NEWS ITEMS ON CAG/ AUDIT REPORTS (11.06.2022 to 13.06.2022)

1. Introduction of partial IT systems made situation worse: former CAG *(thehindu.com)* Updated: June 13, 2022

Former CAG says the institution's officials see only accounts that govt. departments want them to see

Retired Comptroller and Auditor General of India (CAG) Rajiv Mehrishi on Friday said the introduction of partial IT systems had made the situation worse when it came to auditing public expenditure.

"What partial IT systems have done is that they have put a human interface in the machine. All the data entry operators are employed on temporary basis. There is no real checking on what they do…So you have a very strange situation where you actually discover an error or inconsistency, you can't even find out how and where it has happened. By the time you discover the error, the data entry operator has moved on to a better job and you cannot trace him," Mr. Mehrishi said, while addressing a conference on the digitisation of public expenditure organised by the George Washington University and the Bill and Melinda Gates Foundation here.

He said the CAG, the supreme audit institution of the country, did not even meet the standards of chartered accountants of private companies when it came to assurances. Mr. Mehrishi said the CAG officials see only the accounts that government departments want them to see.

"If you see the audit reports of CAG, we do not come up even to the insufficient standards of chartered accountants of private companies in the matter of assurance. We don't use the word assurance in our reports," Mr. Mehrishi said.

He said the CAG officials were faced with a strange situation where they were under pressure of time and the officers concerned say the "file is lost".

"That entire process is not auditable, so you get what the department wants to give...The way the accounts are, they are not properly auditable."

He added that the larger issue was that of the fundamental principle of Parliamentary democracy that every rupee earned or spent has to be accounted for by the legislature. "Now, with the kind of data we have, Parliament can draw no assurances that every rupee is earned or spent is consistent with what they have approved," Mr. Mehrishi said.

He said the solution to the problem was not just digitisation, but "business process re-engineering". For example, he said, about 25% of the expenditure of several state governments was labeled as "other" expenditure. The data available was "obscure" and "error-ridden", he said.

Earlier in the conference, Indira Iyer, a research professor at George Washington University, highlighted the problem of misallocation and misclassification of funds, fund flow tracking issues and delays in payment, among others. Ms. Iyer said out of the total spending of the

Centre and state governments every year – about Rs.65 lakh crore – Rs.38 lakh crore was spent on developmental expenditure, about one-third of GDP. https://www.thehindu.com/news/national/cag-does-not-come-up-to-standard-of-cas-in-matter-of-assurance-says-retired-cag-rajiv-mehrishi/article65513735.ece

2. A counterbalancing force? *(millenniumpost.in)* 12 June 2022

Though the formation of Fiscal Council appears to be bolstering India's already strong fiscal infrastructure, the parallel institution comprising non-elected members could instead dilute the Constitutional authority of the elected Finance Minister

Post the pandemic, a section of policymakers has yet again argued for the creation of a fiscal council that would provide independent forecasts on macro-variables such as GDP growth and tax buoyancy, and oversee compliance with debt targets. It is claimed that the Fiscal Responsibility and Budget Management (FRBM) Review Committee (The NK Singh committee 2017) recommended the creation of a fiscal council in line with global practices, which will also bring transparency in the budget process. Similar recommendations were also proposed by the 13th and 14th finance commissions, which advocated the establishment of independent fiscal agencies to review the government's adherence to fiscal rules, and to provide independent assessments of budget proposals.

Context

Though Article 293 provides a Constitutional check over the borrowings by the state government, there is no such restriction on the Central government. The FY22 budget omitted any talk of the debt-to-GDP ratio even in the 'Medium Term Fiscal Policy Cum Fiscal Policy Strategy Statement', though the finance ministry through an amendment to the FRBM Act in FY19 had included it as the key fiscal target, promising to bring it down to 60 per cent by FY25, reported The Print. But during the last two years it has reached around 80 per cent.

The Fiscal Responsibility and Budget Management (FRBM) committee headed by former revenue secretary NK Singh had mandated states to achieve a debt-to-GSDP ratio of 20 per cent by FY 2022-23. However, in a report in November 2021, the Reserve Bank of India (RBI) highlighted that the debt-to-GSDP ratio for 18 states and union territories has grown to 31.2 per cent from 22.6 per cent in the last 10 years, ending September 2021.

A recent IMF working paper (January, 2022, no WP/22/11) titled 'Fiscal Rules and Fiscal Councils: Recent Trends and Performance during the COVID-19 Pandemic' has argued that the adoption of fiscal rules and fiscal councils continued to increase globally over the last decades. According to the study, during the pandemic, fiscal frameworks were put to test. The widespread use of escape clauses was one of the novelties in this crisis, which helped provide the policy room to respond to the health crisis. But the unprecedented fiscal actions have led to large and widespread deviations from deficit and debt limits. The study mentions that the fiscal rules, in general, have been flexible during crises but have not prevented a large and persistent build-up of debt over time.

The paper also gives evidence on the benefits of a good track record in abiding by the rules and highlights the difficult policy choices and needs to further improve the rules-based fiscal frameworks. It presented an overview of fiscal rules and fiscal councils across the world in the run-up to and during the COVID-19 pandemic. The study relied on newly updated global datasets on fiscal rules and fiscal councils during 1985–2021.The findings illustrate the diverse experiences with rules-based fiscal frameworks.

While advanced economies were frontrunners in adopting fiscal rules, these rules are increasingly becoming common among emerging market and developing economies (EMDEs). There were 51 fiscal councils in 49 countries as of 2021, about twice the number in 2010. Many of them were established to monitor the new fiscal rules or in response to external pressures after large shocks. Deficits and debt in many countries surged during the pandemic, leading to large deviations from fiscal rule limits. About 90 percent of countries had deficits larger than the rule limits in 2020, while public debt exceeded the limits or anchor levels in over half of countries, adding to already large pre-COVID deviations.

The IMF report reveals that the fiscal councils it has studied, have a considerable diversity of institutional forms. Most are attached to the legislative branch (parliamentary budget offices), the executive, or operate as stand-alone entities. Parliamentary budget offices have historically emerged in presidential political systems such as in Korea and the United States. They have spread in various forms such as in Australia, Canada, Georgia, and Mexico. Fiscal councils attached to the executive include those in Belgium, Croatia, the Netherlands, and the United Kingdom. Fiscal councils in two countries (France and Finland) are attached to the supreme audit institution. Stand-alone entities are more common among recently established fiscal councils as they often emanate from comprehensive Fiscal Responsibility Laws (Czech Republic, Slovak Republic, Sweden).

What is a Fiscal Council?

IMF (2013) defines Fiscal councils as independent public institutions aimed at promoting sustainable public finances through various functions, including public assessments of fiscal plans and performances, and the evaluation or provision of macroeconomic and budgetary forecasts. By fostering transparency and promoting a culture of stability, they can raise reputational and electoral costs of undesirable policies and broken commitments.

Fiscal councils are often non-partisan, technical bodies entrusted as a public finance watchdog to strengthen credibility of fiscal policies with a variety of mandates. IMF defines fiscal rules as a long-lasting constraint on fiscal policy through numerical limits on budgetary aggregates. Fiscal rules typically aim at correcting distorted incentives and containing pressures to overspend, particularly in good times, so as to ensure fiscal responsibility and debt sustainability.

The IMF paper claimed that all else equal, fiscal councils can promote stronger fiscal discipline as long as they are well-designed. It also pointed to a number of key features of effective fiscal councils — a strict operational independence from politics, the provision or public assessment of budgetary forecasts, a strong presence in the public debate (notably through an effective communication strategy), and an explicit role in monitoring fiscal policy rules.

As early as 2011, OECD published a paper arguing strongly in favour of the Fiscal Council. After the recession of 2008, there was a growing interest in the role of independent fiscal institutions, or fiscal councils, in helping to improve fiscal performance. OECD defined a fiscal council as a publicly-funded entity staffed by non-elected professionals mandated to provide nonpartisan oversight of fiscal performance and/or advice and guidance – from either a positive or normative perspective – on key aspects of fiscal policy.

It argued that a fiscal council can contribute to improved fiscal performance in a variety of ways. By depoliticising various aspects of fiscal policy, whether related to formulation or monitoring, fiscal councils can better inform voters on the actual state of fiscal policy and raise the political costs of fiscal indiscipline.

A fiscally responsible government may wish to create a fiscal council to solidify the credibility it has already gained. Conversely, absent political will, there are no assurances that a new institution such as a fiscal council will help. OECD in their report quoted von Hagen (2010): "Fiscal councils may be helpful to strengthen the credibility of medium-term fiscal rules, but only in cases where the government has considerable commitment power to begin with." Thus, a fiscal council could be either an additional mechanism where strong political commitment is present, or ineffective where it is not.

A key question surrounding the decision to create a fiscal council is why such an entity would have a potentially greater disciplining effect than existing unofficial and academic bodies or persons?

It is argued that in smaller countries with a relatively less-developed infrastructure of unofficial bodies, the creation of a fiscal council enables the pooling of local expertise (creating analytical synergies) and access to financial and informational resources not otherwise available to unofficial bodies. And in larger countries, however, where unofficial bodies are prevalent and potentially influential through the media and by active participation in public policy debates, a principal advantage gained from the creation of a fiscal council is the latter's access to the more detailed confidential data normally restricted to legislative and executive agencies. In all countries, however, a desired benefit to the government of creating an official fiscal council is to signal the government's commitment to good behaviour.

Fiscal architecture of India

The three pillars of the fiscal architecture are: fiscal rules, public financial management (PFM) processes, and fiscal institutions. Over the years, India has created all the three pillars which are very strong.

(i) General Financial Rules (GFR) were issued for the first time in 1947, bringing together in one place all existing orders and instructions pertaining to financial matters. These have subsequently been modified and issued as GFR 1963, GFR 2005 and GFR 2017. GFRs are a compilation of rules and orders of Government of India to be followed by all while dealing with matters involving public finances. These rules and orders are treated as executive instructions to be observed by all Departments and Organisations under the Government and specified bodies except otherwise provided for in these Rules.

In the last few years, the Government has made many innovative changes in the way it conducts its business. Reforms in Government budgeting, like removal of distinction in non-plan and plan expenditure, merger of Railway Budget with General Budget, focusing on outcomes through an improved Outcome Budget document, all needed to be reflected in the GFRs. Increased focus on Public Finance Management System (PFMS), reliance on the Direct Benefit Transfer (DBT) Scheme to ensure efficient delivery of entitlements, introduction of new e-sites like Central Public Procurement Portal, Government e-Marketing (GeM) Portal, Non-Tax Revenue Portal have also necessitated revision of the existing GFRs to keep them in tune with the changing business environment. The objective was to make the GFRs facilitate efficiency rather than create impediments in smooth and timely implementation while following principles of accountability and procedures of financial discipline and administrative due diligence.

The Expenditure Management Commission, set up in 2014 to recommend ways in which efficiency of public expenditure could be increased, has also made several recommendations, especially with respect to Autonomous Bodies. In GFR 2017, new rules on non-tax revenues, user charges and e-receipts portal have been added in addition to the manner in which Autonomous Bodies are run.

(ii) India's current public financial management (PFM) processes are defined at the highest level in the Constitution itself. State and Union governments submit their respective budgets in the Assemblies and the Parliament for discussion and approval. Comptroller and Auditor General (CAG) — a Constitutional body — submits its reports to the Parliament on a regular interval. Since 2009, the Public Financial Management System (PFMS) — a web-based online software application developed and implemented by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance — has been introduced with the objective of tracking funds released under all Plan schemes of Government of India, and real time reporting of expenditure at all levels of Programme implementation. Subsequently, the scope was enlarged to cover direct payments to beneficiaries under all Schemes.

In addition to these, one important institution which is an integral part of India's financial architecture is the Finance Commission, a constitutional body that determines the method and formula for distributing the tax proceeds between the Centre and states, and among the states, as per the Constitutional arrangement and present requirements. The Finance Commission also decides the share of taxes and grants to be given to the local bodies in states. This part of tax proceeds is called Finance Commission Grants, which is a part of the Union budget.

Under the Article 280 of the Constitution, the President of India is required to constitute a Finance Commission at an interval of five years or earlier. Under Article 281 of the Constitution, the President of India is required to cause the laying of the Finance Commission report before each House of Parliament along with an explanatory note and the action taken by the government on the Commission's recommendations. The 73rd Constitutional Amendment Act of 1992 created the Panchayati Raj institutions as the third level of a three-tier democratic governance system at the village level, intermediate level and district level. It also mandated the constitution of a Finance Commission every five years by state governments to decide the division of resources (tax proceeds) between a state government and Panchayati Raj institutions at all levels.

To manage budgetary deficits, the Fiscal Responsibility and Budget Management (FRBM) Bill was introduced in the Parliament in the year 2000. The primary aim was to give a legal backing to the fiscal discipline. Enacted in 2003, it had set targets for the government to reduce fiscal deficits. Calculated as a percentage of its GDP, fiscal deficit is the total money spent by the government in excess of its income. The FRBM Act mandated the Central government to bring down its fiscal deficit to three per cent of the GDP.

The initial deadline to reach the 3 per cent target was 2007-08 but it has been extended several times over the years. In 2018, the deadline was again extended to 2020-21. However, in the FY21 Budget, the target was relaxed to 3.5 per cent as permitted under the FRBM Act. The Centre made use of escape clauses to deviate from the fiscal consolidation roadmap. The option allows the government to widen the deficit by 0.5 percentage points in times of exigencies such as a war or calamities of national proportion.

Because of higher expenditure and lower revenues on account of COVID-19, the number in FY21 came in at 9.3 per cent of the GDP. To enable the fiscal deficit beyond the permissible limit, the government amended the FRBM Act in the Finance Bill last year. The Centre is targeting to gradually bring down the deficit to below 4.5 per cent in the next four years, reported Business Standard.

(iii) The Financial Institutions in India mainly include the Central Bank which is better known as the Reserve Bank of India, the commercial banks, the credit rating agencies, the securities and exchange board of India, insurance companies and the specialised financial institutions in India. The Reserve Bank of India was established in 1935 with a view to organise the financial framework and facilitate fiscal stability in India. The bank acts as the regulatory authority with regard to the functioning of the various commercial banks and the other financial institutions in India.

Conclusion
India has a well-established fiscal architecture built on three strong pillars. Possibly the government is planning to establish a fiscal council to 'signal government's commitment to good behaviour'. Logically a fiscal council may act as a fourth pillar of the financial architecture, provided it is established as a Constitutional entity like the GST Council. But a publicly funded fiscal council, staffed by non-elected professionals, would erode the Constitutional responsibility of the Finance Ministers who are elected members of the Parliament/Assemblies. Such a Fiscal Council will weaken the federal and democratic architecture of the existing public financial management (PFM) process of India. http://www.millenniumpost.in/sundaypost/in-retrospect/a-counterbalancing-force-481729

3. 5G allocation to bulk users would be coal scam redux *(thefederal.com)* 11 June 2022

TRAI, which had mooted the direct allocation proposal, should have known that its effusive concern for bulk users would pit the likes of TCS with telcos who have a diametrically opposite take on the issue

The Manmohan Singh government was on the mat over its coal allocation gratis to actual users like power and steel plants. The Supreme Court, in August 2014, had cancelled such allocation to 218 actual users as being arbitrary and illegal and opined that a transparent auction of natural resources was the best course. Indeed, it is lest the government of the day is accused of favouritism or crony capitalism and the exchequer gets to raise resources from non-tax sources.

The SC coal verdict came on the back of its 2G verdict cancelling allotment of spectrum on the basis of the opaque and potentially mischievous first-come-first-served (FCFS) criterion. It was against this backdrop that its fastidious accent on auction almost as panacea, holy writ for selling the nation’s natural resources must be examined.

The UAE doesn’t have personal taxation as it has sizeable non-tax revenue from nature’s munificence – hydrocarbon. Nature has been unkind to India on this score. All the more reason why it should not pass up whatever opportunities it gets to mobilise funds from non-tax sources.

The Modi government is driven to exploit fuel tax to the hilt despite knowing that it is regressive. Alas, if it only looks for non-tax revenue without going overboard. It is possible that the CAG report of 2012 pegging the loss of revenue to the government at ₹1.86 lakh-crore due to allocation gratis of coal was exaggerated or unscientifically computed but nobody can deny that the government had then shot itself in the foot.

Top telcos' pleas

In the event, it would be difficult for the Modi government not to heed the fervent plea of India's top telcos not to go ahead with direct allocation of 5G spectrum via administrative route to corporate enterprises for private captive networks, saying such a move would give a backdoor entry to private companies, truncate the revenues of licensed telcos, rob the government of valuable revenues and create a non-level playing field.

"There is no need to alienate spectrum directly to companies for captive private networks…The licensed access service providers are fully capable of providing all customised solutions, including M2M / Industrial 4.0 services in the most competitive and economic manner, and are providing such network configurations to private and public sector entities," said the Cellular Operators Association of India (COAI).

The government should remember that 2G licences were also issued to GAIL and Oil India for their own captive use.

Such direct allocation distorts competition and thwarts successful bidders from fully realising their investments. The COAI had warned that such a proposal, if accepted by the government, could potentially rob telcos of their future 5G enterprise business revenues – estimated at around 40 per cent of overall 5G business revenues – and destroy the 5G business case in India. There is considerable merit in their apprehension. Bulk users are a fecund source of business and revenue for service providers including telcos.

TRAI's change of tack

The telecom regulator TRAI, which had mooted the direct allocation proposal, should have known that its effusive concern for bulk users would pit the likes of TCS with telcos who have a diametrically opposite take on the issue. It has since changed tack and suggested that private enterprises may have the option to lease spectrum from the telcos. The government is undecided and is reportedly said to have postponed the Cabinet meeting called for this purpose.

There might be a case for free power to farmers by state governments on the ground that the prices they get are unremunerative. But free or subsidised supply of spectrum to actual bulk users would open the proverbial Pandora's box.

First, it would be against the law laid down by the apex court in the coal allocation case. Second, it would rob the exchequer of its revenue. Third, it would rob the telcos of a huge sliver of business that should have come their way had the government not waylaid them. Fourth, it would set a bad precedent. Newcomers and latecomers would demand such direct allocation of spectrum, throwing the whole thing pell-mell.

Fifth and finally, the Modi government may be embarrassed should the UPA-led Opposition, itching to get its back on it, petition the SC for cancellation of 5G direct allocation should it brazen it out unmindful of the law laid down by the court. Remember, both 2G and coal cancellations were made by the apex court not in criminal cases but on policy matters where the potential to play favourites inflicting financial losses on the exchequer is enough to nail the government.

In any case, industrial customers with huge resources at their command and huge requirement of spectrum can be counted upon to enter into a win-win deal with telcos without any hand holding by the government. https://thefederal.com/opinion/5g-allocation-to-bulk-users-would-be-coal-scam-redux/

4. Encroachments, penalties & illegal buildings: CAG seeks details from Ghaziabad Development Authority *(timesofindia.indiatimes.com)* 11 June 2022

GHAZIABAD: The comptroller and auditor general (CAG) has sought details from the Ghaziabad Development Authority (GDA) on steps it has taken in the last five years to free its land of encroachers. It has also asked for details on action taken against illegal constructions, penalties imposed on such developers and the amount realised from defaulters during the period.

"The enforcement wing received a letter from the CAG, dated June 8. It asked for details on encroached land and the action we have taken against it," said Sushil Kumar Choubey, officer on special duty at the GDA. "We are in the process of compiling the information in a prescribed format. The CAG has sought zone-wise details of properties and land under encroachment on a yearly basis from 2017 to 2022," he added.

The CAG letter comes days after the state government sought similar details from the GDA on encroached land.

According to officials, GDA land worth Rs 500 crore is illegally occupied. Instead of the fringes of the city, the encroachments have mostly taken place in the middle of townships like Indirapuram, Vaishali and Kaushambi. Officials said seven of 14 hectares in these three localities had recently been freed. In one of GDA's own housing schemes — Indraprastha — the development authority could free only three of 11 hectares.

"Roughly, there are 24 hectares that still need to be freed of squatters. We keep taking up anti-encroachment drives from time to time," Choubey said.

It was in 2016 that the CAG first sought to conduct an audit of the GDA's coffers. A team of officials had visited Ghaziabad, but were denied information. The then Akhilesh Yadav government had argued that the CAG was not entitled to carry out audits of developmental agencies in the state until it had a written permission from the governor.

The lack of access to the GDA had become a sore point in the run up to the 2017 assembly elections. In one of his rallies, Prime Minister Narendra Modi had attacked the then state government over alleged land scams in development authorities. He had said that if BJP came to power, he would ensure audits in the GDA and other authorities.

Since Yogi Adityanath became the chief minister in 2017, the CAG audit has been an annual affair. https://timesofindia.indiatimes.com/city/ghaziabad/encroachments-penalties-illegal-bldgs-cag-seeks-details-from-gda/articleshow/92138609.cms

5. नोएडा की 10 हजार करोड़ की जमीन पर अवैध कब्जा:CAG की रिपोर्ट में हुई पुष्टि, 45 लाख वर्गमीटर जमीन पर कब्जा; शासन कराएगा लैंड ऑडिट *(bhaskar.com)* 12 June 2022

नोएडा की 10 हजार करोड़ से अधिक की जमीन लोगों ने अतिक्रमण कर रखी है। ये जमीन करीब 45 लाख वर्गमीटर से ज्यादा है। ये हम नहीं कह करे बल्कि सरकार ने जिस कैग को नोएडा प्राधिकरण की फाइलों की जांच सौंपी थी, उसकी रिपोर्ट में सर्किल वार अवैध कब्जे की बात सामने आई है। अब इससे भी कहीं ज्यादा प्राधिकरण की अर्जित और कब्जा प्राप्त जमीन पर कब्जा हो चुका है। इससे विकास परियोजनाओं के निर्माण में बाधा आ रही है।

कराया जाएगा लैंड ऑडिट

नोएडा में हो रहे अवैध निर्माण की वास्तविक स्थित का पता लगाने के लिए शासन की ओर से लैंड ऑडिट कराया जाएगा। ये काम एक सप्ताह में शुरू हो सकता है। इसके लिए प्राधिकरण को एक एजेंसी हॉयर करनी होगी। हालांकि प्राधिकरण ने हाल ही में खाली पड़े भूखंडों के लिए NIC से सर्वे कराया था, लेकिन ये सिर्फ लैंड बैंक के लिए था। अब सर्वे अवैध कब्जा धारकों का पता लगाने के लिए किया जाएगा।

विकास के लिए 10 सर्किल में बांटा गया शहर

नोएडा को परियोजना और विकास के हिसाब से 10 सर्किल में बांटा गया है। इन सर्किल में सुपरवाइजरों और जेई का काम निगरानी करना है। ताकि जमीन पर अवैध निर्माण के बारे में जानकारी दे सकें। वे ऐसा नहीं करते। यही वजह है कि सिर्फ लैंड से संबंधित ही सैकड़ों की संख्या में मामले अदालतों में हैं।

इन गांवों में हुए अवैध कब्जे

सरकारी जमीन पर सफाबर्दि, गढ़ी चौखंडी, छिजारसी, ममूरा, बरौला, भंगेल, सलारपुर, चौड़ा, गिझौड़, हरौला, नया बांस, बख्तावरपुर, नंगली-
वाजितपुर आदि गांवों में बड़ी संख्या में कब्जे हो रहे हैं। इसके अलावा 4 से 5 हजार हेक्टेयर में यमुना व हिंडन के डूब क्षेत्र की जमीन पर कब्जा हो रखा है। तेजी से यहां कॉलोनियां काटी जा रही हैं। हिंडन नदी में छिजारसी से लेकर ग्रेटर नोएडा के सफीपुर तक डूब क्षेत्र की करीब 90 प्रतिशत तक जमीन पर कब्जा हो चुका है।

अवैध फार्म हाउस हो रहे ध्वस्त

नोएडा प्राधिकरण अभी अवैध फार्म हाउसों को लेकर कार्रवाई कर रहा है। अब तक डूब क्षेत्र की करीब 4 लाख वर्गमीटर जमीन पर बने अवैध फार्म हाउसों को तोड़ा गया है। इस जमीन की कीमत 150 करोड़ रुपए के आसपास है। https://www.bhaskar.com/local/uttar-pradesh/gautambudh-nagar/news/cag-report-confirms-45-lakh-sqm-land-occupied-government-will-conduct-land-audit-129924242.html

6. कैग ने पेश की रिपोर्ट:मंदसौर-नीमच सहित प्रदेश व राजस्थान के 7 जिलों के लिए राहतभरी खबर, गांधीसागर बांध पूरी तरह सुरक्षित *(bhaskar.com)* 11 June 2022

मंदसौर-नीमच सहित प्रदेश व राजस्थान के 7 जिलों के लिए राहतभरी खबर हैं। कैग की रिपोर्ट के बाद जांच में एशिया की पहली मानवनिर्मित झील गांधी सागर बांध को पूरी तरह सुरक्षित माना है। इसके बकेट को खाली कराकर जांच करने के दौरान उत्थान मार्ग में किसी तरह का डैमेज नहीं मिला।

इधर, 2019 की बाढ़ के दौरान बांध हाई अलर्ट जोन में आ गया था। ऐसी स्थिति दोबारा न बने, इसके लिए सूचना-तंत्र में मजबूती लाई गई है। पहले जहां रेन गेट व रिवर गेट की जानकारी अधिकारियों को 4 घंटे में मिल पाती थी, अब महज एक मिनट में ही मिल जाएगी। इसके अलावा बांध के 19 में से 10 गेट पर 10 कैमरे निगरानी रखेंगे। डूब व पठार क्षेत्र की निगरानी के लिए 360 डिग्री का कैमरा निगाह रखेगा। कंट्रोल रूम भी स्थापित किए जाएंगे।

भारत के नियंत्रक एवं महालेखा परीक्षक (कैग यानी कंट्रोलर ऑडिटर जनरल) की रिपोर्ट में गांधीसागर बांध को कमजोर बताया था। इसके साथ ही बांध टूटने पर 40 लाख की आबादी पर खतरे की आशंका व्यक्त की थी। रिपोर्ट के बाद बीते सप्ताह जांच के लिए रावतभाटा के राणाप्रताप सागर बांध को 1138 फीट तक खाली कराया गया।

गांधीसागर बांध के बकेट को भी खाली किया गया था। इसके बाद पूरे तल को देखा, जिसमें कहीं भी डैमेज नहीं मिला। अधिकारियोंें का कहना है कि बांध पूरी तरह सुरक्षित है। हालांकि आगामी समय में कोई परेशानी न हो, इसके लिए सुरक्षा के पुख्ता इंतजाम किए जा रहे हैं। कार्यपालन यंत्री, गांधी सागर बांध एच के मालवीय ने कहा कि जांच के दौरान डैम में कोई खामी सामने नहीं आई है। https://www.bhaskar.com/local/mp/mandsaur/news/relief-news-for-7-districts-of-the-state-and-rajasthan-including-mandsaur-neemuch-gandhisagar-dam-completely-safe-129919923.html

7. ADCs must submit accounts: Meghalaya governor Satya Pal Malik to CM after CAG letter *(timesofindia.indiatimes.com)* Updated: Jun 11, 2022,

SHILLONG: The Comptroller and Auditor General (CAG) of India on June 8 sent a letter to Meghalaya governor Satya Pal Malik bringing to his notice the fact that the autonomous district councils (ADCs) in the state have not submitted their respective accounts for over a period of few successive years and also not tabled reports of the CAG in the district councils.

A media communiqué issued by Raj Bhavan here on Friday said, “The governor had taken up the matter with chief minister Conrad K Sangma on June 9, 2022, and after a telephonic communication with him had also sent a formal DO letter to him urging the chief minister to kindly ensure timely and correct preparation of accounts by the concerned district councils through his personal urgent intervention.”

Governor Malik also iterated that if required and upon consultation with the chief minister, an inquiry could also be conducted on the lapses in the district councils if they do not comply, the commissioner and secretary to the governor said.

Meghalaya has three autonomous district councils, one each in the Khasi, Jaintia and Garo Hills. https://timesofindia.indiatimes.com/city/shillong/adcs-must-submit-accounts-malik-to-cm-after-cag-letter/articleshow/92137043.cms

8. Meghalaya district counci ls fail to submit accounts: CAG informs Governor *(theshillongtimes.com)* 10 June 2022

Governor of Meghalaya, Satya Pal Malik has received a letter from Comptroller and Auditor General (CAG) of India on June 8 relating to the matter of non-submission of accounts by the District Councils over a period of few successive years and non-tabling of reports of CAG in the District Councils, according to a Press release issued by the Raj Bhavan here.

The Governor has taken up the matter with Chief Minister on June 9 , 2022 and after a verbal telephonic communication with him has also sent a formal DO letter to him urging the Chief Minister to kindly ensure timely and correct preparation of accounts by the concerned District Councils through his personal urgent intervention .

Governor Shri Satya Pal Malik also reiterates that if required and upon consultation with Chief Minister, an inquiry could also be conducted on the lapses in the District Councils if they do not comply. https://theshillongtimes.com/2022/06/10/meghalaya-district-councils-fail-to-submit-accounts-cag-informs-governor/

9. Guv seeks CM's intervention into ADC lapses *(theshillongtimes.com)* 11 June 2022

Governor Satya Pal Malik on Friday said he has received a letter from the Comptroller and Auditor General of India on June 8 relating to the matter of non submission of accounts by the three autonomous district councils over a period of few successive years and non-tabling of reports of CAG in the district councils and stated that if deemed necessary, an inquiry could be conducted on the lapses in the district councils.

A press statement issued by Pravin Bakshi, Commissioner and Secretary to the Governor of Meghalaya, on Friday said the Governor took up the matter with Chief Minister, Conrad Sangma on Thursday and after a verbal telephonic communication with him, also sent a formal letter to him urging the CM to ensure timely and correct preparation of accounts by the concerned district councils through his personal urgent intervention. https://theshillongtimes.com/2022/06/11/guv-seeks-cms-intervention-into-adc-lapses/

10. Opp plea for tightening belt after CAG missive *(theshillongtimes.com)* 11 June 2022

Days after Governor Satya Pal Malik sought Chief Minister Conrad Sangma's intervention in alleged embezzlement of funds due to non-maintenance of accounts by the three autonomous district councils (ADCs), Leader of Opposition in the Khasi Hills Autonomous District Council (KHADC), Pynshngain N Syiem has contended that it is all-important that the Council's Finance department is bolstered to ensure financial accounts are prepared on time.

The statement comes against the backdrop of the CAG's letter to the Governor, seeking his intervention in the non-maintenance of accounts by the KHADC as well as the Jaintia Hills Autonomous District Council (JHADC) and the Garo Hills Autonomous District Council (GHADC).

"The Finance department of the Council is not equipped with a finance officer. As such, we have not been able to prepare the financial report on time. The department needs to be strengthened," Syiem, who served as the council's CEM earlier, said.

He claimed the officers in the Finance department are efficient but added the Council requires the service of financial experts to ensure timely preparation and maintenance of financial accounts.
He also suggested the constitution of a financial expert committee that can assist and make suggestions on all financial matters.

Syiem recalled that during his tenure as the CEM, he had constituted such a committee with financial experts, who retired from financial institutions, to prepare and maintain the Council's financial reports.

Asked if the statement of incumbent CEM Titosstarwell Chyne that the Council could not maintain the financial records due to the pandemic was justified, Syiem said it is the Council's duty to prepare and submit the same to the office of the Accountant General on time even if there was a pandemic.

On Friday, the Governor had said he received a letter from the CAG on June 8 relating to the matter of non-submission of accounts by the three ADCs over a period of some successive years and non-tabling of the reports of the CAG in the councils.

He stated that an inquiry could be conducted into the lapses, if deemed necessary.

A statement issued by Pravin Bakshi, Commissioner and Secretary to the Governor, had said the Governor had taken up the matter with Chief Minister Conrad K Sangma on Thursday and after a telephonic communication, sent a formal letter to him, urging the chief minister to ensure timely and correct preparation of accounts by the district councils through his personal urgent intervention.

It is pertinent to note that the CAG had, in its letter to the Governor, 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, the CAG had said.

"The audit reports are either not tabled or tabled belatedly and are not discussed by the Councils; hence the infractions escape the desired scrutiny and executive accountability," the CAG said, while exhorting the Governor to take steps to ensure that an oversight mechanism is evolved to provide reasonable assurance on governance to the stakeholders on the same lines as in the state government. https://theshillongtimes.com/2022/06/13/opp-plea-for-tightening-belt-after-cag-missive/

11. Non-submission of accounts by councils to be probed: Malik *(nagalandpost.com)* 11 June 2022

Meghalaya Governor Satya Pal Malik on Friday said an inquiry could be possibly instituted to probe non submission of accounts by the three autonomous district councils to the Comptroller and Auditor General of India.

Malik said necessary action needs to be taken, if required a probe, on the reason behind the non-submission of accounts to the CAG for the past few years.

The district councils have also not been tabling the CAG report in the council sessions. According to the Raj Bhavan, the Governor received a letter from the CAG on Wednesday regarding the non-submission of accounts.

"Governor Satya Pal Malik received a letter on June 8, 2022 relating to the matter of non-submission of accounts by the district councils over a period of few successive years and non-tabling of reports of CAG in the district councils," Commissioner and Secretary to Governor, Pravin Bakshi said.

Malik immediately took up the matter with Chief Minister Conrad Sangma the next day over the phone. Malik has also sent a Demi Official letter to the Chief Minister urging him to ensure timely and correct preparation of accounts by the concerned district councils.

In the letter to Malik, the CAG pointed out as many as ten accounts — two of Khasi Hills Autonomous District Council (KHADC) , three of Jaintia Hills Autonomous District Council (JHADC) and five of the Garo Hills Autonomous District Council (GHADC) that are still pending for submission as on December 31, 2021. The GHADC has not submitted accounts from 2016-17 to 2020-21, the JHADC has not submitted accounts from 2018-19 to 2020-21 while the KHADC is yet to submit the accounts for 2019-20 and 2020-21.

The CAG also revealed that the deficiencies in the autonomous district councils 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.

Chief Minister Conrad Sangma said that the District Council Affairs Minister Lahkmen Rymbui himself had conducted a meeting and the department had instructed and written to the different ADCs to reply and give a detailed report on the matter.

"But none of the replies have come yet from them. So we are awaiting a reply from them on this," Sangma said.

Over the recent past, there have been several allegations of corruption in the district councils. The BJP which is an ally in the ruling Meghalaya Democratic Alliance government has levelled allegations of corruption in the councils, especially in the Garo Hills and Jaintia Hills district councils.

According to the BJP, funds amounting to crores have been embezzled under the Special Assistance Grants and the party has earlier sought a CBI probe into the allegations and also wanted a proper audit of the accounts from the period 2015 to 2020. “If required and upon consultation with the Chief Minister, an inquiry could also be conducted on the lapses in the district councils,” Malik said. https://www.nagalandpost.com/index.php/non-submission-of-accounts-by-councils-to-be-probed-malik/

12. No decision on price hike, cheap booze in short supply *(newindianexpress.com)* 11 June 2022

THIRUVANANTHAPURAM: Amid a shortage of liquor from inexpensive brands, with major suppliers having stopped the sale of cheap brands to the Beverages Corporation demanding a price hike, the state government is yet to take a decision on the matter. Besides allowing a price hike, the suppliers have asked the government to do away with the turnover tax. The issue of advance tax payment too has not been resolved. Last year, Bevco had stopped advance payment of excise duty for liquor purchased from companies.

Pricey brands on rack; Customers suffer, Beverages corp mints money
This followed an adverse opinion in the CAG’s audit report. The report had pointed out that the practice was against Excise rules. Following a protest by the suppliers, the government decided to continue advance tax payment by Bevco until this month. In the new financial year, most of the suppliers have not participated in the tender process for supply, said a source. Some others who signed contracts have agreed to supply expensive brands.

Meanwhile, the corporation’s revenue has increased as customers are forced to buy expensive brands. April alone saw a rise of `404 crore. On Friday, Excise Minister M V Govindan said the rise in the price of Extra Neutral Alcohol (ENA) has put manufacturers in difficulty. The price of one litre of ENA rose by up to `7, he said, hinting at a hike in prices.

The minister said the Travancore Sugars and Chemicals, the only state-run distillery in Kerala, has cut short production. It has just one product, Jawan Deluxe XXX Rum, which is a popular inexpensive brand.

The company is suffering a loss of `3.50 per bottle due to the ENA price rise, he said. Currently, expansion is under way at the Tiruvalla-based distillery. The plan is to set up an additional six production lines there. It is expected to increase the daily production from an average 7,000 cases to 10,000-12,000 range. https://www.newindianexpress.com/states/kerala/2022/jun/11/no-decision-on-price-hike-cheap-booze-in-short-supply-2464161.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

13. Govt’s net tax revenue seen to exceed budget estimate by Rs 1.3 trillion *(financialexpress.com)* June 13, 2022

While excise and customs duty collections will be affected by duty cuts and will likely fall short of their respective BEs, the central GST collections could be Rs 0.9-1.4 trillion more than the Rs 6.6 trillion estimated in the budget for the current financial year.

Aided by better compliance, higher commodity prices and revival of economic activities, the Centre's net tax revenue in the current financial year may be around Rs 20.62 trillion, Rs 1.28 trillion or 6.6% more than the budget estimate (BE) of Rs 19.34 trillion, according to the analysts.

Buoyancy in the gross tax revenue (GTR) could also yield an additional Rs 1.1 trillion in additional central tax devolution to states in FY23 over BE of Rs 8.17 trillion, much-needed succor to them as the 5-year GST shortfall compensation mechanism will end on June 30.

The GTR may be around Rs 29.87 trillion in FY23, Rs 2.29 trillion or 8.3% more than the BE as the goods and service taxes (GST) and direct taxes are expected to substantially overshoot their respective Bes.

The GTR performance will be coming on a high base of FY22, which saw a very high tax buoyancy of 1.74. In the last financial year, the Centre's gross tax receipts were Rs 27.08 trillion, Rs 4.91 trillion higher than the BE.

Given that the GTR has outperformed nominal GDP growth in the past two years (see chart) thanks to the revival of economic activities and greater formalisation of the economy, the tax buoyancy could be around 1 in FY23.

The Centre's GTR could have been about Rs 30.87 trillion in FY23, an annual growth of 14%, the same as nominal GDP growth for the year seen by analysts. However, about Rs 1 trillion is estimated to have been shaved off from GTR by the recent cut in excise duty cuts on auto fuels (Rs 85,000 crore loss) and customs duty on several items (Rs 15,000 crore) to give relief to citizens and curb inflationary pressure. So, the FY23 GTR could be settled at around Rs 29.87 trillion compared with BE of Rs 27.58 trillion.

Besides the tax reliefs, the Centre is also estimated to spend an extra Rs 2 trillion in aggregate over the Budget Estimate on fertiliser, food and fuel subsidies in FY23. While about Rs 1.5 trillion (including Rs 20,000 crore extra expected in disinvestment receipts) additional revenues would offset the large chunk of extra spending, the bulk of the remaining Rs 50,000 crore could be adjusted through revenue spending cuts on other budget heads and a small part may be mobilised from the National Small Saving Fund (NSSF) to bridge the budget gap.

While excise and customs duty collections will be affected by duty cuts and will likely fall short of their respective BEs, the central GST collections could be Rs 0.9-1.4 trillion more than the Rs 6.6 trillion estimated in the budget for the current financial year.

Revenue secretary Tarun Bajaj last week said at an event that the monthly gross GST collections could average Rs 1.4 -Rs 1.5 trillion in FY23 thanks to steps taken to plug leakages by tightening compliance and scrutiny of GST returns to augment revenues. The FY23 budget has factored in Rs 1.2 trillion monthly gross GST (Centre + states).

"Given the robust trends for April-May 2022, and the anticipation of sustained healthy momentum of activity, we expect CGST inflows in FY23 to overshoot the BE by Rs 1.15 trillion. Assuming a 14% YoY growth in FY23 (similar to our nominal GDP growth projection), the non-excise non and CGST inflows (mostly direct taxes) are expected to surpass the FY23 BE by Rs 2 trillion," said Icra chief economist Aditi Nayar.

Bajaj was also very optimistic that direct taxes collections would be much better than the government projected in the budget for FY23.

"While excise and customs duties in FY23 may be lower than the FY23BE, income tax, corporation tax and GST collections are likely to compensate for the losses in excise and customs duty collection. In aggregate, gross tax collections may be around Rs 80,000 crore higher than the FY23BE," said India Ratings chief economist DK Pant. https://www.financialexpress.com/economy/govts-net-tax-revenue-seen-to-exceed-budget-estimate-by-rs-1-3-trillion/2558124/

14. Centre moots ruling authority to fix direct tax liability, settle disputes *(business-standard.com)* June 10, 2022

The revenue department is considering the setting up of a ruling authority like the Advance Pricing Agreement (APA) or Dispute Resolution Panel (DRP) to ascertain tax liabilities and settle tax disputes. This will allow the Income-Tax Department and taxpayers to sit together and resolve disputes, and agree on the tax to be paid.

The direct tax claims locked in litigation are about Rs 5 trillion. The concept is part of the minutes of the meeting circulated internally last month, when the revenue department discussed measures and the road map in line with its vision 2047.

Business Standard has reviewed the minutes, which are being prepared following the annual conference attended by officials of the finance ministry and Central Board of Direct Taxes, and senior revenue officers.

At present, APA deals with transfer-pricing cases that determine tax liabilities in advance to avoid any dispute. The DRP is an alternative mechanism that deals mainly with international taxation cases.

Experts say various Authorities for Advance Ruling (AARs) take up issues from a technical standpoint and do not cover wider matters of income tax. Also AAR decisions have not helped in containing litigation because most of the matters go for appeal.

"Such a process of optional and non-binding mediation can be helpful in eliminating tax disputes, particularly those relating to transfer pricing and other matters as well," said Akhilesh Ranjan, advisor on tax policy at PwC and former member of the CBDT.

Among other measures, the department is looking to tax the corporate sector in agriculture, phase out exemptions, and tap new and emerging sectors like crypto assets, to increase the tax-GDP ratio to 15-20 per cent.

The revenue department expects India's direct tax collection should be 60 per cent of the revenue receipts. Currently, direct tax contributes half that. In FY22, India recorded the highest tax-GDP ratio of 11.7 per cent.

The department discussed setting up a specialised unit for examining high-net-worth individuals having more than Rs 5 crore and targeting those companies working across borders and running hawala operations.

The department is pinning hopes on global tax policy to tax digital giants like Facebook and Google. The road map also suggests amending the I-T Act, 1961 extensively.

The internal note stressed ease of compliance including filing income-tax returns (ITRs) to the extent that it could be done in 15-20 minutes. It suggests an app-based filing of ITRs, improvement in pre-filed forms by increasing data, and making data available on a real time basis are among other measures.

Other suggestions include revisiting TDS (tax deduction at source) provisions, increasing TDS coverage, reduction in the gap between the working-age population and tax filers, better investigation methods, and capacity building for information sharing with other countries or foreign jurisdiction.

The department also highlighted the immediate challenge with regard to new reassessment regime -148A, says that it requires uniformity and clarity in timelines and limitations, and should be reflecting on the I-T systems.

"Integration of legal provisions with systems are very important. We should work towards efficient system, where I-T systems should be in tandem from the date of publication of Finance Bill so that timeline mandated can be replicated in the Systems.

And in case, something going to take more time to be available as facility on systems, then the implementation date which is normally April 1 should be deferred, it noted.

The department also discussed the possibility of having a zero year where there will be no assessment to catch up unresolved cases. https://www.business-standard.com/article/finance/centre-moots-ruling-authority-to-fix-direct-tax-liability-settle-disputes-122061000797_1.html

15. Land monetisation set to pick up pace as govt firms up plan *(financialexpress.com)* June 13, 2022

The move will complement its efforts to raise more non-debt receipts to expedite fixed asset creation in the economy through monetisation of brownfield assets sans ownership transfer under the National Monetisation Pipeline (NMP) scheme.

The Centre has firmed up a plan to accelerate monetisation of surplus land parcels held by various wings of the government, including the defence department, railways, salt commissioner's office and various Central Public sector Enterprises.

The move will complement its efforts to raise more non-debt receipts to expedite fixed asset creation in the economy through monetisation of brownfield assets sans ownership transfer under the National Monetisation Pipeline (NMP) scheme.

"Several government departments have already conveyed their willingness to the National Land Monetisation Corporation (NLMC) to offer their surplus lands for monetisation," an official aware of the matter told FE.

NLMC, with a seed capital of 150 crore, was incorporated last week as a wholly-owned government company. The entity will have a CEO from the government and a chairman from the private sector, both of whom are likely to be appointed by June-end, the source said. A search and selection committee headed by Cabinet secretary is currently in the process of selecting the board members of NLMC. To start with, NLMC will likely get about 5,000 acres of land for monetisation from a clutch of sick CPSEs namely MTNL, BSNL, BPCL, B&R, BEML, HMT and Instrumentation, among others. These land parcels are located in urban as well as semi-urban areas, good parts of which prime property that could fetch a lot of value. The government also reckons that the land parcels to be made available to industries and commercial ventures via this route will spur private investments. Problems associated with land acquisition are a major hurdle for industries or infrastructure development. The land monetisation drive will make available tens of thousands of acres of land for development, giving a boost to111 trillion National Infrastructure Pipeline (NIP) and Gati Shakti connectivity projects as well as the housing sector, the source added.

To raise resources for capital expenditure requirements for defence forces, the defence ministry is looking forward to take the help of NLMC to monetise about 32,000 acres of land belonging to military farms, abandoned airfields and camping sites, grounds and encroached land.

The Centre, through Salt Commissioner's Organisation, owns about 60,000 acres of salt pan land in Maharashtra, Gujarat, Karnataka, Tamil Nadu, Odisha, West Bengal, Haryana and Himachal Pradesh. About 20,000 acres of these land parcels are being offered for monetisation, the official said.

Railways land development is a key component of Gati Shakti, an initiative launched with aim of coordinating infrastructure projects across all key infrastructure ministries, for the planning as well as execution of national infrastructure projects including all state governments.

Among the civilian government agencies, the railways is the largest landholder with 1.1 million acres with it. Of these, about 1,00,000 acres of land parcels are 'vacant", even though due to the largely linear nature of railway land, only a fraction of such vacant land may be conducive for commercial development. Railways has its own Rail Land Development Authority, tasked with mandate of land monetisation, but it has made limited headway. The railway ministry, the source said, wants to rope in NLMC to accelerate the pace of commercial exploitation of land utilisation.

While the government sold the so-called "enemy shares" worth about 2,800 crore in FY19-FY20, it is still saddled with immovable property worth1 trillion in land and buildings. Of these, thousands of acres of land is spread over India, another official said. With the entire proceeds from enemy properties accruing to the Centre, it wants the sale of such land at the earliest for the development of the country by making available such land for public and private sector projects.

The government had informed Lok Sabha on January 2, 2018, that a total 9,280 enemy properties had been left behind by Pakistani nationals, and 126 by Chinese nationals.

Immediately after the Narendra Modi government unveiled the 6 trillion NMP target for four years in August 2021, this ambitious project to boost the resources of the public sector got off to a quick start with1 trillion realisations in FY22.

Land monetisation is in step with a plan to revert to the path of fiscal consolidation without any lapse of time and create the fiscal heft to finance the Rs 111 lakh crore NIP and other capital-intensive ventures. The idea is to crowd in private investments in infrastructure development.

Since the desired skill in the monetisation of non-core assets in government is limited, the NLMC is being set up for monetisation of the land and other non-core assets of CPSEs/departmental arms in line with international best practices. The organisation will recruit about three dozen staff for the special purpose vehicle drawn from government officials and eminent professionals in the field of real estate, banking, investment banking, construction, legal and related fields. https://www.financialexpress.com/infrastructure/land-monetisation-set-to-pick-up-pace-as-govt-firms-up-plan/2558163/

16. India is not the fastest growing big economy *(thehindu.com)* Arun Kumar | June 11, 2022

A closer look at recent data on GDP shows that the numbers are flawed and recovery is incomplete

The Provisional Estimates of Annual National Income in 2021-22 just released show that GDP grew 8.7% in real terms and 19.5% in nominal terms (including inflation). It makes India the fastest growing major economy in the world. Further, the real economy is 1.51% larger than it was in 2019-20, just before the novel coronavirus pandemic hit the world. In nominal terms it is higher by 17.9%. These numbers imply that the rate of inflation was 10.8% in 2021-22 and 16.4% between the two years, 2019-20 and 2021-22.

Quarterly growth rates

This picture implies almost no growth and high inflation since the pre-pandemic year. So, the tag of the fastest growing economy means little. If an economy drops sharply and then rises equally fast to reach its earlier level, that cannot be taken as an indication of a rapidly growing economy.

The quarter to quarter growth currently may give some indication of the present rate of growth. In 2020-21, the quarterly rate of growth increased through the year. In 2021-22, the rate of growth has been slowing down. Of course in 2020-21, the COVID-19 lockdown had a severe impact in Q1 (-23.8%); after that the rate of growth picked up. In 2021-22, the rate of growth in Q1 had to sharply rise (20.3%). Ignoring the outliers in Q1, growth rates in 2021-22 have sequentially petered out in subsequent quarters: 8.4%, 5.4% and 4.1%. True, the last quarter (January-March 2022) data was impacted by the Omicron-related lockdowns in January and February. It was further impacted in March by the supply disruptions following the war in Ukraine and the severe COVID-19 lockdown in China. Going forward, while the lockdown in China is over, the war-related impact is likely to persist since there is no end in sight. Thus, price rise and impact on production are likely to persist. The rapid rise in prices will impact demand from the vast majority of citizens who are losing out. That will reduce growth further.

Data as the problem

More worryingly, the issue is about correctness of data. The annual estimates given now are provisional since complete data are not available for 2021-22. They may be better than the second advance estimates released three months ago as more data become available. There is a greater problem with quarterly estimates since very limited data are available for estimating it. So, the data for the fourth quarter of 2021-22 released now is even more problematic

The first issue is that during 2020-21, due to the pandemic, full data could not be collected for Q1. Further, for agriculture, quarterly data assumes that the targets are achieved. But in Q1, a lot of fruits, vegetables, flowers, milk and poultry products could not come to the market, and rotted and wasted. This is more than 50% of the agriculture output. Thus, the growth rate of agriculture was certainly less than the official figure of 3%.

Agriculture is a part of the unorganised sector. Very little data are available for it but for agriculture — neither for the quarter nor for the year. It is simply assumed that the limited data available for the organised sector can be used to act as a proxy. In other words the non-agriculture unorganised sector is represented by the organised sector. The data for the full organised sector are also not available so 'high frequency' data (listed in the press note) are used. For instance, Goods and Services Tax (GST) collection data are used. But, it is well known that GST is collected almost entirely from the organised sector. In brief: very little data are available for quarterly estimates; and even less is available for the unorganised sector. Since the same method is used to estimate the annual growth rate the errors get repeated.

Errors in total, components

If better data became available after the shock of the lockdown, and it got used, there should be substantial revision in the previous year's quarterly data. But if one compares the Q1 2020-21 data in the latest release with the data released in May 2021, the change is 0.3%. Does this imply that the high frequency data used is very well able to predict quarterly GDP? This is unlikely to be the case when a shock is administered to the economy which changes the parameters of the economy. The data remaining largely unchanged implies that the same error is being carried forward.

The quarterly data is added up to yield the annual total. If a better method was used to estimate the annual data, it should not equal the sum of the quarterly data which as argued above is estimated on the basis of a limited data set. The implication is that the errors in the quarterly data are repeated in the annual data.

The method using the organised sector to proxy the unorganised non-agriculture sector may have been acceptable before demonetisation (2016) but is not correct since then. The reason is that the unorganised non-agriculture sector suffered far more than the organised sector and more so during the waves of the pandemic. Large parts of the unorganised non-agriculture sector have experienced a shift in demand to the organised sector since they produce similar things. This introduces large errors in GDP estimates since official agencies do not estimate this shift. All that is known is that the Micro, Small and Medium Enterprises (MSME) sector has faced closures and failures.

If GDP data are incorrect, data on its components — private consumption and investment — must also be incorrect. Most often, ratios are applied to the GDP to estimate them. But, if the GDP is in error, then the ratios will yield erroneous results. The other main components — government and external trade — may be assumed to be reasonably accurate even though this data is revised over several years.

Further, the ratios themselves would have been impacted by the shock of the lockdown and the decline of the unorganised sectors. Additionally, private consumption data is suspect since according to the data given by the Reserve Bank of India which largely captures the organised sector, consumer confidence throughout 2021-22 was way below (not marginally lower) its pre-pandemic level of 104 achieved in January 2020. So, consumption could not have come close to its pre-pandemic level.

In brief, neither the total nor the ratios are correct. Clearly, consumption and investment figures are over-estimates and very likely because the decline in the unorganised sectors has not been captured.

Possible correction

In the best possible scenario, let us assume that the organised sector (55% of GDP) and agriculture (14% of GDP) are growing at the official rate of growth of 8.2% and 3%, respectively. Then, they would contribute 4.93% to GDP growth. The non-agriculture unorganised component is declining for two reasons: first, the closure of units and the second the shift in demand to the organised sector. Even if 5% of the units have closed down this year and 5% of the demand has shifted to the organised sector, the unorganised sector would have declined by about 10%; the contribution of this component to GDP growth would be -3.1%.

Based on the above assumptions, the GDP for 2021-22 would have grown by only 1.8%, and not 8.7%, and it would be less than the pre-pandemic GDP of 2019-20 by 4.92%. Clearly, recovery is incomplete and India is not the fastest growing big economy of the world. https://www.thehindu.com/opinion/lead/india-is-not-the-fastest-growing-big-economy/article65515195.ece

17. State of concern *(thehindubusinessline.com)* June 11, 2022

States need to urgently act in pruning non-essential expenditure and knocking down their debt to prudent levels

As the economy begins a gradual recovery from the pandemic, States will have to look at ways to improve their finances in order to direct expenditure towards more productive purposes. But to achieve that, they will have to prune their borrowings, which is leading to a high interest burden, crowding out other productive expenditure. An analysis by this newspaper of the debt of the top 15 States in terms of GSDP reveals that most States have significantly increased market borrowings in FY21 and FY22 to meet the additional pandemic related expenditure even as revenue receipts took a hit in the first year of the pandemic. These borrowings have taken the debt of some States to unsustainably high levels. While the Fiscal Responsibility and Budget Management (FRBM) Act lays down the ceiling for debt to GSDP ratio for States at 25 per cent, eight of the 15 States exceeded the limit in FY22 with States such as Punjab, Rajasthan and Bihar far above the mandated level. While the FRBM committee had recommended that combined debt of States should reduce to 20 per cent of GDP by 2023, State debt is set to exceed 33.5 per cent of GDP by the end of FY23, according to SBI Research. Unsustainably high debt levels, especially in States with relatively weaker revenue streams, can lead them towards a debt trap, where most of the revenue is used up to service the debt.

Interest cost for seven of the top 15 States has increased more than 40 per cent between FY19 and FY22. With revenue not keeping pace, the capacity of States to service rising interest costs is declining sharply, as indicated by reducing interest cover. Along with interest cost, many States have witnessed increases in other committed expenditure such as salaries and pension too, with the result that committed expenditure of States as proportion of revenue receipts is budgeted to increase to 56 per cent in FY23. With a large part of States' expenditure already accounted for, there is little room for developmental expenditure that can help in long-term growth of the State. It comes as no surprise that despite the Centre's nudges and incentives, many of the larger States including Maharashtra, Tamil Nadu and Karnataka have recorded a decrease in capital expenditure in the revised estimate for FY22 when compared with the budget estimate. With the States having to bear a large part of capex burden, this reduction in capital investment could have ramification on overall growth in the economy.

States need to be nudged back to the path of fiscal prudence soon, else their borrowings can spin out of control, with deleterious effect on growth. The FRBM committee needs to set out a glide path for States to bring their deficits and borrowings back to prudent levels, as soon as possible. With tax revenue showing buoyancy in recent months, due to revival in economic activity, States can repair their finances if they are careful with their expenditure. They need to introspect on the efficacy of freebies and subsidies which drain the exchequer without contributing to development. Some of the heavily debt laden States such as Punjab, Rajasthan and Bihar also top the list of States with a high proportion of average subsidy as per cent of GSDP. Of concern is the fact that governments in many of these States are continuing to announce populist schemes, unmindful of their finances. https://www.thehindubusinessline.com/opinion/editorial/state-of-concern/article65514483.ece

18. Govt loses appeal to $111 mn arbitration award in dispute with Reliance & Shell *(millenniumpost.in)* Updated: June 12, 2022

The government has lost its appeal in the English High Court against a $111 million arbitration award in favour of Reliance Industries Ltd and Shell in a cost recovery dispute in the western offshore Panna-Mukta and Tapti oil and gas fields. High Court judge Ross Cranston on June 9, 2022 ruled that the government should have brought its objections over the arbitration tribunal not meeting the required thresholds, when issuing the 2021 award earlier, two sources with knowledge of the matter said. Rejecting the government's arguments, the court said the objections are barred by an English law principle whereby a party cannot raise matters in new proceedings that could have been raised in earlier proceedings.

While an email sent to the Ministry of Petroleum and Natural Gas for comments remained unanswered, officials said the government will study the court order and look for appropriate forums for remedy.

A separate email sent to Reliance for comments too remained unanswered.

Reliance and Shell-owned BG Exploration & Production India on December 16, 2010, dragged the government to arbitration over cost recovery provisions, profit due to the State and amount of statutory dues including royalty payable. They wanted to raise the limit of cost that could be recovered from sale of oil and gas before profits are shared with the government.

The government of India also raised counter claims over expenditure incurred, inflated sales, excess cost recovery, and short accounting.

A three-member arbitration panel headed by Singapore-based lawyer Christopher Lau by majority issued a final partial award (FPA) on October 12, 2016. It upheld the government view that the profit from the fields should be calculated after deducting the prevailing tax of 33 per cent and not the 50 per cent rate that existed earlier.

It also upheld that the cost recovery in the contract is fixed at $545 million in Tapti gas field and $577.5 million in Panna-Mukta oil and gas field. The two firms wanted that cost provision be raised by $365 million in Tapti and $62.5 million in Panna-Mukta.

Royalty, it said, had to be calculated after inclusion of marketing margin charged over and above the wellhead price of natural gas. The government used this award to seek $3.85 billion in dues from Reliance and BG Exploration & Production India Ltd (BGEPIL).

The two firms challenged the 2016 FPA before the English High Court, which on April 16, 2018, remitted one of the challenged issues back to the Arbitral Tribunal for reconsideration.

The arbitration tribunal ruled in favour of the two in a January 29, 2021 award.

"The Arbitral Tribunal decided in favour of the Claimants (Reliance and BGEPIL) in large part vide its final partial award dated October 1, 2018. Government of India and Claimants filed an appeal before the English Commercial Court against this 2018 FPA," Reliance had said in its annual report last year.

"The English Commercial Court rejected GoI's challenges to the 2018 Final Partial Award and upheld Claimants' challenge that the Arbitration Tribunal had jurisdiction over the limited issue and remitted the issue back to the Arbitration Tribunal," it added.

The final award on the issue came in January 2021, it had stated. Subsequently, both sides filed clarification applications before the tribunal, which on April 9, 2021 granted minor corrections requested by Reliance and Shell and rejected all of the government's clarification requests.

Thereafter, the government challenged the award before the English High Court. The court gave its ruling on June 9, 2022, they said. The government had used the 2016 partial award not just to raise a $3.85 billion demand on Reliance and Shell but also sought to block Reliance's proposed $15 billion deal with Saudi Aramco on grounds that the company owed money to it.

Following this, the court asked company directors to file affidavits listing assets.

Reliance and Shell had countered the government petition in the Delhi High Court saying the petition is an abuse of process as no arbitration award has fixed any final liability of dues on the company.

"GoI has also filed an execution petition before the Delhi High Court... seeking enforcement and execution of the 2016 FPA," the annual report had said.

"The Claimants contend that GoI's Execution Petition is not maintainable." The government's Execution Petition is currently sub judice.

"Claimants have also filed an application for recall /modification, challenging the Orders of Delhi High Court wherein directors were directed to file affidavits of assets. The matter is listed on July 13, 2021, for hearing," it had said.

The Panna-Mukta (primarily an oil field) and Mid & South Tapti (gas field) are shallow-water fields located in the offshore Bombay basin. Discovered by state-owned Oil and Natural Gas Corp (ONGC), they were bid out in 1994 to a consortium of ONGC (40 per cent), Reliance (30 per cent) and Enron Oil & Gas India Ltd (30 per cent). In February 2002, BGEPIL acquired Enron's 30 per cent stake in the joint venture. BGEPIL was subsequently taken over by Shell.

The production sharing contract (PSC) for the fields stipulated deducting costs incurred on field operations from oil and gas sold before sharing profit with the government. Disallowing certain items in the cost would result in higher profit petroleum for the government.

Reliance and BGEPIL sought raising of cost recovery limit through arbitration. http://www.millenniumpost.in/business/govt-loses-appeal-to-111-mn-arbitration-award-in-dispute-with-reliance-shell-481798?infinitescroll=1

19. IAF plans to build 96 new fighter jets domestically in bid to boost 'Make in India' *(newindianexpress.com)* Updated: June 12, 2022

Amid a big push for the Aatmanirbhar Bharat scheme by the PM Narendra Modi-led government, the Indian Air Force is planning to acquire 114 Indian Air Force fighter jets of which 96 would be built in India, and rest 18 would be imported from the foreign vendor chosen for the project.

The Indian Air Force has plans of acquiring 114 Multirole Fighter Aircraft (MRFA) under 'Buy Global and Make in India' scheme under which Indian companies would be allowed to partner with a foreign vendor.

"Recently, the Indian Air Force held meetings with the foreign vendors and asked them about the way they would carry out the Make in India project," government sources told ANI.

As per the plan, after the initial 18 aircraft are imported, the next 36 aircraft would be manufactured within the country and the payments would be made partially in foreign currency and Indian currency, the sources said.

The last 60 aircraft would be the main responsibility of the Indian partner and the government would make payments only in Indian currency, the sources said.

The payment in Indian currency would help the vendors to achieve the over 60 per cent 'Make-in-India' content in the project, the sources said.

Global aircraft manufacturers including Boeing, Lockheed Martin, Saab, MiG, Irkut Corporation and Dassault Aviation are expected to participate in the tender.

The Indian Air Force has to rely heavily on these 114 fighter jets for maintaining its superiority over the neighboring rivals Pakistan and China.

The 36 Rafale aircraft procured under emergency orders helped immensely in maintaining an edge over the Chinese during the Ladakh crisis which started in 2020 but the numbers are not enough and more such capability would be required by it.

The force has already placed orders for 83 of the LCA Mk 1A aircraft but it still requires a higher number of capable aircraft as a large number of MiG series planes have either been phased out or are on their last legs.

The fifth-generation Advanced Medium Combat Aircraft project is moving ahead at a satisfactory pace but it will take a lot of time to be able to be inducted in an operational role.

The IAF is also looking for a cost-effective solution for its fighter jet requirement as it wants a plane that is low on operational cost and gives more capability to the service, the sources said.

The IAF is highly satisfied with the operational availability of the Rafale fighter jets and wants similar capability in its future aircraft. https://www.newindianexpress.com/nation/2022/jun/12/iaf-plans-to-build-96-new-fighter-jets-domestically-in-bid-to-boost-make-in-india-2464748.html

20. Can Indian power sector afford coal imports to meet spike in demand? *(business-standard.com)* Updated: June 13, 2022

At one end of the supply chain of coal, state discoms remain financially stressed and are against imports. At the other, domestic coal availability is under pressure and rail infra is spread thin

Power demand in the country touched a record of 203 Gw on Thursday on the back of an intense heatwave and the reopening of the economy. This comes at a time when the Centre is pushing for imported coal--after having shunned it for several years--in the wake of a shortage in the domestic market.

But this has stretched the whole supply chain, which is having to deal with a price of Rs 10,000 per tonne of the fossil fuel. At one end of the chain, the state-owned power distribution companies (discoms) continue to be financially distressed, and not in favour of coal imports. At the other end, domestic coal availability and supply is under pressure, and in the middle of all this, Rail infrastructure is spread thin.

Grand old mismatch problem

Close to 81 per cent of India's operational coal-based power generation capacity is situated away from the mines (500 km and above). While ideally, most thermal power generation in any country should be closer to mines, it is exactly the opposite in India, said a Delhi-based sector analyst. "Be it political obligation or private investment, there's hardly any rationale for a power plant situated 500-1,000 km away from coal mines," he said.

The fallout of this situation was felt by Indian Railways this year, when it had to cancel passenger trains just to make way for more coal to move from the Eastern coal bearing states towards plants in the North and East.

Over a span of 26 days, the national transporter cancelled 1,053 train trips spread over 42 trains, mostly in the South East Central Railway zone. The striking aspect was that despite freeing of tracks, delays in loading and longer transportation times ensured that the supply wasn't augmented to its optimum.

Average lead is the distance that each tonne of freight has been transported. Through combined efforts of stakeholder ministries, the average lead of coal for TPPs had fallen from over 708 km in 2011-12 to 496 km in 2016-17, said officials. But the trend reversed quickly as demand went up, with average lead for coal freight in May also saw an increase, reaching 554 km as against the 517 km in the previous year.

"This year, as power demand increased, Railways had to supply more coal to faraway power plants since only plants near pitheads were not enough to meet the power demand, which is why our average lead this month increased. Ideally, we'd also want shorter leads since longer ones would mean that our wagon turn round (WTR) would be higher," a railways official said.

Owing to track congestion and delays, the current average speed of freight trains is 18.8 km/h (including stabling and yarding time). The low freight speed does not help in a power crisis if TPPs are situated far away from coal mines.

Acute stress of Discoms and coal mining woes

National miner Coal India Limited (CIL), the largest supplier of dry fuel in the country, has been under criticism since the crisis broke out. Despite increased production, lack of accurate demand forecast coupled with payment delays from discoms caused stress on the supply line.

The growth in domestic coal production by CIL was subdued over the past five years with a CAGR of 2.4 per cent, said Sabyasachi Majumdar, Senior Vice President, Icra limited.

He said while the domestic coal supply to the power sector did increase by 25 per cent in FY2022 on a YoY basis, the stock levels at thermal units continue to remain low at 8-9 days over the past six months.

"There is a mix of reasons including sharp growth in electricity demand, subdued utilisation of the imported coal-based projects due to the prevailing high international coal prices given their inability to pass on the higher fuel costs under the PPAs," Majumdar said.

Imported coal-based plants totalling 17 Gw are shut in the country, thereby increasing the demand pressure on domestic coal-based units. Icra said coal imports by power utilities decreased by 40.6 per cent on a YoY basis in FY2022.

In the middle of this, the union power ministry directed CIL to import coal, even as the coal ministry continues to claim, there is enough domestic supply. But as against the estimated demand of 38-40 MT from state and private gencos for blending, the total demand received by the CIL is 2.4 MT. For next year, CIL has placed a tender for importing 6 MT for building a stock to meet any exigency, said CIL executives.

The sole reason for not many states showing interest in imported coal is the cost. At 10,000/tonne, imported coal is atleast twice the price of CIL coal. Central government-owned NTPC which is in the process of issuing tenders worth 20 MT, will see the power tariff from its units go up by at least 50-70 paise. This will have to be borne by consumers.

Invoking Section 11 of the Act again, the power ministry last week allowed state and private units to charge a compensation tariff in lieu of importing coal. But not many discoms cannot afford it due to their weak financial situation.

Majumdar said, "The discoms continue to be plagued by high distribution losses, delays in issuance of tariff orders, inadequate tariffs in relation to cost of supply, delays/inadequacy of subsidy payments and delays in recovering electricity dues from state government bodies. All of these have precipitated continued losses for state discoms across most states and delays in payments to power generating companies. The overdues of discoms to power generation companies stood at Rs 1.3 lakh crore as of May 2022 according to the PRAAPTI portal.

A senior executive with a state regulatory commission said, the coal demand supply mismatch when discoms are sick, will lead to stress across the supply chain. “We are looking at a possibility of more stressed generating assets and litigation as well, not to mention discoms landing into more financial trouble,” he said.

Power demand might be touching new records but the sector is looking at a gloomy road ahead. https://www.business-standard.com/article/economy-policy/can-indian-power-sector-afford-coal-imports-to-meet-spike-in-demand-122061200564_1.html

21. Financial health of discoms hurdle for renewable energy sector: Moody's *(business-standard.com)* June 13, 2202

The weak financial health of state-owned distribution companies (discoms) will remain a challenge for India's renewable energy sector, where investments worth $225-250 billion are estimated to reach a generation capacity of 500 GW by 2030, according to Moody's.

The payment delays to these companies are common, leading to a build-up of receivables from off-takers and an increase in working capital debt for renewable energy companies.

The rating agency in a statement said that the weak financials of state-owned distribution companies have led to delays in the signing of Power Purchase Agreements (PPAs). This in turn occasionally results in project delays or cancellations.

While renewable energy enjoys preferential dispatch in India, payments for electricity sold to state-owned discoms are usually delayed beyond the 60-day period as specified in the PPAs. There is no history of distribution companies not making payments to distribution companies according to PPA tariff (if undisputed), Moody’s said.

India aims to triple its renewable energy capacity to 500GW by 2030 from 157GW as of March 2022, and to have 50 per cent of the electricity generation from non-fossil fuel sources.

The government of India recently announced a stimulus package to support discoms for the installation of smart and prepaid meters to reduce losses and also reduce the revenue gap between the cost of power procurement and electricity tariffs.

The government has also allowed the state-owned distribution companies to terminate PPAs with coal-based plants that are more than 25 years old, a step that will help to reduce capacity payments and lead to more renewable energy in the system.

Moody's pointed out that continuous policy support from the government is key. The country expanded its renewable energy footprint significantly over the last 4-5 years due to supportive government policies that encouraged the domestic private sector and overseas investors to participate in the sector.

In addition, access to low-cost, long-term and diversified capital from both private and public sectors will determine India's success in meeting its 2030 renewable targets.

The private sector has led the way in investing in renewable energy, having contributed over 90 per cent of installed renewable capacity (excluding hydropower). And sovereign wealth funds, which typically have a low cost of funding, have been active in the sector, it added. https://www.business-standard.com/article/companies/weak-discoms-remain-a-hurdle-for-india-s-renewable-energy-sector-moody-s-122061300360_1.html

22. Climate-change sowing poor nutrition *(financialexpress.com)* June 13, 2202

The impact of climate-related food shortages could prove to be graver than that of the Covid-19 pandemic as it will play out over decades

As the war in Ukraine continues, there has been a serious disruption of supply chains in the global food trade. Wheat export from Ukraine has been affected, especially by the sea route but also by land and rail. Since Ukraine is among world's leading exporters of wheat, global food security is threatened. Russia, the world's leading wheat exporter, has been sanctioned.

With the world facing a food crisis, India offered to step up its wheat exports to partly fill this void. As India is the second-largest producer of wheat, this held out hope to countries in Asia and Middle East. However, the severe summer heat this year affected wheat production and also diminished grain size. So, a kilogram of wheat would produce less flour than in the past years. Indian government imposed a ban on exports in May this year, to avert domestic shortages.

This led to criticism from some foreign governments and international agencies. While such a reaction is instinctive during a global crisis, critics must recognise that India's agriculture is the victim of climate change which resulted mainly from their own actions and emissions over several decades. While all available resources must be mobilised to address global food inequities, environmental degradation will cast an even darker and longer shadow on global food security.

Climate change, which is propelling global warming to higher temperatures each year, will affect agricultural production through heat stress and water stress. Both staples and non-staples will be affected. In India, wheat and rice are already being grown at the highest level of heat tolerance. It has been estimated that each 1oC rise in temperature, in South Asia and Sub-Saharan Africa, will result in 10% loss of yield of these staples.

With rise in temperatures and increasing CO_2 levels in the atmosphere, crop quality will be affected too. Rice and wheat will have reduced levels of zinc, protein and iron. It has been estimated, by scientists at the Columbia University, that India would have 49.6 million new zinc deficient persons by 2050 due to climate change. There would be 38.2 million new protein deficient persons, while 106.1 million children and 396 million women would be iron deficient.

With rising temperatures, non-staples will suffer too. Fruit and vegetables will ripen early and rot soon in the heat. As water temperatures rise, aquaculture will suffer and marine fishing will have lower yield. With rising sea levels, coastal flooding will inundate agricultural fields and infuse salinity. In India and Bangladesh, which share the Sundarbans, each year's flooding destroys a quantity of rice which can feed 30 million people.

Wildfires, consuming forests and agricultural land, will also become more common with climate change. Water scarcity, with shrinking reservoirs, will lead to droughts. In North America, patterns of crop cultivation are changing. There is a northward shift in the cultivation of corn towards southern Canada, while farms in Kansas and Oklahoma are having less water for agriculture. In any given year, half the world's population has extreme water scarcity.

Around 54% of India presently experiences high to extremely high water stress. These challenges will worsen with climate change. Crop yields in Sub-Saharan Africa are expected to drop by 22% for cassava and 8% for maize, as climate changes. Animals too are reported to be growing to a smaller size in Africa. With climate change, pests that destroy crops will proliferate.

Peter Sands, the executive director of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), recently warned that growing global food shortages pose the same health threat to the world as Covid-19. In reality, it may pose a graver threat since the impact of climate-related food shortages will be felt over several decades. Over the coming decades, global demand for food will increase due to a rise in population, expanding urbanisation and a rise in average incomes. At the same food production will decrease due to less land becoming available for agriculture and the adverse effects of climate change (principally heat stress and water stress).

We need to act with collective global resolve, to mitigate global warming. Recent reports warn that the world is perilously close to crossing the 1.5oC limit, on rise in temperature from pre-industrial levels, in this decade itself. We need global will to speed up our journey to a carbon neutral future. We also must pursue intelligent strategies of adaptation, to reduce the impact of climate change on food systems. We need to grow more climate resilient nutrient rich crops, which can withstand heat and water stress better.

We also need climate-smart agricultural practices, discarding those that are detrimental to nature. We need to grow nutrient-rich crops, rather than killer crops like tobacco which consume large amounts of water, pesticides and fertile land. Other water -guzzlers that also demand high levels fertiliser must yield to crops that provide higher levels of nutrition per unit investment of land, water and energy. Quinoa, pearl millet, sorghum and chickpea are among the crops that are highly resilient to extreme weather conditions. They are good for nutrition too! https://www.financialexpress.com/opinion/climate-change-sowing-poor-nutrition/2558005/