouting FRBM norms and how transparency went for a toss after the amendment.

How transparency took a hit

"The FRBM norms aim to institute certain principles for management of public finances. The adequate disclosures are necessary for various institutions in the entire process. For instance, the central government gives permission for borrowings by states, which may be subject to certain criteria about debts and deficits. Lack of transparency may lead to authorisation for a higher than the permissible ceiling," says Saket Surya, Deputy Head of Research at PRS Legislative Research.

The most recently available report by India's Comptroller and Auditor General (CAG) on Telangana's state finances, published at the end of March 2021, pointed to how public finances were mismanaged because of a lack of disclosure. The BRS government failed to disclose sources, purpose and extent of their borrowings appropriately as part of its budget documents. By not doing so, the government's 'crucial socio-economic schemes/projects' went beyond the oversight and control of the legislature.

"The government's unwillingness to fully disclose the off-budget borrowings/liabilities is a clear circumvention of FRBM norms which has the dual impact of diluting public financial management and legislative oversight," the report stated.

The BRS has been criticised for diluting the state legislature before. In November 2023, TNM found that a BRS MLA was given arbitrary power and significant control over how resources were to be distributed.

Along with off-budget borrowings, the BRS-led state government had also not included projections "in respect of balance between revenue receipts and revenue expenditure, use of capital receipts for generating productive assets and yearly pension liabilities in its Medium Term Fiscal Policy Statement," the CAG report noted.

When questioned about the lack of transparency, the government stated in January 2022, that off-budget borrowings have been used for development activities and generally for incurring capital expenditure alone. The CAG argued that as per FRBM norms, this reply is not acceptable, as disclosure of all such borrowings are to be made. Further, the 15th Finance Commission also opined that there is a need to make full disclosure of such extra-budgetary borrowings.

"Consistent use of such practices may lead to distortions in tax policy and expenditure priorities for servicing of debt that were accrued without adequate oversight," Surya added.

The Debt question

Four days before Telangana public voted for its third state government, Congress president Mallikarjun Kharge alleged that the BRS chief K Chandrashekar Rao (KCR) had turned the revenue-surplus Telangana into a debt ridden state. The White Paper brought out by the Congress said the state's fiscal deficit as a percentage of the GSDP averaged 3.7% in the period FY 2014-22 and did not meet the FRBM norms for three out of the eight years.

Further, the CAG report on state finances noted that Telangana could not achieve any of the three fiscal targets and had registered a massive revenue deficit. The CAG report also argued that considering the BRS government's massive off-budget borrowings, the debt-GSDP ratio would rise (at that point) to 38.10%. While the off-budget borrowings aren't a part of the Finance Accounts, they are chronicled in the Medium Term Fiscal Policy statement – an important component of the FRBM Act.

“The borrowings are a lot higher than targets fixed by the 15th Finance Commission and by the Telangana government itself in its Medium Term Fiscal Policy Statement,” read the report. By the end of March 2021 alone, Telangana government’s off budget borrowings come to Rs 97,940.45 crore.

In a Government Order (GO Ms No 446), the erstwhile Andhra Pradesh government stipulated that the administrative departments in Secretariat and heads of Departments shall evaluate the fiscal risk and classify the Guarantees as: direct liability (100 percent risk), high risk (75 percent), medium risk (50 percent), low risk (25 percent) and very low risk (5 percent). The classification is based on factors like (i) debt servicing through government support, (ii) repayment schedules, (iii) financial performance of the entity, (iv) primary security, (v) valuation of assets and (vi) statutory liabilities prior to government guaranteed debt.

“The Telangana Finance Department did not provide any evidence regarding the risk-evaluation or analysis of financial performance of entities conducted by state departments in its statement on Fiscal Policy; another important component of the FRBM Act,” the CAG noted while commenting that the risk assessment was ‘not done methodically’.

During the year 2020-21, the Telangana government provided Rs 9,331.29 crore out of budget towards the repayment of principal and payment of interest. The State Finances Audit report noted that the Telangana government showed these amounts as ‘loans’ and reflected them as ‘assets’ indicating that the PSUs have no obligation to repay loans to the government. The CAG report raised concerns that by doing this, the government was in essence not truthfully reporting on off-budget borrowings.

“By registering interest/principal repayment of off-budget borrowings as loans extended to PSUs, the state government showed them as assets. This is similar to how loans are assets on the books of a bank. Thus, the net effect of an actual expenditure obligation of the state government is shown as its asset. Its revenue expenditure, committed expenditure (interest payment), and capital expenditure (principal repayment component) are underreported, whereas assets would be shown higher than they actually are,” remarks Surya.

The CAG report also noted that many of the institutions do not have revenue resources to repay the loans provided by the government including the Kaleshwaram Project which would hardly generate any revenue as water for irrigation was provided at nominal rates. “Similarly, Telangana State Sheep and Goat Development Cooperative Federation Limited did not have any definite stream of revenue resource of its own and was, in fact, implementing a government subsidy scheme,” said the report.

The Government would have to shoulder the liability of repayment of loans taken by these institutions, which are unable to generate enough resources for servicing the debts.

“Two issues exist with the servicing of debt taken by such institutions. One, the debt was taken out of budget, otherwise, it may have violated FRBM norms for that year and hence, evaded legislative and public oversight. Second, it raises questions about the quality of expenditure - public money was spent towards creating an asset which may not provide direct economic returns adequately. If it were from the budget, it would have led to deliberations about the need for spending and models for financing. The government may have undertaken this model of raising funds to bypass FRBM limits for undertaking spending and avoid legislative scrutiny around the budget," explains Surya. https://www.thenewsminute.com/telangana/how-circumventing-frbm-act-by-brs-govt-proved-costly-for-telanganas-finances

3. Corporation's sweeping machine rusting for 10 yrs; civic body unlikely to repair it *(newindianexpress.com)* Updated: Jan 01, 2023

Because of its disuse, the machine is in a rusted condition and has been lying idle in the corporation's garage for the past 10 years.

THIRUVANANTHAPURAM: While most cities in the country have resorted to the usage of sweeping machines to clean roads and footpaths, the Thiruvananthapuram corporation has abandoned it citing "less dust" on roads.

As the first corporation in the state to have used the sweeper machine years ago, the city corporation had bought the truck-mounted sweeper machine for `73.5 lakh from a Coimbatore-based company. However, because of its disuse, the machine is in a rusted condition and has been lying idle in the corporation's garage for the past 10 years.

Meanwhile, the Kochi corporation had launched a pair of truck-mounted sweeping machines earlier this month. These were procured using Rs 10.98 crore from the Cochin Smart Mission Limited (CSML) funds. The machines that can clean up to 8km in an hour were launched by LSG Minister M B Rajesh at Ponnurunni. Similarly, the Thrissur corporation has been using sweeper machines since 2020. Besides, many other cities, including Coimbatore, Chennai, Madurai, and north Indian cities like Indore and Lucknow, have also been using it for years.

The city corporation bought the machine in 2010 from Roots Multiclean Company Ltd in Coimbatore, as part of the Jawaharlal Nehru National Urban Renewal Mission. It was initially deployed on 42 km of the newly laid roads in the city. Since the corporation lacked technical expertise, the company itself was entrusted with its operation and maintenance for three years, for which an additional `99.69 lakh was paid to them. Though the company had applied for a renewal of the operation and maintenance contract in 2013, the corporation had declined. Since 2013, the machine has been lying idle in the garage of the corporation.

An inspection in 2021 revealed that its key parts had rusted and that repairing them was not economical as its parts would have to be imported from abroad. The Comptroller and Auditor General (CAG) report on Waste Management in Urban Local Bodies tabled in the assembly in September this year observed that it is the lethargy on the corporation's part that led to the machine rusting in the corporation garage since 2013. Opposition leader and BJP councillor M R Gopan said the party would table the issue at the council meeting as the sweeper machines are largely beneficial to the public.

"The sweeper machines are beneficial to the public as it can substitute manual labour and save time. So we strongly suggest reusing the machines on our city roads, and it will be discussed in the upcoming council meeting," he said.

Corporation secretary Binu Francis told TNIE that the civic body had tried to repair the machine by informing the company concerned. “We had tried fixing the machine multiple times. But the company informed us that the machine cannot be repaired. They had also suggested buying back the machine. But that would cause us a huge loss. However, we don’t need sweeper machines, as the deposition of dust in the city is low and can be managed by manual labourers. There is no immediate requirement for sweeper machines. Moreover, many of the roads in the city are being maintained by the Kerala Road Fund Board and not the city corporation,” he said.

The main advantage of sweeper machines is that they can provide a deeper and more thorough cleaning than manual methods. Their mobility can allow the cleaning of large areas in a fraction of the time it would usually take. https://www.newindianexpress.com/cities/thiruvananthapuram/2024/jan/01/corporations-sweeping-machine-rusting-for10-yrs-civic-body-unlikely-to-repair-it-2646590.html

4. Explainer on Kaleshwaram presentation: Engineers' voice muffles in political rhetoric *(newstap.in)* 30 Dec 2023

When the Government found out that there was nothing in it to prove that the earlier Government resorted to corruption to the tune of Rs one lakh crore, an effort was made to silence their voices, because the presentation negated the narration of the State Government.

HYDERABAD: The engineers that prepared and presented the detailed chronological presentation on the multi-stage lift irrigation scheme Kaleshwaram gave a true picture of the events that led to the sagging of a pier in the Medgadda (Lakshmi) Barrage of the project on October 21, 2023. The presentation touched on all aspects of the project since the idea was conceived and executed in record time.

When the Government found out that there was nothing in it to prove that the earlier Government resorted to corruption to the tune of Rs one lakh crore, an effort was made to silence their voices, because the presentation negated the narration of the State Government.

The engineers could have made their point clear if the presentation and the postmortem of the project were held at the Irrigation and Command Area Development (I&CAD) office in Irram Manzil in Hyderabad rather than at the Medigadda barrage site.

Could any I&CAD go against the Government and say that the project was built after receiving all approvals and not on the plan and design drawn by the former Chief Minister K Chandrashekar Rao as per his whims and fancies? They were forced to toe the line of the Government in the public meeting.

The location

The then Congress Government in the erstwhile State of Andhra Pradesh in its Detailed Project Report (DPR) of Pranahita-Chevella mentioned that the availability of water at Tummadihatti was 273.14 TMC. However, the Central Water Commission (CWC) later estimated that the availability was only 165 TMC.

After the BRS came to power in the new State, it submitted a DPR for KLIP to the CWC estimating a total availability of water from Pranahita, Wardha, Penganga, Maneru, and Godavari sub-basin at 282.3 TMC at Medigadda. The new proposal to build the KLIP at Medigadda was approved by the CWC which through its engineers estimated the availability of water at 284.3 TMC.

The BRS Government after deciding to undertake the project at Medigadda instead of Tummadihatti adhered to the Central Irrigation Project principle of a 1.5:1 ratio for revenue earned to cost incurred, meaning that a revenue of Rs 1.5 for every Rs 1 spent on the project. However, there was also an argument that the ratio should not be applied to lift irrigation projects, whose fixed costs are much higher compared to conventional projects. After much debate, the earnings for every single rupee spent on KLIP was pegged at Rs 1.55.

Issue of Maintenance

There were issues with the maintenance of the barrage and also with the Annaram and Sundilla barrages. The reason was that the barrages were not considered dams and the dam safety manual did not apply to the Medigadda, Annaram, or Sundilla barrages. The barrages came into the dam safety purview only after 2022, after the relentless pursuance of the then-BRS Government.

The National Dam Safety Authority mentioned in its report the lack of pre and post-monsoon maintenance of the Medigadda barrage. The general observation was that the water fell beyond the barrage apron directly into the sand causing seepage in Medigadda and Annaram causing the 'piping' effect that might have impacted the raft foundation causing the sagging in Medigadda. The NDSA and the Congress Government in unison projected that a similar kind of sagging might occur in Annaram and Sundilla rendering the entire Kaleshwaram project unfit for future use.

What the experts said

The experts who visited and conducted a detailed study of the reasons for the sagging of the piers of the Medidagga barrage did not attribute the sagging to a fault in its design. They categorically said that the sagging could be due to sand boiling or piping that happened underneath the raft foundation. The NDSA opined that a faulty design could have speeded up the sagging.

NDSA

A six-member Committee led by Member (Disaster & Resilience), National Dam Safety Authority (NDSA) visited the site on October 24, 2023, and examined the reasons for the incident. Ashwin B. Pandya, Chairman Dam Safety Review Panel & former Chairman, of Central Water Commission in their inspection report said that piers had sunk due to a combination of issues involving planning design, quality control, and operation and maintenance (O&M).

"The primary reason for the failure is the settlement of the raft which could be due to various reasons including failure of secant piles due to barrage load and construction deficiency due to lack of stringent quality control," the report observed.

CE, Central Designs Organisation (CDO) Report

The CDO in its report stated that a hairline crack extending from the top of the pier to almost up to water level was noticed at pier numbers 19 and 21. They also found a slow whirling action of water upstream of Pier number 20. Two sand boils were noticed on the DS side of block number 7 in bays between Pier numbers 16, and 17 and between Pier numbers 17 and 18.

It was important to note that even the CDO had attributed the sagging to the problem of settlement appears not due to any structural failures and the differential settlement that led to visible cracks in the pier may be due to sand undermining below the raft.

Quality of pumps

At the project site State Roads and Buildings Minister Komatireddy Venkat Reddy while blaming the earlier Government for the sagging of the Medigadda barrage also said that even the pump houses built to lift the water were of cheap quality. Even though the issue was of the barrages that were built to stop the water, the quality of the pumps that can lift water from a height of 100 metres at Medigadda to Kondapochamma Sagar located at 600 meters height was also questioned.

Following are the world-renowned companies that supplied and fixed the pumps at Kannepalli (Lakshmi), Siripuram, (Saraswathi), Goliwada (Parvathi), Nandimedaram (Nandi), Lakshmipur (Gayatri), Annapurna (Anantagiri), Ranganayak Sagar, Mallanna Sagar and two pump houses of Kondapochamma Sagar.

BHEL

BHEL commissioned five units of Kaleshwaram Lift Irrigation Scheme Package 8 (7x139 MW) to lift 89.14 cumecs (cubic metres per second) of water by 120.98 metres. BHEL's scope in the project comprised of completion of electrical and Mechanical (E&M) works including design, manufacture, supply, and supervision of the erection and commissioning of 7 sets of Vertical Pump-Motor sets along with associated auxiliaries. The equipment has been supplied from BHEL's manufacturing units at Bhopal, Rudrapur, Bengaluru, and Jhansi, while the supervision of erection and commissioning at the site was carried out by the company's Power Sector Southern Region division, Chennai.

ANDRITZ (Austria)

ANDRITZ was awarded the contract with a partner who supplied the motors. ANDRITZ manufactured 27 vertical volute pumps for three pumping stations, each with an efficiency of up to 90 percent. A special feature of these pumps is that they were similar to turbines due to their impressive size, with a Francis impeller of 3.5 m, a total weight of 130 tonne up to 200 tonne per pump, and a spiral outlet diameter of 5.5 m, large enough to park a truck comfortably.

MEIL (Gayatri Pumphouse) Gayatri Pumphouse is the largest irrigation pumping station in the world. This four-floor pump house was built below the earth's surface at 178 metres reverse surface level. It had seven machines established, each with a capacity of 139 MW, totaling 973 MW. The pump house has four surge pools that store the water for pumping. MEIL completed it in less than 42 months.

ABB (Sweden)

ABB had supplied 37 medium voltage motors of both 40MW and 43MW sizes, 15 medium voltage load commutated inverter (LCI) drive units, the excitation systems, Low voltage, and high voltage switchgear, the PLC-based SCADA and other electricals to run the pumps. ABB's load-commutated inverter (LCI) drive solution was designed to alleviate electrical stress and inrush current in the system. ABB MV switchgear provides further protection, stability, and management in this massive operation.

Third TMC

Would the Congress Government go for the lifting of the third TMC which was allowed by the Supreme Court of India?

It was in January 2023 that the Apex court permitted the GRMB and the CWC to consider the application of Telangana for the utilization of 3rd TMC under KLIP. The court said this while dealing with the petition filed against land acquisition by Cheruku Srinivas Reddy of Dubbak.

The present Government based on the Comptroller and Auditor General of India (CAG) report might out of expanding the project to lift the third TMC.

The CAG has said that the cost-to-benefit ratio of the project was 1:0.75 in contrast to the then-state Government's claim of 1:1.5. In addition, by taking into account the escalated costs for lifting the third TMC, the ratio would come down to 1:0.52.

According to the report, the annual operational cost for irrigating an acre of land is Rs. 46,364 crore. The annual electricity costs are estimated to be Rs. 10,374 crore. Despite the negative report by CAG on the financial viability, the BRS went ahead with the work only to fully utilise its share of the Godavari water.

Way Forward

The Congress Government has the following options before it as per the NDSA report:

-The project designs and drawings need to be examined along with the results of geotechnical and geological investigations.

-All piers and rafts of the barrage must be surveyed, especially in block seven and blocks 6 and 8 (adjoining blocks), immediately to see if there is any piping or settlement.

-Before the remedial measures can be formulated, the extent of settlement and damage to the raft needs to be ascertained by project authorities and balance input/data provided to the committee.

-To avoid further aggravation of the situation until it is fully rehabilitated, the following measures should be taken: a. Hydraulic head should not be created by ponding as it may worsen piping. b. Gantry crane should not be operated. c. Gates in block number 7 should not be operated.

-After obtaining the results from the various investigations and on the opinion of the expert committee the restoration of the Block 7 of Medigadda Barrage will be taken up and the barrage will be under operation. Hence, the water must be stopped by building a coffer dam ahead of the Medigadda barrage, pumping out the water to initiate studies at the foundation level. The Irrigation Minister would have to take a call on this to ensure sufficient water for the command area for the coming Vanakalam (Kharif) season. https://www.newstap.in/telangana/kexplainer-on-aleshwaram-presentation-engineers-voice-muffles-in-political-rhetoric-1512460?infinitescroll=1

5. Jharkhand CM Hemant Soren reduces qualifying age for pension to 50 from 60 *(businesstoday.in)* Updated: Dec 29, 2023

Jharkhand Chief Minister Hemant Soren on Friday said that the state government has reduced the qualifying age for old-age pension from 60 to 50. He also added that his government would reserve 75% of the jobs for locals in companies that set up offices in the state.

The Hemant Soren-led government, which came into power in December 2019, universalised pensions under all categories. Earlier, anyone above 60 was eligible for Old Age Pension. The pensioner must meet only two criteria:

The person should not be an income tax payer.
The person should not already be a pensioner.

The age bar now has been reduced to 50.

Earlier this year, data obtained from the Department of Women, Child Development and Social Security showed that the Jharkhand government increased its pension coverage across several categories by more than 200 per cent since coming to power in December 2019.

The state is providing pension to people across five categories and spent roughly Rs 2,400 crore on pensions in the 2022-23 financial year.

As of March 2023 under the Old Age Pension scheme, 14.25 lakh beneficiaries were paid, which was up from 3.45 lakh as on December 31, 2019. The Particularly Vulnerable Tribal Group Pension beneficiaries went up from 52,336 to 70,577 while the beneficiaries Destitute Women Pension went up from 1.72 to 3.79 lakh. HIV AIDs patient beneficiaries jumped from 3375 to 5778, while Disability Pension beneficiaries jumped from 87, 796 to 2.44 lakh.

Last week, CAG tabled a report in the state assembly stating that there were gross irregularities and illegal transfer of crores of rupees in the performance audit of Direct Benefit Transfer (DBT) in scholarship and pension schemes in Jharkhand.

CAG noted fraudulent disbursement of scholarships to ghost or fake beneficiaries amounting to Rs 1.17 crore, like providing pensions to deceased persons and widow pensions to male beneficiaries were found during the audit.

"Considering the objectives and relative impact of DBT in social security and scholarship schemes, a performance audit of DBT in Jharkhand from 2017 and 2021 was conducted between November 2021 and May 2022. Huge financial irregularities were found in the audit," Accountant General (Audit), Jharkhand, Anup Francis Dungdung said in a press conference.

CAG said the state government had collected Rs 69,722 crore from the central assistance. However, it was found that 40 per cent of this revenue was spent on paying interest on salaries, allowances, pension and loans taken for development schemes.

In the financial year 2021-2022, the state government spent Rs 13,979 crore on salary allowance, Rs 7614 crore on payments of pension and Rs 6,286 crore on interest payment. The government's revenue deficit increased in 2021-2022 compared to the financial year 2020-2021.

The revenue deficit of the government in 2021-2021 was Rs 3,114 crore and in 2021-2022 it was Rs 6,944 crore. At the end of the financial year 2021-2022, the total debt and liabilities burden on the government increased to Rs 10,9184.98 crore. The state government took the loan of Rs 5,000 crore at 6.87 per cent and 7.35 per cent interest rates to meet its expenses. https://www.businesstoday.in/latest/politics/story/jharkhand-cm-hemant-soren-reduces-qualifying-age-for-pension-to-50-from-60-411290-2023-12-29

6. Under scrutiny, challenges galore for Ludhiana MC *(hindustantimes.com)* Dec 30, 2023

As the year 2023 comes to a close, here's a look at the hits and misses of the city municipal corporation

As curtains draw on 2023, Ludhiana Municipal Corporation finds itself under the scrutiny lens, facing widespread criticism for incomplete projects and unfulfilled promise of completing the multi-crore Buddha Nullah project. The ambitious ₹650 crore Buddha Nullah rejuvenation project, initiated in 2020, was originally scheduled for completion in 2022. However, last year, the department had to extend the project's deadline to March 2024, citing various challenges. As many as 60 outlets discharging untreated water into the nullah are yet to be closed by the municipal corporation under the project. This revelation raises questions about the timeline for completing this vital environmental project, which aims to curtail the pollution of the water body. The primary objective of the project is to shutter all outlets that currently allow untreated wastewater to enter BuddhaNullah. Instead, these outlets will be connected to nearby sewage treatment plants, ensuring that all wastewater undergoes proper treatment before entering the nullah.

46 ghost employees in MC

Municipal corporation commissioner Sandeep Rishi has ordered a probe into the findings of the ongoing audit by the principal accountant general, revealing 46 ghost employees within the civic body. As per the findings in the audit, 45 ghost employees are within the health branch of the civic body, while there is one whose mention is nowhere in the municipal corporation records. Based on the revelations, the MC commissioner formed a four-member committee, headed by additional commissioner Paramdeep Singh, to conduct a thorough probe into the matter.

Waste water enters city areas

Incessant rains in the month of July led to the breach in Buddha Nullah and Ganda Nullah, resulting in sewage and chemical water entering in various areas of the city, including Dhoka Mohalla, Dharampura, Ranjit Nagar and Bhamian Khurd. For more than a week, mixed water remained in the streets of these areas which forced the residents to stay in their houses. Residents faced losses along with health issues due to sewage water entering their houses. City residents highlighted that MC has failed to clean the blocked sewerage which led to the issue.

Overcharging at MC parking lots

Ignoring past incidents of fleecing and misbehaviour of parking lot staff with visitors, the municipal corporation authorities extended the term of parking contract of existing paid parking lots by two months in November. There is no relief for the public in the absence of any check by the MC authorities, especially at the parking lots of Bhadaur House and multi- level parking at MC Zone A office.

No vending zones in city

Even as the residents are facing traffic jams due to encroachments by vendors on city roads, the municipal corporation failed to establish vending zones in the city. In the past, MC had also proposed for model vending zone project, but nothing has been done so far. According to the Punjab Street Vendors (Protection of Livelihood and Regulation of Street Vending scheme 2016, each town vending committee shall conduct a survey to identify the vendors and allot them the specified marketplaces to vacate public places as per section 3. The MC had notified 64 vending zones with the capacity of 8,989 vendors on December 3, 2020 in compliance with the Street Vendors Act, but nothing has been done so far.

HIGHS

Railway underbridge at Pakhowal Road completed

The railway underbridge is a part of the Pakhowal Road ROB/RUBs project, being undertaken as part of the smart city mission with an estimated cost of approximately ₹131 crore. The RUB construction is complete and is expected to be inaugurated soon.

225 MLD STP inaugurated

Punjab chief minister Bhagwant Mann inaugurated the 225 million litre per day (MLD) sewage treatment plant (STP) at Ludhiana’s Jamalpur area along with other projects worth ₹315 crore aimed at cleaning and rejuvenating the Buddha Nullah in February this year.

Dog park opened in city

In a unique initiative taken for the welfare of pet dogs and dog lovers, the municipal corporation commissioner Sandeep Rishi inaugurated a ‘Dog Park’ in the city. It has been established in Block-D of Bhai Randhir Singh (BRS) Nagar. The civic body authorities stated that it is the third park in the country and the first such in North India.

Mobile pothole machine purchased

The municipal corporation has bought two innovative mobile pothole patching machines based on infrared recycling technology at a cost of ₹3.86 crore that will repair the roads in no time without any hassle to commuters. With these machines, road repairs can be completed in just 20 minutes, allowing commuters to use the road promptly after the repairs are done. The machines are decorated with taglines ‘pothole buster’ and ‘the road doctor’. https://www.hindustantimes.com/cities/chandigarh-news/under-scrutiny-challenges-galore-for-ludhiana-mc-101703874058022.html

7. निगम ने 46 कर्मचारियों के खातों में डाले डेढ़ करोड़, पर रिकार्ड में ये मुलाजिम ही नहीं मौजूद *(bhaskar.com)* 30 Dec 2023

कैग रिपोर्ट में बड़ा खुलासा : बैंक से निकलवाए जा रहे हैं 46 लोगों के एड्रेस

लुधियाना भारत के नियंत्रक एवं महालेखा परीक्षक(कैग) के एक ऑडिटिंग स्टाफ द्वारा नगर निगम लुधियाना के रिकॉर्ड की जांच की गई है और इस जांच के बाद एमसी के 46 कथित कर्मचारियों का मामला सामने आया है, जिनके खातों में करीब 1.5 करोड़ रुपए ट्रांसफर हो चुके हैं, लेकिन उन कर्मचारियों की मौजूदगी का कोई रिकॉर्ड नगर निगम के पास नहीं है। https://www.bhaskar.com/local/punjab/ludhiana/news/the-corporation-deposited-rs-15-crore-in-the-accounts-of-46-employees-but-these-employees-are-not-present-in-the-records-132365543.html

8. Chandigarh News: पानी नहीं, 'जहर' पी रहे 17 जिलों के लोग *(amarujala.com)* 01 Jan 2024

चंडीगढ़। हरियाणा के 17 जिलों के लोग 'जहरीले पानी'का सेवन कर रहे हैं। हाल ही में संसद में पेश केंद्रीय भूजल बोर्ड की रिपोर्ट के मुताबिक 17 जिलों के पानी में आर्सेनिक व फ्लोराइड की मात्रा तय सीमा से ज्यादा मिली है। बोर्ड को आर्सेनिक की मात्रा प्रति लीटर .0़5 से .50 मिलीग्राम मिली।

जबकि फ्लोराइड की पांच मिलीग्राम तक। विश्व स्वास्थ्य संगठन के मुताबिक, आर्सेनिक की मात्रा प्रति लीटर .01 मिलीग्राम से अधिक नहीं होनी चाहिए। इस रिपोर्ट के बाद नेशनल ग्रीन ट्रिब्यूनल ने स्वत: संज्ञान लेते हुए हरियाणा के मुख्य सचिव को नोटिस जारी कर इसकी रोकथाम व बचाव के लिए उठाए गए कदमों की जानकारी मांगी।

-पिछले दिनों हरियाणा विधानसभा में पेश हुई कैग की रिपोर्ट के मुताबिक, बीते पांच साल में जलजनित बीमारियों के करीब 3 हजार मामले सामने आए। 14 लोगों की मौत भी हुई।

यहां चिंताजनक स्थिति
भिवानी, अंबाला, फरीदाबाद, फतेहाबाद, झज्जर, जींद, करनाल, पानीपत, रोहतक, सिरसा, सोनीपत, यमुनानगर, पलवल, महेंद्रगढ़, पंचकूला, रेवाड़ी और कैथल के पानी में आर्सेनिक व फ्लोराइड की मात्रा तय सीमा से ज्यादा मिली है।

कारण
पीजीआई चंडीगढ़ के स्कूल ऑफ पब्लिक हेल्थ के प्रोफेसर रविंद्रा खैवाल ने बताया कि जहां भूमिगत पानी का दोहन अत्यधिक मात्रा में होता है, वहां भूमि से आर्सेनिक व फ्लोराइड रिसाव की संभावना बढ़ जाती है। खेतों में अंधाधुंध कीटनाशक व फर्टिलाइजर के इस्तेमाल से भी अर्सेनिक सतही जल में घुलता है।

असर
पीजीआई चंडीगढ़ के न्यूरो साइंस के प्रोफेसर अक्षय आनंद का कहना है कि आर्सेनिकयुक्त पानी लगातार पीने से शुरुआत में लोगों के नाखून काले पड़ते हैं। इससे कैंसर व अल्जाइमर जैसी बीमारियां

हो सकती हैं। हमारे शरीर को फ्लोराइड की जरूरत भी है, मगर तय सीमा से ज्यादा फ्लोराइड के शरीर में जाने से यह हड्डियों को कमजोर करने लगता है।

84 प्रतिशत गांवों में तेजी से गिर रहा भूजल स्तर

कुल गांव : 7287

रेड जोन में : 1948

रेड जोन की ओर बढ़ रहे : 6150 गांव

ग्रीन जोन में 1304

खंडों में स्थिति

कुल खंड : 141

सुरक्षित : 30

क्रिटिकल : 12

सेमी-क्रिटिकल : 14

अति-शोषित : 85

14 लाख करोड़ लीटर कम मिल रहा पानी

मांग : 34,96,276 करोड़ लीटर

उपलब्धता : 20,93,598 करोड़ लीटर

सरकार ने ये उठाए कदम

- 11.85 लाख नल कनेक्शन दिए गांवों में
- 17 नए जलघर स्थापित
- 404 नए नलकूप व 75 बूस्टिंग स्टेशन लगे

भविष्य की योजना

-फसल विविधीकरण : 3.14 लाख एकड़ क्षेत्र कवर कर 1.05 लाख करोड़ लीटर पानी बचेगा।

-धान की सीधी बिजाई : 4.75 लाख एकड़ में 0.51 लाख करोड़ लीटर की बचत।

-संरक्षण जुताई : 27.53 लाख एकड़ से 1.18 लाख करोड़ लीटर बचत।

-उच्च किस्मों का प्रयोग : 3.49 लाख एकड़ से 0.47 लाख करोड़ लीटर।

-हरी खाद का उपयोग : 9.73 लाख एकड़ से 0.35 लाख करोड़ लीटर।

-प्राकृतिक खेती : 0.43 लाख एकड़ से 0.27 लाख करोड़ लीटर की बचत।

कोटआर्सेनिक व फ्लोराइड पानी की समस्या से निपटने के लिए कई रणनीतियों पर काम किया जा रहा है। भूमिगत जल दोहन रोकने के लिए हमने अगले दो साल की विशेष कार्ययोजना तैयार की। जन स्वास्थ्य विभाग भी समय-समय पर सैंपल लेकर लोगों को शुद्ध पानी देने की दिशा में काम कर रहा है। - केशनी आनंद अरोड़ा, अध्यक्ष, हरियाणा जल संसाधन प्राधिकरण
https://www.amarujala.com/chandigarh/people-of-17-districts-are-drinking-poison-instead-of-water-chandigarh-news-c-16-1-pkl1073-318927-2024-01-01

SELECTED NEWS ITEMS/ARTICLES FOR READING

9. Govt plans second phase for discom-financing scheme *(financialexpress.com)* January 1, 2024

The new scheme would follow the expiry of the Rupees 3-trillion Revamped Distribution Sector Scheme (RDSS) launched in FY22 for five years through FY26.

The Centre is planning to launch another scheme to enable public sector power distribution utilities (discoms) to cut technical losses via "transition-financing" of the required capital expenditure.

The new scheme would follow the expiry of the Rupees 3-trillion Revamped Distribution Sector Scheme (RDSS) launched in FY22 for five years through FY26, a senior power ministry official. The proposed RDSS-II would have a similar aggregate outlay, and run for as many years as the current one, he added.

"To be able to distribute the load of 780 giga watt(GW), which is projected for 2030, a lot of additional work has to be done," the official said. The next phase of RDSS might also facilitate sanctioning of funds for new projects, aimed at improving operational efficiency of the country's electricity distribution infrastructure.

India to remain fastest-growing major economy in 2024

"Planning has started for the second phase of RDSS, which is likely to be launched after FY26… data is being collected on how much additional work the distribution sector requires to be strengthened to carry the load projected for 2030," the official said.

RDSS provides for long-term concessional transition financing to the discoms, with an aim to reduce the discoms' aggregate technical & commercial (AT&C) losses at pan-India level to 15%. It involves funding by state-run sector-specific lenders PFC-REC under irrecovable state government guarantee, and gross budgetary support of Rupees 97,631 crore by the Centre. According to the official data, as on date, total loan disbursed by PFC-REC under the scheme is Rupees 1.12 trillion for 16 states, while sanctioned amount is Rupees 1.33 trillion.

The finance ministry has allocated Rupees 12,000 crore for the same in the Union Budget for FY24, but total funds relased by the Centre for the scheme since its start are still below Rupees 6,000 crore. "Our primary objective rather than spending money is to control losses. If loss reduction is not satsifactory, the expenditure may slow," the official said.

The extant RDSS has two components: financial support for prepaid smart/system metering and upgrade of the distribution infrastructure and, training and capacity building.

Under the scheme, no new projects have been sanctioned, and only projects already sanctioned by March-end 2022 were eligible to receive funds. However, projects sanctioned for Ayodhya under the Integrated Power Development Scheme and under

Prime Minister's Development Package 2015 were eligible to receive funds, till March 31, 2023.

The financial assistance is extended only after the discoms meet the pre-qualifying criteria and achieve the basic minimum benchmark in reforms. The move to have a second version of RDSS can be attributed to the discoms' losses tending to rise again. "The programme aims at 15% reduction (in AT&C losses) by the end of the scheme (FY26). But now it has gone up again this year as collections are usually poor in the election year," the official said.

Further, the official highlighted that many states have apparently not been transparent about revealing the AT&C loss figures and may be drawing money without any actual reduction in losses. "More or less, the states are complying. But some states have started (tweaking) the figures, particularly Uttar Pradesh and Bihar," the official said.

In FY22, India's AT&C losses stood at 16.5%, down from 22.3% in FY21, the latest data from the power ministry showed. The data for FY23 and FY24 is under evaluation. Similarly, the gap between average cost of supply and average revenue realisation declined to 40 paise per kwh in FY22 from 69 paise per kwh in FY21. The scheme aims to eliminate this gap by FY25.

"The (funds) will not be a problem because this is the only flexible scheme in the power sector. Part of total revenue available with the government has to be (used) for development of the power sector," the official said.

According to the power ministry, the government has so far identified 57 discoms from 32 states and Union Territories under the scheme and has prepared detailed project reports for these. "Till today, detailed project reports having total outlay of Rupees 1.2 trillion has been approved for loss reduction works and Rupees 1.3 trillion has been approved for smart-metering works," power minister RK Singh said in a reply to Parliament earlier this month.

But the progress on the ground is still to be visible, and it may come with a lag. "If you look at the overall progress of the scheme, the sanctioned meters are somewhere around 220 millon and we have installed only about 0.8 milion so far," said Vikram V, vice-president & sector head, corporate ratings, Icra. "The scheme has to pick up and that is supposed to bring down the inefficiency in the collection system."

As per analysts, the installation of smart meters has lagged behind because of the lack of manufacturing ecosystem and the delay in tendering activity. "All of it takes time therefore the government is likely thinking of extending the scheme," Vikram said.

"If the government plans to extend the scheme beyond FY26 that implies the scheme has had positive outcome and still there is lot of work to be accomplished. Continuation of scheme would ensure broader and intense coverage. This will lead to sustainable benefits in the distribution segment," said Ashok Khurana, director general of Association of Power Producers. https://www.financialexpress.com/policy/economy-govt-plans-second-phase-for-discom-financing-scheme-3352096/

10. Robust tax mop-up limits fiscal deficit to 50% of FY24 goal

(livemint.com) 29 Dec 2023

The government's fiscal deficit is expected to remain in line with the estimated ₹17.9 trillion for the full fiscal year, as tax revenue grew and spending and subsidy outgo were in line with estimates.

New Delhi: The central government's fiscal deficit stood comfortably at ₹9 trillion in the April to November period, about half of the estimated full-year target, as tax revenue grew in twin digits, and spending and subsidy outgo were broadly in line with estimates.

With this, fiscal deficit, the gap between government spending and revenue that is met through borrowing, for the full fiscal looks set to remain in line with the ₹17.9 trillion estimated at the beginning of the year. The government has so far stuck to its borrowing calendar although it has secured Parliament's approval for extra spending of a net ₹58,378 crore in the current fiscal involving cash outgo. The Centre has borrowed ₹8.1 trillion in the first eight months of this fiscal against the ₹12.3-trillion market borrowing target.

Centre's gross tax revenue in April-November of this fiscal expanded about 15% from the year-ago period to ₹20.4 trillion, showed data released on Friday by the Controller General of Accounts (CGA). This is an improvement over the 10.5% expansion in tax revenue projected in the Union budget.

The Centre's corporate tax receipts grew 20% in 8MFY24 to ₹5.14 trillion, while personal income tax collections jumped 29% in the same period to ₹5.67 trillion. Its GST collections rose by over 13% in the April to November to ₹5.3 trillion. Customs duty collections in the period stayed at ₹1.4 trillion.

However, excise duty receipts contracted 7.8% in the first eight months of this fiscal to ₹1.76 trillion as the government had to reduce the rate of windfall tax on crude oil and on export of petrol, diesel and jet fuel this fiscal.

Centre's receipts from dividend and profits in the first eight months exceeded the full-year target on account of a dividend from the Reserve Bank of India.

Devendra Kumar Pant, chief economist and senior director – public finance at India Ratings and Research said the pressure points on FY24 fiscal deficit originate from disinvestment and revenue expenditure. Pant said slower nominal GDP growth may push fiscal deficit to 6% of GDP this fiscal against the budget estimate of 5.9%. The Centre had projected a 10.5% expansion of GDP this fiscal in nominal terms.

Centre's revenue receipts in the first eight months of this fiscal stood at ₹17.2 trillion or two-thirds of the full-year target. Total spending stood at 59% of the full-year target, at ₹26.5 trillion. However, capital expenditure in the April to November period this fiscal stood at ₹5.8 trillion, or 58.5% of the targeted ₹10 trillion for the full year.

In the first eight months of the fiscal, Centre spent ₹2.4 trillion in subsidies, which accounts for two thirds of the ₹3.7 trillion target for the year. In the same time a year ago, centre had spent ₹3 trillion in food, petroleum and fertilizer subsidies.

https://www.livemint.com/news/india/robust-tax-mop-up-limits-fiscal-deficit-to-50-of-fy24-goal-11703872362954.html

11. 'Har Ghar Jal': 5.33 crore rural houses yet to get tap water connection, says RTI reply *(timesofindia.indiatimes.com)* Dec 31, 2023

NEW DELHI: Around 5.33 crore houses in rural areas have not been covered yet under the Centre's ambitious mission to provide tap water connection to every house in every village of the country by 2024. The situation is worst in Rajasthan, Jharkhand and West Bengal.

According to the data provided by the government, in the last four-and-a-half years, under the Jal Jeevan Mission- 'Har Ghar Jal', tap water was supplied to 13,91,70,516 (13.91 crore) rural houses, while on 15 August 2019, the number of households with such tap water connections was only 3,23,62,838 (3.23 crore).

The total number of houses in rural areas of the country is 19,25,17,015 (19.25 crore), out of which tap water connections have been installed in 13,91,70,516 (13.91 crore) houses till 25 December 2023.

The Ministry of Drinking Water and Sanitation, Government of India has provided this data in response to an application filed under the Right to Information (RTI) Act.

The Centre has set a target of supplying tap water to every village household in the country by 2024, for which the 'Har Ghar Jal' scheme is being implemented in partnership with states.

According to the reply provided by the ministry, drinking water is a state subject and planning, design, approval and implementation of drinking water supply schemes is up to the states.

The Government of India has supported the states in this effort by providing technical and financial assistance.

Till August 15, 2019, only 16.81 per cent of the villages in the country had tap water in their homes, the proportion of which has now increased to 72.29 per cent by December 25, 2023. But about 28 per cent of the houses in rural areas are still waiting for tap water, the reply to the RTI query showed.

Under the 'Har Ghar Jal' campaign, the status of tap connections in houses in rural areas in Jharkhand, Rajasthan and West Bengal is the worst. While 47.57 per cent houses in Jharkhand have tap connections, only 45.33 and 40.69 per cent houses have tap connections in Rajasthan and West Bengal, respectively.

A total of 10,68,07,678 (10.68 crore) houses have been provided tap connections in the last four-and-a-half years since the launch of the Jal Jeevan Mission, according to the reply.

During the last five years, crores of rupees have been spent by the government to provide tap water connections in rural areas across the country.

The total amount spent on providing tap water connection was Rs 9,951 crore in 2019-20, Rs 10,916 crore in 2020- 2021, Rs 40,010 crore in 2021-22, Rs 54,744 crore in 2022-23 and Rs 47,293 crore in 2023-24.

According to the information received from the Ministry of Drinking Water and Sanitation, under the mission, tap connections have been provided to every household in rural areas of nine states and Union Territories.

The states and Union Territories with 100 per cent tap connections comprise Goa, Andaman and Nicobar, Dadra and Nagar Haveli and Daman and Diu, Haryana, Telangana, Puducherry, Gujarat, Punjab and Himachal Pradesh. The states and Union Territories where more than 75 per cent tap connections have been installed in rural areas include Mizoram (98.35 per cent), Arunachal Pradesh (97.83 per cent, Bihar (96.42 per cent), Ladakh (90.12 per cent), Sikkim (88.54 per cent), Uttarakhand (87.79 per cent), Nagaland (82.82 per cent), Maharashtra (82.64 per cent), Tamil Nadu (78.59 per cent), Manipur (77.73 per cent), Jammu and Kashmir (75.64 per cent) and Tripura (75.25 per cent).

Chhattisgarh has 73.35 per cent tap water connections, Meghalaya (72.81 per cent), Uttar Pradesh (72.69 per cent), Andhra Pradesh (72.37 per cent), Karnataka (71.73 per cent), Odisha (69.20 per cent), Assam (68.25 per cent), Lakshadweep (62.10 per cent), Madhya Pradesh (59.36 per cent) and Kerala (51.87 per cent). https://timesofindia.indiatimes.com/india/har-ghar-jal-5-33-crore-rural-houses-yet-to-get-tap-water-connection-says-rti-reply/articleshow/106425570.cms?from=mdr

12. PSU general insurers need to be turned around *(thehindubusinessline.com)* Updated - December 31, 2023

It is time these insurance companies adopt a professional set-up and free themselves from ministerial interference

In its latest Financial Stability Report, the Reserve Bank of India noted that three state-owned insurance companies are not meeting regulatory solvency requirements. Within the public sector non-life insurers' group, the solvency ratio falls below the desired level, with three out of four PSU insurers recording ratios beneath the regulatory threshold.

The Insurance Regulatory and Development Authority of India (IRDAI) stipulates a minimum solvency ratio of 150 per cent for insurance companies emphasising the importance of a higher ratio for ensuring the insurer's capacity to meet its liabilities.

The solvency margin represents the additional capital companies need beyond the expected claim amounts, serving as a financial cushion in critical situations to facilitate the settlement of all claims. In 2022, the government injected ₹5,000 crore capital into three insurers — National Insurance Company Ltd, Oriental Insurance Company Ltd, and United India Insurance Company.

This strategic move was part of the government's playbook, acknowledging the challenges posed by the unprecedented pandemic. Notably, the Budget for 2023-24 does not allocate funds for capital infusion into insurance companies.

Funds infusion

Earlier this year, three PSU general insurers (excluding New India) were estimated by an ICRA report, to require a substantial ₹17,000 crore to meet solvency criteria. The preceding year witnessed an upturn in underwriting losses for public sector insurers, attributed to wage revisions and the settlement of associated arrears.

Among the four state-run general insurance companies, only New India Assurance Company is publicly listed, while the other three are entirely owned by the government. Despite the government's intention to privatise one general insurance company and the parliamentary approval of amendments to the General Insurance Business (Nationalisation) Act (GIBNA) to facilitate it, there has been no progress.

In February 2018, the government announced the proposed merger of three PSU General Insurers — National Insurance (NIC), United India Insurance (UII), and Oriental Insurance (OIC) — into a single entity before being listed on Indian stock exchanges. However, this plan was called off in July 2020.

Earlier, IRDAI identified LIC, GIC Re, and NIA as Domestic Systemically Important Insurers (D-SIIs). Despite being subjected to enhanced regulatory supervision to address systemic risks and moral hazard issues, these entities were instructed to elevate corporate governance and establish a robust risk management culture. However, there has been a notable lack of progress. Considering the prolonged financial challenges faced by PSU insurers, one questions the significance of such a SIFI nomenclature.

Conflict of interest

Despite a significant deficiency in risk management and a prolonged low solvency margin, the regulator seems unable to take decisive action. The absence of incentives for management to pursue a turnaround is evident, and there are no anticipated regulatory penalties or consequences given their state-owned status. In a hypothetical scenario involving a private insurer, the regulator might have facilitated a merger or acquisition with a more robust insurer.

Another complicating factor is that PSU insurers have been subject to governance processes mandated by the government's administrative ministry since their inception. The inconsistent approach makes it challenging for improvements to take effect. Presumably, until the conclusion of national elections, the political volatility hinders decisive action on these struggling PSUs. The harsh reality is that additional taxpayer funds may be required to sustain these entities until a decision is reached.

Following 50 years of insurance nationalisation, government companies can no longer assert to be solely driven by social purpose considerations, potentially conflicting with policyholders' interests. Therefore, it is imperative that all PSU insurers transition to a professional set-up, free from day-to-day administrative ministry control. These entities must prioritise accountability to policyholder interests, reflecting the core principles of insurance governance. https://www.thehindubusinessline.com/opinion/psu-general-insurers-need-to-be-turned-around/article67693332.ece

13. RTI reply: Two missed deadline, set for opening next year, MTHL sees cost escalation of Rs 2,192 cr *(indianexpress.com)* Updated: December 29, 2023

Originally slated for completion on September 22, 2022, the project faced setbacks due to the Covid-induced lockdowns, leading to two extensions — first to September 22, 2023 and then to December 15, 2023, both unmet.

Mumbai: The Mumbai Trans Harbour Link (MTHL) project, which is expected to be inaugurated early next year, has seen a cost escalation of Rs 2,192 crore or 14.9 per cent, according to information obtained through a Right to Information (RTI) query by activist Anil Galgali.

The original cost of Rs 14,712.70 crore has now increased to Rs 16,904.43 crore, the RTI reply stated.

Originally slated for completion on September 22, 2022, the project faced setbacks due to the Covid-induced lockdowns, leading to two extensions — first to September 22, 2023 and then to December 15, 2023, both unmet. Officials are now targeting an opening in early 2024 for the sea bridge.

Despite two missed deadlines, no penalties have been imposed on the contractors for the project delays, as per RTI information.

The 21.8-km six-lane, access-controlled bridge from Sewri in Mumbai to Chirle in Navi Mumbai has three interchanges. One interchange is at Sewri in South Mumbai, connecting the MTHL to the Eastern Freeway (Mumbai side), the second is at Shivaji Nagar in Ulwe connecting the MTHL to the Navi Mumbai Coastal Road project and the third is at Chirle interchange —where one arm will connect State Highway-54 and the second will connect NH-4 Mumbai-Pune Highway.

The sealink, once opened to the public, will reduce the travel time bringing Mumbai and Navi Mumbai closer. It has been named as Atal Bihari Vajpayee Sewri-Nhava Sheva Atal Setu. https://indianexpress.com/article/cities/mumbai/mthl-cost-escalation-rti-reply-9087969/

14. Mumbai Trans Harbour Link Faces ₹2,192 Crore Cost Overrun amid Delays & Missed Deadlines *(freepressjournal.in)* December 29, 2023

Although the mega project is expected to be inaugurated by Prime Minister Narendra Modi on January 12, there is no official confirmation from the Prime Minister's Office.

The Mumbai Trans Harbour Link (MTHL), India's longest road bridge spanning 22 kilometres, has experienced a staggering cost overrun of Rs 2,192 crore. According to Anil Galgali, a noted Right To Information (RTI) activist, the contractors have failed to meet two extended deadlines, and as of now, the project is not 100 per cent complete.

The Mumbai Metropolitan Regional Development Authority (MMRDA) has informed Galgali that no penalties have been imposed on the contractors, even with the extensions. Although the mega project is expected to be inaugurated by Prime Minister

Narendra Modi on January 12, there is no official confirmation from the Prime Minister's Office (PMO).

Project expected to be completed by December 2023 end

In a document provided by the MMRDA administration to Galgali, the overall physical progress of packages 1, 2, and 3 of the project stands at 98.92 per cent, while the physical progress of package 4 is 82 per cent. The average physical progress of the entire project is 98.41 per cent. The project is projected to be completed by the end of December 2023. Galgali asserted that the increase in cost is a result of the delayed completion, placing blame on the contractors. He suggests that instead of bearing the increased cost, imposing a fine would be a more appropriate course of action.

The project is financed with a loan from the Japan International Cooperation Agency (JICA). The initial contract price for the consortium was Rs 7637.30 crores, but it has now risen by Rs 999.67 crores. The original expenditure was Rs 14712.70 crores, and it has increased by Rs 2192.73 crores.

Despite previous two extensions, project remains unfinished

The contractors missed two extensions, with the initial completion date set for September 22, 2022. The MMRDA administration granted the first extension until September 22, 2023, followed by a second extension until December 15, 2023. Despite these extensions, the project remains unfinished, as highlighted by Galgali. https://www.freepressjournal.in/mumbai/mumbai-trans-harbour-link-faces-2192-crore-cost-overrun-amid-delays-missed-deadlines

15. Goa's debt swells to Rs 35K crore, burden per citizen pegged at Rs 2.2 lakh *(daijiworld.com)* 30 Dec 2023

Panaji: While Chief Minister Pramod Sawant said nine months back that Goa will not need to take loans after two years, the opposition parties have targeted the BJP government over the reported total debt pegged at Rs 35000 crore.

Leader of Opposition Yuri Alemao speaking to IANS said that the BJP government since coming to power in 2012 has focused only on event management and spending crores on it.

“Government is in a ‘Debt Trap’ with monthly borrowings of almost 200 crores. This has resulted in the total debt of the state touching to Rs 35000 crores,” claimed Alemao.

He said that in 2007 (during the Congress regime) the liability of Goa was Rs 6317 crores. “It went up to around Rs 7000 crores in 2012 (when the Congress lost power and the BJP formed the government). The present liability is of Rs 35000 crores. This has put a burden of Rs 2.20 lakhs on every citizen of Goa. The government is completely clueless on controlling the rising debt,” Alemao said.

“Mining was stopped by the BJP government which created a major dent in the economy. They have miserably failed to resume legal mining in the last eleven years,” he stated.

“The faulty policies of the government have resulted in the collapse of the tourism sector which is another backbone of the state's economy. There is a steep decline in the influx of foreign tourists in Goa. This decline is almost 65 percent reportedly this year,” added Alemao.

Goa Forward MLA Vijai Sardesai said that the government should stop wasteful expenditure especially on events, publicity and roadshows.

“Revenue generation hasn’t been the focus of this regime since mining hasn’t actually started this year. Capital expenditure not being spent, rather a bloated, corrupt and inefficient bureaucracy on whom the majority of the revenue expenditure is spent spells doom for growth and progress. The government needs to have a midterm assessment of goals and achievements. Most ministers have underperformed in the absence of periodic assessment,” Sardesai said.

AAP legislator from Benaulim, Venzy Viegas also slammed the BJP government over its failure to control the fiscal deficit of the state.

“The Centre allows a borrowing limit of 3 percent, however our state requested 4.3 percent and the 0.5 percent additional we get for conducting power reforms. But I feel that power reforms have not taken place. Solar power is nowhere. I want to ask the government why we are asking for an extra 1.3 percent borrowing. Our leaders and bureaucrats should keep in mind to bring more revenue. We should have brains to earn revenue and not for borrowing,” Viegas said.

According to him, during the budget 2021-22 the government had estimated to repay debt of Rs 2200 crores towards the principal amount and Rs 1894 crore towards interest payment. However, the government paid only Rs 1783 crores towards interest.

“Planning is mismatching and it's a big blunder,” he said.

He said the BJP government has failed to come up with revenue generating modules. “The corrupt system inherited by the BJP is forcing them to borrow,” he alleged.

“The government has failed to control the fiscal deficit and also to generate revenue. The majority community should know about this before they vote. Our system will collapse if we don’t take finances seriously ,” Viegas added.

Former All India Congress Committee Secretary Girish Chodankar, who constantly raised the debt issue, said that the BJP government led by Chief Minister Pramod Sawant, who also holds the finance portfolio, has totally failed in managing the finances.

“This is clear cut mismanagement wherein he (Sawant) borrows money only to organise events and fails to generate revenue,” Girish Chodankar said, adding the beneficiaries of the schemes are awaiting payment.

According to Chodankar, 80 to 90 per cent of the borrowings should be utilized for capital expenditure, so that revenue can be generated.

“Eight years back I had said that it is an alarming situation with regard to state finances, where there is only expenditure but no plans to generate revenue. The government has also failed to take austerity measures, which can be seen in how it spent crores of rupees on swearing in ceremonies and to purchase high end vehicles for ministers,” Chodankar claimed.

He said that the financial situation is such that liabilities have crossed the quantum of the state's budget. “Debt is more than the state’s budget. This government is hoodwinking the people. Many times the Chief Minister states that the Central government spent thousands of crores on building infrastructure here. If that is true then where does the money of the state go,” he questioned.

He said that apart from the state liabilities, there are the liabilities of the corporations and others, which doesn’t reflect in the state's debt report.

“Actually the finance secretary should bring discipline, but when any capable officer tries to do it, he is transferred because the officer doesn’t give them the opportunity to do what they want,” he said.

“This BJP government has no vision and no innovative ideas. They are also trying to kill tourism by increasing taxes on liquor. Despite losing the mining revenue, we were trying to run the finances smoothly, but the BJP has failed,” Chodankar said.

"We have done such planning and financial management that after two years, we will not require to take loans. We will have mining revenues, GST collection, excise revenue, and 36 per cent share from the Manohar International Airport at Mopa," Sawant had said in April 2023.

"Goa will be on track to generate enough revenue in the coming years, after which it won't require to take loans," Sawant had said.

"I didn't hesitate to give sanction to taking a loan from NABARD for projects, because I have done financial planning for the next four years," he said.

BJP general secretary and former MLA Damodar Naik defending his party said that it is the work of the opposition to target the government and hence they are levelling baseless allegations.

“It is simple… suppose if war at the border is going on and if our soldiers kill 500 Pakistanis (soldiers), then the opposition never speaks about it, but if they target our one bunker then the opposition makes a noise about it,” Naik said, citing an example.

“The state finances are doing very well. One should understand that if we had failed to repay then we would have been called a ‘financially sick state’. Our government has plans to generate revenue and they are going on,” Naik said. https://www.daijiworld.com/news/newsDisplay?newsID=1153921