NEWS ITEMS ON CAG/ AUDIT REPORTS (09.06.2022)

1. Why likely €1 bn French deal is a reminder of India's failure to build indigenous jet engine *(theprint.in)* Updated: June 9, 2022

Despite successes in the space and missile programme, India's hopes of powering fighters with a homemade engine haven't succeeded.

Later this month, Defence Minister Rajnath Singh is slated to review one of India's most strategically important projects — the development of a 120-kN (kilo Newton) engine to power the country's futuristic 6.5-generation Advanced Medium Combat Aircraft (AMCA).

The fighter jet is expected to form the cornerstone of the Indian Air Force's manned tactical fleet within the next decade.

But there's a problem right at the starting line — there is no indigenous jet engine to power India's most ambitious planned aircraft.

French engine giant Safran is asking for more than €1 billion to transfer the technology needed to make the engines, as part of Rafale offsets contracts.

When it signed the €7.8 billion Rafale deal with India in 2016, France committed to investing 50 per cent, or €3.9 billion, in India in return for the deal.

For India's jet-engine scientists, as well as the air force, the €1 billion deal is a painful reminder of the country's failure to produce a combat jet engine of its own.

The country has achieved significant successes in producing power plants for the space programme, as well as missiles. Progress on developing an indigenous combat jet-engines, though, has been elusive.

India, government sources said, is now exploring working jointly with France to produce a new jet engine for the future aircraft of both countries. Last year, British firm Rolls-Royce told ThePrint it was also keen to work with India on co-developing and manufacturing engines for the AMCA.

The government, however, seems keen to make the deal with France happen, official sources said, deepening collaboration with a country that has been among India's most important providers of cutting-edge military technology.

The combat jet-engine challenge

Few countries have succeeded in mastering the complex technologies needed to produce jet engines for combat aircraft.

Until recently, only China's fifth-generation J-20 fighter — also known as the 'Mighty Dragon' — was originally equipped with the Russian-made AL31F engine, and then with the WS-10 Taihang.

Derived from CFM-56II turbofan engines imported from the United States in the 1980s, the WS-10, however, suffered from chronic problems of power and maintenance.

The WS-10 has begun to be replaced with the more powerful and modern WS-15, but is still, by the estimation of some experts, a generation behind modern Western jet-engine technology.

Even the engines that power the Boeing 747 civilian airliner have at least 40,000 parts. Temperatures in the combustion chamber can go up to 1,400ºC.

These high-end technologies are so difficult to master that very few countries succeed, according to Timothy Heath, an expert at Rand Corporation, an American, non-profit global police think tank.

In some senses, the ability to manufacture combat jet-engines is the true test of a country's military-industrial base. All five permanent members of the United Nations Security Council — the United States of America, Russia, China, the United Kingdom and France — make advanced engines.

Although some countries like Japan and Germany have the technology to also do so, few outside this elite club have manufactured successful combat jet engines.

Failed efforts to master technology

India's search for its own combat jet-engine was shaped by the problems faced by the HF-24 Marut, the country's first indigenous fighter.

The Marut was to have been powered by the Bristol Orpheus 12 engine. When the North Atlantic Treaty Organisation (NATO) project to develop the engine collapsed, though, India was forced to accept the less-powerful Bristol Orpheus 703.

The Gas Turbine Research Establishment (GTRE) in Bengaluru eventually produced a version of Orpheus 703 with afterburners, significantly enhancing the engine's power. The engine, though, proved unsuitable for the Marut's airframe — making the otherwise-excellent aircraft obsolete before its time.

In 1983, the government sanctioned work on the multi-role Light Combat Aircraft (LCA), at an estimated cost of Rs 560 crore. The LCA was meant to replace the Soviet-made MiG-21.

Feasibility studies carried out in India and abroad revealed that while there was no entirely suitable engine available anywhere in the world, the Rolls-Royce RB-1989 and General Electric F404-F2J engines, by and large, met the requirement.

The GTRE, since 1982, had been working on the indigenous GTX-37 engine, and pushed for its adoption on the LCA.

Four years later, a study was jointly carried out by the Aeronautical Development Agency, Hindustan Aeronautics Limited, and GTRE to evaluate GTX-37.

In December 1986, the GTRE proposed the development of the indigenous Kaveri engine for the LCA. Based on this proposal, the government sanctioned a Rs 382.86 crore project in March 1989.

While GTRE did develop nine prototype Kaveri engines, as well as four core engines that undertook 3,217 hours of engine testing, including in Russia, they failed to meet the required parameters to power a fighter.

Instead of a so-called 'wet thrust' of 81 kN — the thrust the engine can deliver when a fighter needs maximum power — the Kaveri generated only 70.4 kN.

"GTRE has been unable to deliver an engine that could power the LCA despite a cost overrun of 642 per cent and a delay of about 13 years," the Comptroller and Auditor General (CAG) noted in a sharply-worded report released in 2011.

"The project is now faced with the alternative of entering into a joint venture with a foreign house for further development of the engine," the report went on to say.

Large numbers of other critical projects went the same way.

The Advanced Light Helicopter, scholar Eric Arnett has noted, was meant to be an Indian-designed and Indian-produced helicopter. The Shakti engine used by the helicopter, though, was co-designed with the French firm Turbomeca.

New roles for old engines

The Kaveri engine is now being redesigned for other applications, like drones.

"The Kaveri project has helped us master several critical technology domains and, because of this project, the ecosystem exists within the country for design, development, manufacture, assembly, testing and qualification of indigenous 80-kN class of engines," a senior DRDO official told ThePrint.

"In addition, the technological capabilities achieved through the Kaveri project can be very useful in the development of higher-thrust engines such as AMCA class," the official further said, adding: "It is always a climb when it comes to making something new altogether."

The problems, experts say, ranged from gaps in metallurgy, manufacturing infrastructure and test facilities, to the denial of critical technologies after India's nuclear tests. "And no country, even our closest friends, was keen to part with technology for jet engines," another official said.

India's jet-engine quest also suffered from a lack of appropriate scientific personnel, CAG noted in its report. "At the time of sanctioning of the project, GTRE had to nearly double its sanctioned strength of trained manpower to cope with the target," it said.

"Even today, the institute is beset by shortages in the scientific and technical branch personnel which are affecting the progress of the project," the report added. https://theprint.in/defence/why-likely-e1-bn-french-deal-is-a-reminder-of-indias-failure-to-build-indigenous-jet-engine/988571/

2. एक साल में 9000 ट्रेनें रद्द कर माल ढुलाई कर रही भारतीय रेल के पास नहीं है पैसा, गले तक डूबी कर्ज में *(janjwar.com)* Updated: June 8, 2022

Indian Railways Revenue and Losses: प्रधानमंत्री नरेंद्र मोदी ने जापान (Japan) के सहयोग से देश को जिस बुलेट ट्रेन (Bullet Train) का ख्वाब दिखाया था, उसकी तामील तो छोड़िए, फिलहाल रेल्वे (Indian Railways) के पास इतना भी पैसा नहीं है कि वह 3 लाख खाली पदों को भर सके। आलम यह है कि मालगाड़ियां (Goods Train) रात के अंधेरे में बिना गार्ड के चल रही हैं। पिछले एक साल में 9000 ट्रेनें रद्द कर रेल्वे 35 हजार करोड़ का घाटा झेल रही है।

आरटीआई के जरिए मांगी गई सूचना के जवाब में रेल्वे ने बताया है कि उसने पिछले 3 महीने में 1900 यात्री गाड़ियों को सिर्फ इसलिए रद्द कर रखा है, क्योंकि उसे कोयला ढोना था। वहीं, 2021-22 में 1.60 करोड़ यात्रियों को केवल इसलिए अपना टिकट रद्द करवाना पड़ा, क्योंकि उन्हें आरक्षण नहीं मिला।

पेंशन फंड का पैसा ही हड़प लिया वित्त मंत्री निर्मला सीतारमण (Nirmala Sitharaman) ने इस साल के बजट में रेल्वे को 1560 करोड़ के सरप्लस में बताया था। हकीकत इसके ठीक उलट है। 2019-20 की महालेखाकार नियंत्रक (CAG) की रिपोर्ट बताती है कि रेल्वे 35 हजार करोड़ के घाटे में है और यह घाटा यात्री परिवहन में हुआ है। केंद्र की नरेंद्र मोदी सरकार यह दिखाती रही है कि कठिन चुनौतियों के बाद भी रेल्वे आधुनिकीकरण की दिशा में आगे बढ़ रही है। हालांकि CAG की रिपोर्ट में कहा गया है कि रेल्वे को 26 हजार करोड़ रुपए का नुकसान दिखाना था। लेकिन उसने पेंशन फंड के लिए रखे गए 48626 करोड़ रूपए न हड़पे होते। रेल्वे पर 2018-19 में 2 लाख करोड़ रुपए का लोन लंबी अवधि के लिए बकाया था, जो 2019-20 में बढ़कर 2.68 लाख करोड़ रुपए हो चुका है। गले तक कर्ज में डूबे होने के बाद रेल्वे को यात्री भाड़े से कमाई करनी चाहिए थी, लेकिन उसने इसी साल जनवरी से मई के बीच 3395 मेल/एक्सप्रेस ट्रेनों को रद्द कर दिया। इसी दौरान 3600 ट्रेनों को इसलिए रद्द किया गया, क्योंकि विभिन्न सेक्शनों में ट्रैक पर या तो सुधार का काम हो रहा था, या फिर निर्माण का काम चल रहा है। मई का सीजन रेल्वे के लिए कमाई का होता है, क्योंकि गर्मी की छुट्टियों में लोग घूमने निकलते हैं। इसी मई में रेल्वे ने 1148 मेल/एक्सप्रेस और 2509 सवारी गाड़ियों को रद्द कर कमाई की सारी उम्मीदों पर खुद पानी फेर दिया।

सिर्फ माल ढुलाई ही रेल्वे का काम नहीं है आधिकारिक आंकड़ों के अनुसार, रेल्वे मई के महीने में 131 मिलियन टन माल ढोकर अपनी पीठ थपथपा रही है। रेल्वे का कहना है कि यह माल ढुलाई में 28% की बढ़त है, जो पिछले साल की समान अवधि के मुकाबले 4% ज्यादा है। वहीं इस दावे का दूसरा पहलू यह है कि ट्रेनों की कमी के कारण रेल्वे मुसाफिरों को कन्फर्म टिकट (Confirm Ticket) नहीं दे पा रही है। पिछले कुछ साल में ट्रेन टिकटों की मांग में बेतहाशा वृद्धि हुई है, पर रेल्वे लोगों की मांग को पूरा करने के लिए उम्मीद के मुताबिक ट्रेनें उपलब्ध नहीं करा पाया। पिछले 6 साल में रेल्वे ने यात्रियों के लिए केवल 800 नई ट्रेनें शुरू की हैं, लेकिन यह संख्या मांग की तुलना में बहुत कम है, क्योंकि व्यस्त सीजन में 13.3% यात्रियों को आरक्षण (Train Reservation) ही नहीं मिल पाया।

पूरी नहीं हो पाईं ये योजनाएं रेल्वे को सेमी हाई स्पीड ट्रेनों के बाधारहित परिवहन के लिए पश्चिमी और पूर्वी डेडिकेटेड फ्रेट कॉरिडोर (Western and Eastern Dedicated Freight Corridor) को अभी तक ना लेना चाहिए था। यह पिछले यूपीए सरकार (UPA Govt) की परियोजना थी। अगर यह गलियारा बन जाता तो मालगाड़ियों के सुचारू अवागमन के लिए यात्री गाड़ियों को बंद करने की जरूरत नहीं पड़ती। इसी तरह से चंडीगढ़-दिल्ली के सफर को दो घंटे में समेटने का जो ख्वाब दिखाया गया था, वह भी पूरा नहीं हो पाया है। रेल्वे 478 ट्रेनों में इस समय सुपरफास्ट शुल्क (Superfast Charge) वसूल रहा है, लेकिन इनमें से एक-तिहाई ट्रेनों की स्पीड 55 किलोमीटर प्रति घंटे से ज्यादा नहीं है। रेल्वे ने 2016 में मिशन रफ्तार का ऐलान करते हुए कहा था कि पांच साल में मालगाड़ियों की स्पीड 75 किलोमीटर प्रति घंटे हो जाएगी, जो फिलहाल 25 किलोमीटर प्रति घंटे की रफ्तार से दौड़ रही हैं। https://janjwar.com/top-stories/indian-railways-revenue-and-losses-railway-cancelled-9000-trains-in-a-year-to-give-passage-to-goods-trains-caused-immense-loss-821204?infinitescroll=1

3. Well begun, but tighter food surveillance need of the hour *(timesofindia.indiatimes.com)* Updated: June 9, 2022

Bhopal: Four in ten consumer grievances related to food safety remain pending in Madhya Pradesh, according to Food Safety and Standards Authority of India (FSSAI). MP Food and Drugs Administration (MP-FDA) has a long way to go given it lacks trained manpower and surveillance mechanism.

MP only has one 'Eat Right School'. There are only three street food hubs which FSSAI can certify as safe, according to the assessment submitted in the Challenge by the state government in May.

Basics of food surveillance is dependent on testing laboratories. CAG audit of 2019-20 cited State Food Laboratory (SFL) in Bhopal, Indore, Ujjain was not completely upgraded for microbiological testing. Bhopal has the only functional food lab. It's maximum capacity is about 1,200 to 1,700 sample testings per month, according to an official. Other two labs are yet to commence.

As for manpower, out of seven food analysts in SFTL, there are only two. FSSAI requirement have only recently been education curriculum, and posts are to be filled through a professional examination board.

Chemical testing takes 15-days and there is no data on microbiological testing. It was only after the CAG audit report cited 'commissioner food safety had no data relating to food poisoning cases,' that the health department issued directives for reporting food poisoning to MP-FDA.

The CAG report said existing legal framework is deficient, vacancies of 61% and penalties of Rs 3.64 crore were pending recovery. In absence of specific directions, food poisoning cases were not being reported. Manpower position in the state food lab is low: Nine of the 31 posts are vacant. Surveillance benchmark shortfall for checking food 63%, the report stated.

FDA officials claim there has been improvement. However, the document submitted in Eat Right challenge by state government highlights a need for drastic improvement. https://timesofindia.indiatimes.com/city/bhopal/well-begun-but-tighter-food-surveillance-need-of-the-hour/articleshow/92094321.cms

4. AITC accuses MDA of large-scale corruption *(theshillongtimes.com)* Updated: June 9, 2022

Accusing the Meghalaya Democratic Alliance of usurping public money, the All India Trinamool Congress (AITC) on Wednesday requested Governor Satya Pal Malik to take cognisance of the Comptroller and Auditor General's letter to him on the lapses by the three autonomous district councils (ADCs) in maintaining their accounts.

The party also asked the Governor to apprise the Centre of the corrupt practices in the state. "Now that the CAG has highlighted the issues, we appeal to the Governor to take cognisance of all these corrupt activities in the state and bring it to the notice of the Government of India," AITC chief whip, George B Lyngdoh told The Shillong Times on Wednesday.

Underlining the "freehand corruption" and lack of accountability since the Conrad K Sangma government took charge in 2018, he said: "After sharing the spoils, they are now pointing fingers at each other and indulging in backbiting to ensure a chaotic situation in the state. The common people have suffered a lot."

Lyngdoh said the CAG took an extraordinary step to check corruption in the ADCs after the chief minister and the chief secretary were alerted but neither of them responded to the auditors. "The CAG's letter to the Governor is a clear signal that something is really wrong with the administration of the district councils," he added.

Overlooking the CAG's caution will show the district councils in a very bad light, which may affect the financial support from the Centre, he said.

Reminding that the government has failed to fulfil most demands, Lyngdoh said: "We had alerted about the financial mismanagement and gross corruption, especially through the illegal district council toll gates, lack of accountability and transparency but nothing seems to be forthcoming from the state government."

Accusing the state government of being indifferent to pleas, requests and cautions raised by the Opposition from time to time on various issues, he said, "I think the people should understand that the leaders are involved in misusing public money."

Pointing out that inquiry after inquiry has happened but no report has been made public as yet, Lyngdoh said this is a waste of public money and the state government was taking the people for a ride.

"These inquiries are primarily to pacify the people and silence the voices raised against corruption," he said.

On the issue of the memorandum of understanding signed between Meghalaya and Assam, Lyngdoh said the MDA coalition has been making farcical claims about resolving the interstate border agreement.

Referring to the dispute at Gizang Salbari, he said the Assam police arrested the headman and five others after Becline G Sangma, a school teacher from West Khasi Hills' Umshiak lodged an FIR, accusing them of destroying property.

The six arrested people include the village secretary, Pairosh Marak, besides the headman, Kribin Sangma.

Lyngdoh accused the Assam government of harassing the headmen and others living along the border. https://theshillongtimes.com/2022/06/09/aitc-accuses-mda-of-large-scale-corruption/

5. CEM blames COVID-19 for missing accounts of KHADC *(theshillongtimes.com)* Updated: June 9, 2022

SHILLONG, June 8: A week after the Comptroller and Auditor General of India (CAG) wrote a letter to Governor Satya Pal Malik seeking his intervention into alleged embezzlement of funds by the three autonomous district councils through non-maintenance of accounts, the Khasi Hills Autonomous District Council on Wednesday came out with a meek response, stating that it could not prepare its financial accounts for the year 2019-2020 and 2020-2021 due to the COVID-19 pandemic.

"It is normal audit of the Comptroller and Auditor General of India (CAG) for every fiscal year. In fact, we had communicated to the AG in Shillong on the reasons for the delay in preparing the financial accounts," a defensive KHADC Chief Executive Member, Titosstarwell Chyne said.

On the question posed by the CAG that the audit reports are either not tabled or tabled belatedly and are not discussed by the Councils, Chyne said that the assertion that they were not tabling the report was not true.

"The fact is that there is backlog even from the CAG. The CAG report which was tabled during the last budget session was for the fiscal year 2016-2017," the KHADC CEM said.
He said that the council is preparing the accounts and it will submit the same to the CAG at the earliest.

In a letter addressed to the Governor on June 1, the CAG said as many as ten accounts — two of KHADC, three of JHADC and five of the GHADC are still pending for submission as on December 31, 2021.

The letter to the Governor mentions that as per Para 7(3) of the Sixth Schedule, the accounts of these ADCs are to be maintained in the format prescribed which are then audited by the CAG teams.

Training its gun on the three ADCs, the CAG said the councils do not prepare accounts and maintain records of expenditure on time which consequently delays implementation of corrective measures recommended by the auditors based on the findings of the audit and mismanagement, misappropriation, wasteful expenditure etc., continue unchecked for years.

The non-maintenance of accounts is an indication of financial mismanagement and points towards embezzlement of funds in the three ADCs, it said.

The CAG also revealed that the deficiencies were communicated to Chief Secretary RV Suchiang on March 17, 2022, the chief executive members of the respective Councils on March 23, 2022 and Chief Minister Conrad K Sangma on March 30, but no action was taken by any of the authorities. https://theshillongtimes.com/2022/06/09/cem-blames-covid-19-for-missing-accounts-of-khadc/

6. Tirupati: BJP demands release of white paper on state's debt *(thehansindia.com)* Updated: June 9, 2022

Launching a tirade against the state government, BJP demanded the YSRCP government to release a White Paper on the loans taken by the state in the past three years.

Addressing media here on Wednesday, BJP state spokesperson G Bhanuprakash Reddy revealed that many schemes sanctioned by the Centre, were not started due to incompetence of Jagan Mohan Reddy government as he did not provide matching grants. Listing out funds released by the Centre for developing railways, NDRF, for establishing 7 ESI hospitals and from Jal Shakthi Department, he said many funds were not taken up due to not releasing of matching grants.

Slamming former Minister Perni Nani's comments on JP Nadda's meeting in Vijayawada on Tuesday, he said Nani has no right to criticise Prime Minister Modi and also making allegations against the BJP. He demanded Nani to tender apology for making baseless comments on BJP. He lamented the CM has plunged the state into debt of Rs 5 lakh crore in the last three years and revealed the CAG report revealed diverting of Central funds for party schemes. Reddy said police in the state became activists of YSRCP instead of providing protection to women from attacks and rapes. BJP state spokesperson Samanchi Srinivas, district secretary Varaprasad, leaders Kothapalli Ajaykumar, Viswanath and Prem Kumar were present. https://www.thehansindia.com/news/cities/tirupathi/tirupati-bjp-demands-release-of-white-paper-on-states-debt-747606?infinitescroll=1

7. Nadda's visit to A.P. exposed insecurity in YSRCP camp, says BJP MP *(thehindu.com)* Updated: June 8, 2022

Bharatiya Janata Party MP G.V.L. Narasimha Rao has said that the two-day visit of the party's national president J.P. Nadda to Andhra Pradesh has given a fillip to the BJP's efforts to emerge as a strong alternative to YSR Congress Party (YRSCP).

"The visit of Mr. Nadda shows the importance the State carries for the party. Mr. Nadda has exposed the sense of insecurity that has crept into the YSRCP," Mr. Narasimha Rao told the media on Wednesday.

The MP said the tremendous response evoked by Mr. Nadda's visit made the YSRCP feel nervous about the 'impact of its autocratic and corrupt rule' on its electoral prospects in 2024.

CAG report

"The BJP will no longer tolerate if it is belittled by the YSRCP. The YSRCP government has lost its credibility. It is diverting Central government schemes and funds, which was evident from a report of the Comptroller & Auditor General of India (CAG). This is why objectives of various Central schemes could not be realised," said the BJP MP.

The CAG, in its report six months ago, had categorically stated that of the more than ₹16,608 crore released by the Centre in 2018-19 financial year for the implementation of various welfare schemes, the State had spent only ₹4,518 crore.

While this was so, the Chief Minister and his Ministers were making rounds of Delhi. “If it is not to raise fresh debt, what else is the agenda?” Mr. Rao questioned.

He dared that if the YSRCP government has the courage to rebut the allegations, none other than the Finance Minister should come for a debate.

Quoting the CAG report, Mr. Narasimha Rao pointed out that a substantial chunk of the loans being raised by the YSRCP government was going into debt servicing.

“The Central government has given grants to Andhra Pradesh more liberally than any other State. As far as the devolution of funds is concerned, there has been no discrimination,” the MP asserted. https://www.thehindu.com/news/national/andhra-pradesh/naddas-visit-to-ap-exposed-insecurity-in-ysrcp-camp-says-bjp-mp/article65506673.ece

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Time to rationalise *(business-standard.com)* Updated: June 8, 2022

It has been reported that the Goods and Services Tax (GST) Council will discuss in its next meeting a possible mechanism for dispute redress that is being developed by the Union Ministry of Finance. So far, the GST Council has usually run on consensus, although it has been structured so that voting is permissible and possible. Obtaining a consensus on every decision may not be possible and there could be disputes between the Centre and the states, or among the states themselves. Thus, having a dispute resolution mechanism as envisaged in the law would help. GST is still a work in progress; institutionally, it is the first new federal mechanism that has been constructed in decades, and will require tweaking to ensure that neither side has an upper hand and that disputes are resolved both equitably and efficiently.

The era of consensus in the GST Council may also be coming to an end soon. This is because the initial five-year period of the GST regime is due to cease. This period was set aside for the states to receive “compensation” in return for their willingness to transition to the GST system. Built into the compensation was a revenue growth assumption of 14 per cent for every year. This was not borne out in collections. The Union government has thus complained that it has to guarantee GST transfers to the states even in bad times like the pandemic year of 2020-21; the states in turn can justifiably point to delays in these disbursements. State governments’ desire to continue the compensation, funded through a “compensation cess”, runs up against the pandemic-era bargain in which the Union borrowed money against future cess revenues in order to continue making payments to states. Thus, if guaranteed revenue growth is to continue, the compensation cess itself will have to be raised further, which is not a good idea since it will add to the complexities in the tax.

Whatever the understandable concerns on both sides, the fact is that guaranteed increases for state governments cannot continue forever. The question for state governments is the following: Now that the general underperformance of GST in terms of revenue collection is going to hit them, should rationalising GST slabs not be a priority? So far states have had every incentive to collaborate in populist suggestions that rates be lowered. But now questions of GST performance as a tax must be taken up by the state governments because it directly impacts their own revenue.

The time has come to remove items from the GST exemption list and reduce the number of slabs. The rate should also be set at the revenue-neutral level. The fact is that GST was a messy compromise, and looked very little like the tax that was first proposed. Multiple slabs were put into place, adding to the complexity, and no attempt was made to properly calibrate a revenue-neutral rate. It has always been the contention of GST supporters, including this newspaper, that these problems will be addressed over time. The ending of the compensation period is a good time to begin that work. https://www.business-standard.com/article/opinion/time-to-rationalise-122060801310_1.html

9. India's economy to grow at 6.9% in FY23: OECD global macroeconomic report *(business-standard.com)* Updated: June 9, 2022

The institution said that headline inflation is projected to ease gradually, though remaining above the central bank's upper tolerance limit of 6 percent throughout 2022 and 2023.

The Organization for Economic Cooperation and Development (OECD) on Wednesday pegged India's FY23 economic growth at 6.9 per cent, the lowest by a major bank or institution, saying the country had been adversely affected by Russia's invasion of Ukraine.

"As an importer of energy, fertilisers and edible oils, India is adversely affected by the war in Ukraine. Gross domestic product (GDP) growth, which reached 8.7 per cent in FY22, is projected to slow to 6.9 per cent in FY23 and 6.2 per cent in FY24, with weaker external demand growth and tighter monetary conditions being mitigated by strong government spending and an ambitious set of measures to simplify the business environment," OECD said in its June global macroeconomic report.

The institution said that headline inflation is projected to ease gradually, though remaining above the central bank's upper tolerance limit of 6 percent throughout 2022 and 2023.

"India recorded the strongest rebound from the Covid-related downturn of any G20 economy, but momentum is dissipating owing to weaker external conditions, rising global food and energy prices and the tightening of monetary policy," it said.

On Tuesday, the World Bank had cut its FY23 real GDP growth forecast for India to 7.5 per cent from 8 per cent, on the back of inflationary and supply chain pressures and geopolitical tensions due to the war in Ukraine.

This is the second time that the World Bank has revised its GDP growth forecast for India in FY23. In April, it had trimmed the forecast from 8.7 per cent to 8 per cent.

Ratings agency S&P and the International Monetary Fund were among the agencies that had recently cut their FY23 forecast for India. At 7.5 per cent, World Bank's forecast is still slightly more bullish than the Reserve Bank of India's forecast of 7.2 percent

India's economy grew by 8.7 per cent in FY22, making it the fastest-growing major economy in the world. The output was helped primarily by agriculture sector and government final consumption expenditure. https://www.business-standard.com/article/economy-policy/india-s-economy-to-grow-at-6-9-in-fy23-oecd-global-macroeconomic-report-122060900080_1.html

10. Walking the tight rope *(thehindubusinessline.com)* June 08, 2022

The sharp hike in rates by the MPC is called for but the real challenge is to control inflation without hurting growth

The Monetary Policy Committee's decision to increase the repo rate by another 50 basis points to 4.90 per cent, after a surprise 40 basis-point hike last month, comes as no surprise. After its deliberations this week, the MPC has come around to the view that inflation is proving to be a bigger problem than it had visualised just two months back. It has done the right thing by hiking the repo rate once again after May, signalling its intent to snuff out inflation. The 'accommodative stance' has finally been set aside, after more than two years. The feeling does linger that the process of normalising policy could have begun two months back, when it was clear that the Ukraine war would keep food, commodities and energy prices elevated for some time to come. Yet, the MPC's April inflation forecast for FY23 was 5.7 per cent, whereas it has now been revised sharply upward to 6.7 per cent, well above the mandated upper band of 6 per cent. In terms of the factors driving prices skyward, little has changed since April. The MPC seems to have reassessed the situation. It has projected a Q1 and Q2 inflation rate of 7.5 per cent and 7.4 per cent, respectively, with Q3 and Q4 rates tapering off to 6.2 per cent and 5.8 per cent, respectively. As a result of this late realisation, the first two rate hikes of the current cycle have been rather steep.

A rate hike controls inflationary expectations and shores up the rupee, now buffeted by capital outflows to safe havens, as conceded by the RBI Governor. A stable rupee — the rupee has apparently done better than its peers by depreciating just 2.5 per cent this fiscal — can check imported inflation. Meanwhile, an increase in repo rate is good news for savers hit by steeply negative real returns, particularly when banks are expected to pass on the benefit. This is indeed likely, as the rush to lure deposits may begin to meet rising credit demands, as liquidity gradually drains out of the system. In keeping with a rise in capacity utilisation (from 72.4 per cent in Q3 to 74.5 per cent in Q4 of FY22) and high frequency indicators, bank credit growth was up 11.1 per cent in April. A good monsoon would spur credit demand, provided the weathermen, and MPC, are right.

The MPC also leaves some questions unanswered. It has said that inflation is driven by supply-side, 'imported' factors, which is indeed the case; the latest GDP data points to muted private consumption demand. But rate hikes are no answer to supply side problems. The solution lies in fiscal measures such as, for example, a cut in taxes on fuels by States, as the RBI Governor has advocated. Whether excessively sharp hikes will choke nascent signs of a revival in investment is an issue worth keeping in mind. That said, a moderate rate hike in the next policy seems inevitable in this volatile environment. Excess liquidity persists despite the RBI's liquidity withdrawal measures. While the surplus in the system is down from ₹7.4 lakh crore in April to ₹5.5 lakh crore in May, this is more than enough to meet emerging credit needs, as a result of which short-term money market rate is still below the repo rate. Additional liquidity withdrawal steps can perhaps be reinvoked as a price control measure. The RBI has to walk a hard tightrope between controlling inflation through various means, and not unduly sacrificing growth. https://www.thehindubusinessline.com/opinion/editorial/the-sharp-hike-in-rates-by-the-mpc-is-called-for-but-the-real-challenge-is-to-control-inflation-without-hurting-growth/article65507333.ece

11. 5G rollout unviable if captive private networks allowed, telcos tell govt *(business-standard.com)* Updated: June 9, 2022

Telcos point to global trends and contend that 40 per cent of 5G revenues are expected from the enterprise segment and captive 5G networks will make 5G rollout unviable

In a move which could jeopardise the country's upcoming 5G spectrum auction, the Cellular Operators Association of India (COAI) sent a letter to Minister of Communications, Ashwini Vaishnaw, late evening on Wednesday, saying there will be "no business case for rollout of 5G networks" if captive private 5G networks are permitted.

In a blunt letter to the minister COAI - the apex body of telecom operators with Bharti Airtel, Reliance Jio, and Vodafone Idea Ltd as its key members - has made it clear that if independent entities set up private captive networks with direct 5G spectrum allotment by DoT, the business case of telecom operators will be "severely degraded". They have made it plain in the letter that "this will diminish the revenue so much that there will be no viable business case left for the telecom service providers (TSPs) and there will not remain any need for 5G network rollout by them."

COAI has explained to the minister that wherever 5G has been rolled out there has hardly been any consequent revenue increment from the retail segment. The revenue and efficiency enhancement can happen only in the enterprise segment.

The move is significant as a bevy of Indian companies through Broadband India Forum have been pushing the government to allow captive private networks like in other parts of the world for enterprises. They have argued that it will be a win-win situation for both TSPs as well as companies as they move towards a new industrial revolution. They have argued that since these networks will only be for captive usage (like machine to machine, robots), they will still need the services of TSPs for external connectivity and therefore there will be no loss of business. But telcos have pointed out that that based on global trends 40 per cent of the revenues from 5G come from enterprise segment. Therefore, if captive private networks are allowed there will be no reason for them to set up 5G networks, especially as they have been asking for spectrum at administrative price. https://www.business-standard.com/article/economy-policy/5g-rollout-unviable-if-captive-private-networks-allowed-telcos-tell-govt-122060900252_1.html

12. Providing 5G spectrum to private companies will cause exchequer loss: COAI *(newindianexpress.com)* Updated: June 9, 2022

The Cellular Operators Association of India (COAI), which represents all the three private telcos in the country, on Wednesday urged the government not to provide 5G spectrum directly to the private enterprises.

The industry body said establishing private networks, as demanded by few companies, would not only cause huge loss to the exchequer but also lead to sub-optimal utilisation of this scarce resource. The telecom service providers (TSPs) are fully capable of delivering all the customised solutions, including machine-to-machine (M2M)/Industrial 4.0 services, in the most economical and competitive manner.

"We urge the government not to reserve or de-licence any spectrum, which has been identified or likely to be identified for use of IMT/commercial services for private captive network," said COAI in a statement.
Telecom Regulatory Authority of India in its recommendation to the telecommunication ministry on 5G spectrum modalities, suggested to provide 5G spectrum to the private enterprises.

However, this move is not liked by the telecom operator as they claimed it would hit their business. As the 5G spectrum is around the corner, COAI, which represents Reliance Jio, Bharti Airtel and Vodafone Idea, took a hard stance.

"This (providing 5G network to private companies) will also create a non-level playing field, leading to arbitrariness in basic policies discouraging investment in the networks and leading to disorderly growth of the sector by back door entry with undue advantage to private commercial entities at the cost of the government exchequer," said COAI.

The industry body is also of the view that in today's scenario, there is no need for separate private captive networks and the same should be dispensed with given the availability of state-of-art telecommunication networks. https://www.newindianexpress.com/business/2022/jun/09/providing-5g-spectrum-to-private-companieswill-cause-exchequer-loss-coai-2463519.html

13. Healthcare in India is ailing. Here is how to fix it *(indianexpress.com)* K. Sujatha Rao | Updated: June 9, 2022

It is time our political systems listen to people and take care of their everyday needs, instead of going for easy options like privatisation, commodification and medicalisation of healthcare.

The lesson emerging most unequivocally from the pandemic experience is that if India does not want a repeat of the immeasurable suffering and the social and economic loss, we need to make public health a central focus. The virus is still around. We have no option but to live with that reality.

Covid has also shifted the policy dialogue from health budgets and medical colleges towards much-needed and badly-delayed institutional reform. It is heartening to note that the Ministry of Health has issued guidelines to states to establish a public health cadre.

The importance of public health has been known for decades with every expert committee underscoring it. Ideas ranged from instituting a central public health management cadre like the IAS, to assess, manage and control public health problems to adopting an institutionalised approach to diverse public health concerns — from healthy cities, enforcing road safety to immunising newborns, treating infectious diseases and promoting wellness.

The process of reform to create a public health-centred primary healthcare system needs to start with looking evidence in the eye. After 15 years of the National Health Mission (MHM) and a trebling of health budgets — though not as a proportion of the GDP — less than 10 per cent of the health facilities below the district level can attain the grossly minimal Indian public health standards. Clearly, the three-tier model of subcentres with paramedics, primary health centres with MBBS doctors and community health centres (CHC) with four to six specialists has failed. Why, one might ask.

The model's weakness is the absence of an accountability framework. The facilities are designed to be passive — treating those seeking care. Instead, like in Brazil, we need Family Health Teams (FHT) accountable for the health and wellbeing of a dedicated population, say 2,000 families. The FHTs must consist of a doctor with a diploma in family medicine and a dozen trained personnel to reflect the skill base required for the 12 guaranteed services under the Ayushman Bharat scheme — midwives, public health nurses, other paramedics, health workers and community workers. A baseline survey of these families will provide information about those needing attention — the elderly, diabetics, hypertensives, handicapped, pregnant women, infants, and those needing mental or physiotherapy services. The team ensures a continuum of care by taking the family as a unit and ensuring its well-being over a period. Nudging these families to adopt lifestyle changes, following up on referrals for medical interventions and post-operative care through home visits for nursing and physiotherapy services would be their mandate. Their work should be closely monitored and the personnel should be given outcome-linked monetary and non-monetary incentives.

Such a system of primary care will need to work under the close supervision of a CHC manned by specialists in family medicine. If trained well and competently, they can handle most ailments and conditions that could and should be handled at the CHC level, referring only those needing specialist care.

The implication of and central to the success of such a reset lies in creating appropriate cadres. More immediately, there must be a public health cadre manning the posts at the PHC and CHCs consisting of sub-specialists in family medicine, public health and public health management. Likewise, among nurses, the cadre should comprise two distinct sets of personnel — public health nurses (not ANMs promoted based on seniority) and nurse midwives capable of independently doing all clinical functions for handling pregnancies and women's health issues except surgical interventions. Primary care in India can get traction only if new skills, drastically upgraded competencies and a new mindset are embedded within the vision of a patient, family and community-centred health system.

There is also a need to declutter policy dialogue and provide clarity to the nomenclatures. Currently, public health, family medicine and public health management are used interchangeably. They should not be, just as cardiology and neurology should not be used interchangeably though both are clinical disciplines. Family medicine is the clinical arm of public health. The MBBS doctor goes through a two-year training in family medicine, specialising in disease control — communicable and non-communicable diseases, knowledge of health determinants such as nutrition, in addition to imbibing a comprehensive psycho-social understanding of the community being served and good communication capabilities. His training site is a district hospital. The public health specialist, in contrast, is a doctor or a graduate in an associated discipline, specialising in biostatistics, data sciences, epidemiology, health determinants and other population health-related issues. His training sites are dusty villages, densely populated slums, disease-prone areas and laboratories. Thus, while the family doctor cures one who is sick, the public health expert prevents one from falling sick.

The public health management specialist is a different animal — with specialisation in health economics, procurement systems, inventory control, electronic data analysis and monitoring, motivational skills and team-building capabilities, public communication and time management, besides, coordinating with the various stakeholders in the field. His training grounds are management institutions, public health departments that implement the National Health Programmes and a two-year probation where he works through the health system (like

IAS officers). Such trained persons are the ones who ought to work as CMHOs (chief medical health officers). Imagine the energy and skills that such young, well-trained persons would bring to the district health administration and later as the DGHS, instead of the current arrangement where the DGHS could be a doctor who has never stepped out of the operation room in a Delhi hospital. The training of the cadre will not require medical colleges. But the competence of trainers, the way to be trained, the content and pedagogy require imagination.

Alongside, India needs to move beyond the doctor-led system and paramedicalise several functions. Instead of "wasting" gynaecologists in CHCs, when there is an overall shortage of them, midwives (nurses with a BSc degree and two years of training in midwifery) can provide equally good services except surgical, and can be positioned in all CHCs and PHCs. This will help reduce C Sections, maternal and infant mortality and out of pocket expenses. Likewise, lay counsellors for mental health, physiotherapists and public health nurses are critically required for addressing the multiple needs of primary health care at the family and community levels. This needs to be acknowledged and such trained persons appropriately positioned based on patient load and disease burden.

Bringing such a transformative health system will require a comprehensive review of the existing training institutions, standardising curricula and the qualifying criteria. Faculty reviews are required to make the training inspirational and not dull and repetitive, as it is currently. Spending on pre-service and in-service training needs to increase from the current level of about 1 per cent. And, finally, a comprehensive redefinition of functions of all personnel is required to weed out redundancies and redeploy the rewired ones.

It is time our political systems listen to peoples' voices for a family doctor to ensure their everyday needs — and not easy options like privatisation, commodification and medicalisation of the system. Resetting the system to current day realities requires strong political leadership to go beyond the inertia of the techno-administrative status quoist structures. We can. https://indianexpress.com/article/opinion/columns/k-sujatha-rao-writes-healthcare-india-ailing-covid-pandemic-institutional-reform-7959665/

14. Defenders of New Defence Pension Disbursal System Are Ignoring Core Issues *(thewire.in)* 08 June 2022

For older pensioners, semi-literate pensioners and those living in remote rural areas, the DAD's push towards digitising defence pension disbursal in its present system will likely do more harm than good.

The proof of the pudding lies in the eating. The System for Pension Administration (Raksha) (SPARSH) 'pudding', served by the Defence Accounts Department (DAD) to defence pensioners and widows who have given their all in service of the nation, is a bitter pill to swallow, in spite of the incessant tirade from accountant babus speaking of ushering in a modern, digitised pension disbursal system.

The claims made by DAD-affiliated authors in recent articles and columns justifying the flawed roll out of SPARSH are typical attempts to misdirect the outrage and deflect from the core issues raised by pensioners. These pensioners have voiced specific concerns pertaining especially to the reach and efficacy of this system, applied on pensioners and widows based in rural and remote villages.

There is no mention by these SPARSH defenders as to how the defenders of the nation, residing in remote areas and villages, have been intimated of the requirements for registering and functioning on SPARSH.

This 'DAD knows all' attitude is typical and claims of being the first department to computerise its operations are being celebrated. However, computerising is not the pudding; timely and correct pension disbursal is.

Berating pensioners for their outrage over the pension fiasco of April, 2022 and averring that retired defence personnel are 'averse to modernisation' is supercilious and indicative of sleight.

The babus have squarely placed the blame for the non-allocation of 58,759 defence pensions on the pensioners themselves; ostensibly for the non-submission of life certificates (a proof of existence) which is an annual requirement done in October-November every year.

Out of the blue, in 2022, the life certificates were required to be submitted by March. How pensioners were apprised of this is a moot point. In fact, most pensioners who submitted life certificates in November, 2021 received pensions till March, 2022 from the banks that were handling pension disbursal till then. These pensioners became defaulters, through no fault of theirs, on April 1, 2022.

How did this happen?

In fact, the DAD itself admitted that some banks had not updated the status of pensioners' life certificates with the DAD as required up to March 31, 2022. Just because the DAD could not leverage these banks, which did not update the life certificates in a timely manner, the collective punishment rule was applied and pensions were stopped from being disbursed to 58,759 pensioners.

The DAD is equally – if not more – responsible for obtaining these life certificates or getting confirmation of their submission from respective pension-paying bank branches because it is obvious that these bank branches were paying pensions to the veterans only after satisfying themselves with correct and timely submission.

'Delayed pension', as claimed by a former DAD babu in his article, is in fact misdirecting the focus away from this inadequacy and deficiency in service provided by the DAD.

The hurdles that SPARSH will pose

The registration of pensioners – especially 'legacy' pensioners – on SPARSH will encounter serious problems as the process for the same is based on the receipt of a password on the registered mobile number. Most pensioner's mobile numbers or email IDs are not registered with their records offices as many may not have email IDs in the first place and may have acquired mobiles only after retirement.

No system existed earlier which necessitated that pensioners have smart phones.

This problem will be further compounded for semi-literate veterans and widows. How will they be intimated to migrate to SPARSH if they do not have registered phone numbers? SPARSH will have to make provisions for the intimation of such details to these pensioners; provisions not visible in any form in SPARSH's present avatar.

Moreover, the government has proposed the establishment of Common Service Centres (CSC) to act as resolution agencies for pensioners. However, the claim that these CSCs can replace the banks, which hitherto fore handled pension disbursement, only obfuscates the issue and displays the DAD's lack of grassroots understanding of the requirements of pensioners.

The CSCs are, in fact, just rooms with two computers, run by a rural entrepreneur. It is unreasonable to expect the village-based entrepreneur who operates the CSC to understand the defence pension system (especially SPARSH) and then be able to resolve the pensioner's issue.

The whole exercise has only created one more middleman in defence pension disbursal and, as per ground reports, louts have sprung up all across rural India who charge defence pensioners in the garb of resolving their pension woes.

At present, logging into SPARSH is a herculean task, even for urban, computer-savvy pensioners. This is despite the claims by the DAD that renowned IT company, Tata Consultancy Services (TCS), developed the software.

It is obvious that inadequate attention has been paid to system design by the DAD when placing the requirements with the IT developer. A robust system requirement can only be articulated when the DAD understands the basic nature of the problems faced by the inadequately IT-educated pensioner.

Pensioners had developed relationships with their local bankers who assisted them in pension related matters, albeit with inconsistencies. Here, they have been left to fend for themselves.

The DAD's claim that a pensioner has no need to be computer literate and that SPARSH and its network of CSCs will resolve issues, is fallacious.

Pensioners have to regularly access their accounts to make sure the amounts of pensions, allowances, TDS and any other additional released/deducted amounts are correct. A declaration of IT Savings also has to be uploaded each year. Moreover, pension slips have to be downloaded and, when required, grievances have to be submitted.

In sum, pensioners will have to regularly log in to carry out various actions. Aging pensioners will have to learn all these actions or be perpetually dependent on a computer-savvy relative, CSCs, or the new ranks of middlemen who will germinate thanks to SPARSH. The plight of the bed-ridden and very senior citizens can be well imagined.

What's more, the Gorkhas, Kumaonis, Garhwaali and other such pensioners living in hilly areas have a literal hill to climb to sort out pension issues generated by SPARSH.

A serious look at the fiasco surrounding the migration to SPARSH gives the impression that the DAD is simply an executing agency with the aim to save the government money – which was the raison d'etre in the first place, the DAD protecting its cadre notwithstanding.

That, too, is questionable when one adds up the pro-rata costs of the CSCs, 64 Defence Pension Distributing Offices (DPDO) and staffers, and the financial outlay needed, all to support

SPARSH agencies. Any delay in payment, underpayment or denial of payment due to incorrect documentation makes the government a direct beneficiary, earning the DAD more brownie points.

Since defence pensioners don't matter electorally, the government, too, is happy to sit back and watch the present imbroglio and let some spokesman of the Ministry of Defence (MoD) or DAD take up cudgels to justify a badly implemented system.

It is now incumbent on the service headquarters to step in and take up a cogent case with the MoD to ensure that the implementation of SPARSH, in the present form, is put on hold until all glitches are resolved.

While there is no argument against digitising, the approach has to be two-pronged, both by the DAD and the service headquarters, with implementation of a robust system which allows for pensioners in rural areas to migrate easily along with focused outreach by DAD.

This should be implemented on a state-by-state basis and only then should the roll-out be operationalised.

The hurry to roll out has created too much distress and service headquarters have to step in to assert the right of veterans to timely pension disbursement. It must highlight the problems faced by defence pensioners despite the DAD's claims about the SPARSH system.

It is imperative there is a voice against such blinkered defence of a shaky pension disbursal system. https://thewire.in/security/debate-misdirection-and-sleight-define-dads-new-defence-pension-disbursal-system

15. Defence Ministry's tech development fund cap raised five-fold to Rs 50 cr *(business-standard.com)* Updated: June 9, 2022

The TDF scheme supports indigenous development of components, products, systems and technologies by micro, small and medium enterprises (MSMEs), and start-ups

The limit of funding of innovative defence projects under the Technology Development Fund (TDF) has been raised on Wednesday to Rs 50 crore per project, from the present limit of Rs 10 crore.

The TDF scheme, executed by the Defence Research and Development Organisation (DRDO), supports indigenous development of components, products, systems and technologies by micro, small and medium enterprises (MSMEs), and start-ups.

To facilitate increased funding for innovative TDF products, the Union Budget for 2022-23 has reserved 25 per cent of the defence R&D budget for private industry, start-ups and academia. "The enhanced funding is in line with the budget announcement and it will further boost the vision of 'Aatmanirbharta' (self-reliance) in defence," said the Ministry of Defence (MoD) in a statement.

"The scheme aims to provide a major fillip to the defence manufacturing sector by encouraging the industry to innovate and develop defence technologies in order to place.

India on the self-reliance trajectory. The scheme facilitates up to 90 per cent of the total project cost and allows industry to work in consortium with another industry/academia."

"With the enhanced funding, the industry and start-ups will be able to develop more complex technologies for existing and future weapon systems and platforms. Till date, 56 projects have been sanctioned under TDF scheme," said the MoD.

"With increases in funding limits, potent systems will get developed and bigger companies will get supported along with MSMEs. This will be a massive win-win for all. A clear procurement path after development will mean industry can boldly invest in capabilities," says Abhishek Jain of Zeus Numerix, a small firm that has won praise for innovation.

There are four schemes under which small defence firms can approach the MoD for funding innovative projects: iDEX (Innovation for Defence Excellence); iDEX Prime; the TDF and Make II and Make III projects, the modalities of which are explained in the Defence Acquisition Policy of 2021 (DAP-2021).

The TDF aims at developing products for the military, but also for other strategic industries such as the Indian Space Research Organisation (ISRO). As with iDEX products, an order to the prime developer benefits all the MSMEs that function in its supply chain. In the decade between 2009-2019, the TDF was allocated Rs 544 crore. In four of those years, the allocation was zero. iDEX is a smaller scheme, run by the military, which seeks innovative solutions for specified functional challenges that are encountered on the ground. It has a limit of Rs 1.5 crore. For example, an MSME called Zeus Numerix was declared winner of the iDEX challenge during the Aero India 2021 air show in Bengaluru last year, for developing simulation software that makes warships near-invisible to radar.

If things go as per plan, Zeus would get funding, typically from iDEX Prime to ease the transition of their innovative product into large-scale manufacturing in large numbers.

Meanwhile, an MSME irreverently named BigBangBoom Solutions won the iDEX challenge for developing "see-through armour." This allows 360-degree situational awareness to a tank crew by mounting cameras outside the tank, capturing a 360-degree view, and stitching together the separate images from those cameras into a single image through data fusion. "The current funding levels under iDEX are insufficient to support cutting-edge innovation. It allows for optimisation of various systems, but not basic fundamental research. For funding projects involving basic research, allocation of Rs 50 crore, which the MoD has just allowed, would be required," says Praveen Dwarkanath, who runs BigBangBoom.

The government told Parliament on March 25 that it has provided iDEX with budgetary support of Rs 498 crore for the five years from 2021-2026, with the objective of providing financial support to nearly 300 start-ups/MSMEs/individual innovators. https://www.business-standard.com/article/economy-policy/defence-ministry-s-tech-development-fund-cap-raised-five-fold-to-rs-50-cr-122060900083_1.html

16. Indian cities need innovation, integrated climate action planning *(moneycontrol.com)* Updated: June 9, 2022

Indian cities are rapidly becoming vulnerable to climate-related extreme weather events that are ultimately deteriorating the urban environment and citizens' quality of life. For the past few months now most parts of North India have been grappling with a severe heatwave, with temperatures in New Delhi reaching 49 degree Celsius. At the same time, the Northeast was hit by flash floods and massive landslides, causing a number of deaths, disruption of essential infrastructure, and livelihood displacement.

In 2020, extreme weather events such as floods, heavy rainfall, heatwaves, etc. killed about 2,000 people across India and bore an annual financial loss of about $87 billion. As clear indicators of Climate Change, these shocks affect key urban sectors, such as energy systems, water supply, and transport infrastructure. The Intergovernmental Panel on Climate Change (IPCC) in its report has further warned that key infrastructure in many cities along India's coastline is likely to get submerged by 2050 due to significant sea level rise, and inundation. The increasing frequency and intensity of such climate risks and impacts bring about a critical question at the forefront — are Indian cities prepared for Climate Change, and its looming impacts?

Cities require a transformative approach to deal with Climate Change — one that comprises of a robust mix of adaptation (adjusting to/reducing the impact) and mitigation actions (addressing the cause, i.e. GHG emissions). Despite this, much of the focus for achieving climate resilience in Indian cities leans more towards climate mitigation. The present adaptation actions that are being implemented tend to be reactive and sectoral in nature. For example, disaster recovery efforts after multiple floods, or our focus on clean air specifically. These standalone interventions may not consider sectoral relationships, and feedback loops, thereby, exacerbating the long-term damage to other infrastructure, resources, and most importantly the vulnerable and marginalised groups of society.

The need of the hour is to move beyond traditional patterns of urban development and planning, towards innovative and integrated climate action planning, where tackling Climate Change is not just seen as an add-on to the overall urban development strategy. Innovative multi-level governance and finance mechanisms that incorporate adaptation thinking into existing local planning processes can minimise trade-offs and create cross-sectoral synergies, especially when coupled with efficient mitigation interventions. Local leadership providing room for autonomous change has the potential to transform planning capacities, and address complex urban inequalities generated from the climate crisis.

Some cities have recently started developing innovative ways to enhance their adaptive capacity. Mumbai, which came up with its own climate action plan setting a net-zero target for 2050, created a pathway to catalyse change in governance mechanisms across India. The city's climate action plan takes a pragmatic approach towards climate resilience by keeping adaptation and mitigation activities well balanced, and giving priority to the local stakeholders. The action plan further talks about establishing a climate action cell in the city that will focus on the monitoring, evaluation, and reporting of the actions, including a feedback mechanism. Other cities such as Rajkot, Surat, and Udaipur have also prepared comprehensive city-level action plans for resilience.

Nevertheless, weak institutional capacities including lack of context-specific expertise on adaptation planning and financial resource mobilisation are the common roadblocks for optimising adaptation policy action in majority of cities. Indian cities currently exhibit patterns of path dependency and lock-in, shaped by a blend of past and present choices.

Many city governments to this date depend heavily on national and state governments for urban development and climate action policy implementation, as well as for financial support. In a number of cases, climate datasets necessary for adaptation and mitigation planning (e.g., risk assessments, are available at the national/state level, while Climate Change impacts manifest locally). Additionally, lack of co-ordination among government departments, both vertically — between local, state, and national levels — and horizontally across departments, further deteriorate local capacities.

In an effort to tackle these challenges at the local level, the Ministry of Housing and Urban Affairs launched the ‘Climate Smart Cities Assessment Framework’ (CSCAF) as a tool for cities to assess their present climate preparedness. The framework, which assessed 126 cities on 28 climate indicators, essentially acts as a guiding framework for cities to become climate responsive by learning from best practices, monitoring their climate impacts, and making informed decisions for resource mobilisation. This initiative is a significant step towards mainstreaming integrated climate action using a bottom-up approach while generating numerous systemic co-benefits.

In the long term, Climate Change along with rapid urbanisation and population growth will make integrated climate action planning a pre-requisite for cities. Revising the core fabric of urban development through multi-level governance, multi-stakeholder engagement, and building local capacities for informed and inclusive decision-making with respect to climate resilience are, therefore, instrumental for Indian cities in managing complex climate issues and achieving holistic climate action. https://www.moneycontrol.com/news/opinion/climate-change-indian-cities-need-innovation-integrated-climate-action-planning-8663881.html

17. Is 10% reduction in imported crude a reality or a pipe dream? *(timesofindia.indiatimes.com)* June 9, 2022

Soon after assuming office in May 2014, Prime Minister Narendra Modi had vowed to reduce by 10 per cent India’s dependence on imported crude by the year 2022. That was more than eight years ago. We are now nearly half way in the target year 2022.

The question now is: how much of that promised 10 per cent reduction in the import of crude oil has since been achieved in the preceding eight years? The answer is a ‘BIG ZERO’.

There are two conditions precedent to any reduction in the quantum of imported crude — (i)there is a corresponding increase in its domestic production or/and (ii) there is a substantial fall in its consumption in the country. Unfortunately, neither has happened. On the contrary, the domestic production of crude has considerably declined, and its consumption in the country substantially increased. As per the data released by the Petroleum Planning & Analysis Cell of the ministry of Petroleum, the domestic crude oil production that was 35.90 MMT in 2014-15 fell to 35.50 MMT in 2015-16. Thereafter, the production continued to fall with each passing year. In the preceding financial year, ie 2021-22, the domestic crude production was 28.40 MMT — the lowest since 2014-15 – the beginning of the Modi era.

Government still optimistic
Yet, despite the continuously declining domestic production of crude and its increasing consumption, the government still remains optimistic about its avowed goal of cutting down on import of crude. Modi, as recently as February 2020, had reiterated that the government had taken some “decisive steps” towards reducing its import by 10 per cent. The then petroleum minister Dharmendra Pradhan too had also repeated ad nauseam that the government was

developing "a new strategy and initiatives to achieve the target of reducing dependence by 10 per cent on the imported crude".

New Strategy and Initiatives

What were then the 'new strategy and initiatives' taken by the ministry of petroleum in order to achieve the desired objective? One, a new Hydrocarbon Exploration Licencing Policy was introduced. Two, "Discovered Small Fields" were given on contract with a view to monetising their reserves. And three, a "National Data Repository" was set up by Directorate General of Hydrocarbons on 28 June 2017. There were some other initiatives like conducting 2D seismic survey of the hitherto 'unappraised areas'. Since the taste of a pudding lies in its eating, it needs to be ascertained how far all these initiatives have helped in the main task of reducing import of crude by 10 per cent by the year 2022?

"Zilch" is the answer. The two conditions precedent as aforesaid did not happen. On the contrary, India's crude oil production had further declined by 7.5 MMT, roughly 21 per cent in the preceding eight years. And its consumption rose from 165.5 MMT in 2014-15 to 202.70 MMT in financial year 2021-22 – an increase of 37.2 MMT or 18 per cent.

Need for expanding production

In addition to some private and joint venture entities, there are two major government-owned E&P companies, viz Oil & Natural Gas Corporation Ltd (ONGC) and Oil India Ltd (OIL) currently operating in the country. Of the total production of 28.40 MMT in the year 2021-22, ONGC's share alone stood at 18.50 MMT, Oil India contributed 3.00 MMT and the remaining 7.00 MMT came from the kitty of private and joint venture entities.

Thus there is an imperative need for substantially enhancing production both from ONGC's offshore and onshore fields. But unfortunately and conversely, its cumulative production that was 20.8 MMT in 2014-15 has sharply declined to 18.50 MMT in 2021-22 – nearly by 7.17 per cent. The reason is obvious. Most of the onshore fields of ONGC are more than 50 years old with declining yields. Thus, to bring about even any incremental increase in the production of these ageing fields is like flogging a dead horse. Nonetheless, it goes to ONGC's credit that it has managed not only to maintain the existing level of production but has also brought about an incremental increase in their output thanks to the deployment of some latest IOR and EOR techniques.

India always a net importer of crude

However, it needs to be pointed out that India has always been a net importer of crude. In 1947, the domestic demand for petroleum products was just about 2.2 million metric tonnes (MMT) while the production was barely 0.25 MMT, all from Assam. The domestic production of crude oil in 1960-61 was only 0.45 MMT, and it had risen to 10.51 MMT by 1980-81.

Forty-two years down the line in 2021-22, India's domestic production is barely 28.40 MMT while imports are to the tune of 212 MMT — a deficit of 183.6 MMT. In plain terms, the domestic crude production is merely 13 per cent of India's total consumption.

Is 10 per cent reduction in import feasible?

Will the laudable object of reducing even by 10 per cent the import of crude become a reality or will it just remain a pipe dream? Let us not live in a fool's paradise and delude ourselves. India doesn't have either a magic wand or rich oil reservoirs, leave alone elephantine fields.

Our yearly consumption too will continue to increase irrespective of whatever measures we might adopt.

The bitter truth is that our dependence on imported crude will increase year by year. Most of the countries, barring a few, import crude in order to meet their increasing needs. India is thus in the 'august' company of major oil importers such as the USA, China, Germany, Japan, Italy, the United Kingdom, South Korea, Brazil, Indonesia, Malaysia, Israel et al. There is thus no reason whatsoever to feel ashamed about it. https://timesofindia.indiatimes.com/blogs/voices/is-10-reduction-in-imported-crude-a-reality-or-a-pipe-dream/

18. The curious case of 'missing' wheat in Madhya Pradesh *(indiatoday.in)* Updated: June 9, 2022

The gap of 24 lakh tonnes in wheat sales figures of 2021 and 2022 is not being explained convincingly even as the state government claims no production losses due to the heat wave this year

The total wheat procured by government agencies in Madhya Pradesh on May 31, 2022—the day the procurement exercise came to an end—stood at 46.02 lakh tonnes, down from 128 lakh tonnes in 2021, marking a drop of a whopping 82 lakh tonnes. While a large part of the drop in government procurement can be explained through sale by farmers to private traders, there is still a gap between the estimated production and sales figures, both to government and private traders. Where is this 'missing' wheat?

In 2021, the production figures of wheat announced by the state government stood at 356.69 lakh tonnes. The same year, a total of 128 lakh tonnes of wheat was sold by farmers to the government and 16.19 lakh tonnes (between March 15 and June 1) to private traders through mandis, adding up to 144.19 lakh tonnes. The balance wheat from production stood at about 212 lakh tonnes. This quantity may have been consumed by citizens of the state, sold through unrecorded transactions like those between neighbours, and a portion of it would have been retained as seed for the next crop.

In 2022, the state government has estimated a production of 346.7 lakh tonnes. The same year, a total of 46 lakh tonnes was sold to the government while sale to private traders through mandis jumped to 64 lakh tonnes (between March 15 and June 1), adding to a total sale of 110 lakh tonnes. Considering that the area under wheat cultivation had reduced in 2022 and government estimates of production were scaled down by 10 lakh tonnes, there is still a gap of 24 lakh tonnes in the sales figures between 2021 and 2022.

The 'missing' 24 lakh tonnes of wheat is being explained as stocks that have been held back by farmers to sell in future as they anticipate a hike in prices. It would have been a plausible explanation had export lines been open. Ever since the central government imposed a ban on exports of wheat to check inflation at home, there seems to be no reason to hold stocks for sale at a future date. Holding stocks would lead to interest loss and also weight loss of around 3-5 per cent.

The theory that a large part of the wheat is held back by people for personal consumption is also questionable. Here's why: the MP government has procured 46 lakh tonnes of wheat in 2022, of which nearly 22 lakh tonnes is distributed through the Public Distribution System (PDS) to around 50.7 million beneficiaries in the state, out of the total population of 72.6

million (as per 2011 census). In other words, a large portion of the wheat to be consumed in the coming year will come from the government's stock. Some amount will come from unsold stock to the government to be used to supplement PDS handouts and for consumption by non-PDS consumers, who number around 22.5 million.

Can this 'missing' wheat be explained as production losses due to the heat wave? A team from the Union government had been touring MP a fortnight ago to assess losses due to heat wave, as reported by other states. The MP government informed the team that there were no production losses. "It seems unlikely that if the heat is leading to losses in one state, MP would be unaffected," says a top state government official, requesting anonymity.

At the national level, the production of wheat was estimated at 1,110.32 lakh tones, which has been scaled down by 6-8 per cent to below 1,005 lakh tonnes owing to the heat wave in March and April, the months during which harvesting was carried out.

The MP government claims the state was untouched by heat wave-related production losses as sowing of wheat in MP happens before north Indian states like Punjab and Haryana; so, most of the crop had been harvested before the heat wave set in. While this may be true for some parts of the state, the major wheat-producing districts in MP—Hoshangabad, Harda and Raisen—have been sowing basmati paddy in the kharif season, which leads to delay in wheat sowing. Farmers from these regions have reported a drop in production by 15-20 per cent over the last year. "Wheat output was adversely affected by the heat wave that began in mid-March. The temperature crossed 40 degrees C in March which was unheard of. The wheat fields were green and forced ripening at high temperatures has led to shriveling, which leads to production losses," says farmer Naim-ur-Rahim Khan from Munirgarh village of Raisen district.

Combine harvester-owners hiked rentals demanding payment in terms of area as against production—as was the norm earlier—mainly due to drop in productivity. "We harvested on a per acre basis as against per tank as yields were much lower this year," said Raju Patel, a combine harvester-owner in Umraoganj.

"No production losses of wheat have been reported to us yet. We will, however, reverify from the revenue department and also take direct feedback from farmers to ascertain losses if any," said Ajit Kesri, additional chief secretary, department of farmer welfare, MP. https://www.indiatoday.in/india-today-insight/story/the-curious-case-of-missing-wheat-in-madhya-pradesh-1960348-2022-06-09

19. How over 15,000 illegal colonies mushroomed in Punjab & how the sale-deed fraud is being done *(indianexpress.com)* Updated: June 9, 2022

Thousands of unauthorised colonies have come up in Punjab in the past 7 to 8 years and several people have become victim after purchasing plots in such colonies. The government said both the people and the government was fooled by registering sale deeds of plots in such colonies. The Indian Express explains the fraud, how the illegal communities mushroomed across the state, and if there is a solution to the problem.

How many illegal colonies are there in Punjab?

According to sources in the Punjab Urban Development Authority (PUDA), the state government had conducted an informal survey on the scale and extent of illegal colonies around six-seven years ago and at that time, the number of such colonies was nearly 13,000. Several years later, the number is over 15,000 now, sources said. Even Punjab Revenue Minister Brahm

Shanker Jimpa said that an estimate of 10,000-15,000 illegal colonies in the state. “The number could be less as the departments that are responsible to prevent of such colonies keep the count down,” said a senior PUDA officer.

Why are a large number of illegal colonies coming up?
The government bodies, including Improvement Trusts (ITs), the Department of Housing and Urban Development, which has various organisations under it such as Punjab Urban Development Authority (PUDA), Greater Ludhiana Area Development Authority (GALDA), Greater Mohali Area Development Authority (GMADA), Jalandhar Development Authority (JDA), Amritsar Development Authority (ADA), Bathinda Development Authority (BDA), Patiala Development Authority (PDA) etc, are developing very less number of authorised or legal colonies against the actual requirement. This comes as an open invitation to private colonisers who start building illegal colonies to support the rapid urbanisation.

What are illegal colonies and who is responsible for them?
Apart from government colinies, which are carved out by govenment bodies, there are licenced colonies that are developed by private bodies by following all the norms set by the Housing and urban development Department.

Illegal and unauthorised colonies are those that are constructed by private developers without following the norms of providing mandatory basic infrastructure to the plot holders. They have no licence to sell plots but are anyway doing so. Several political leaders who are carving illegal colonies and putting pressure on government officials for registering sale deeds, government officials who park their money in such colonies and registrars, they all are responsible for this haphazard mess of illegal colonies Instead of preventing the fraud, all these people are now passing the blame.

Why are sale deeds taking place if these colonies are illegal?
The government is regularising these because people had brought plots and constructed houses over the years. Under special schemes in 2013 and 2018, the government faciliated colonisers and plot holders in such colonies by trying to regularise the practice in exchange of a fee to the government in the name of basic facilites such as water and sewer. However, even then, many colonisers didn’t apply for regularisation and several such colonies came up even after that. Now, the government is demolishing illegal colonies, buildings and is also recommending FIRs, however, this action is not as large as the number of these colonies.

What is the fraud committed in registering sale deeds?
Jimpa said that in such colonies two types of frauds are were committed. First, by the colonisers when they are selling the plots without mandatory basic amenities and in several cases, plot holders are awaiting possession for over a year. Secondly, the government is also being cheated as plots are being sold at different rate and this is causing stamp duty loss to the government exchequer. “If we probe all the registries of these colonies, the fraud could be estimated around Rs 1000 crores,” said Jimpa. Also, as the plots are being sold without NOCs, the fee against it is also not collected.

Why is NOC required to register sale deeds?
For selling plots in illegal colony, the government has put a condition that no registries will take place without an NOC from a completent authority. In the corporation limits, NOC is provided by the corporation/committees authority and outside it, NOC is provided by PUDA,

its sister bodies and where PUDA doesn't exist, the additional deputy commissioner urban development does the work.

What guidelines registrars need to follow and what happens if a sale deed is registered without NOC?

For regularisation of illegal colonies, the Punjab Apartment and Property Regulation Act (PAPRA) was enacted by the state government in 1995 and an amendment was made to this in 2014. It is mentioned under the Act that no registrar or sub-registrar shall register sale deed or any other document regarding the sale of land or plot or building situated in a colony, which is not a license holder from the competent authority. Also some sections of both the Acts were creating confusion regarding registeries in illegal colonies.

"In 2018, the revenue department issued guidelines that an updated list of unauthorised colonies will be provided by the department of Housing & Urban Development and department of Local Govt., with NOC for registering sale deeds. But the letter was withdrawn in December 2019 saying that no requirement of NOC for property registration which was challenged in HC in 2021," said Sukhcharan Singh Channi, General secretary, Tehsilar Association Punjab, adding that then the Financial Commissioner (Revenue), Punjab, passed a detailed Speaking Order on November 22, 2021, in compliance with the court order dated August 3, 2021.

Is there a solution to this haphazard urbanisation?
While on one hand, PUDA and other sister organisations need to crave out legal colonies to sustain the growing population, on the other hand, a policy is needed to stop illegal constructions. https://indianexpress.com/article/explained/punjab-news-illegal-colonies-plots-govt-puda-sale-deed-fraud-7959944/

20. Gorakhpur power staff consume over 22 crore electricity units worth Rs 114 crore in a year *(indiatoday.in)* June 8, 2022

Several power personnel and pensioners in Uttar Pradesh continue to enjoy unmetered and unlimited supply of electricity that remains unaccounted for in Gorakhpur. The electricity power personnel, engineers and employees have consumed 22.80 crore units of electricity, worth Rs 114 crore in a year, and now the customers have to feel the heat.

It is to be noted that UP energy minister AK Sharma has directed the UP Power Corporation Ltd (UPPCL) management to start installing meters in the power personnel's residences.

Taking cognisance of the consumption of an unlimited supply of electricity, the chief engineers of Gorakhpur had asked for an adjustment of Rs 114 crore in revenues but the corporation was able to provide an adjustment of only Rs 53 crores. The UP Power Corporation Ltd (UPPCL) faced a severe revenue deficit last month and now the remaining amount will be paid by the consumers.

22 CRORE UNITS CONSUMED IN A YEAR
The employees of the electricity department consumed electricity worth Rs 114 crores from April 1, 2021 to 31 March 2022. The consumers will have to bear the brunt of it as it will be shown as lineloss (loss of electric energy due to heating of line wires by the current). The electricity has been consumed from 180 power stations, 12 colonies and 45 offices. The corporation officials said that 22.80 crore units of electricity have been consumed in Gorakhpur zone across six units.

The engineers said that the bill was sent to the electricity department officials but they refused to accept it. Gorakhpur Electricity Corporation Chief Engineer A. K Singh said that Power Corporation has given Rs 53 crore to the Gorakhpur zone for TEO adjustment. Before the end of the tenure, the amount was sent to the power corporation. However, it is difficult to say anything without looking into the matter, he added. https://www.indiatoday.in/india/story/gorakhpur-news-power-corporation-electricity-consumption-crores-uttar-pradesh-1960062-2022-06-08