

NEWS ITEMS ON CAG/ AUDIT REPORTS (27.08.2022 to 29.08.2022)

1. What is to be done with India's defence offset policy! (economictimes.indiatimes.com) Updated: August 27, 2022

Recently, the Minister of State for Defence Ajay Bhatt's reply to John Brittas in Rajya Sabha, on the lapse in Offset Obligation, signals the need for a new outlook on India's defence offset policy. As per the statement, vendors have lapsed on offset obligation in 21 contracts in the last five years. The lapse amounts to a whopping US\$2.24bn as of 31st December 2021. Can we use this amount productively? Yes, we can, but it needs a whole of government approach. Many other countries have done it easily.

Over the years, CAG's (Comptroller and Audit General) audit reports on the procurements indicate an under-realisation of offset benefits; zero-value additions; invalid selection of Indian Offset Partners; delay at different stages from contract to delivery; poor monitoring and supervision. Similarly, according to IDSA's (Institute for Defence Studies and Analysis) study, one of the observations made was that the offset policy had minimal impact on the defence industry, especially in the Transfer of Technology areas.

In this scenario, it is imperative to raise this question, how effective is our offset policy? What is the global experience of offset policy? What can India learn from international offset policies? Globally, more than 130 countries have an offset policy. The lack of publicly available data on defence procurement hinders formulating a conclusive answer on the efficacy of offset policy as a success or a failure. For instance, in India's offset policy, details including the name of the Indian Offset Partner (IOP) and the percentage of their share in the contract are not available in the public domain.

Further, contestations over offset policy often use specific case studies to argue for or against it. First, most economists argue that offsets have a little positive impact on economic development. The second category argues it is a 'free lunch'. The third group claims that a compound annual growth or cumulative benefit flows from the offset policy.

In this vein, perhaps, one of the criteria for analysing the success of any policy is drawing a comparison between the objectives of a policy and its outcomes. Often there are three main objectives for which any country adopts offset policy, i.e., economic development, technology transfer, and industrial benefit.

In the case of India, provisions on offset were included for the first time in Defence Procurement Procedure (DPP) 2005. Since then, the offset policy has undergone significant revisions. The latest was two years back when the Defence Acquisition Procedure 2020 (DAP 2020) was promulgated. Broadly, the evolution includes articulated objectives of offset policy; broadened avenues for the discharge of the offset obligations; streamlined applicability of offset; refined mechanisms of implementation and monitoring; flexibility for vendors to plan offset activity; and incorporation of multipliers. Despite periodic reformulation of the offset policy, it seems to have multiple shortcomings.

Conversely, it is essential to distinguish between the two poles of the offset policy, one at the objective and the other at the implementation side. As the former shapes the latter, India's offset policy needs to rethink the policy's objectives to facilitate innovation-based transformation. Perhaps, the offset policy needs to aim at a new National Offset Policy (NOP), which would target overall economic development and industrial benefit.

An analysis of the objectives of the offset policy of countries like Canada, Saudi Arabia, Brazil, Israel and Japan in contrast to their outcomes would be helpful here. Canada adopted its offset policy, realising an absence of a large defence industrial base. Similarly, Japanese industries post-World War were in a complete overhaul. Today, India has a similar need: predicament to harp spinoff effects from defence industrial base to other sectors.

Most of the offset models, be it Canada, Japan, Saudi Arabia, Israel, Spain or Brazil, all had similar or identical conditions when they adopted an offset policy. This is the objective of national security, which forms the core of the offset policy. They were often phrased in different notations of self-sufficiency or indigenisation in the respective country's defence sector. Also, the objectives of offset policy in these respective countries were shaped in response to the conditions of its economy, i.e., focusing on a factor other than the defence sector requirement.

Another commonality is the significance of the relationship with the US. Canada and Japan benefited from a close relation to the US in acquiring transfer of technology through offset and emerging as a strong defence industrial base. High-income countries always benefit from technological innovation and the development of cutting-edge technology. The US is a powerhouse of innovation, especially in the defence sector. Today, Canada and Japan are strong contenders for the US in supply to Original Equipment Manufacturers. Currently, India has a robust bilateral relationship with the US, as is evident from the holding back of the CAATSA (Countering America's Adversaries Through Sanctions Act) sanctions. This situation arose because India has purchased S-400 missile defence systems from Russia. The focus of the US should be on negotiating tangible outcomes by capturing India's strategic attention.

In addition, generating employment is a parallel theme in most countries' offset policies, either directly or indirectly. For instance, Saudi Arabia's offset policy was to generate highly skilled technical jobs. Boeing with Saudi Arabian General Investment Authority (SAGIA) undertook a training and education programme in the offset obligation while procuring the Peace Shield land-based air defence system. Similarly, initiatives like training and skill development can be a strong policy component for India's offset policy, enabling the skilling of the sizeable unemployed youth. India discontinued the service sector offset post the VVIP helicopter scandal, but such an approach is headless.

Nevertheless, spinoff effects come with developments in the defence sector. It has a cross-cutting impact on diverse sectors. The boost in technological development creates a ripple effect in the civilian and synergic sectors. The story of the aerospace and automotive industries of Saudi Arabia, the automobile sector (Bullet train from F-86 Aircraft co-production), the advancement of dual-use technologies in Japan, and

the electronics and aerospace industries' progress in Spain are numerous instances of spinoff effects of offset policy-led technological advancement. The spinoff effects can be a direct flow from the offset policy or an indirect spill-over to another sector.

In this regard, channelling offsets to the country's strong sectors like Saudi Arabia has steered its offset policy to chemical industries and Brazil's to the aviation sector. For example, the establishment of Synthomer Middle East in Saudi Arabia came from a Joint Venture initiative between Dhahran Chemical industries and the UK's Synthomer. This was part of the UK government and the British Aerospace System's offset. UK's Synthomer produced polymer dispersants for West Asia's paints and adhesive markets. Now, Synthomer Middle East specialises in polymer business with an increase of three-fold export. Similarly, India's IT sector is one such sector which can reap technological innovation, as there is a strong base sector in existence, in addition to being a dual-use technology.

Specifically, one will need to ensure non-concentration of offset benefits in the hands of a few vendors. One of the mechanisms can be Japan's model of subcontracting procurement to companies that are not the primary vendors. Spain adopted a similar policy through the indirect offset category, ensuring a horizontal growth of multiple companies, deriving benefits from the same contract. Apart from these, all countries focusing on R&D in offset gradually turn to technology-led innovation.

Parallely, an arm's length single window management of offsets like SAGIA of Saudi Arabia, Israel's Industrial Cooperation Authority, and Offset Management Office of Spain can be a better way forward. India's current offset policy implementation is managed by the Defence Offset Facilitation Agency (DOFA) under the Ministry of Defence (MoD). Alas, this arrangement is not efficient for the Agency to take independent decisions. Thus we propose that the DOFA be moved to the Ministry of Commerce & Industry or Department of Economic Affairs in Finance which too conduct negotiations in the international economic arena. They would be at arm's length from the MoD, and thus take decisions in the larger interest of the Indian economy. A good example of arms' length in the Indian administrative structure comes into our minds which can be a good role model for DOFA as well as other similar arrangements. The Commission of Railway Safety is under the Ministry of Civil Aviation and not Railways, for obvious reasons.

Furthermore, Transfer of Technology (ToT) can be a trickle-down effect which comes with the focus on R&D. For example, Israel's purchase of Combat Aircraft from Mc Donnell Douglas for a 100% offset package. The Transfer of Technology that came out of this offset enabled the development of Israeli Aircraft Industries, Cyclone Aviation Products, Israeli Military Industries, and TAT Aero, allowing them to be competitive in export markets. Hence, focusing on R&D will improve the economy's ability to absorb heavy transfers and reap economic benefits. India's R&D sector requires a major overhaul, and specifically, the defence sector needs to target R&D-led co-design and co-production of equipment. One can also look at PLI in the semiconductors area as something which can be quite cogent, or other areas which can reduce our budget burden and aid our economic development.

Moving ahead, India's offset policy should aim to get companies to move beyond the contract-bound manufacturing under offset and diversify to other sectors. Perhaps,

this can be done by reformulating specific clearly laid out policy objectives, easing up the procurement process, flexing the scope of offset to more civilian sectors, and in effect, ensuring vendors from non-lapse in offset obligation, aiming towards a National Offset Policy. <https://economictimes.indiatimes.com/news/defence/view-what-is-to-be-done-with-indias-defence-offset-policy/articleshow/93805484.cms?from=mdr>

2. Public versus private banks: The case made for both in an RBI paper ([business-standard.com](https://www.business-standard.com)) Updated: August 28, 2022

Public vs private banks: The case for both

ILLUSTRATION: AJAY MOHANTY

Far from arguing against privatisation, the RBI paper attracting Opposition ire presents the pros and cons of both ownership structures

RAGHU MOHAN
Mumbai, 28 August



A paper by Snehal S Herwadkar, Sonali Goel and Rishika Bansal of the Reserve Bank of India (RBI) on "Privatisation of Public Sector Banks: An Alternate Perspective" is being seen for what it never claimed to be. The authors' stance has been erroneously interpreted by the Opposition (and parts of the media) as being reflective of the banking regulator's opposition to the privatisation of these banks. This approximates "mitempfindung", basically a condition in which stimulus applied to one region of the body registers in another part. In this case, what was meant to stimulate a conversation around the subject has been reduced to a political controversy.

The essence of the authors' conclusions is that state-run banks are better at financial inclusion whereas their private peers are better at profit maximisation. That the former comes better off in cost efficiency, and helps counter-cyclical monetary policy action to gain traction. It is, of course, possible to argue these issues on either side of the debate — that's exactly what the paper meant to provoke.

What the authors (who work in the Banking Research Division housed in the Department of Economic and Policy Research of the RBI) did not mean was to reduce the privatisation debate to a binary — on whether it is good or bad. Rather, they have pointed out: "From the conventional perspective that privatisation is a panacea for all ills, economic thinking has come a long way to acknowledge that a more nuanced approach is required while pursuing it."

That said, some of the aspects highlighted in the paper are debatable.

The authors point to the fact that state-run banks have gained greater market confidence. That despite the criticism of weak bal-

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- The authors of the paper did not argue against privatisation of state-run banks
- The authors observed that state-run banks are better at financial inclusion; have better cost efficiency, and helps counter-cyclical monetary policy action to gain traction
- It was intended to ignite a conversation in policy making
- The paper salutes the government's current gradual approach to large-scale privatisation

ance sheets, data suggests they weathered shocks from the Covid-19 pandemic remarkably well. And that the mega-merger of four sets of these banks has created stronger, more competitive banks. And finally, setting up the National Asset Reconstruction Company (NARCL) will help clean up the bad loans.

But much of the above can be ascribed to the significant hand-holding by the government and Mint Road; rather than any brilliance on the part of state-run banks' management.

Consider recapitalisation to clean up their books, an exercise that was first rolled out in the mid-90s at substantial cost to the fisc. In late 2020, the Comptroller and Auditor General of India (CAG) wrote to the banking regulator and sought details of a study, if any, on the performance of state-run banks after their recapitalisation over the preceding five years.

The CAG's communique came within a year of the Report on Trend and Progress of Banking in India (T&P: 2018-19) noting that "going forward, the financial health of state-run banks should increasingly be assessed by their ability to access capital markets rather than looking at the government as a recapitaliser of the first and last resort".

It also pointed to the deferment of the implementation of

the last tranche of the capital conservation buffer (CCB) till end-March 2020, which offered these banks breathing space. The CCB, introduced after the global capital crisis of 2008, is the amount banks have to set aside to absorb losses during times of stress to withstand shocks. To this day, the deferment continues — because it will consume capital. Private banks can't hope to lean on such privileges, and have to be fit enough to retain investor confidence to raise capital.

Next, take corporate governance norms for private banks, which came into being two years ago and reduced the elbow room for corner-room occupants and have put the spotlight on the functioning of their boards. To date, state-run banks have not been put through the wringer on this front. Back in April 2018, then governor Ujit Patel went public that the banking regulator's powers over state-run banks were hostage to certain clauses in the Banking Regulation Act (1949). Clause 51, for example, restricted bank managements' say in the removal of chairman or directors in these banks. Forced mergers were another case in point.

The short point: Certain kinds of decision-making in the name of nation-building at state-run banks — such as giving loans to fanciful infrastructure projects — may have attracted regulatory

criticism of a harsher kind had the RBI been the recipient of the same kind of powers it has over private banks.

The question, then, is: Does the colour of capital matter in the final analysis? The authors appear to imply it does not when they draw attention to RBI's supervisory data — on deposit withdrawals in early 2020 in the wake of depositor concerns over the health of Yes Bank and Lakshmi Vilas Bank. Deposit outflows during the episode were not restricted to small private banks alone, but to some state-run banks with weaker financial health, too. The outflows occurred despite these banks offering relatively higher interest rates than others; and typically to stronger banks, both in the state-run and private sector.

That said, there's no reason state-run banks should not continue to be around if governance standards were to improve. It helps systemically to have counterweights to private banks — to enable counter-cyclical monetary policy action to gain traction is a good enough reason.

Finally, the frenzied arguments that the RBI was against privatisation of state-run banks is misplaced. The paper had actually complimented the government's approach: "A big bang approach of privatisation of these banks may do more harm than good. The government has already announced its intention to privatise two banks. Such a gradual approach would ensure that large-scale privatisation does not create a void in fulfilling important social objectives of financial inclusion and monetary transmission."

At some point it would be useful if RBI researchers were to put in public domain a paper on the costs due to supervisory failures, and its systemic impact on the banking sector as well.

https://www.business-standard.com/article/specials/public-vs-private-banks-in-india-the-case-made-for-both-in-an-rbi-paper-122082800496_1.html

3. The freebies debate: Genesis, definition and impact on welfare & economy (economictimes.indiatimes.com) Updated: August 29, 2022

On August 12, 2013, the Election Commission (EC) invited representatives of all recognised political parties to frame guidelines on freebies announced in election manifestos. Leaders of political parties reacted sharply at the meeting, arguing that it would be an infringement of their rights, according to election officials privy to the matter. However, backed by the Supreme Court's directives in the S Subramaniam Balaji vs Government of Tamil Nadu case, the EC went ahead, adding a new chapter to its Model Code of Conduct in February 2014. This empowered the commission to censure a party if its manifesto could not give a rationale for a particular promise or failed to explain how the resources would be mobilised for it. The power of the EC to fight freebies has remained vague and limited. There have only been a few instances where the EC exercised its power. For instance, in 2016, it "censured" AIADMK and advised DMK to be "more circumspect".

Nine years later, the debate on freebies has returned to the Supreme Court. The issue was brought to the forefront with Prime Minister Narendra Modi commenting in mid-July that the "revdi culture" (revdi, a sweet, used as a metaphor for freebies) was a threat to the development of the nation.

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What triggered the latest debate on freebies? This began with advocate Ashwini Kumar Upadhyay, a former Delhi BJP spokesperson, filing a petition in the Supreme Court in January. The petition sought the court's intervention to direct the EC to deregister political parties that promise "irrational freebies", financed with public money, before elections. He argued that it is a threat to "democratic values" and is akin to bribing the voters. The issue got a fillip with PM Modi saying that "revdi culture needs to be removed from the country's politics".

What is a freebie? Does it differ from a subsidy?

While the dictionary meaning of freebie is "something that is given to you without you having to pay for it, especially as a way of attracting your support for or interest in something", there is no clarity on how it should be interpreted in policies. What is called a freebie could well be defined as a positive step towards inclusive economic growth. Former chief election commissioner OP Rawat attempts to coin a definition. He tells ET: "Except for subsidies given to promote food production, direct benefits for employability, educational attainments, sports, cultural activities, free medical care to the poor, free food to those who are destitute to sustain themselves and affirmative action for weaker sections, including women, everything else is a freebie and should be so recognised." He adds that free power, free cell phones, free laptops etc, fall in the ambit of freebies.

How should governments strike a balance between fiscal deficit and welfare spending? Reetika Khera, professor of economics at IIT Delhi, points out that it's hardly the case that fiscal deficit arises solely from welfare spending. "All government spending contributes to fiscal deficit, so we need to scrutinise all spending. With welfare, at least it functions as a redistributive mechanism," says Khera. Fiscal deficit, she says, can be tackled by raising more revenue through taxation, not restricted to income tax. Whether it's the Centre or states, this is a difficult balance to strike, says Amit Basole, associate professor of economics at Azim Premji University. There is also the widening gap between rich and poor states. "We have a system of transferring resources from rich to poor states, which adds another dimension of complexity," says Basole. While poor states need more welfare, they are constrained by a narrow tax base and lack of productive activity

Which states spend the most on subsidies?

Jharkhand, Kerala, Odisha, Telangana and Uttar Pradesh are the top five states with the largest rise in subsidies over the last three years, according to the Reserve Bank of India's (RBI's) bulletin for June 2022. Though there is no clear definition of freebies, the RBI says that provision of free electricity, free water, free public transportation, waiver of pending utility bills and farm loan waivers can be classified as freebies as they "potentially undermine credit culture, distort prices through crosssubsidisation eroding incentives for private investment, and disincentivise work at the current wage rate leading to a drop in labour force participation". For FY23, Punjab, Madhya Pradesh and Andhra Pradesh have announced the maximum freebies, as a percentage of revenue receipts, according to the RBI analysis.

How much are states spending on subsidies?

RBI's June bulletin on state finances identified 10 states with the highest debt burden— Punjab, Rajasthan, Kerala, West Bengal, Bihar, Andhra Pradesh, Jharkhand, Madhya Pradesh, Uttar Pradesh and Haryana. In these states, the report noted that pension accounts for 12.4% of total revenue expenditure. According to data it draws from the Comptroller and Auditor General of India, the total expenditure of all state governments on subsidies grew at 12.9% and 11.2% during 2020-21 and 2021-22. The share of subsidies in states' total revenue expenditure also rose from 7.8% in 2019-20 to 8.2% in 2021-22. The report, which draws a distinction between subsidies and non-merit goods, or "freebies", also says freebies have exceeded 2% of Gross State Domestic Product (GSDP) for some "highly indebted states such as Andhra Pradesh and Punjab".

Is there a way to measure the impact of subsidies or freebies and prioritise accordingly?

As with the definition of freebies and subsidies, opinions differ somewhat on whether and how the impact of subsidies can be measured. R Ramakumar, professor at the Centre for Study of Developing Economies, Tata Institute of Social Sciences, says that while some studies try to look at the effectiveness of subsidies, it's not always easy to pick out a single reason for the impact of a subsidy. "Usually, when you set strict conditions (for disbursement of subsidies), you also end up excluding many beneficiaries. Typically, politicians don't want to take that risk," says Ramakumar. The way to look at the current debate, he adds, is not to look at freebies as the problem but to see it as an outcome of the inadequacy of investment in the social sector over the last 75

years. “Freebies end up filling the gap of inadequacy of investment in the public sector,” he says.

Can the EC curb freebies promised by political parties? The EC can intervene on freebies announced by a political party in an election manifesto. But the powers that it drew by adding a chapter (chapter VIII) to the Model Code of Conduct in February 2014 are both vague and limited. EC can at best censure a party. Former chief election commissioner Nasim Zaidi recalls some of the earliest incidents in which EC had intervened on freebies during his tenure. For instance, in 2016, he says, “AIADMK was censured as its reply to the commission on some promises made in its manifesto was not found to be satisfactory whereas in the same year, the DMK too was advised to be more circumspect”.

What is the SC’s role in this debate? SC is hearing the PIL filed by Upadhyay. On Wednesday, after asking why the government of India doesn’t form a committee to study the issue, the then Chief Justice of India NV Ramana, who retired on August 26, said the case would now be heard by a bench headed by Justice DY Chandrachud. On the court’s right to intervene in the matter, SC senior advocate Sanjay Hegde says, “The SC’s jurisdiction under Article 32, to protect the fundamental rights of the citizen, is rather vast. However, it has been selective about when it exercises the jurisdiction. While it’s not in the business of legislation it can, under its jurisdiction, frame suitable guidelines that all parties agree to follow till such time that a legislation is brought on the subject.”

What is the stand of major political parties on freebies?

Most opposition parties, including the Congress, AAP and DMK, have been countering any move to bring in more restrictions on freebies. Though PM Modi warned against the “revdi culture”, BJP is treading cautiously, awaiting the SC judgement.

If restrictions are introduced on subsidies or freebies, who will be hurt more — the ruling party or the opposition? Election manifesto is not a legally enforceable document when it comes to holding a political party responsible for not fulfilling its promises. As there is no law on this subject, courts have refused to entertain litigations on manifesto implementations. That explains why all parties try to outbid each other by promising things they can’t deliver. Former deputy chief minister of Rajasthan, Sachin Pilot, says, “Policies should be framed for national interests. The problem is when (BJP-ruled) UP allocates funds for populist measures, it’s called welfarism and if it’s done by an Opposition-ruled state, it’s called revri,” he says. <https://economictimes.indiatimes.com/news/india/the-freebies-debate-genesis-definition-and-impact-on-welfare-economy/articleshow/93824884.cms>

4. IIFCL in dock for loans to two firms for terminated projects ([sundayguardianlive.com](https://www.sundayguardianlive.com)) August 27, 2022

The India Infrastructure Finance Company Limited (IIFCL), a registered Non-Banking Finance Company-Non-Deposit taking- Infrastructure Financing Company (NBFC-ND-IFC), a wholly-owned Government of India company, is in the dock for extending loans to at least two companies on terminated projects that caused the company a loss of Rs 26 crore.

According to the Comptroller and Auditor General of India's (CAG) audit report that has been accessed by The Sunday Guardian, "IIFCL sanctioned and disbursed two loans under the Take-Out Finance Scheme without ensuring compliance of critical requirement of obtaining 'No Objection Certificate' from Concessionaire Authorities, and without ensuring required debt servicing capacity of the borrowers from their audited annual accounts."

The CAG in its audit report also mentioned that appropriate action must be taken against IIFCL for giving out loans to such companies without following the laid down guidelines and procedures. In its report, the CAG noted, "Due to non-adherence of the provisions of its own Credit Policy, IIFCL extended loan in the projects which had already been terminated and resultantly suffered a loss of Rs 26.20 crore (Rs 13.59 crore plus Rs 12.61 crore written off). CAG recommends that responsibility may be fixed for the lapses pointed out by audit."

According to IIFCL's Credit Policy 2012, the company, for affecting Take Out finance, 'The No Objection Certificate (NOC) from the lender(s), the Concessionaire Authority (CA) (if applicable) and the Consortium, is to be provided to IIFCL for extending the Take-Out finance under the Scheme. This NOC is to be arranged by the Borrower Company or Lender(s) before the Scheduled Date of Occurrence of Take Out.

However, IIFCL in its report to the CAG said that they had constituted two internal committees to investigate the involvement of its officials in the matter and had found "no lapses" on part of the IIFCL officials for punishment. However, the CAG had taken a strong objection to this comment from IIFCL and has said "reports of the two committees were not made available to them for further analysis leading to doubts about the credibility of such reports".

In this case, IIFCL had sanctioned loans to two companies—Raipur Waste Management Private Limited (RSWPL) and Bhilai Durg Waste Management Private Limited (BDWPL)—both of which are registered in Chhattisgarh and both incorporated in 2012. Both these companies are also involved in sewage and refuse disposal, sanitation and similar activities.

It is also pertinent to mention here that both these companies have the same directors who are at the helm of affairs. The directors for both these companies are Vinod Kundukad Mani Kumar and Manoj Choolapurakal Venugopal, both of whom are also directors in multiple other companies together.

IIFCL had granted a loan of Rs 13.59 crore to RSWPL, while it also granted a loan of Rs 12.61 crore to BDWPL. Both these loans were disbursed on the same day by IIFCL. The loans granted and in question were granted to both these companies in December 2014. The two companies—RSWPL and BDWPL—were engaged by the Raipur Municipal Corporation and Bhilai Municipal Corporation for solid waste management in their municipal areas, respectively, but their contract with the respective municipalities were terminated before the disbursement of the loan by IIFCL that is on December 2013.

According to data, IIFCL so far has disbursed loans to more than 58 projects under the Take-Out Finance Scheme amounting to the tune of Rs 16,413 crore, out of which

only in eight cases the loans disbursed amounting to a total of Rs 1411.64 crore turned NPA.

The Take-Out Finance Scheme was launched during 2009-10 by the Ministry of Finance to boost infrastructure projects. This scheme is run through IIFCL, which was created as a Special Purpose Vehicle (SPV) to finance infrastructure projects. The Government of India has infused Rs 500 crore in May 2019 and another Rs 5,300 crore equity in IIFCL through Recapitalisation Bonds in March 2020. The authorized capital of the company is Rs 10,000 crore and the paid-up capital of the company is Rs 9,999.92 crore as on 30 November 2020. <https://www.sundayguardianlive.com/news/iifcl-dock-loans-two-firms-terminated-projects>

STATES NEWS ITEMS

5. Health dept to submit data on water contamination diseases in urban local bodies in Odisha to CAG (timesofindia.indiatimes.com) August 28, 2022

BHUBANESWAR: Health and family welfare department will submit data before the comptroller and auditor general (CAG) of India on water contamination diseases in urban local bodies (ULBs) in the state for performance audit on storm water drainage and sewerage management system in municipal corporations.

The CAG has decided to undertake the performance audit for the period from 2016-17 to 2021-22. The National Green Tribunal (NGT) has expressed its displeasure that all the rivers in Odisha are polluted due to wastewater of the cities mixing with rivers causing health hazards to the public and animals.

The CAG has asked for information through a proforma. It has seven columns like name of the ULBs, year, name of the hospital, number of persons admitted for treatment of water contamination diseases, name of the diseases, number of persons relief after preliminary treatment and number of people declared as dead for water contamination diseases.

“You are, therefore, requested to provide the requisite information for treatment of public on water contamination diseases in different health care units of the government from 2016-17 to 2021-22 according to the proforma,” said the health department letter to director of public health of the state.

Many ULBs including Cuttack have been releasing wastewater to its nearby rivers. Human settlements along the river banks directly discharge sewage into the river because they do not have proper drainage and sewerage lines. The sewer water pollutes the river. <https://timesofindia.indiatimes.com/city/bhubaneswar/health-dept-to-submit-data-on-water-contamination-diseases-in-urban-local-bodies-in-odisha-to-cag/articleshow/93837757.cms>

6. Common concerns ([telegraphindia.com](https://www.telegraphindia.com)) Updated: August 29, 2022

What's common to Australia's Carmichael mining project and Kerala's Vizhinjam International Deepwater Multipurpose Seaport? There are many. First, both are being constructed by the Adani Group. Both are embroiled in huge protests by alliances of traditional inhabitants of the respective regions, environmentalists, the tourism industry, and others. Both projects are backed by political parties, irrespective of ideological differences, for their claimed potential for job creation and development. The environmental sustainability, financial viability, and promised benefits of both projects have been questioned by experts. Both projects, it is feared, would cause immense damage to the biologically diverse coral reefs in their neighbouring seas. Protests have made both projects miss deadlines, although Carmichael's first shipment to India left Australia in December last year. Huge protests against the heavy greenhouse emission by Australia's largest coal mining project continue.

The Stop Adani Alliance against the AU\$2 billion Carmichael mines in the coal-abundant North Galilee basin of central Queensland is composed of environmentalists, indigenous people, writers and also cricketers like the Chappell brothers. The Rs 7,525 crore VIDMS, located on the Arabian Sea in Thiruvananthapuram, is opposed by the local fisherfolk and is being led by the Latin Catholic Church against the destruction of their livelihood and environment. Their demands include the suspension of construction until a new socio-economic and environmental impact study is done by a committee with representatives from local fisherfolk, better compensation, and a rehabilitation package. Discussions between the chief minister, Pinarayi Vijayan, and the LCC archbishop, Thomas J. Netto, failed to resolve the issues. Vijayan offered to consider all demands except stopping construction. The company washed of its hands, saying rehabilitation and compensation were the state government's responsibility. The company has approached Kerala High Court, seeking Central Reserve Police Force protection to continue construction.

The SAA has global attention, which made many banks drop direct financing and the company to scale down the project substantially. But Vizhinjam continues to be localised. Yet, it has shaken Kerala's Left Democratic Front government because of the influential LCC taking over. Latin Catholics form most of the region's fisherfolk and constitute a powerful vote bank. The agitation intensified from mid-August, with fisherfolk led by priests laying round-the-clock siege to the project site from land and sea from August 16, forcing construction to stop.

A modern port in the fishing village of Vizhinjam has been Kerala's dream for decades as it has unique locational advantages. It is barely 12 nautical miles off the Persian Gulf-Malacca shipping route, which accounts for one-third of world traffic. It has a natural depth of 20 metres and minimal littoral drift. An all-weather port and container terminal at Vizhinjam is projected to capture most of the Indian trans-shipment going to Colombo.

The dream finally appeared to come true in 2015 when Adani Ports and SEZ Ltd won the contract as the solitary bidder to build an all-weather deep sea water port and international container terminal, touted to be India's largest. The project is being implemented by the Vizhinjam International Seaport Ltd, a Special Purpose Vehicle

wholly owned by the state government, and is designed, built, and operated by the newly-formed Adani Vizhinjam Port Private Limited. A project under the public-private partnership model, its capital investment is shared by the state government (Rs 3,436 crore), the Central government (Rs 1,635 crore as viability gap), and the Adani Group (Rs 2,454 crore).

Although the project was launched by the Congress-led United Democratic Front government in 2015, the successive Communist Party of India (Marxist)-led LDF governments have carried it forward, lending it full support. The unstinted support by the rival combinations of Kerala is similar to the Carmichael project, which is being backed by Australia's two dominant political camps, the Labour and the Liberal/National Coalition. Queensland's premier and Labour leader, Annastacia Palaszczuk, even visited Adani's Mundra Port in 2017 to express support, although she was met by protests there too. The Congress leader and Thiruvananthapuram MP, Shashi Tharoor, and the CPI(M)'s Vijayan often met Gautam Adani and his son, Karan, to expedite VIDMS.

The VIDMS, which promised to bring jobs and development to the impoverished fishing villages, didn't face significant protests initially, barring those from environmentalists. The Central ministry of environment and forests issued environmental clearance to VIDMS in 2014, extending it later to 2023. The green activists' petition to quash the clearance was dismissed by the National Green Tribunal in 2016. **The Comptroller and Auditor General of India expressed doubts about the project's financial viability and said Kerala's interests were not protected in the concession agreement despite it bearing about 70 per cent of the project cost.**

Once construction began, the local community found itself in trouble. With land acquisition, it came to be deprived of livelihood and living areas. The project envisaged a total area of 360 acres, of which half was being reclaimed from the sea. Only about Rs 95 crore was disbursed as part of the original Rs 450 crore compensation package until August 2021 to more than 2,000 fishermen who lost their livelihood. Hundreds of families were evicted and moved to temporary dwellings, but their rehabilitation to newly-built homes remained a promise. The AVPPL's deadline to commission the first stage in 2019 was pushed to 2023. The company cited force majeure like floods and cyclones as well as delays in land acquisition, granite supply, rehabilitation and so on by the government.

Excessive rains and unprecedented floods have recently caused largescale coastal erosion in Thiruvananthapuram, especially in and around Vizhinjam. Many densely-populated regions and dwellings were destroyed. Activists blamed the construction/dredging activities by VIDMS for the intensification of erosion. Mainly blamed was the 3,000-meter-long breakwater being built to shelter vessels from waves and currents. Due to various obstacles, only half of the breakwater has been completed. According to critics, erosion in the villages north of Vizhinjam and sand accretion in the south were taking place because the breakwater reef obstructed natural sand movement during monsoon from south to north. Two years ago, the capital city's iconic Shanghumugham beach, adjacent to the Thiruvananthapuram airport — also run by the Adani Group — was swallowed by mighty waves.

According to a report by the National Centre for Coastal Research tabled in Parliament in 2021, about 41 per cent of Kerala's coast was under varying degrees of erosion. A University of Kerala study showed that the Thiruvananthapuram coast, especially villages around Vizhinjam, suffered the highest erosion during 2006-2020. However, the government argues that the erosion was due to seasonal changes in wave patterns, tidal currents, and climate change — not port construction. The project's environmental impact assessment done by L&T Ramboll Consulting Engineers also ruled out significant erosion or accretion possibilities.

The fisherfolk's agitation looks similar to the protests of the Wangan and Jagalingou communities, the indigenous owners of the Galilee basin, against the Carmichael project. The W&J families are leading the SAA and fighting the Adani Group in courts, accusing it of destroying their customs and culture. Both projects also threaten their neighbouring coral reefs. Coal production and shipping from the Carmichael threaten the nearby Great Barrier Reef, the world's largest coral reef lying off Queensland. The 2,300-km-long natural wonder and world heritage site is home to 10 per cent of the world's fish species. The VIDMS, it is feared, would seriously damage the Wadge bank, the Indian Ocean's largest coral reef, lying 50 km off Vizhinjam. It is the breeding ground for 200 fish varieties and other oceanic animals. <https://www.telegraphindia.com/opinion/common-concerns/cid/1883117>

7. Weak fiscal planning of the state; There is no improvement in the affairs of the government despite the ear piercing by 'CAG' (irshivideos.com) August 28, 2022

Mumbai: Overspending in the last quarter of financial years, discrepancies between budget estimates and actual expenditure, non-approval of the increased expenditure incurred in previous years by the legislature, unspent funds in some departments, despite the Comptroller and Auditor General (CAG) of India's criticism of the state government. No improvement.

In the report of 'CAG' for the financial years 2020-21, which was recently presented in the legislature, financial planning has been criticized. It is consistently recommended by the Auditor General that budgetary expenditure estimates should be accurate. Earlier reports also drew the attention of the state government; But the state finance and planning department has a similar trend from previous page onwards. Funds should be allocated throughout the year as per the budgetary provision. Also, in the Bombay Financial Rules of 1959, there is a provision that funds should not be spent at the end of the year. However, maximum expenditure is incurred by the Maharashtra government towards the end of the year. The Auditor General has clearly warned the government to stop this practice. 39 thousand 858 crores were spent in 30 cases during the reporting year. Out of this, more than 25 thousand crores i.e. 65 percent was spent at the end of the year. 100 percent of the expenditure of Scheduled Caste-Jamaita Welfare Scheme and Pune District Planning was done in the month of March. Out of the provisions of 4 lakh 17 thousand crores of budgetary expenditure, 98 thousand crores i.e. 23 percent was spent in March. Although there is a provision in Article 205 of the Constitution that in case of spending more than the budgetary provisions, the approval of the legislature should be taken over time, the Auditor General has drawn the government's attention to the serious error that the increased

expenditure incurred in the state since 2017-18 has not been approved by the legislature. Budget estimates should be as accurate as possible, as recommended by the Auditor-General's report over the years; But the state government does not seem to have learned any lesson. Predictions are often wrong. Hence, it is recommended once again that the estimates should be accurate. <https://irshivideos.com/weak-fiscal-planning-of-the-state-there-is-no-improvement-in-the-affairs-of-the-government-despite-the-ear-piercing-by-cag-iv-news/>

8. कैग की रिपोर्ट में अजित पवार की तारीफ, आर्थिक अनुशासन से राजकोषीय घाटे पर पाया काबू (navbharattimes.indiatimes.com) August 27, 2022

महाराष्ट्र की गिरती अर्थव्यवस्था को बहुत हद तक कृषि क्षेत्र ने संभाल लिया है। भारत के नियंत्रक व महालेखा परीक्षक (कैग) की रिपोर्ट में यह बात सामने आई है। कैग की रिपोर्ट में महाविकास अघाड़ी सरकार (Mahavikas Aghadi Government) के वित्तमंत्री अजित पवार के आर्थिक अनुशासन की तारीफ करते हुए कहा है कि राजकोषीय घाटा को कम करने में उनकी अहम भूमिका रही। हालांकि, इस दौरान राज्य की आर्थिक विकास दर (जीडीपी) में तीन प्रतिशत की कमी आई। कैग के मुताबिक राजकोषीय घाटा 2.69 प्रतिशत तक लाने में सफलता का श्रेय पवार (Ajit Pawar) को देते हुए लिखा है कि उनके आर्थिक अनुशासन के कारण बढ़ते राजकोषीय घाटे पर काबू पाया जा सका।

राज्य की अर्थव्यवस्था पर कोरोना का बहुत बुरा असर पड़ा। खासकर, उद्योग क्षेत्र के उत्पादन पर बहुत बुरा असर पड़ा। करीब 11.3 प्रतिशत की कमी आई। इसी तरह से सेवा क्षेत्र में भी 9 फीसदी की गिरावट दर्ज की गई है, लेकिन खेती-

बाड़ी ने बहुत हद तक संभाल लिया है। कृषि क्षेत्र ने अर्थ व्यवस्था में सकारात्मक योगदान दिया। राज्य की जीडीपी में कृषि क्षेत्र का योगदान 11 प्रतिशत रहा।

धड़ाम से गिरी कमाई

कोरोना के कारण कल-कारखाने बंद रहे, जिसका असर सरकार की तिजोरी पर पड़ा। साल 2019-20 में कुल राजस्व 2 लाख 83 हजार 189.58 करोड़ रुपये था, जो साल 2020-21 में राजस्व घटकर 2 लाख 69 हजार 468 करोड़ रुपये हो गया। जीएसटी में भी 15.32 फीसदी और वैट में 12.24 प्रतिशत की कमी आई। राज्य सरकार के कर्ज पर ब्याज चुकाने, वेतन व पेंशन पर कुल राजस्व का 57.33 प्रतिशत खर्च हुआ। रिपोर्ट के अनुसार 41,141.85 करोड़ का राजस्व घाटा हुआ है। कुल कमाई की तुलना करें, तो 13.7 प्रतिशत की गिरावट आई है।

बढ़ता कर्ज

कैग की रिपोर्ट के अनुसार वर्ष 2016-

17 में राज्य पर कर्ज का बोझ करीब 4 लाख करोड़ था, जो अब बढ़कर 5 लाख 48 हजार 176 करोड़ रुपये हो गया है। कोरोनाकाल में लॉकडाउन के चलते राज्य की अर्थ व्यवस्था प्रभावित हुई। कोरोना का प्रभाव कम होने पर लाकडाउन को चरणबद्ध तरीके से हटाया गया, इसका भी अर्थ व्यवस्था पर असर पड़ा। <https://navbharattimes.indiatimes.com/metro/mumbai/politics/ajit-pawar-did-great-job-during-his-tenure-as-finance-minister-says-cag-report/articleshow/93811141.cms>

9. पीडब्ल्यूडी कार्यालय में महालेखाकार की टीम ने डाला डेरा, वित्तीय कार्यों का कर रही ऑडिट (amarujala.com) 28 Aug 2022

महालेखाकार प्रयागराज की ऑडिट टीम ने मथुरा के पीडब्ल्यूडी प्रांतीय खंड कार्यालय में डेरा डाल दिया है। तीन सदस्यीय ऑडिट टीम प्रांतीय खंड की वार्षिक ऑडिट के लिए मथुरा आई है। ऑडिट प्रक्रिया के दौरान महालेखाकार टीम बीते दिवस कार्यालय में अधिशासी अभियंता और कैशियर की गैर मौजूदगी के चलते आवश्यक रिकॉर्ड उपलब्ध न होने पर नाराज हो गई।

लोकनिर्माण विभाग के प्रांतीय खंड में वित्तीय वर्ष 2021-

22 के दौरान हुए वित्तीय कार्यों का ऑडिट के लिए महालेखाकार प्रयागराज से विशेष टीम आई है। यह टीम पिछले कई दिन से कार्यालय में सहायक अभियंता तृतीय के कक्ष में वित्तीय लेखा की ऑडिट कर रही है।

कैशियर मिले गैर हाजिर

शुक्रवार को कार्यालय में अधिशासी अभियंता संसवीर सिंह और कैशियर छोटे लाल की मौजूदगी न होने पर ऑडिट टीम नाराज हो गई। ऑडिट से जुड़े दोनों अधिकारियों की गैर मौजूदगी के चलते ऑडिट संबंधी रिकॉर्ड भी टीम को उपलब्ध नहीं हो सके।

हालांकि टीम का नेतृत्व कर रहे आशुतोष शुक्ला को विभागीय अधिकारियों ने बाद में अधिशासी अभियंता और कैशियर की गैर मौजूदगी का कारण बताते हुए मांगे गए रिकॉर्ड उपलब्ध कराए। इससे एक बार फिर ऑडिट की प्रक्रिया शुरू हो गई।

महालेखाकार प्रयागराज की टीम द्वारा किए जा रहे इस ऑडिट में कुछ बड़ी परियोजनाओं में स्वीकृत बजट के बाद अतिरिक्त खर्च, वाउचर भुगतान और वित्तीय वर्ष के अंतिम माह में हुए भुगतान की ऑडिट को लेकर चर्चाओं का बाजार गर्माया हुआ है। <https://www.amarujala.com/uttar-pradesh/mathura/mathura-accountant-general-s-team-camped-in-pwd-provincial-division-mathura-news-mtr522939920?pageId=1>

SELECTED NEWS ITEMS/ARTICLES FOR READING

10. Indian Army's Persistent Penchant for 'Marvel Comics Weaponry' Has Again Cost it dear (thewire.in) Updated: August 27, 2022

In yet another instance of flawed planning and possible qualitative requirement overreach, India's Ministry of Defence recently scrapped its long-pending procurement of badly-needed towed air defence gun missile systems (ADGMS) for the army yet again, despite extending potential vendor bid deadlines multiple times.

In a cryptic notification on July 6, the MoD's Acquisition Wing declared that it was 'retracting' its October 2021 request for proposal or tender for 220 ADGMS and 141,576 rounds of ammunition. This followed the eighth extension on June 8 to the request for proposal's response time limit for domestic vendors. Then, the entire procurement under the 'Buy and Make (Indian)' category of the Defence Acquisition Procedure 2020 was summarily terminated four weeks later.

No explanations were forthcoming for retracting this tender, which also seems to have escaped media attention and scrutiny. The MoD spokesman too was unavailable for comment on the ADGMS procurement – which had been deemed ‘critical’ a decade earlier by former Chief of Army Staff General V.K. Singh.

In March 2012, General Singh had, in a letter that was leaked by a Mumbai newspaper, warned the federal government that 97% of the Indian Army’s ADGMS were ‘obsolete’ and in need of being upgraded or replaced, or both.

He was referring to some 1,360 legacy single-barrel towed Bofors 40mm L/70 automatic guns and Soviet-era Zu-23-2B-23MM twin-barrel autocannon, both of which were inducted into the Army in the late 1960s.

However, in recent years, some 200-odd L/70s, of a total number of 1,180 pieces received by the army, had been upgraded by Bharat Electronics Limited for Rs 575 crores as a ‘stop gap’ measure. This retrofit had rendered these guns capable of tackling low flying aircraft and helicopters, but the overall shortfall of ADGMS was to have been made good by the now terminated buy.

“The ADGMS are needed urgently, and cancelling their procurement tender is a serious operational setback for the army,” said defence analyst Brigadier Rahul Bhonsle (retired) of the New Delhi-based Security Risks consultancy group. The paucity of ADGMS, that comprise the Army’s three-tiered air defence system – the other two being the under import and the under-development missile systems – needs to be urgently resolved, he advised.

According to the ADGMS request for proposal, the Indian Army had aimed for the outright purchase of 25 guns and 44,440 rounds of standard and advanced ammunition from the shortlisted Indian vendor – with possible collaboration with an overseas manufacturer – and on indigenously building the remaining 195 guns and 97,136 ammunition rounds. Alternately, in the likelihood of the ADGMS being indigenously designed, the entire contract would be executed under the ‘Make’ component of the ‘Buy and Make (Indian)’ classification.

Weighing no more than seven tonnes and transportable by rail or ‘in service’ aircraft and ships, the proposed ADGMS’ were required to have a firing rate of 200 rounds per minute and capable of operating in varied terrain, including altitudes of up to 4,500m, the western Rajasthan desert region and the northern Punjab plains.

Operated by a two-man crew, these guns also needed to be able to engage hostile combat and transport aircraft, helicopters, remotely piloted vehicles, cruise missiles, precision guided munitions and other assorted aerial targets up to heights of 2,500m. The RfP also expected the ADGMS to fire different ammunition types, including air burst, high explosive, and advanced hit efficiency and destruction (AHEAD) – or comparable – rounds, amongst assorted other projectiles.

Recanting the ADGMS tender was not the sole impediment to bolstering the Indian Army’s severely degraded air defence capabilities.

In September 2020, the MoD had annulled the \$2.5 billion tender for 104 K30 Biho self-propelled air defence gun missile systems (SPAD-GMS) manufactured by South Korea's Hanwha Defense, to equip five Army air defence regiments.

The SAPD-GMS were being acquired to complement the towed ADGMS in the army's air defence grid, and the Biho guns had been selected in early 2019 after besting two rival Russian systems – the upgraded 2K22 Tangushka M1 and the Pantsir missile system – in trials. Hanwha and its SPAD-GMS programme partner LIG Nex 1 had even tied up locally with two Indian manufacturers to discharge their 30% offset obligations, but the entire deal was adjourned following undisclosed objections from Moscow and remains in limbo.

Meanwhile, retired military officers, defence analysts and industry officials maintained that, like many other tenders, especially those concerning the Indian Army, the one for ADGMS had, in all likelihood, been withdrawn due to 'implausible' qualitative requirements or QRs, which, in turn, circumscribed the ability of local vendors to implement them.

"The Army's QRs demanded an operational capability from the ADGMS that was unrealistic and simply unavailable," declared an executive from one of the companies to whom the tender had been sent. It's difficult, if not impossible, to design an ADGMS with such exaggerated capabilities, even with assistance from overseas manufacturers and the tender was bound to be retracted, he added, requesting not to be named.

It may also be recalled that tenders to acquire similar air defence gun systems were also withdrawn after Russia's Rosonboronexport and Germany's Rheinmetall Air Defence (RAD) had emerged as single vendor bidders in 2007 and 2009 respectively, an outcome that has consistently been discouraged by successive editions of the Defence Procurement/Acquisition Procedure since 2001. RAD was later banned in May 2012 from operating in India on charges of corruption that remain indeterminate and reportedly unresolved.

Successive Defence Parliamentary Committees too had repeatedly criticised the services, especially the Army, for formulating 'over ambitious' QRs for equipment which, in many instances, resulted in tenders being rescinded, as it was simply non-existent anywhere. In early 2012, for instance, the Parliamentary Defence Committee revealed that as many as 41 of the Indian Army's tenders for sundry equipment had been withdrawn or terminated over an 18-month period, principally due to impracticable QRs.

Service QRs are based on responses to requests for information from domestic or overseas vendors or both, ahead of the issue of detailed requests for proposals for the concerned equipment or project. The former are what they claim to be: an endeavour to elicit information regarding the availability and capability of desired miscellaneous military kit, with the objective of enabling QR formulation.

Once the request for information responses had been received by the respective services, the exercise to prepare the QRs begins, with the draft document travelling steadily up the chain of military command. Along the way, the QRs gathered

supplementary parameters, with each individual officer feeling compelled to suggest additional accompaniments in an endeavour at displaying industry. Deletions were rarely affected, and the final QR emerged, in many instances in the Indian Army as a 'wish list of utopian dimensions'.

"There are certain stages (like the request for information and eventually the request for proposals) where exclusively the jurisdiction is with Service Headquarters," Parliament's Standing Committee of Defence had unambiguously declared in its 2012 report. The state of affairs has changed little in the intervening years. The Ministry of Defence and attendant Financial Advisors, it stated, had no role whatsoever in framing weapon QRs as their responsibilities come into play much later. The Committee went on to state that all service QRs, including the Indian Army's, were formulated jointly by Service Headquarters in consultation with the largely uniformed Directorate General Quality Assurance and, at times, with inputs from the government-run Defence Research and Development Organisation. Thereafter, these QRs were approved by the Staff Equipment Policy Committee or SEPC at the respective service headquarters, which in the instance of the Army, is headed by its Deputy Chief of Staff.

In recent years, the Indian Army's QR overstretch has been on display in multiple critical procurements, all of which were eventually called off after prolonged periods of feverish technical evaluations and trials. These are too numerous to enumerate, but one such glaring example included the procurement of assault rifles that were magically required to change calibres from 5.56x45mm to 7.62x39mm, merely by switching the barrel and magazine. It took nearly five years for the tender to be scrapped in 2015 and adequate rifle alternatives are yet to materialise seven years later.

Another QR which is clearly an example of overreach was the Indian Army's June 2021 request for information for the planned procurement of 1,770 'Future Tanks' by 2030 under the services Future Combat Vehicle programme, the QR for which has, understandably, not surfaced. This request for information was the third since 2015, with the earlier two having made no progress due to technological excesses, demonstrating the Indian Army's persistent penchant for what the late Defence Minister Manohar Parrikar had appositely referred to as 'Marvel comics weaponry'. <https://thewire.in/security/air-defence-gun-missile-system-indian-army-marvel-comics>

11. GeM pegs defence procurement to reach Rs 30,000 cr this year: Official ([business-standard.com](https://www.business-standard.com)) Updated: August 26, 2022

Public procurement portal Government eMarketplace projects defence procurement made through it to double to Rs 30,000 crore during the current financial year, a top official said here on Friday.

According to GeM Chief Executive Officer P K Singh, the procurement agency expects to garner about Rs 2 lakh crore sales in the year across the country.

The GeM portal launched by the Centre in 2016 is for online purchase of goods and services by all central government ministries and departments.

"Defence sector has been the largest procurer through the portal since inception. Last year, the defence procurement was around Rs 15,000 crore. The target is to double it to Rs 30,000 crore this year," he told reporters here.

"Apart from weaponry, everything for Defence is done by GeM," he said.

Singh, an IAS officer of the Manipur cadre, said the procurement portal achieved overall sales of Rs 1.06 lakh crore last year.

"This year, we are expecting to reach Rs 2 lakh crore post the COVID-19 pandemic... Already, we have crossed Rs 60,000 crore," he said.

According to him, the GeM portal has about 50 lakh registered sellers and has drawn up plans to hold campaigns to add several other retailers.

During the recent visit by Commerce Minister Piyush Goyal, several traders in Coimbatore had informed him about the lack of awareness on GeM.

Plans are afoot to hold rallies to engage the traders particularly micro, small and medium enterprises (MSMEs) from Tamil Nadu to sign up for the portal, Singh said.

To a query about integrating panchayats with the portal, the IAS officer said the process was going on and it was expected to be completed this year. "Even panchayats in Tamil Nadu will be covered under this integration plan," he said responding to a query.

Singh said Tamil Nadu has 4.06 lakh vendors on the portal and the state government organisations have made procurement worth Rs 1,090 crore through GeM since its inception.

"This is comparatively low compared to other states since some state governments have their own e-governance agencies," Singh said adding sellers from Tamil Nadu were able to secure orders worth Rs 7,185 crore through GeM.

On the performance of start-ups engaged in the portal, he said such enterprises alone have made sales of Rs 13,000 crore last year.

"Any start-up wanting to sell their product can utilise the opportunity by registering themselves online and proceed with the sale," he said. https://www.business-standard.com/article/current-affairs/gem-pegs-defence-procurement-to-reach-rs-30-000-cr-this-year-official-122082600962_1.html

12. Army begins upgrade of mechanised infantry ([hindustantimes.com](https://www.hindustantimes.com)) Updated: August 28, 2022

India's mechanised infantry is on the threshold of a critical transformation, with the army setting a brisk pace to equip its vital combat arm with a range of new indigenous capabilities ranging from futuristic vehicles, missile systems and night-fighting gear to loitering munitions, anti-drone weapons, and intelligence, surveillance and

reconnaissance (ISR) platforms, officials tracking the army's modernisation said on Sunday.

The comprehensive road map for its modernisation seeks to transform the mechanised infantry into a more lethal, agile and integrated force capable of delivering a swift and effective response in battle, said one of the officials cited above, asking not to be named.

The army's mechanised infantry units, equipped with the hardy Soviet-era BMP-II amphibious combat vehicles, have played a crucial role in strengthening the Indian Army's combat posture against the Chinese People's Liberation Army during the ongoing, tense standoff along the Line of Actual Control in eastern Ladakh.

The versatile combat arm brings to battle a protected infantry component directly supported by the firepower of its integral combat vehicles.

Forming the core of the overarching capability enhancement plan — dovetailed with the Aatmanirbhar Bharat (self-reliant India) strategy — is the replacement of the BMP-IIs with 480 locally developed futuristic infantry combat vehicles (FICVs) for which government approval will be sought shortly, said a second official, who also asked not to be identified.

“The army will seek the defence acquisition council's acceptance of necessity (AoN) for the FICVs at the earliest. We are simultaneously pursuing modernisation plans for tracked and wheeled vehicles. A few approvals have already come,” the second official added.

The defence acquisition council (DAC), chaired by the defence minister, is India's apex weapons procurement body, and under the country's defence procurement rules, its AoN is the first step towards buying or developing military hardware.

The army has already secured approvals for the Nag missile system (NAMIS) for reconnaissance and support battalions (13 Nag missile carriers and 293 missiles), 177 infantry combat vehicles (command), and 105 wheeled armoured fighting vehicles to replace Soviet-origin BRDM reconnaissance vehicles and 1080 anti-tank guided missiles, said a third official on the condition of anonymity.

Also on the mechanised infantry's wish list are wheeled infantry combat vehicles for standard battalions and light armoured multi-purpose vehicles with enhanced mobility and protection for reconnaissance platoons that currently use the Maruti Gypsy.

The modernisation drive will enhance the mechanised infantry's mobility and effectiveness, and also boost India's capabilities along the northern borders with China, said former Western Army commander Lieutenant General RP Singh (retd).

“Injecting contemporary technologies at a swift pace will help exploit the capabilities of this man-machine combination... otherwise the arm is just a battle taxi. Even Pakistan is upgrading its mechanised forces. We can't be left behind,” Singh added.

“A threat cum capability-based modernisation approach is being pursued with the acquisition of contemporary, adaptable and niche technology, which is interoperable with other combat arms. The modernisation drive is completely in sync with the Aatmanirbhar Bharat initiative,” the third official said.

Capability enhancement of existing military hardware with upgrades for night fighting, lethality and ISR systems forms an important element of the modernisation effort.

“Enhanced night fighting capability is a top priority. The focus is on a comprehensive solution for the gunner main sight, commander panoramic sight, fire control system, automatic target tracker and laser range finder. The new gear will enhance the night vision capability of the driver and commander too,” said a fourth official.

Enhancing fire power of mechanised infantry units is covered under the plan, and is a work in progress.

This is being done through third generation fire-and-forget anti-tank guided missiles, canister-launched loiter munition systems integrated on the BMP-II chassis, anti-drone capability, and integrated surveillance and targeting systems, the officials said.

“ISR capability is being strengthened with mini-unmanned aerial vehicles, see through armour for better situational awareness, autonomous combat vehicles and artificial intelligence-based integrated surveillance, detection and engagement systems,” said the first official.

India’s mechanised forces — the mechanised infantry and armoured corps — are also inducting swarm drone systems capable of carrying out offensive missions in enemy territory with scores of drones working in formations to identify, encircle and strike targets. <https://www.hindustantimes.com/india-news/army-begins-upgrade-of-mechanised-infantry-101661711656250.html>

13. 780 more defence sub-systems & components to be barred for imports ([thehindubusinessline.com](https://www.thehindubusinessline.com)) Updated: August 28, 2022

The third Positive Indigenisation List to be applicable from December 23 to give boost to domestic companies

To minimise imports by Defence Public Sector Undertakings (DPSUs), Defence Minister Rajnath Singh has approved the third Positive Indigenisation List (PIL) of 780 strategically important sub-systems and components, which will be strictly procured from the domestic industry with a timeline beginning from December 2023 to December 2028.

Through previous two PILs, published in December of 2021 and March this year, 2,500 items have already been indigenised and another 458 items will be done within the given timelines, said the Defence Ministry in a statement on Sunday.

The Ministry stated that the indigenisation of these items will be taken up through different routes under ‘Make’ category, which aims to achieve self-reliance by involving greater participation of the Indian industry. Projects involving design and development

of equipment, systems, major platforms or upgrades thereof by the industry can be taken up under this category.

The third PIL incorporates wide variety of components and sub-systems of equipment and different platforms, including Arjun tanks, Advanced Light Helicopters, Light Combat Helicopters, Jaguars and Sukhois.

The DPSUs, outlined the Ministry, will soon float Expression of Interests (EoIs) and Request for Proposals (RFPs) expecting the industry to participate in large number.

The government is rooting for self-reliance in defence sector also to export products to countries in Africa, West Asia, Latin America and Asian sub-continent. Last month, Additional Secretary (Defence Production) Sanjay Jaju stated the export figure for defence items and technologies touched a record high of Rs 13,000 crores in the financial year of 2020-21. Of that, 70 percent was contributed by private indigenous companies and remaining by the DPSUs. But the government's export target is \$5 billion, which is part of a goal the Defence Ministry has set to have a total turnover of \$25 billion (₹1.75-lakh crore) in defence manufacturing over the next five years. <https://www.thehindubusinessline.com/economy/780-more-defence-sub-systems-components-to-be-barred-for-imports/article65822578.ece>

14. Infra projects show cost overruns of ₹4.7 lakh crore ([thehindubusinessline.com](https://www.thehindubusinessline.com)) Updated: August 28, 2022

The expenditure incurred on these projects till July 2022 was ₹13,50,275.69 crore: Report

As many as 386 infrastructure projects, each entailing an investment of ₹150 crore or more, have been hit by cost overruns of more than ₹4.7 lakh crore, as per a report.

According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects of ₹150 crore and above, out of 1,505 projects, 386 reported cost overruns and as many as 661 projects were delayed.

"Total original cost of implementation of the 1505 projects was ₹21,21,793.23 crore and their anticipated completion cost is likely to be ₹25,92,537.79 crore, which reflects overall cost overruns of ₹4,70,744.56 crore (22.19 per cent of original cost)," the ministry's latest report for July 2022 said.

According to the report, the expenditure incurred on these projects till July 2022 was ₹13,50,275.69 crore, or 52.08 per cent of the anticipated cost of the projects.

However, the number of delayed projects decreases to 511 if delay is calculated on the basis of the latest schedule of completion.

Delayed projects

Out of the 661 delayed projects, 134 have overall delays in the range of 1-12 months, 114 have been delayed for 13-24 months, 289 projects for 25-60 months and 124 projects have been delayed for 61 months and above.

The average time overrun in these 661 delayed projects is 41.83 months.

Reasons for time overruns as reported by various project implementing agencies include delay in land acquisition, delay in obtaining forest and environment clearances, and lack of infrastructure support and linkages. Delay in tie-up for project financing, finalisation of detailed engineering, change in scope, tendering, ordering and equipment supply, and law and order problems are among the other reasons.

The report also cited state-wise lockdowns due to Covid-19 as a reason for the delay in implementation of these projects. <https://www.thehindubusinessline.com/news/infra-projects-show-cost-overruns-of-47-lakh-crore/article65821410.ece>

15. Indian economy's mixed signals ([indianexpress.com](https://www.indianexpress.com)) Updated: August 29, 2022

In a few days from now, the GDP estimates for the first quarter of the ongoing financial year will be released. The Reserve Bank of India has pegged growth for the quarter at 16.2 per cent in its most recent update. For the full year, it expects the economy to grow at 7.2 per cent, marginally lower than the International Monetary Fund's most recent forecast of 7.4 per cent. These projections imply that over the course of these turbulent years, India will be one of the fastest-growing economies in the world. But, beyond the headline numbers, there are several contradictory impulses in the economy.

First, while the economy has surpassed its pre-pandemic level, the labour market, especially the informal segment, continues to be mired in distress. The clearest indication of the continuing stress comes from data on work demanded by households under MGNREGA. So far, in every month this year (April-July), the number of households demanding work has been significantly higher than those demanding work over the same period in the pre-pandemic period.

This heightened demand for work under MGNREGA indicates the continuing absence of more remunerative employment opportunities and points towards the persisting divergence between the formal and informal parts of the economy. For if both were growing at a similar pace then the labour market distress in both segments would have eased at a comparable rate. Further, these diverging trends also indicate rising productivity/growing capital intensity of production, which is more likely to occur among the larger firms in the formal sector. An obvious corollary is the continuing struggles of the micro, small and medium-sized firms which suggest that the labour market stress is unlikely to dissipate immediately.

Second, this continuing slack in the informal labour market reflects in subdued wage growth in this segment, even as there are signs of the labour market tightening at the other end of the wage spectrum in the formal segment. Data on rural wages shows that over the past year, wage growth across three principal occupation categories — general agricultural labourers, construction workers and non-agricultural labourers — has been lower than retail inflation. This translates to an erosion of the real purchasing

power of households. Several firms have alluded to this trend in their quarterly earnings, pointing towards a drop in sales volume.

In direct contrast, reports of high attrition rates, despite record pay hikes in sectors such as IT point towards a tightening of the labour market at the other end of the spectrum. They also suggest a rise in the return to skill/higher education during this period, indicative of a deepening of the labour market dualism (at one end are the well-paid highly skilled/educated workers, while at the other are the low-paid semi- or unskilled, informal casual workforce).

Third, the lack of employment opportunities and subdued wage growth imply that household mobility continues to be adversely impacted, even as inequality is likely to have risen during this period. Put differently, as household movement up the income ladder has slowed down, the number of families in the higher spending cohorts isn't increasing fast enough, even as the purchasing power of those in the top spending cohort has risen dramatically. Thus expenditure, especially on high-end discretionary goods and services, is growing at a fast clip, but overall consumer sentiment, as measured by the RBI, remains in the "pessimistic zone", well below levels seen before the pandemic, as purchasing power remains subdued. Across various markers of upward mobility, there are indications to this effect.

As per data from SIAM, in 2021-22, sales of two-wheelers were roughly a quarter lower than their pre-pandemic level in 2019-20. Similarly, sales of entry-level cars are also facing headwinds, even as purchases of high-end cars (sedans and SUVs) are growing at a fast clip. As per CRISIL, cars priced above Rs 10 lakh (the premium segment) grew by 38 per cent last year, while those priced lower grew by a mere 7 per cent. A similar trend seems to be playing out in residential real estate. As per data from JLL, in seven cities (Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, and Pune), in the first six months of the year (January-June), real estate transactions above Rs 1.5 crore grew at more than twice the pace of those below Rs 50 lakh. In fact, during this period, the number of transactions above Rs 1.5 crore was more than half of the volumes seen in the Rs 50 lakh category.

Fourth, at the firm level too, these contradictory impulses can be observed. Corporate profits are at record highs even though business sentiment, as measured by the central bank's business assessment index, is lower than what it was around a year ago. A possible explanation for these opposing trends is that even as the larger formal firms have gained market share at the expense of the smaller players, subdued employment prospects and sluggish wage growth imply that the overall size of the market isn't expanding as hoped.

Thus, despite the central bank's surveys showing that capacity utilisation rates have risen to levels exceeding their long-term average, there aren't enough concrete indications of a broad-based pick-up in private investments across a range of sectors. Investment activity, as proxied by bank credit (adjusting for lower inflows from bond and commercial paper issuances) and internal accruals (there are reports of higher dividend payouts by firms) remains subdued. Firms seem to be hesitant to commit to fresh investments.

Thus the granular picture that emerges is of a continuing deficit in employment opportunities and subdued wage growth; of limited mobility and rising inequality; of pessimistic consumers and uncertain business prospects. This implies that economic activity is not as ebullient as many would believe. To what extent these contractions deepen or get resolved will determine the country's medium-term growth prospects. <https://indianexpress.com/article/opinion/columns/indian-economys-mixed-signals-8117575/>

16. Over 46.25 Cr Beneficiaries Banked Under PMJDY, Amounting To Rs. 1,73,954 Cr ([businessworld.in](https://www.businessworld.in)) August 29, 2022

More than 46.25 crore beneficiaries banked under PMJDY since inception, amounting to Rs 1,73,954 crore, said the Ministry of Finance on Sunday as Pradhan Mantri Jan Dhan Yojana (PMJDY) completed eight years of implementation

The ministry said that PMJDY accounts grew 3-fold from 14.72 crore in Mar 2015 to 46.25 crore on 10 August 2022 and 31.94 crore RuPay cards were issued to PMJDY account holders.

The ministry in a statement added, "56 per cent Jan-Dhan account holders are women and 67 per cent Jan Dhan accounts in rural and semi-urban areas."

It also said About 5.4 crore PMJDY account holders received direct benefit transfer (DBT) from the government under various schemes in June 2022. <https://www.businessworld.in/article/Over-46-25-Cr-Beneficiaries-Banked-Under-PMJDY-Amounting-To-Rs-1-73-954-Cr-/29-08-2022-444174/>

17. What does the judiciary in India need as reforms? ([frontline.thehindu.com](https://www.frontline.thehindu.com)) August 29, 2022

A simple, wide-ranging wish list of reforms for India's judiciary.

This is a simple and straightforward list of reforms for the judiciary. It is wide-ranging. It is simple in concept. It is capable of execution. Where there is a will, there is a way. The way of reform is there; is there a will is the question. I must add that this list is by no means exhaustive. It is, however, one that contains important elements.

The lower judiciary

Focus on judging: Visit a courtroom in the district court or sub-court. The best part of the day is spent in simply granting adjournments. Calling out a large number of cases on the list, checking whether the petitions and applications with documents have been served, and whether counter affidavits have been filed, takes up the best part of the day. That is when the judge's mind is fresh. This is not judicial work; it is simply administrative work which can easily be done by a junior registrar, or better yet, somebody trained in some management skills of scheduling and grouping. A judicial officer must apply his mind in dealing with judicial cases right through the day, not come to the important part of his work after lunch.

Adjournment culture: Everybody bemoans it. And yet how simple it is to tackle. At the first hearing the judge should ask counsel to give a date they agree on. It should be made clear that no adjournments will be given. The judge should arrange his board such that the case can be taken up on that day. If one side is not ready then it should be penalised with full costs, that is, costs incurred by the other side in engaging counsel, travel and so on as well as the cost incurred by the court. This should be a deterrent cost. If this is not paid, the case is to be foregone. Do this a few times and the message will sink in.

Large volume cases: Cases are clogging the courts. There are a few types of cases which are present in large numbers, such as cheque-bouncing cases and landlord-tenant cases. In most of these, the defendant takes advantage of the delay in the courts. The remedy is to apply the simple law of economics in creating incentives and disincentives, principally the latter. Formulate the rule that if the defendant loses the cheque-bouncing case, he will have to pay the plaintiff interest at or above the bank rate for lending. And then see how quickly three-fourths of these cases vanish from the board.

Similarly, in cases where the tenant is resisting eviction, formulate a rule that if the tenant loses, he will have to pay the landlord market rent plus solatium of 10 per cent for having overstayed in unauthorised occupation. See how fast such cases diminish. Subject all large-volume types of cases to the prism of disincentives.

Working and living conditions: Take care of your lower judicial officers. They are hard-working and many do an exemplary job, and yet their working and living conditions do not measure up to the weighty responsibilities and nature of their work. The judiciary should not get fobbed off by the government in the matter of pay and service conditions; governments are notoriously parsimonious when it comes to funding the judiciary.

In the 1940s, the Chief Justice of the Madras High Court handled this problem superbly. He had been writing to the government to improve the pay scales of the court staff and junior judges. The government did not comply. One fine day, he passed a rule to say that henceforth court fees would be paid in cash across the court counter, instead of with the stamp paper purchased from the government. He knew fully well that the court was a revenue spinner and that it would generate far more resources this way.

He wrote to the government to say that henceforth he would take care of the salaries and requirements of all judiciary staff. The government was, of course, sensible; by the end of the day the Chief Justice received a communication sanctioning the amounts he had asked for. After all, when the judiciary puts its foot down, it gets what it wants. It just requires the will and a bit of guts.

The High Courts

Appointments: The appointment of judges to the High Court is done by the collegium system of the Supreme Court consisting of the Chief Justice and the four most senior judges. This is an oft-criticised system. It has no roots in the Constitution and owes its birth to a judgment of the Supreme Court in the 1990s.

Basically, the court, by sleight of hand and a judicial coup d'etat, took away from the President the power of appointment and handed it over to the Chief Justice of India. Nobody denies that many good judges have indeed been appointed after this. Equally, no one can deny that there have been a number of disastrous appointments or appointments that were not made. The problem with the collegium is that it is insular, closed-door and productive of mutual backscratching as well as heeding the Chief Justice in office.

A better system would be to have a body that has primacy for the judiciary but not exclusivity. There should be representation for the Bar because the Bar knows best about the quality of judges under consideration. And there should be a place for the government. An ideal body would consist of three judges, one Bar representative, and one representative of the Cabinet. While this should be the appointing body, there should also be a screening body to thoroughly vet all candidates.

Retirement: High Court judges retire at the age of 62. This was fixed long ago when lifespans and working ages were shorter. Today, it is different. Men and women work productively into their 60s. Given the huge backlog, there is no reason why we should lose judges of quality and experience when they turn 62. The retirement age should be made 65 or even 67.

Secondly, the retirement age should be the same for the Supreme Court and the High Court. Today, Supreme Court Judges retire at 65 and that is why High Court Judges want to go to the Supreme Court even if at the fag end of their careers, serving as junior judges of not much consequence. Once the age of retirement is the same, good judges will remain at the High Courts rather than move to Tilak Marg.

Jurisdiction: High Courts were at one time the powerhouses of the Indian legal system. No longer, thanks to the coming of tribunals and appellate authorities under specific enactments. Company disputes have been taken away and given to the Company Law Tribunal. Intellectual property disputes have gone to the Intellectual Property Board. Environmental disputes have gone to the Green Tribunal. There are several more such instances.

It is not just the High Courts that suffer. The litigant does too. There is a certain legal rigour in the way a court functions, with attachment to the law and guided by time-honoured traditions and procedure. Tribunals are staffed by a retired judge, aided or often handicapped by the presence of administration-origin members who know little about the law or proper functioning of a legal adjudicatory body. An observer just has to visit a court and then a Tribunal and see the difference for himself. One is a legal body and the other simply does not qualify. The ethos is different, the functioning is different, the atmosphere, staffing, judges are different. Those arguing the case are sometimes lawyers, sometimes not. Tribunals are not the forums to determine questions of law and legal application. The sooner they cease, the better. The High Courts can come back to life and glory.

Online justice: COVID-19 brought the world to a halt. But it opened up new vistas for the administration of justice. It showed us that we could work online and brought home the tremendous efficiency of online communication and a big screen. We discovered

that cases could be conducted online, and this benefited litigants, lawyers, and the court.

But equally, there are cases that are best argued in court. One must make a sensible discrimination between the two. And junior members of the bar who cannot afford a computer should be provided one and training to use it. That is all it takes to get well into the 21st century. Regrettably, some courts have started to slide back into the old physical-only method. This is a mistake. Viruses can reappear. Even if they do not, there is no reason why we should lose this valuable mode of functioning.

Just imagine, if we harness online functioning and bring back those retired judges who are perfectly capable of functioning even from home: we will have unleashed a huge resource to dispose of cases. All the court has to do is employ simple management techniques of selection and allotment of cases. There is no need for huge budgetary allocations.

Intermediate court of appeal

Appeals from the High Court now go to the Supreme Court. There are two methods: one, the High Court itself grants a certificate of fitness to appeal to the Supreme Court. Nobody follows that anymore. Instead, they use the second method, which is to file a petition for special leave to appeal to the Supreme Court under Article 136 of the Constitution. This is supposed to be for cases of general public importance. As the provision indicates, it is not to be used to admit all and sundry cases. But that is what it has become. Routinely and every day, the Supreme Court is the repository of hundreds of Special Leave Petitions (SLPs) challenging all kinds of orders from bails to interlocutory orders to final orders across the entire litigative range.

Judges of the Supreme Court hear SLPs on Mondays and Fridays. Each of them has a stack of about 75 cases. They read these cases before coming to court. Often, they skim through the High Court order under appeal but sometimes they have to go through the stacks of documentation.

More than 90 per cent of these cases are rejected. This means that two out of five working days of a Supreme Court judge are spent in just deciding which cases to reject at the admission stage. Not to mention, the time taken the evening before in reading the 75 stacks. Any time-management expert will recoil in horror at this waste of judicial time, which is meant to deal with constitutional issues and cases of general public importance.

There is another factor here. It is not as though there is no error of law in these 90 per cent of cases. There often is, but they get rejected because the judges are conscious of not adding to the backlog of the Supreme Court. This means that, unhappily, a wrong decision stands uncorrected.

We therefore need an intermediate court of appeal, in four or five parts of the country, between the High Courts and the Supreme Court. Errors of law and judgment are often visible in the orders of the High Court, and one needs a forum where these can be traced and addressed in order to provide as complete a justice as we can. The Supreme Court should be reserved for constitutional cases and cases of general

public importance sitting in larger Benches, not functioning as a combination of an appellate and constitutional court with truncated benches as it is now.

Highlights

-In the lower judiciary, judges to focus on judgments rather than grant adjournments, which is administrative work which can easily be done by a junior registrar

-Penalise adjournment culture to deter it and use incentives and disincentives to tackle all large-volume types of cases that take advantage of the delay in the courts

-Online cases in the wake of the COVID-19 pandemic have opened up new vistas for the administration of justice.

-Do away with the oft-criticised collegium system of the Supreme Court to appoint judges

-Judges would do well to promote mediation; lawyers would do well to become mediators and represent parties in mediation, doing both professionally; and litigants would be sensible to try mediation before litigation or arbitration.

The Supreme Court

Firstly, end the collegium. The reasons are given in the section dealing with High Courts. Everyone wants it to end—the Parliament and State Assemblies, lawyers, academics, commentators, and plenty of judges, including several who wrote the judgment birthing the collegium. The collegium's supporters seem to be those who are either in it or will be in it. It is high time we did away with a system that has no validity in law and has consistently underperformed.

With the exit of the collegium, one can put in place a better system for selection of judges to the High Court and Supreme Court. Special care must be taken with regard to those judges being elevated to the Supreme Court who will, in time, become either Chief Justice of India or a senior long-time judge. Precious little attention is now paid to these; many of them just slide under the radar.

A little more attention and exposure can throw up disturbing questions. It is no secret that many people jockey to place their favourite person in the powerful office of Chief Justice of India; this includes politicians and judges themselves. With the appointment method locked in servitude to seniority, the propitious factors of date of birth, date of appointment, and inter se seniority with other judges on date of appointment rule all. We have seen mediocrity take precedence over brilliance because of these factors.

Post-retirement jobs is another troubling factor, especially when these are at the pleasure of the executive and the current CJI. There is no dearth of comment that pre-retirement judgments are given with an eye on post-retirement expectations. Whatever the truth of this, a judge must function without fear or favour, and a sinecure in old age is certainly a favour, especially when it comes with a Lutyens bungalow.

We ought also to pay attention to how expensive justice has become. This is not the fault of judges; it is the fault of top-notch lawyers who charge exorbitant fees for multiple appearances per day. Some pride themselves on crossing five or ten appearances, charging seven figures for each. A professional is service-minded, so we need to find other terms for these gentlemen.

Judges, however, are also to blame because they tend to favour senior lawyers over junior lawyers. They tend to admit their cases without troubling senior lawyers with any questions. If they would reverse these two aspects, senior lawyers will be hard put to take up more than a case or two a day, junior lawyers would feel more confident, and justice would be better served.

Lastly, mediation, a subject close to my heart. It has blazed forth in the Indian landscape over the last 15 years. It has the capacity to deal with a wide range of disputes—personal, commercial, civil, property, and so on. It can hugely reduce the backlog of cases, but its benefits are not just that. It saves costs and time, brings forth better solutions, mends broken relationships, and is a humane process. Best of all, it ends conflict which, as we all know, the adversarial method exacerbates. Judges would do well to promote mediation; lawyers would do well to become mediators and represent parties in mediation, doing both professionally; and litigants would be sensible to try mediation before litigation or arbitration.

Let me point out here that the success rate is well above the median. We would do well to think of an Indian Mediation Service with both permanent and short-service employment. Mahatma Gandhi would be pleased by this—I have always had my doubts as to how pleased he is by being placed opposite the court of the Chief Justice of India, the pinnacle of the adversarial system. The Mahatma, if we care to remember, said: “I realised that the true function of a lawyer was to unite parties driven asunder.” <https://frontline.thehindu.com/the-nation/what-does-the-judiciary-in-india-need-as-reforms/article65791632.ece>

18. Single fertiliser brand to help govt save on subsidy bill ([financialexpress.com](https://www.financialexpress.com)) August 29, 2022

Come October 1 fertilisers will be sold in the country under a single brand name – Bharat, a move that will enable the government to curb subsidy outgo on the soil nutrients.

According to official sources, the move will also ensure uniformity in the fertiliser supplies and eliminate unhealthy competition among companies.

Under the current system, agents and dealers of the fertiliser companies influence farmers’ purchase decisions while after rolling of one nation, one fertiliser initiative farmers will get quality fertiliser without bothering about the brands.

At present, the subsidy components of various fertilisers sold through 177 manufacturers are 80% for urea, 65% for di-ammonium phosphate, 55% for nitrogen, phosphorus and potassium – NPK and 31% for muriate of potash.

The government had incurred Rs 1.62 trillion under fertiliser subsidy in 2021-22.

In 2020-21, the subsidy was Rs 1.32 trillion which included a freight subsidy of Rs 9,063 crore.

The government's subsidy bill in the current fiscal is estimated in the range of Rs 2.2 – Rs 2.3 trillion as elevated global prices of fertilisers and natural gas, the key feedstock, have inflated costs.

The varieties of fertilisers will be sold from October 2, under a common brand name – Bharat urea, Bharat DAP, Bharat MOP and Bharat NPK under the fertiliser subsidy scheme 'Pradhanmantri Bhartiya Janurvarak Pariyojna.

Officials said despite having different brand names for the same fertiliser, nutrient contents remained the same as stipulated under the Fertiliser Control Order 1985. "After the introduction of 'Bharat' brand, farmers would not be confused and it would encourage companies to capture local markets thus ensuring timely availability of fertiliser to farmers," according to an official.

Officially fertiliser manufacturers are yet to respond to the move to do away with selling of fertiliser under multiple brands, an official with a unit told FE that the move could dilute brand valuation of the companies.

However, the ministry's last week's notification states that manufacturers are allowed to display their name, brand, logo and other relevant product information on one-third space of their bags

The movement of fertilisers across states causes delays in the transportation of soil nutrients, while pushing up freight subsidy burden for the government, the note stated.

Officials say that there are several fertiliser units located in the western part of the country that market their products in the eastern region while units in the north supply fertiliser to western and southern regions.

The government released the fertiliser subsidy to manufacturers, which sold their produce to farmers through their retail chains. Since the introduction of the direct benefit transfer system in October 2016, fertiliser subsidies have been released to companies on the basis of sales made by the retailers to farmers.

Sale of all subsidised fertiliser to farmers or buyers is currently made through point of sale (PoS) devices installed at outlets since March 2018 and beneficiaries are identified through Aadhaar number, Kisan Credit Card and other documents. <https://www.financialexpress.com/economy/over-170-firms-to-sell-fertilisers-under-single-bharat-brand-name-from-october-2/2647245/>

19. IRCTC withdraws data monetisation tender month after floating ([thestatesman.com](https://www.thestatesman.com)) August 27, 2022

After facing flak over the privacy concern, the Indian Railway Catering and Tourism Corporation (IRCTC), the ticketing and catering arm of the railways, has withdrawn the data monetisation tender it had floated about a month back.

The tender had drawn criticism from many who feared it could lead to violation of privacy of people who have accessed IRCTC's services since it sought to analyse the

data involving passenger names, contact numbers, addresses and even “login/password” credentials.

The controversial tender aimed at hiring a consultant to monetise a bulk of its passenger data since the government has withdrawn the Data Protection Bill.

The IRCTC has informed the withdrawal of tender decisions to the Bombay and National stock exchanges and also to the Shashi Tharoor-led Parliamentary Standing Committee on IT.

According to the tender, the IRCTC envisages a revenue generation of Rs 1,000 crore through monetisation of its digital assets. For this purpose, the consultant would study consumer data from the Indian Railways’ application.

However, after the furor, the Railways had tried to douse the fire by maintaining that the data monetisation move would be reviewed. But, the IRCTC maintained that the move was only to appoint a consultant who would suggest how to go about it without compromising the privacy of individuals, and the whole exercise would be under the purview of various data protection laws.

Incidentally, the IRCTC had floated the tender after getting a nod from the higher authorities in the parent body.

The tender floated by the organisation had two parts. In the first part, the IRCTC says it wants to “monetise the data in customer/vendor applications and internal applications of Indian Railways”. But it did not go down well with IRCTC website users who voiced concern over the move. Earlier, the central government had withdrawn the Personal Data Protection Bill, 2019.

However, the government has maintained that it sought to bring a robust data protection framework for India and to set up an authority for the same. <https://www.thestatesman.com/india/irctc-withdraws-data-monetisation-tender-month-floating-1503104863.html>

20. After Centre halts funds, Bengal govt moves to check graft ([indianexpress.com](https://www.indianexpress.com)) August 29, 2022

In an attempt to check corruption in the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and other government schemes at the grassroots level, the West Bengal Department of Panchayats and Rural Development has initiated steps like introducing a grievance redressal system where the public can lodge complaints against malpractices in gram panchayats.

The move comes after the Centre stopped disbursement of funds to the state since there were a slew of complaints of corruption in the MGNREGA works.

In the recent past, Chief Minister Mamata Banerjee has accused the BJP-led NDA government at the Centre of discrimination against the state.

The department is learnt to have formed five committees with each comprising a retired state-cadre civil service officer, an auditor and an engineer to monitor the MGNREGA works in all the districts.

Also, the employees of panchayats will be transferred from time to time as they will not stay in the same posting for more than three years, the department has said.

A senior department official said, "It is clear that if we do not take steps to check corruption at the panchayat level, the Central government will not disburse the MGNREGA funds. The village economy of the state will be hit severely if that happens. Therefore, we are left with no option but to check corruption in the panchayats."

Chief Minister Mamata Banerjee has already directed the state's bureaucratic brass and the district officials to ensure transparency in the functioning of panchayats.

She asked the district officials to file FIRs against those involved in corruption at the panchayat level if any malpractice is detected, after the opposition parties alleged massive graft at the panchayat level.

The Panchayat Department has already sent an advisory to all district administrations saying they should keep check on financial irregularities, if any, and act accordingly.

"Work provided to MGNREGS job card holders through departmental schemes since April 2022 should be compulsorily entered in the relevant portal by all districts. The performance so far is not satisfactory. Special attention is required from Purba Bardhaman, Howrah, Uttar Dinajpur, Bankura, Coochbehar, Jhargram, Dakshin Dinajpur, Paschim Bardhaman and Birbhum districts. Action should be taken on advisories and central recommendations and follow-up on the recovery of money, FIRs and disciplinary proceedings must be done," it read.

Sources said the Trinamool Congress (TMC) leadership is taking necessary steps to create a clean image of the party since the panchayat elections are scheduled next year.

It became even more important for the TMC to be seen as strict on corruption following the arrest of party leaders Partha Chatterjee, a former minister, and Anubrata Mondal by the Enforcement Directorate (ED) and the CBI in connection with the school jobs scam and an cattle smuggling case. <https://indianexpress.com/article/cities/kolkata/after-centre-halts-funds-bengal-govt-moves-to-check-graft-8117848/>