COMPETITION DISTORTIONS IN INDIA – A CUTS DOSSIER

(CDI 60: April to June 2023)

For earlier Dossiers please see: https://cuts-ccier.org/competition-distortion-in-india/

This periodic dossier produced by CUTS International looks at the interface of policy issues that impact competition in India, which can be both negative and positive. News, as published, is used without verifying its accuracy. The purpose is to flag issues to the layman and the specialised policymakers and regulators, rather than be judgmental about them. This would require greater analysis, particularly in terms of cost and benefits in addition to that.

Dear Reader,

Greetings!

We are pleased to present the Competition Distortion Dossier #60 for the second quarter of the year, i.e., April to June 2023. We have extensively covered the most significant news stories from the last quarter that have impacted the competitive landscape in India both positively and negatively.

One of the most significant concerns this quarter is dynamic pricing, which exists often as price gouging, in the Indian aviation industry. This is adversely affecting consumers. The aviation industry is characterised by several other issues such as supply chain disruptions due to the lack of availability of engines, and increased cost of aviation turbine fuel due to geopolitical tensions due to the Ukraine war. Several air carriers have exited the industry in India during the last decade. The latest is Go First's financial woes that followed Jet Air's footsteps into bankruptcy. This has resulted in market distortions hampering competition and leading to a concentration of market power further contributing to the oligopolistic nature of the Indian aviation industry.

The first section of the dossier discusses recent trade policy developments, such as the removal of retaliatory customs tariffs on eight US products by India, stock limits on wheat and the implications of the EU's Carbon Border Adjustment Mechanism for India's exports. Moving into the second section of the dossier, this part discusses pro-competitive policies such as the Open Network for Digital Commerce's new incentive mechanism, Tesla's entry into the Indian automobile market, simplification of the helicopter access grant process, successful resolution of realty insolvency cases and private funding by railways to redevelop stations.

The last section of the publication deals with policies inhibiting competition in the market. It discusses issues in India's aviation industry such as the bankruptcy of Go First and Jet Airways. It also discusses the shortfall in asset monetisation by the Centre.

We hope you enjoy reading these stories as much as we did, reporting them.

Cheers!

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A. Trade Policies

India to Remove Retaliatory Tariffs on Eight US Products

India will remove additional duties on eight American goods, such as chickpeas, lentils, and apples. These charges were imposed in 2019 as a retaliatory action against the US decision to raise tariffs on specific steel and aluminium items.

Once India officially notifies the removal of these additional duties, the tariffs on these eight products of American origin will return to the prevailing most-favoured-nation (MFN) rate. The removal of retaliatory customs duties and termination of six WTO disputes was decided during the recent state visit of Prime Minister Narendra Modi to the US.[1]

Food for Thought

In 2018, the US implemented a 25 percent import tariff on steel products and a 10 percent tariff on specific aluminium products, citing national security reasons. In response, India imposed customs duties on 28 American products in June 2019. The given statement indicates that this agreement signifies the culmination of an intensified bilateral relationship over the past two years, which involved various engagements such as the US-India Trade Policy Forum, aimed at strengthening economic and trade connections.

It is worth noting that the US is India's largest trading partner, while India stands as the second-largest export market for the US. The announcement of this agreement to lift the imposed duties has been positively received by US lawmakers and industry leaders. Additionally, the bilateral goods trade between the two countries increased from US$119.5bn in 2021-22 to US$128.8bn in 2022-23.

However, what is tragic about this action is that the Prime Minister did not raise the issue of the WTO dispute settlement system with the US president, which is in limbo due to US intransigence. This is although the G20 working group, currently active in India, has criticised the US for its illogical attitude. Hopefully, this will come up when the G20 Summit takes place in New Delhi on September 09-10, 2023.

However, experts say that the resolution of the problem will take much longer because of the domestic politics in the US. We have often said that the WTO will be a better place

[1] India To Remove Retaliatory Customs Duties On Eight US Products

without the US. As it is the US is not a good international citizen. It has not joined so many of them.

EU's Carbon Border Adjustment Mechanism and Implications for India

In April 2023, the European Parliament approved legislation to enforce a Carbon Border Adjustment Mechanism (CBAM) as a component of the European Union's (EU) Green Deal, which targets a 55 percent reduction in greenhouse gas emissions by 2030. Developing nations like India have voiced criticism towards CBAM, labelling it as a trade-restrictive policy.

India has raised concerns about CBAM on several global platforms, including the WTO, emphasising the significance of equal treatment for identical products and cautioning against the potential for protectionist measures arising from such policies.[2]

Food for Thought

The introduction of the CBAM by the EU is predicted to have a notable economic impact on India's exports of energy-intensive products like steel, aluminium, cement, and fertilisers. Indian exporters are likely to experience higher prices, reduced competitiveness, and decreased demand for their goods in the EU market.

The steel industry is recognised as a challenging sector to decarbonise and is responsible for approximately eight percent of global emissions. The International Energy Agency (IEA) has observed a rise in carbon emissions from the iron and steel sector in the past decade, primarily due to increased steel demand and the energy-intensive nature of its production.

As per a recent report from the Global Trade Research Initiative (GTRI), the implementation of the CBAM is expected to present a significant challenge to India's metal industry. In 2022, 27 percent of India's exports of iron, steel, and aluminium products, valued at US$8.2bn, were destined for the EU.

According to an article by experts, such as Pradeep S Mehta, around six percent of these exports will fall under the purview of the CBAM. Starting from January 01, 2026, the EU

[2] cbam: EU's Carbon Border Adjustment Mechanism: Why should Indian industry care? - The Economic Times

will begin imposing a carbon tax on each shipment of steel and aluminium, resulting in Indian firms paying an amount equivalent to 20-35 percent of the tariffs.

On the same note, India has proposed a higher duty on goods produced with higher emissions coming from Europe. Thus, we will likely see more trade wars in the future and wonder whether the environment will benefit.

B. Policies Promoting Competition

ONDC Rolls Out New Incentive Regime

From June 01, onwards, the government-supported Open Network for Digital Commerce (ONDC) will implement some changes to its incentive system. The change comes at a time when there has been a lot of buzz around ONDC waging a price war against food delivery behemoths Swiggy and Zomato by offering discounts.

Under the updated rules, the highest pricing incentive will now be limited to ₹100 per order, reduced from the previous amount of over ₹120. Additionally; the overall incentive amount will not surpass 50 percent of the total order value, which includes shipping charges.[3]

Food for Thought

The government introduced the ONDC framework to reduce the chances of abuse of dominance of a select few dominant players in the e-commerce sector. If there are clear signs of monopolistic behaviour, it is the responsibility of the government to regulate and control them, with the Competition Commission of India (CCI) already in existence for this purpose.

However, the ONDC can complement the CCI in fostering competition in India's e-commerce market by reducing barriers to entry for sellers. It seeks to provide a common set of protocols that sellers can use to digitise their businesses, making it easier for them to onboard onto multiple e-commerce platforms. By doing so, ONDC aims to reduce the reliance on dominant players like Amazon, Flipkart, Reliance, or Tatas, thus diminishing the exclusive value proposition of incumbents.

Furthermore, ONDC's design aims to break down network effects associated with two-sided platforms, ensuring equal discoverability for sellers in all marketplaces, regardless

[3] ONDC to launch new incentive scheme on June 1, caps discounts at Rs 100

of their scale. Ultimately, the initiative seeks to encourage fair competition among platforms, allowing them to compete based on their merits rather than resorting to regulatory measures. Through ONDC, India aims to create a diverse and competitive e-commerce landscape with the potential for numerous platforms to cater to consumers' needs.[4]

ONDC is a unique contribution of India to the world of ecommerce and surely the same will be replicated in other countries.

No Exclusive and Special Concessions for Tesla

Tesla is in discussions with the Indian government to establish a factory and manufacturing hub to produce electric vehicles and export them to the Indo-Pacific region. The Indian Commerce and Industry Ministry aims to negotiate a mutually beneficial agreement while ensuring fair competition between local manufacturing and exports.[5]

Competing automobile maker, Mercedes-Benz has stated that India should not provide any exclusive benefits to US electric car maker Tesla and instead ensure fair competition for all industry participants. Many Indian automobile manufacturers have also voiced their opposition to granting Tesla the usual tax advantages associated with importing their vehicles to India.[6]

Food for Thought

Since May 2023, the Elon Musk-led carmaker has been increasingly showing interest in entering the Indian market, either via the import market or manufacturing in India. However, talks have been more focussed on manufacturing in India, as the Centre maintains high tariffs on automobiles to discourage imports and encourage domestic production. Thus, it helps to create more jobs.

In addition to the plans of setting up a manufacturing plant in India, like all major automobile manufacturers, Tesla is also considering procurement of local components. From an economic perspective being part of Tesla's supply chain is beneficial to India.

4 Deep Dive: Will ONDC actually address competition concerns in e-commerce?
5 Tesla eyes investment in India: Plans to set up electric vehicle factory and export hub | Mint #AskBetterQuestions
6 Mercedes does not want India to give Tesla any special sops - The Economic Times

However, given Tesla's dominance in the global market, ensuring competition in the market is equally crucial.[7]

DGCA Simplifies Heliport Licence Grant Process

The Directorate General of Civil Aviation (DGCA) has introduced a simplified process for obtaining Heliport Licences to streamline operations and promote ease of doing business. Applicants can now benefit from a single window clearance system through a dedicated tab in their eGCA profile, eliminating the need to approach multiple external organisations individually.

Previously, applicants seeking a Heliport Licence had to individually apply to five external organisations to obtain the necessary NOC and clearances. These organisations included the Ministry of Home, Ministry of Defence, Ministry of Environment and Forest, Airport Authority of India, and the Local Administration.[8]

With the introduction of the single-window application tab on the eGCA portal, applicants can now navigate the Heliport Licence grant process more efficiently. This progressive step by the DGCA is a further step in the ongoing efforts to promote a seamless and technology-driven regulatory framework which can enable India's aviation industry to thrive.

Food for Thought

The DGCA has now simplified the process by creating a dedicated tab [for heliport licence] within the applicant's eGCA profile. Through this tab, applicants can conveniently apply for NOC and clearances by utilising URL links or email addresses provided by the respective organisations. This streamlined approach significantly reduces the administrative burden for applicants and provides a centralised platform for all necessary approvals.

The Ministry of Civil Aviation has focused on leveraging technology to improve operational efficiency. In November 2021, the Ministry launched the eGCA (e-Governance in Directorate General of Civil Aviation) portal, which aims to enhance the effectiveness of DGCA's services.

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7 Tesla In India: Centre Not Willing To Extend Special Incentives, States Free To Do So

8 DGCA simplifies heliport license grant process, introduces single window clearance via eGCA portal

The Ministry has recently launched UDAN 5.1, which is an initiative aimed at further enhancing connectivity, including through helicopters, to remote areas of the country. By simplifying the Heliport Licence grant process, the DGCA's new application system will contribute to the success of UDAN 5.1 by ensuring efficient last-mile connectivity in these regions.

The streamlined process not only benefits applicants seeking Heliport Licences but also supports the broader goal of improving air connectivity and infrastructure across the country. By reducing bureaucratic hurdles and promoting a single-window system, the DGCA reinforces its commitment to fostering a business-friendly environment and facilitating the growth of the aviation sector. This will help smaller players enter the helicopter services market, which will enhance competition and consequently benefit consumers.

Successful Resolution of Realty Insolvency Cases

The insolvency and bankruptcy cases of real estate companies have witnessed steady progress in terms of resolutions despite several complexities involved including troubled homebuyers in large numbers.

As per experts, the possibility of the government bringing in changes to the Insolvency and Bankruptcy Code (IBC) to allow resolution depending on the nature of the projects instead of stipulating one rigid framework for the entire property sector is likely to push the performance further.[9]

As per the latest data from the Insolvency & Bankruptcy Board of India (IBBI), a total of 6,571 companies across sectors were brought into administration until March-end of 2023. Out of these cases, about 21 percent or 1,380 companies were from the real estate sector and of these 854 or nearly 62 percent companies have seen a successful resolution plan since the inception of the IBC in 2016.[10]

Furthermore, the Centre is also considering a new creditor-led insolvency resolution mechanism to fast-track the settlement processes and alleviate the burden on the National Company Law Tribunal (NCLT). Under the proposed scheme, creditors and

[9] Successful resolution seen in 62% realty insolvency cases - The Economic Times
[10] *Ibid*

debtors can enter into an informal agreement to resolve a bankruptcy case and then approach the NCLT to quickly admit cases.[11]

Food for Thought

On May 17, the New Delhi bench of the National Company Law Tribunal (NCLT) approved Gurugram-based Experion Developers' revival plan for New Delhi builder Dignity Buildcon. Similarly, on April 24, the NCLT also approved the revival plan for Sare Gurugram. The company had admitted liabilities of over ₹2,112 crore and lenders and the tribunal approved the consortium of KGK Realty and Dhoot Infrastructure Projects' plan.

These are not sporadic examples but growing trends of buyers and investors looking at bankrupt realty firms to acquire from the insolvency resolution process to turn it around and make some profit in the process. Most stressed realty developers facing the insolvency resolution process are from the metro cities where prime land parcels are very difficult to get. This is driving bidders' interest in bankrupt realty companies to take over at discounted prices.

However, even after approval, managing multiple litigations, particularly by homebuyers, clarity on land parcels and required licences to complete unfinished projects are some of the challenges that new owners of such companies face. Therefore, the issues and challenges in any real estate project or developer's insolvency resolutions are different than any other sector as it involves homebuyers as operational creditors. As per experts, the numbers achieved so far need to be analysed after considering such peculiar factors.

In January 2023, the Ministry of Corporate Affairs invited comments from the public on proposed amendments that were being considered under the IBC regime. One of these changes includes codification of the reverse CIRP and project-wise resolution. The Ministry proposed amending Section 28 of the IBC to enable the resolution professional to transfer the ownership and possession of units to the allottees with the consent of the committee of creditors.[12]

[11] Centre mulling new mechanism to fast track bankruptcy cases, ease NCLT burden | Mint #AskBetterQuestions

[12] Tailored framework for real estate insolvency resolution - The Hindu Business Line

Considering the unique challenges of the real estate sector, there is a need for a specialised resolution framework tailored to address the complexities of the real estate sector. A customised code will help in resolving the issues at a faster pace.

Such a framework should consider all stakeholders' interests and provide mechanisms for efficient asset management, completion of projects, and timely allotment or compensation to homebuyers. Furthermore, it should have the involvement of qualified professionals, such as insolvency practitioners, real estate experts, and legal advisors for the effectiveness of the resolution process.

Railways May Opt for Private Funding to Redevelop 15 Stations

Reportedly, Indian Railways is exploring a new Public-Private Partnership (PPP) model to attract private investment to redevelop railway stations. Under this model, investors would receive up to 40 percent of the total project cost as viability-gap funding (VGF) and be allowed to use the space above platforms and tracks commercially.

The Rail Land Development Authority (RLDA), an Indian Railways unit, plans to run pilots at 15 stations, including Vijayawada and Anand Vihar.[13]

Based on the experience, the model will be fine-tuned and implemented across other major stations. Under the hybrid PPP model, bids will be chosen based on the quantum of VGF support required by the private investor. The private developer will be allowed to develop air space (vertical space above platforms) to generate additional revenue through commercial activities, including the lease of office space, development of entertainment and recreational facilities, hospitality services, malls and even healthcare facilities.

Railway land around the stations would not be part of station redevelopment PPP, which is expected to be exploited by RLDA separately under a different monetisation exercise involving the lease of land for commercial and residential development.

Food for Thought

The proposed new PPP model would eliminate the need to collect station development fees from railway passengers. The hybrid PPP model with VGF support and commercial development projects would adequately compensate investors and make it attractive for

[13] Railways eyes private funding to redevelop 15 stations | Mint #AskBetterQuestions

investors. Once approved by the Railways, the new PPP model would be put up before the cabinet for approval.

An official estimate in 2019-20 had pegged investment into railway infrastructure at ₹50 trillion between 2018-2030. Government has in the past budgets proposed the use of PPP for faster development and completion of railway projects, including laying of tracks, rolling stock manufacturing, delivery of passenger freight services and other infrastructure development. While railways' capex has jumped over the past three to four years, with budgetary capex outlay for FY24 rising by about 50 percent to ₹2.4tn, huge spending needs require it to tap private sources.

Railways have experimented with PPP projects in manufacturing locos, laying tracks and signalling; however, largely, the activity is limited. A plan to run passenger trains in PPP mode has already been scrapped, and the transporter's inability to function like the aviation and road sector through the levy of user charges prevents it from expanding the PPP coverage.

Railways account for ₹1.52tn or one-fourth of the Centre's ambitious ₹6.00tn National Monetisation (NMP) pipeline. But till now it has almost drawn a blank, making negligible earnings through the exercise. Under NMP, the railways needed to monetise 120 stations, 30 trains and 1,400km of tracks, among others, in FY23 but have achieved little so far. Now Railways is under pressure to step up its monetisation drive, therefore the potential to open more areas for PPP projects has increased.

MCA Proposes Time-Bound Approvals for M&As

The Ministry of Corporate Affairs (MCA) has notified changes to the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023. The norms, which are effective from June 15, aim to address the issue of bureaucratic delays in corporate restructuring by putting in place specific timelines.

In cases of amalgamation or merger where no objection or suggestions are received from the Registrar of Companies (RoC) and the official liquidator within 30 days of the receipt of a copy of the scheme, the Centre can issue a confirmation order within 15 days provided that the scheme is in the public interest or the interest of creditors.

If any objections or suggestions are received from the RoC and official liquidator and the Centre has found these objections to be unsustainable and the scheme is determined to be in the public interest, it may issue a confirmation order within 60

days. In cases where the merger or amalgamation is not beneficial to the public interest, the Centre can file an application before the Tribunal for review.

Further, where the Centre fails to issue a confirmation order within 60 days, the merger or amalgamation scheme will be deemed to be approved.

Food for Thought

This reform has been aimed at improving the ease of doing business, as the government has streamlined and expedited the process of corporate mergers and amalgamations. Experts noted that at present there is no specified period for the approval from the RoC, official liquidator and the Centre where the transferee company has filed a scheme copy for the approval of the merger or amalgamation.

With the introduction of these amendments, it demonstrates the MCA's commitment to facilitating a smooth, more efficient and fast-track process for merger or amalgamation schemes for start-ups or small companies or both. This will also ensure the safeguarding of the interest of creditors and foster transparency and accountability to create a conducive environment for the growth and development of business.

Therefore, through these amendments, the Indian government seeks to strike a delicate balance between facilitating corporate growth and safeguarding the broader interests of the public and creditors. These amendments are aimed to revolutionise the mergers and amalgamations process, enhancing efficiency and expediency, even though they remain limited to schemes upholding the public interest.

IGI Airport Introduces DigiYatra Service

IGI Airport has introduced a new programme that enables travellers to access the 'DigiYatra' service without the need to download the mobile app. Delhi International Airport Limited (DIAL) (the operator of the IGI) states that the registration process, which takes only one minute, involves passengers scanning their boarding passes and faces and presenting an identification document to the security personnel stationed near the registration counter.

Post their successful registration, the passengers would be able to travel seamlessly, inside the terminal, security check area and at the boarding gates.[14]

[14] IGI Airport allows passengers to use DigiYatra without mobile app | The Financial Express

Food for Thought

DigiYatra is a digital platform for air travellers in India which makes the process of air travel more convenient and efficient for passengers by using facial recognition technology, was launched on December 01, 2022. The initiative ensures faster mobility of passengers to boarding gates hassle-free.

Digi Yatra marks the beginning of a new era in Indian aviation, aligning with the vision of Digital India. This initiative has the potential to transform the customer experience and elevate Indian aviation to a leading position globally in terms of efficiency, transformation, and innovation.[15] Personal data protection, however, remains an unsolved issue.

More importantly, the security drill starting from the entry into the terminal, clearing accompanying bags etc and frisking by security personnel is extremely disproportionate. Airports all over the world are modernising their drill to enable smoother passenger ingress, which includes not taking out your computers from the handbag. Can Digu Yatra solve some of these problems?

C. Policies Inhibiting Competition

'Go First' is not the First to Go

Go First, formerly known as GoAir, filed for bankruptcy in May 2023 due to financial losses resulting from various factors such as the COVID-19 pandemic, rising fuel expenses, and challenges in procuring aircraft engines. Established in 2005 by the Wadia Group, Go First was an Indian low-cost airline. The bankruptcy of Go First has had significant repercussions on the Indian aviation sector.

With approximately nine percent of the domestic market share, the airline's closure has created a gap that other airlines are now rushing to fill. Consequently, this has led to increased airfares, which could potentially have negative consequences for customers in the long run.[16]

Food for Thought

Go First has attributed its cash depletion to problems associated with Pratt & Whitney engines. The impact of COVID-19 on airline balance sheets since March 2020 can also

[15] Use Digi Yatra without fear of data breach, says civil aviation minister Jyotiraditya Scindia - BusinessToday

[16] Go First's bankruptcy disrupts airline industry - The Hindu BusinessLine

be rightfully considered a contributing factor. However, it is not just the immediate events that can be solely blamed for the long-term failure of any airline, especially considering the significant number of airlines facing insolvency. Despite the continuous investments amounting to Rs.32bn over three years from the Wadia Group, and emergency funding provided by the government through a credit line established to assist businesses during the pandemic, the airline's operations came to a halt.[17]

Go First's collapse underscores the fierce competition in the country's airline sector, which has seen one of the strongest air traffic recoveries post the pandemic.[18] *The Go Air crisis may help rivals such as IndiGo, Air India, and SpiceJet and new entrants like Akasa Air grab a larger chunk of the market share. But it will impact consumers adversely. Fares on Go First's routes are expected to jump sharply by as much as 50-60 percent in the upcoming month due to a lack of competition.*

Jalan-Fritsch Plan Unworkable

The State Bank of India-led lenders on the monitoring committee of debt-laden airline Jet Airways told the Supreme Court that the Jalan Fritsch consortium's approved resolution plan has been rendered 'unviable' and 'unworkable' as nothing has been paid to it so far and even no money has been infused for the revival of the grounded carrier.

Jet Airways, once India's biggest private carrier, stopped operations in April 2019, unable to cope with its financial liabilities. It was taken to bankruptcy court by its lenders in 2019. In 2020, the committee of creditors chose the resolution plan submitted by UK-based Kalrock Capital and United Arab Emirates-based entrepreneur Murari Lal Jalan to revive and operate the airline.

The consortium will spend ₹1,375 crore-₹900 crore as capital infusion and Rs.475 crore paid to creditors. Of that, ₹380 crore will go to financial creditors. The successful bidder is to have an 89.79 percent stake while 9.5 percent will go to lenders.

Food for Thought

The Additional Solicitor General on behalf of the lenders, told the SC that the Jalan-Kalrock consortium's resolution plan for the takeover of the airline was approved by the National Company Law Tribunal on June 22, 202. Since then it had spent "public money

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17 Go First Crisis: The Real Story Behind India's Third Largest Airline's Crash Landing | Business News, Times Now
18 Go First: What went wrong with Indian airline? - BBC News

of around ₹400 crores including airport dues" and the consortium had neither paid a 'single penny' to it nor had 'infused' any funds in the airline. The total claim of the financial creditors is ₹7,453.62 crore.[19]

The apex court sought a response from the Jalan Fritsch consortium, the successful bidder, and the authorised representative of the monitoring committee, on two appeals filed by the SBI-led lenders and the Jet Aircraft Maintenance Engineers Welfare Association. While lenders want the consortium to deposit some amount to prove its bonafide, the employee's body wants their dues to be cleared.

The Jalan-Kalrock Consortium consists of UAE-based non-resident Indian, Murari Lal Jalan and businessman Florian Fritsch's Cayman-based Kalrock Capital Partners Ltd. The consortium has deposited bank guarantees worth ₹150 crore and says it will invest further only after the next steps of the resolution plan are fulfilled in terms of handover of the company.

As per the consortium the formal handover has taken longer than expected, and thus they had approached NCLT for the implementation of the resolution plan.[20] *In this long ongoing issue, there is still a lack of clarity. In the interest of the Indian aviation industry and competition therein, the issue should see speedy resolution with the interests of all stakeholders being sufficiently taken into account.*

FY23 Asset Monetisation Faces ₹55,000-Crore Shortfall

The Centre is likely to miss its asset monetisation target of ₹1.62 lakh crore for this fiscal by a significant margin of ₹55,000 crore. According to an internal Finance Ministry review, despite the heavy lifting by the coal and mining sectors, the Indian Railways alone may fall short of its annual target by ₹28,000 crores.[21]

The Ministry of Railways, Department of Telecom and Ministry of Petroleum, Oil and Gas have indicated it may miss the target by wide margins. The Centre has raised ₹29,000 crores from asset monetisation so far in 2022-23, of which mines and Coal Ministries account for ₹17,000 crores.

[19] Jet Airways insolvency: Creditors say Jalan-Fritsch resolution plan unviable, unworkable - The Economic Times
[20] Why Jet Airways stays grounded despite its rescue | Mint #AskBetterQuestions
[21] https://economictimes.indiatimes.com/news/economy/finance/asset-monetisation-in-fy23-may-see-55000-crore-shortfall/articleshow/98283676.cms?from=mdr

The Road Transport and Highways ministry will be closer to its target of ₹32,855 crores, whereas the ministries of coal, mines and shipping and ports will exceed their target. The Railways Ministry was given a target of ₹57,222 crores, which included last year's backlog of ₹17,000 crores since it could raise only ₹800 crores in 2021-22.

Food for Thought

Last year certain targets were scaled down and revised setting the total monetisation target at ₹1.62 lakh crores. Asset monetisation has been a key goal of the government due to the benefits of creating new revenue sources for the government and promoting more efficient enterprises.

This revenue generation from underutilised public sector units' (PSUs) owned assets can assist the government to use the additional revenue for more practical purposes. While efforts are being made for the past two years, the particular ministries which are constantly falling short of their targets in every quarter, should be given priority for reforms. The expenditure and leakages of funds within the ministries and their functions need to be looked at. Herein, the issues and challenges of each ministry will differ, and hence a ministry-specific approach should be adopted.

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