NEWS ITEMS ON CAG/ AUDIT REPORTS (13.10.2022)

1. Mega Offshore bidding Round: India Offers 26 Blocks for Oil And Gas Exploration *(swarajyamag.com)* Oct 12, 2022

With the objective to augment domestic production of petroleum, the central government has offered 26 blocks or areas for finding and producing oil and gas in a mega offshore bid round.

The "government announces the offer of 26 blocks covering an area of approximately 2.23 lakh square kilometers for exploration and development through international competitive bidding," upstream regulator Directorate General of Hydrocarbons (DGH) said on 11 October.

The upstream regulator, however, did not give any timeline for bidding. Out of the 26 blocks, 15 areas are in ultra-deep water, eight in shallow sea, and three blocks are on land.

Open Acreage Licensing Programme

The bid rounds are being held under the Hydrocarbon Exploration and Licensing Policy (HELP), which was promulgated on 30 March 2016, replacing the New Exploration Licensing Policy (NELP).

In order to accelerate the exploration and production (E&P) activities of hydrocarbons in India, the government launched the Open Acreage Licensing Programme (OALP) in June 2017 as part of HELP.

Under OALP, companies are allowed to carve out areas they want to explore oil and gas in by assessing E&P data available at National Data Repository (NDR).

Companies can put in an expression of interest (EoI) for any area throughout the year but such interests are accumulated thrice in a year. These blocks are then put on auction through biannual formal bidding process.

Eight Rounds So Far

Since the launch of HELP in March 2016, seven rounds of OALP have been concluded and 134 E&P blocks awarded. These 134 blocks cover 207,691 square km of area across 19 sedimentary basins.

The eighth round offering 10 blocks for international competitive bidding was launched in July 2022. Award of these blocks is under progress.

The Bid Round-VIII is expected to add further 36,316 sq km of exploration acreage, taking the total area for exploration to 244,007 sq km under the OALP regime.

The latest bid round has been designated as 'Offshore Bid Round' (OALP Bid Round-IX) under HELP. The area being offered for exploration in OALP-IX is almost the size of the area bid out in the previous eight rounds put together.

Out of the 26 blocks on offer, 18 have been carved out by the government and eight are as a result of EoIs received from potential investors.

Revenue Sharing Contract

The HELP, which adopts the revenue sharing contract model, is a giant step towards improving the 'ease of doing business' in the Indian exploration and production sector.

The NELP mechanism of profit-sharing, where explorers first recovered their costs and then shared profits with the government, had limited success in terms of commercial discoveries and was severely criticised by the CAG during an audit of KG-D6 block operated by Reliance Industries.

Following the CAG's objections, and dwindling interest in oil exploration, the contractual regime changed to revenue sharing mechanism — companies offering the highest share of revenue to the government would win the block.

Besides revenue sharing contract model, HELP provides attractive and liberal terms:

Reduced royalty rates, no oil cess, no revenue share bidding for blocks in less prospective basins, marketing and pricing freedom, round-the-year bidding, freedom to investors for carving out blocks of their interest, and a single licence to cover both conventional and unconventional hydrocarbon resources.

It also provides an easy, transparent and swift bidding and awarding process. https://swarajyamag.com/news-headlines/26-blocks-put-for-oil-and-gas-exploration-in-mega-offshore-round-highest-area-on-offer-so-far

2. CSR, an unjust drop in the ocean of social need *(newindianexpress.com)* October 13, 2022

Corporate Social Responsibility (CSR): this reads like a contradiction in terms—and, where India Inc is concerned, probably is, for the most paTaxrt. India is perhaps the only country in the world that, driven by the need to show a certain illusory altruism of company profits, has legislated social expenditure by the private sector. The private sector often views the mandatory expense of 2% of the average net profit-before-tax of three years previous on a whole range of social do-gooding as an additional tax.

In FY17, 19,553 companies spent CSR monies of ₹14,344.87 crore on 22,968 projects. In FY18, 21,520 companies spent ₹17,098.18 crore on 26,582 projects. In FY19, 25,103 companies spent ₹20,172.07 crore on 31,989 projects. In FY20, 22,718 companies spent ₹24,891.63 crore on 35,006 projects. In FY21, 17,007 companies spent ₹24,865.46 crore on 36,865 projects.

These statistics are from the National CSR Portal of the Union Ministry of Corporate Affairs (MCA). However, they are at variance with that presented by Rao Inderjit Singh, Union minister of state for corporate affairs, in a written reply to a Lok Sabha question in November 2021, in which he averred that CSR expenditure in FY21 fell sharply by 64.24% year-on-year to ₹8,828.11 crore (by 1,619 companies) from ₹24,688.66 crore in FY20 (by 22,531 companies). It was ₹20,150.27 crore in FY19 (by 25,099 companies).

The right hand of data-collation in the government doesn't quite know what the left hand is doing.

It is no wonder that, in March 2022, the Parliamentary Standing Committee on Finance, while asking the MCA for an audit of the top 10 private companies, sector by sector, noted that "information regarding CSR spending by companies is insufficient and difficult for a layperson to access".

Here's some more seemingly contradictory data. In FY21, the aggregate expenditure of Public Sector Undertakings (PSUs) on CSR was a paltry ₹561 crore (or 6%) of the total ₹8,828 crore, with the rest contributed by the private sector. But granular detail is telling: 67%—or ₹5,915 crore—was received from non-listed companies, while listed firms delivered the remaining third, ₹2,913 crore.

For obvious reasons, FY21 is receiving a fair share of attention, not merely seeking to explain the reasons for the precipitous drop in CSR spend but also to prognosticate if this slide can be beaten in the face of the continuous lowering of the growth rate by the RBI and international finance giants.

For example, in FY21, there were 2,926 companies with zero spend on CSR. Companies that spent less than 2% rose from 3,078 in FY16 to 3,290 in FY21. The number of companies participating in CSR declined.

In fact, public funds (from Central and state governments) account for about 93% of the total social sector expenditure.

CSR contributions are, therefore, literally a drop in the ocean of social need. Going by NITI Aayog, India must channel about 13% of its GDP into social expenditure to achieve its United Nations Sustainable Development Goals (UNSDG) commitments by 2030. This is 6% more than the current average of about 7%. Basically, everything must nearly double: CSR as well as government social expenditure. All else carrying on as usual, the deficit of ₹8 lakh crore in FY21 for accomplishing the 2030 UNSDG is expected to rise to ₹10 lakh crore in FY26.

The fact that the CSR architecture is predicated on disclosure, and that CSR-mandated companies alone are required to file their details of annual CSR spend with the MCA serves to make the waters even more turgid for those seeking clarity.

Often, CSR funds are routed to the concerns of the political party in power. For instance, in FY16, two years after CSR was made binding, only ₹46.5 crore was spent on conservation of national heritage. The very next year, it shot up to ₹155.78 crore—because five major PSUs contributed ₹146.83 crore to the prime minister's personalised project, the Statue of Unity. So outré was this funding that the August 2018 report of the Comptroller and Auditor General of India noted: "Contribution towards this project did not qualify as CSR activity as per schedule VII of the Companies Act 2013 as it was not a heritage asset."

Contributions to cow-related—as opposed to secular animal-related—activities peaked between FY15 and FY18. The Prime Minister's Relief Fund is a perennial—if seesawing—attractor, while the Swachh Bharat Abhiyan, which was once the government's buzz phrase, has fallen from CSR grace.

But the worst of the CSR spend is not that it is directed at buttering up power, but that so much of it is misdirected and mislocated. The vast majority of CSR monies are spent in the top 10 states.

Some of this is down to pure corporate comfort: companies spend where they have their offices and factories. And they tend to locate their offices and factories in the most-developed areas. Ashoka University's Centre for Social Impact and Philanthropy noted that 54% of CSR companies are concentrated in Maharashtra, Tamil Nadu, Karnataka, and Gujarat. In FY19, the top 10 states, based on the number of companies with registered offices—and all on the top half of the development median—accounted for 96% of the total CSR spend.

The focusing of spending in these states means that states such as Jharkhand, Bihar, Chhattisgarh, Madhya Pradesh, and Uttar Pradesh, which account for more than 55% of the so-called "aspirational districts" (states with poor socioeconomic indicators), receive only a smidgen of the total CSR outgo.

Maharashtra, for instance, has only three aspirational districts. But, according to the government's National CSR Portal, the state received a whopping ₹3,306.72 crore in FY21. In contrast, UP, with eight aspirational districts, received ₹826.67 crore. West Bengal, with one aspirational district, received ₹427.44 crore. And Bihar, with 15 aspirational districts, received just ₹78.02 crore.

While this might satisfy the aspirations of the corporates, none of it is just. https://www.newindianexpress.com/opinions/2022/oct/13/csr-an-unjust-drop-in-the-ocean-of-social-need-2507471.html

3. MIG 29K Fighter Jet Crash: मिग-29के फाइटर जेट फिर हुआ क्रैश, नौसेना ने दिए जांच के आदेश *(abplive.com)* October 12, 2022

MIG 29K Fighter Jet Crash: भारतीय नौसेना का एक मिग 29के फाइटर जेट बुधवार (12 अक्टूबर) को गोवा के करीब समंदर में क्रैश हो गया. लड़ाकू विमान का पायलट दुर्घटना से पहले सुरक्षित समंदर में कूद गया, जिन्हें सर्च के बाद बचा लिया गया. नौसेना ने दुर्घटना के कारण जानने के लिए जांच के आदेश दिए हैं.

नौसेना के प्रवक्ता कमांडर विवेक मधवाल के मुताबिक मिग 29 के फाइटर जेट गोवा के करीब समंदर से आईएनएस हंस बेस पर रूटीन-सोर्टी के दौरान लौट रहा था. इस दौरान विमान में टेक्निकल मैलफंक्शन हुआ, जिसके बाद पायलट सुरक्षित इजेक्ट कर गया. बाद में पायलट को सर्च एंड रेस्क्यू ऑपरेशन के दौरान सुरक्षित बचा लिया गया. प्रवक्ता के मुताबिक पायलट की हालत स्थिर है. घटना की जांच के लिए एक बोर्ड ऑफ इंक्वायरी का गठन किया गया है. जानकारी के मुताबिक इस मिग 29के फाइटर जेट ने गोवा के आईएनएस हंस बेस से ही उड़ान भरी थी.

कब मिग 29के शामिल हुआ?

साल 2013 में मिग 29के फाइटर भारतीय नौसेना के जंगी बेड़े में शामिल किया गया था. भारत ने रूस से कुल 45 मिग 29के जेट्स का सौदा किया था. गोवा के आईएनएस हंस बेस पर इन मिग 29के फाइटर

जेट्स की ब्लैक पैंथर नाम की 303-स्कॉवड्रन है. इसीलिए इन जेट्स को ब्लैक पैंथर के नाम से भी जाना जाता है. ये ब्लैक पैंथर जेट्स नौसेना के एयरक्राफ्ट कैरियर, आईएनएस विक्रमादित्य पर देश की समुद्री सुरक्षा के लिए तैनात रहते हैं. हाल ही में स्वदेशी एयरक्राफ्ट कैरियर आईएऩएस विक्रांत की कोच्चि में कमीशनिंग के दौरान भी एक मिग 29के लड़ाकू विमान उसके फ्लाइट-डेक पर मौजूद था.

पहले भी हुआ है ऐसा

आपको बता दें कि पिछले चार सालों में गोवा में ये चौथा ऐसा मामला है, जब नौसेना का आधुनिक फाइटर जेट मिग 29के दुर्घटनाग्रस्त हुआ है. इससे पहले मार्च 2020 में भी एक मिग 29के समंदर में क्रैश हुआ था. उस दौरान भी पायलट ने एयरक्राफ्ट से कूद कर जान बचाई थी. साल 2019 में एक पक्षी से टकराने के कारण भी नौसेना का एक मिग 29के फाइटर जेट गोवा में आईएनएस हंस बेस के करीब दुर्घटनाग्रस्त हो गया था. जनवरी 2018 में भी लैंडिंग के दौरान आईएनएस हंस बेस पर ही एक मिग 29के एयरक्राफ्ट रनवे पर फिसलने के कारण दुर्घटनाग्रस्त हो गया था.

2018 में ही सीएजी ने मिग 29के लड़ाकू विमानों की ऑपरेशन्ल क्षमताओं पर बड़ा सवाल खड़ा किया था. यही वजह है कि भारतीय नौसेना अब अपने विमान वाहक युद्धपोत विक्रमादित्य और विक्रांत के लिए नए लड़ाकू विमानों की तलाश कर रही है. हाल ही में अमेरिका की बोइंग कंपनी के एफ-18 सुपर होरनेट और फ्रांस के राफेल (मेरीटाइम) ने गोवा में एयरक्राफ्ट कैरियर पर तैनात होने के लिए टेस्ट दिए थे. इन दोनों विमानों में से एक को भारतीय नौसेना मेरीटाइम सिक्योरिटी के लिए खरीद सकती है. https://www.abplive.com/news/india/another-mig-29k-of-indian-navy-crashed-near-goa-and-pilot-saved-his-life-ann-2236472

4. गोवा में समंदर के ऊपर क्रैश हुआ मिग-29, पायलट ने पानी में कूद कर बचाई जान *(hindi.indiaaheadnews.com)* October 12, 2022

गोवा में भारतीय नौसेना का मिग-29 लड़ाकू विमान अपनी नियमित उड़ान के दौरान क्रैश हो गया. जानकारी के मुताबिक विमान समंदर के ऊपर उड़ान भर रहा था, तभी उसके इंजन में तकनीकि खराबी आ गई. पायलट ने समंदर में कूद अपनी जान बचाई. पायलट को सुरक्षित रेस्क्यू कर लिया गया है और उसे अस्पताल में भर्ती में करा दिया गया है. वहीं नौसेना के अधिकारी अब हादसे की जांच में जुट गए हैं.

इस खबर में ये है खास

-तकनीकि खराबी से क्रैश हुआ विमान

-CAG रिपोर्ट में सामने आईं थीं खामियां

-जुलाई में मिग 21 विमान हुआ था क्रैश

-मिग 21 कहलाता है उड़ता ताबूत

-अरुणाचल में क्रैश हुआ चीता हेलीकॉप्टर

तकनीकि खराबी से क्रैश हुआ विमान

मिग-29 'के' फाइटर जेट के क्रैश होने के कारणों का पता लगाने के लिए बोर्ड ऑफ इंक्वायरी के आदेश दिए गए हैं. शुरुआती जानकारी के मुताबिक मिग-29K लड़ाकू विमान गोवा तट पर नियमित उड़ान के

दौरान बेस पर लौटते समय तकनीकी खराबी के कारण समुद्र में क्रैश हो गया. इस हादसे में विमान में सवार पायलट ने स्थिति नियंत्रण से बाहर होते देख समंदर में छलांग लगा दी थी, जिससे उसकी जान बच गई है.

CAG रिपोर्ट में सामने आईं थीं खामियां

भारत ने मिग 29 लड़ाकू विमानों को रूस से खरीदा है. भारत और रूस के बीच इस विमान का अपडेटेड विमानों को लेकर सौदा हो चुका है. अपडेटेड विमानों की सप्लाई 2023 से शुरू हो सकती है. वहीं पुराने विमानों में अब कई खामियां नजर आ रही हैं. 2016 में CAG ने अपनी रिपोर्ट में इस विमान की कई खामियों को उजागर किया था. CAG ने अपनी रिपोर्ट में कहा था कि भारत का मिग-29k के एयरफ्रेम, आरडी एमके-33 इंजन और फ्लाई बाय वायर सिस्टम से संबंधित समस्याओं से भरा हुआ है. रिपोर्ट में कहा गया था कि युद्धक विमानों की सर्विसेबिलिटी बेहद कम है.

जुलाई में मिग 21 विमान हुआ था क्रैश

इससे पहले 28 जुलाई को भारतीय वायुसेना का मिग 21 लड़ाकू विमान क्रैश हो गया था. इस हादसे में विमान के अंदर मौजूद दोनों पायलट शहीद हो गए थे. विमान बाड़मेर जिले के बायतु थाना क्षेत्र के भीमडा गांव में क्रैश हुआ था. इस घटना के बाद रक्षामंत्री राजनाथ सिंह ने भारतीय वायु सेना प्रमुख एयर चीफ मार्शल वीआर चौधरी से बात की थी. रक्षामंत्री ने वायुसेना प्रमुख से इस घटना की पूरी जानकारी ली थी. बता दें कि वायु सेना की रीढ़ माने जाते थे लेकिन ये विमान अब जंग और उड़ान दोनों में ही कमजोर हैं.

मिग 21 कहलाता है उड़ता ताबूत

जंग के मैदान में मिग-21 के सामने पाकिस्तानी सेना हमेशा दुम दबाकर भागी है. आलम ये है कि पाकिस्तानी सेना इसे आज भी 'जल्लाद' कहकर बुलाती है. हालांकि पिछले कुछ सालों से मिग 21 विमान से इतने ज्यादा हादसे हो चुके हैं, कि इसे अब उड़ता ताबूत कहा जाने लगा है. कभी कारगिल युद्ध में अहम भूमिका निभाने वाला ये विमान अब बूढा हो चुका है. पिछले 62 सालों में इस विमान से करीब 200 हादसे हो गए हैं.

अरुणाचल में क्रैश हुआ चीता हेलीकॉप्टर

हाल ही में अरुणाचल प्रदेश में वायुसेना का चीता हेलीकॉप्टर क्रैश हो गया था. इस हादसे में पायलट भी शहीद हो गया था. शहीद पायलट की पहचान लेफ्टिनेंट कर्नल सौरभ यादव के रूप में हुई. वहीं दूसरा पायलट भी बुरी तरह से जख्मी हुआ था, जिसे अस्पताल में भर्ती कराया गया था. इस हादसे के बाद चीता और चेतक हेलीकॉप्टरों को बूढ़ा बताकर बदलने की मांग तेज हो गई है. https://hindi.indiaaheadnews.com/india/mig-29-crashes-in-goa-the-pilot-saved-his-life-by-jumping-into-the-sea-water-237134/

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. Devolution to states: Tie it to topography *(financialexpress.com)* Bibek Debroy | October 13, 2022

Article 280 of the Constitution mentions Finance Commission (FC). There is a history behind evolution of federal finance. The obvious bit is Section 142 from Government of India Act

(1935). “Such sums as may be prescribed by His Majesty in Council shall be charged on the revenues of the Federation in each year as grants in aid of the revenues of such Provinces as His Majesty may determine to be in need of assistance, and different sums may be prescribed for different Provinces.” But there were reports too. To name three—Indian Financial Enquiry Report (Niemeyer Report, 1936), Krishnamachary Enquiry Committee Report (1948) and Committee on Financial Provisions of Union Constitution (Sarkar Committee, 1948). Why should Provinces need assistance? Equity is the idea. There is a basket of goods and services that should be delivered by the State. It is best not to call them public goods, since “public goods” have a specific meaning for economists and this basket has items that are typically collective private goods. Curlew Island is in Andaman and Nicobar Islands. Till 2011 Census, it had a population of two. Pulomilo Island, also in Andaman and Nicobar, had a population of twenty in 2011. At the time of elections, we read of astounding attempts made, so that voters in remote locations can vote. No one should be disenfranchised because of remoteness of location.

By the same token, a resident, regardless of location, must be entitled to that basket. Provinces, now states, can have differential sources of revenue. Alternatively, cost of delivering that basket may vary, across geographical zones. Over time, villages of course get depopulated. They are reclassified, get absorbed into larger agglomerations, or disappear because of migration. For instance, in 2021 Census, Curlew Island no longer has any inhabitants. Until then, the State cannot abdicate its responsibility of providing the basket. “It cannot be provided in such a remote location. Therefore, migrate.” That would be a most perverse argument. Migration is a voluntary decision, often driven by pull (and push) of economic forces. That voluntary decision cannot be replaced by fiat. Indeed, depopulation is not necessarily desirable. Think of remote villages, along the border, in Arunachal Pradesh. With China forcibly populating villages near the border, it is strategically important that our remote villages do not get depopulated. Indeed, in the last few years, physical and social infrastructure in remote and border areas have vastly improved, countering incentive to migrate. This brings us to the question of cost of delivering that physical and social infrastructure, the basket, and per capita, it is not uniform throughout the country. Union-state and intra-state devolution should be a function of that.

Computing these costs is no easy task. In 1936, Otto Niemeyer faced the same conundrum. He concluded, it would be fair to “fix the scale of distribution partly on residence and partly on population.” At best, these are surrogate indicators. The Union FC has a vertical task, dividing divisible pool between the Union government and states. It also has a horizontal task, dividing state share between different states. Accordingly, from 1st to 15th, FCs have adopted different formulae, with an attempt to also create incentives, by attaching weights to fiscal efficiency and even demographic performance. This leaves variables like population, geographical area, income distance, infrastructure distance and forest cover. To quote from 15th FC, “There are three broad approaches to measuring fiscal capacity for formula-based transfers: (a) expenditure equalisation based on needs/costs of public services; (b) revenue equalisation measured by the ability of the state to raise revenue from one or more sources; and (c) macro-indicators covering broader economic or non-economic indicators that approximate fiscal capacity where data constraints make it difficult to apply the other approaches.” Let’s think about (a), especially the costs part. Forest cover isn’t necessarily that, since there are positive externalities associated with forest cover and it is an end in itself.

Needs/costs are sought to be measured through geographical area and population, surrogate indicators that go back to Niemeyer. To quote from 15th FC, “The population of a State represents the needs of the State to undertake expenditure for providing services to its residents." "All Finance Commissions since the FC-X have used area as another criterion in the devolution formula on the ground of need—the larger the area, greater is the expenditure requirement for providing comparable services." But the point is this. The way I understand it, geographical area is the estimated area of a plane. It isn't topographical area.

Is it more expensive to deliver physical and social infrastructure on a level plain, or in a hilly area? Clearly, the latter. There is a ranking of states by geographical area. I haven't seen a similar calculation according to topographical area, though it is logically obvious there will be differences between the two. In this day and age, with improvements in information technology, can't we compute topographical area objectively and use that instead, as a better surrogate indicator? No FC has tried to do that yet, but that doesn't mean it can't be done. (Forest cover doesn't adequately capture topography.) If I have understood it right, Australia's National Productivity Commission seeks to measure topography. It's probably not used for fiscal devolution, as opposed to planning. However, this seems to be an idea worth toying with. Think of small villages in Arunachal Pradesh, at altitudes of more than 10,000 feet. https://www.financialexpress.com/opinion/devolution-to-states-tie-it-to-topography/2708628/

6. 13 major states have fiscal space for Rs 7.4 lakh crore capital spending in FY23: Icra *(telegraphindia.com)* October 12, 2022

'While the availability of funds doesn't appear to be a constraint in FY2023, the actual outgo incurred by these state governments in the early months of this fiscal has been rather muted'

As many as 13 major states, including West Bengal, Tamil Nadu and Gujarat, have a massive fiscal space of Rs 7.4 lakh crore for capital spending in the current fiscal, 81 per cent higher than the last fiscal, Icra said on Thursday.

The 13 states, having nearly 85 per cent share in India's GDP in 2020-21, had made a capital expenditure of Rs 4.1 lakh crore last fiscal. Their Budget estimate for capex spending this fiscal is Rs 5.8 lakh crore, the rating agency added.

The agency's analysis is based on 13 states - Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

"Icra estimates that the 13 state governments have the fiscal space to incur capital spending of as much as Rs 7.4 trillion in FY2023, rivalling the size of the GoI's capex budgeted for this fiscal. While the availability of funds doesn't appear to be a constraint in FY2023, the actual outgo incurred by these state governments in the early months of this fiscal has been rather muted," Icra Chief Economist Aditi Nayar said.

Icra estimates the combined revenue deficit of these 13 states will be at Rs 2.1 lakh crore, higher than the Rs 1.8 lakh crore budgeted.

While tax devolution as well as the goods and services tax (GST) compensation grants are likely to exceed the amount budgeted by the states in the sample in FY2023, this will not fully offset the estimated shortfall in other revenues and the projected higher-than-budgeted revenue expenditure in this fiscal, Icra said.

"We assess that Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal will have adequate resources to fully fund or exceed their budgeted capex for FY2023," Nayar said.

However, the fiscal space available for Haryana, Rajasthan, Kerala, Punjab, and Telangana appears to trail the capex budgeted for the current fiscal by a varying extent, suggesting that additional revenue mobilisation and/or expenditure efficiency measures may need to be found to boost capex, she added. https://www.telegraphindia.com/business/13-major-states-have-fiscal-space-for-rs-7-4-lakh-crore-capital-spending-in-fy23-icra/cid/1891793

7. India wants to end Rs 2 lakh crore worth of legacy tax disputes with a new commission *(cnbctv18.com)* October 12, 2022

In yet another move to end the legacy indirect tax disputes and unlock a substantial amount of dues stuck at various courts under litigation, the government has decided to provide a forum for defaulters to come clean and pay taxes.

According to senior government sources, the Central Board of Indirect taxes and customs (CBIC) has appointed four members to the Customs, Central Excise & Service Tax Settlement Commission.

“The commission is now empowered under law to waive fines and penalty and recover taxes with interest,” the sources added.

These special benches are now at Delhi, Mumbai, Chennai and Kolkata, and will start functioning on the legacy dispute matters very soon, sources said.

Under India’s indirect tax regime, over 16,000 show cause notices are pending with the Central Excise & Customs Duty, involving Rs 63,000 crore. There are nearly 2 lakh show cause notices pending as well for legacy service tax, involving Rs 1.14 lakh crore.

Experts said this provides the government's clear vision to end tax disputes and gives a much-needed platform to the industry and taxpayers to get their tax dispute settlements done

"This step by the government indicates that the intent is to bring down the tax disputes. The industry should critically evaluate their pending indirect tax litigations and use this as an opportunity to settle the old disputes," said Saurabh Agarwal, Tax Partner, EY.

Abhishek Jain, Tax Partner, KPMG, said: “Quick dispute resolution is a hallmark for ease of doing business in any country. With multiple SCN and disputes pending, it is a welcome move. Further, with disputed amount running in multiple crores and cashflow blocked on account of pre-deposits, easy resolution mechanism entails a win-win situation for both Government and the businesses.”

"For this to be more effective, perhaps a power of interest waiver can also be considered, subject to safeguards as in many cases the amount of interest could be more than the tax demand. Separately, it may be a good idea to explore a one time dispute settlement scheme under GST as well as it has now completed five years and industry took time to settle into the new regime," said Pratik Jain, Partner, Pricewaterhouse & Co LLP. https://www.cnbctv18.com/finance/tax-legacy-tax-dispute-india-wants-to-end-rs-2-lakh-crore-sets-up-new-commission-14928511.htm

8. Govt clears Rs 22,000 crore grant to 3 oil PSUs to cover LPG losses *(indianexpress.com)* October 12, 2022

THE CABINET on Wednesday approved a one-time grant of Rs 22,000 crore to three state-owned fuel companies to cover their losses incurred over selling cooking gas LPG below cost over the past two years.

The three firms – Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) – sell domestic LPG at government-regulated prices to consumers. The grant will be for the losses they incurred on selling LPG below cost to consumers from June 2020 to June 2022.

“This decision will help the PSUs to continue their commitment to the Atmanirbhar Bharat Abhiyaan, ensuring unhindered domestic LPG supplies and also supporting the procurement of Make in India products,” an official statement said.

International prices of LPG rose by around 300 per cent from June 2020 to June 2022, the government said.

“To insulate consumers from fluctuations in international LPG prices, the cost increase was not fully passed on to consumers of domestic LPG,” Anurag Thakur, Information and Broadcasting Minister, told reporters after the Cabinet meeting.

Accordingly, domestic LPG prices have risen by only 72 per cent during this period, it said adding this led to significant losses for the three firms.

“Despite these losses, the three PSU oil marketing companies have ensured continuous supplies of this essential cooking fuel in the country. The government has therefore decided to give a one-time grant… for these losses in domestic LPG,” an official statement said. https://indianexpress.com/article/india/govt-clears-rs-22000-crore-grant-to-3-oil-psus-to-cover-lpg-losses-8205171/

9. Centralisation, no Public Representation Plague Smart Cities Mission after 7 Years *(newsclick.in)* October 13, 2022

The Centre had committed Rs 48,000 crore for the mission but only Rs 41,544 crore was allocated till the end of the last financial year.

The Narendra Modi government launched the Smart Cities Mission (SCM) in June 2015 to create 100 smart cities that provide “core infrastructure” and a “decent quality of life” to citizens. Other features of smart cities were listed as “sustainable environment and application of the smart solution”.

The project, which was supposed to be completed by 2020 but was extended by two years due to the pandemic, has been given another extension till 2023.

Delhi-based think tank Centre for Financial Accountability analysed and studied the project and recently published a report. Newsclick spoke with Gaurav Dwivedi and Kenneth Gomes, who worked extensively to produce the report.

What was the key idea behind the Smart Cities Mission?

Gaurav Dwivedi: The mission is part of the larger process of reforms in urban areas that started post-90s. In the early 2000s, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a set of pre-set format reforms for urban local bodies, was launched. Though the 74th Constitutional Amendment Act, 1992, established a mandate for decentralising powers to urban local bodies, decentralisation is not complete—for example, they lack financial power.

SCM, which is a continuance of the reforms, includes the implementation of public-private partnerships (PPP) in public services, like transport, water supply sanitation, street lights and many other things. Under JNNURM, special-purpose vehicles (SPVs) which were separate from the municipal bodies managed such public services.

SCM has taken it a step further with an SPV, a limited liability company, handling the entire planning, design, execution and financing of public service projects in every city. Therefore, the mission continues the earlier reform process by implementing market principles and privatisation reduces the government's role in providing public services.

It has been seven years since the mission was launched. Where does it stand today? What does your analysis of the project show?

Gaurav: This mission was launched in phases—20 cities were selected in round one, another 20 in round two, followed by a fast-track round. By 2017, all 100 cities were selected. Meanwhile, the pandemic struck in 2020 and the project was disrupted.

We had a lot of hope from the mission because of the technology-based programme and its high-profile nature. But after seven years, the data we collected is not encouraging in terms of project implementation, budget utilisation and the performance of cities.

Apparently, most powers of urban local bodies have shifted from municipal corporations to smart city companies, which are making a majority of policy decisions in terms of project implementation, who benefits, where the money comes from, who's being charged and who pays for it. They work on the PPP model. Though some public officials are on the boards of these firms, the government faces more risks and the companies earn profit since they function in limited liability mode.

Besides, the CEOs of these companies directly report to the ministry of urban development. Therefore, the process is becoming more centralised instead of getting decentralised. The Centre directly controls and dictates what happens at the urban municipality level.

It also means that the powers of municipal corporations and councillors have been reduced. The decision-making powers of municipal corporation assemblies and their debates and discussions on public welfare issues at every ward and mohalla are actually declining.

The mission proposed to set up a citizen advisory forum, a sort of parallel kind of forum in municipal corporations. But we found that very few cities have such citizen advisory forms, which are not inclusive at all—they lack the wider representation that different sections of society deserve. Therefore, urban local bodies are being controlled and have a very selective representation.

Kenneth Gomes: The data revealed that only 51.4% of the project has been completed. Utilisation of funds released to the SPVs is between 30%-35%. The Centre had committed Rs 48,000 crore for these 100 cities, meaning every city received Rs 488 crore on average. However, a review of the data shows that Rs 41,544 crore was allocated till the end of the last financial year. What is worse is that the actual expenditure till 2022 comes down to Rs 28,326 crore—a huge deviation of 40.9%.

Another noticeable point is that when the project's deadline was extended citing COVID-19 as the reason, the 2021 demands for grant reports pointed out that there was a huge difference between actual and revised estimates even in the 2019-20 financial year.

The situation is worse when the cities are compared with Varanasi utilising more than 80% of the funds while others not even 10%.

Who are the other stakeholders of the project?

Gaurav: Since this is primarily a tech-driven project, technology companies like IBM, Cisco, Siemens, Phillips, among others are driving this 'smart kind of concept'. Besides, there are construction companies interested in building infrastructure, like flyovers. Of course, states and the Centre have a huge stake because it's their baby. At the local level, a lot of private companies are a big part of the mission.

Every smart city proposal was prepared by consultants. For example, in Bhopal, TCS prepared the proposal and was paid in crores. Besides, there are different companies for road networks, solid waste management, etc.

But public representation is missing. There is no consultation or debate. It is a corporate-driven project.

Your report cites many loopholes and issues in the project. Could you list the top three?

Gaurav: The first is the straitjacket approach. One cannot have NDMC and Bhagalpur on the same platform. Small-town local bodies don't have the kind of budget and resources of NDMC or BMC. Therefore, the results are going to be different. This is a very flawed approach.

Second, money alone cannot sustain the project without building a capable system. It is designed to fail.

Third, the Centre should have played a more proactive role in supporting small corporations by bringing in more money. People and even political parties lack sufficient representation.

Kenneth: Another issue is all this instant infrastructure will need maintenance; it's not clear who will maintain it. A big loophole in the mission is not addressing the concerns post-implementation. There is not enough clarity on the smart cities companies after the project's completion. Besides, it seems that the public was not consulted properly about the kind of infrastructure it needs. Ultimately, people will pay for the maintenance of the infrastructure.

What should have been the process to implement the mission?

Gaurav: Primarily, the government should have discussed the project with local communities—for example, what is their priority and what is going to benefit them? It can range from a very small water supply project to a light project. Building high towers cannot be the priority of each city.

Second, discussions with political leaders of a specific area should have been held. Political representation would have given a voice to marginalised communities.

Third, it's better to strengthen the municipal corporation and let them implement projects instead of opting for privatisation. The government already has a decentralised structure which has been functioning pretty all right for the last many years. We should strengthen them instead of creating parallel structures. That would have been much more beneficial. https://www.newsclick.in/Centralisation-Public-Representation-Plague-Smart-Cities-Mission-7-Years

10. Covid-19 pandemic underscores role of MGNREGA as safety net despite shortcomings: Study *(indianexpress.com)* Updated: October 13, 2022

About 39 per cent of all job card-holding households interested in working under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 did not get a single day of work in the Covid year of 2020-21, revealed a survey conducted by Bengaluru's Azim Premji University in partnership with the National Consortium of Civil Society Organisations on NREGA and Collaborative Research and Dissemination (CORD) in November-December 2021 in the states of Karnataka, Maharashtra, Madhya Pradesh and Bihar.

The survey was conducted in 2,000 households across eight blocks in Phulparas (Madhubani) and Chhatapur (Supaul) in Bihar, Bidar (Bidar) and Devadurga (Raichur) in Karnataka, Khalwa (Khandwa) and Ghatigaon (Gwalior) in Madhya Pradesh, and Wardha (Wardha) and Surgana (Nashik) in Maharashtra.

The key findings of this survey were released on October 13.

"Our study shows how much the workers value the need and utility of MGNREGA. More than 8 out of 10 households recommended that MGNREGA should provide 100 days of employment per person per year. We also find a massive extent of underfunding. A conservative estimate yields that the allocations in the surveyed blocks should have been three times the amount that was actually allocated in the year after lockdown to fulfill the true extent of work demand," said Rajendran Narayanan, co-author of the study and a faculty member at Azim Premji University.

Ashwini Kulkarni of the NREGA Consortium said "one of the objectives of MGNREGA is as a social protection measure during distress times". "Covid Pandemic, lockdown created unprecedented distress and MGNREGA, as expected, rose to the need and provided work for many more villages and many more households than in the preceding years. MGNREGA's role for reducing vulnerability has been reemphasized and continues to be of vital importance in post-pandemic times. We as Civil Society Organizations have the responsibility to convey voices of the people to the policy makers to fine tune the implementation process, this report is an effort in this regard," he added.

"Across all blocks, roughly 39 per cent of all the job card holding households interested in working in MGNREGA in the Covid year could not get a single day of work while they wanted 77 days of work on average. As per the MGNREGA Management Information System (MIS), the total amount spent on labour in the surveyed blocks in the Covid year (FY 2020-21) was Rs 152.68 crores. As per our conservative estimate, to fulfill the true demand for work in these blocks, the allocated labour budget should have been Rs 474.27 crores, i.e., more than 3 times the amount actually spent on wages," said one of the key findings of the study.

"The most frequently mentioned reason for not getting as much work as needed, across all blocks, was lack of adequate works being sanctioned/opened. On average, 63% of all job card holding households cited this reason in the surveyed blocks. On average, only 36% of all households that worked in the Covid year got their wages within 15 days. For households who found work in both the periods (pre-Covid and Covid), increased earnings from MGNREGA were able to compensate for somewhere between 20 to 80 percent of income loss depending on the block. For households who had not worked in the pre-Covid year but did find work during the Covid year, we find that MGNREGA earnings compensated for anywhere between 20% and 100% of income lost from other sources," the study said.

"More than 8 in 10 households recommended that MGNREGA should be 100 days per person per year and 3 out of 5 households said that MGNREGA contributed positively to overall development in their village. Despite low wages and payment delays, MGNREGA clearly made a difference during the pandemic, insuring some of the most vulnerable households against income losses. But it fell quite a bit short of fully protecting households either because it did not meet their demand or completely excluded them from the programme," the study added.

Recommending massive expansion of the programme to deal with high work demand, the study also the government should ensure that computerised receipts are given to the workers for work demanded.

"Update job cards with work done, wages earned etc. In addition to manual updating of information on job cards, equip each panchayat to a job card printing facility similar to passbook updation facilities in banks. Ensure that wage slips with details of wages and work details are printed and provided to workers after Funds transfer orders are generated. Prominently display a 'Know Your Rights (KYR)' concerning MGNREGA and banking rights in public places," the study recommended.

"Ensure that the GPs (gram panchayats) get funds in advance and have more authority in sanctioning works. This will ensure that the mandate of the 73rd constitutional amendment is honoured and work is available on demand. Ensure that social audits are strengthened with timely and adequate funds. Bring every agency involved, including payment intermediaries like NCPI (National Payments Corporation of India), banks, UIDAI (Unique Identification Authority of India) etc. within the ambit of social audits with clear penalty norms in case of violations," said the recommendations of the authors to the government. https://indianexpress.com/article/cities/bangalore/mgnrega-covid-pandemic-azim-premji-study-8206159/

11. India's debt ratio projected to be 84% of its GDP: IMF *(businesstoday.in)* October 12, 2022

India's debt ratio is projected to be 84 per cent of its GDP by the end of 2022, which is higher than many emerging economies, but its debt is a little bit easier to sustain, a senior IMF official has said.

Stressing that it is important for India to now have a very clear medium-term objective on the fiscal, Paolo Mauro, Deputy Director, Fiscal Affairs Department, International Monetary Fund, said there's still not a whole lot of clarity on the fiscal anchor.

"It would be very important to give reassurance to people and to investors that things are under control, and things are going to become less vulnerable over time," Mauro, told PTI in an interview.

"In terms of the debt ratio, India right now at the end of 2022, we're projecting it at about 84 per cent of GDP. That is higher than in many emerging economies, he said.

Of course, India has a lot of special features being the most populous country in the world by now and being a very large, emerging economy, he said.

The other things that are special in a way or distinctive compared with other emerging economies are that most of India's debt is in non-indexed domestic currency and there's a large investor base from India. So those are good features to have and that's what makes this debt a little bit easier to sustain, Mauro said.

Having said that, the rollover, the necessity to borrow every year is very significant. It's about 15 per cent of the GDP, he said.

"So, in some ways, the debt vulnerabilities are something that one needs to keep an eye on and be mindful of the fiscal deficit, he said.

He noted that the fiscal deficit is about 10 per cent of the GDP right now.

That is quite a bit higher than in most emerging economies. About six-and-a-half per cent of the GDP is from the central government the rest is from the states, he said.

"I think, given the global conjuncture and country-specific circumstances, inflation is a little bit on the high side... looking at all of those things, it makes sense to reduce the deficit, and to bring down the debt gradually over time, Mauro said.

Another good thing for India is that growth is traditionally very high.

"That helps maintain that ratio at a stable level, maybe even bring it down if growth continues to be very strong. But without a reduction in the fiscal deficit, it would be difficult to, on the one hand, keep inflation in check and on the other hand, also reduce the debt ratio, he said.

Mauro said that it was necessary to reduce the deficit as well.

According to official data released last month, the central government's fiscal deficit touched 32.6 per cent of the annual target in the current financial year till August as against 31.1 per cent recorded a year ago.

In actual terms, the fiscal deficit -- the difference between expenditure and revenue --- was Rs 5,41,601 crore during the April-August period of this financial year.

Responding to a question, Mauro said India has a very good information system that allows better distribution of cash transfers than in many other countries, including some advanced economies.

One area where I would recommend a reform would be for example, the fuel taxes, he said. It would be advisable for the fuel excise tax cuts to be reversed, he added.

Fuel taxes were reduced for everybody. The gains tend to go particularly to people who have cars, who are not necessarily the poor, they're people who can afford the car just to give one example. So, I would say lifting those reductions to the taxation on fuel would be something that I would advise, he said.

Emphasising fiscal transparency, Mauro said beyond clarifying what broad fiscal objectives are, it's also important to provide information to people where the government is spending the money, how much revenues are they collecting in a simple way so that people can get a sense of what's going on.

"So fiscal transparency is an area where further progress would be helpful, he said. https://www.businesstoday.in/latest/economy/story/indias-debt-ratio-projected-to-be-84-of-its-gdp-imf-349653-2022-10-12

12. India's Direct Benefit Transfer get global laurels; IMF calls it 'logistical marvel', reveals striking factor *(financialexpress.com)* October 13, 2022

The IMF has described India's deployment of a direct cash transfer scheme and other similar social welfare programmes as a "logistical marvel", saying there is a lot to learn from the country which is one of the most inspiring examples of the application of technology to solve complicated issues. The aim of DBT (Direct Benefit Transfer) is to transfer the benefits and subsidies of various social welfare schemes directly in the bank account of the beneficiary on time by bringing efficiency, effectiveness, transparency and also to eliminate the intermediary body.

According to the government data, more than Rs 24.8 lakh crore has been transferred through Direct Benefit Transfer (DBT) mode since 2013, Rs 6.3 lakh crore in the financial year 2021-22 alone; on an average over 90 lakh DBT payments are processed daily as per data of FY22. "From India, there is a lot to learn. There is a lot to learn from some other examples around the world. We have examples from pretty much every continent and every level of income. If I look at the case of India, it is actually quite impressive," Paolo Mauro, Deputy Director of the Fiscal Affairs Department at the IMF, told reporters here on Wednesday.

"In fact, just because of the sheer size of the country, it is a logistical marvel how these programmes that seek to help people who are at low-income levels reach literally hundreds of millions of people," he said in response to a question on the impressive direct cash transfer programme being successfully implemented by the Indian government. There are programmes that target specifically women. There are programmes that target the elderly and farmers. Perhaps the interesting part is that in these examples, there is a lot of technological innovation, he said. "In the case of India, one thing that is striking is the use of the unique identification system, the Aadhaar," Mauro said.

"But in other countries, also, there is greater use of sending money through mobile banking to people who actually do not have a whole lot of money, but they have a cell phone," Mauro said. "So being somewhat innovative in identifying people, in processing their applications for transfers through digital means, deploying funds through, again, mobile banking. This is something that countries can learn from each other. We also try here to be a little bit of a convening place where people can compare these types of experiences," he said.

Observing that the IMF is collaborating with India on the application of new technologies, Vitor Gaspar, Director of the Fiscal Affairs Department, said that India is "one of the most inspiring examples of the application of technology to solve very complicated issues of targeting support to the people who need it most". The IMF has also been working with many African countries in the area of government technology. "And also in Africa, there are very many examples of innovation, which is relevant and inspiring as well. So, the exchange of experiences that Paolo was talking about is something that we are trying to organise, and the amount of learning that can take place is actually quite surprising. There is a lot going on in India, in Africa, and in other parts of the world," Gaspar said. https://www.financialexpress.com/economy/indias-direct-benefit-transfer-get-global-laurels-imf-calls-it-logistical-marvel-reveals-striking-factor/2709056/

13. Digitisation a game changer for Indian economy, says IMF chief economist *(business-standard.com)* October 13, 2022

Applauding India's digitisation efforts, the chief economist of the International Monetary Fund (IMF) on Wednesday said the move was a game changer as it had allowed the Indian government to do things that would have been extremely difficult otherwise.

"Digitisation is helping along a number of dimensions. One is financial inclusion, obviously because there are a lot of people in countries like India that were unbanked. And having access to digital wallets is a way in which they can enter into transactions that are not just cash transactions, which are very inefficient," Pierre-Olivier Gourinchas, the chief economist of IMF, told PTI in an interview in response to a question about India's digitisation efforts.

"I think it (digitization) has allowed the (Indian) government to do things that would have been extremely difficult to do otherwise. Yes (it is a game changer). It is certainly something that is a very welcome development, Gourinchas suggested.

So that's a huge plus in terms of bringing people into a more modern economy. That's a factor for growth, he said, adding that your market becomes very different if you are plugged into this digital instrument.

The second one which I think has also been important in the case of India is these digital instruments also allow governments to reach and disburse systems in ways that are much harder to do sometimes with some of the regular pipes of the safety net, he said.

One of the lessons we've learned from both the pandemic and we're learning it again with the energy crisis, is how can we provide the assistance where it's needed. Because it's enormously costly to just have a blanket policy that is going to cover everyone, he said.

Most people don't necessarily need this and most businesses may not need it. But sometimes it has to be done that way because that's the only way it can be done, he added.

Digitisation offers the promise of more targeted assistance when it's needed. That is potentially a game changer because it means that now policy can be more nimble. It can have less of an impact on sort of the overall fiscal stance. So, more protection, more insurance can be provided, Gourinchas said.

That's also a very important factor for supporting the economy and helping it rebound when it's done. There's going to be shocks of all kinds of things happening and it offers this possibility for something that is much more agile and targeted, he said in response to a question. https://www.business-standard.com/article/economy-policy/digitisation-a-game-changer-for-indian-economy-says-imf-chief-economist-122101300080_1.html

14. RBI missing its inflation projection over last 2.5 years, say economists: Report *(hindustantimes.com)* Oct 13, 2022

India's central bank has been consistently missing its inflation projections over the last two and half years mainly due to extreme weather conditions that drove up food prices, economists said on Thursday.

Inflation has been above the RBI's quarterly projections in the bi-annual monetary policy report (MPR) in eight out of the last 10 quarters until September, while retail price rise exceeded the 4%-6% mandated target band since January.

RBI's inflation projections in the MPR are based on its economic model but the extreme weather conditions have made food price volatility hard to predict, said economists.

"There are extreme weather conditions globally and domestically, which is really causing a lot of volatility to perishable food items," said Upasna Bhardwaj, senior economist at Kotak Mahindra Bank.

"So, to that extent, it is becoming increasingly difficult to capture food inflation beyond immediate near-term."

"Particularly in India, monsoon has a role to play. If rice producing states don't receive up to the mark rainfall, it can cause inflation to grow...and those are hard things to predict," said Disha Sahgal, an economist and country risk manager with ANZ.

India's retail inflation accelerated in September to a five-month high of 7.41%, data showed on Wednesday, as annual food prices surged to a two-year high of 8.60%, on the back of continually growing cereal prices.

However, the RBI's monetary policy committee does take into account near-term price pressures when it announces its quarterly projections, and the revised projections by the MPC have been closer to actual numbers due to constant revisions.

"War-induced price pressures as well as domestic supply shocks turned out to be stronger and more persistent than anticipated, resulting in actual inflation exceeding projections by around 100 bps each in Q1 and Q2 (of FY23)," the RBI said in its latest MPR published on Sept. 30.

It added that a large part of the surprise increase came from food inflation due to global factors, while heat wave and depreciation in the rupee were also responsible for the projection errors.

In the past two years, black swan events like the COVID-19 pandemic and the Ukraine-Russia war had overall made mathematical forecasting difficult, resulting in actual inflation overshooting the prediction, economists said.

The extreme volatility has raised the need for a rejig of inflation modelling.

There are multiple models that can factor in volatility like the ones seen in food prices this year, Kotak's Bhardwaj said.

"But at some point, a reworking may be required to make them more dynamic." https://www.hindustantimes.com/business/rbi-missing-its-inflation-projection-over-last-2-5-years-say-economists-report-101665650755824.html

15. India's Rocket Artillery Force: Endeavour in self reliance *(financialexpress.com)* Published: Oct 12, 2022

To replace the BM-21 Grad India's Defence Research and Development Organization (DRDO) toiled hard to develop the indigenous Pinaka Multi Barrel rocket launcher (MBRL) based on an 8×8 vehicle. Pinaka is a comprehensive system that integrates high energy propulsion, submunition warheads, servo- controlled launcher structure as well as fire control computer.

At the macro level, every single conflict is about the attrition of the opponents' field forces, war-making capability, and/or will to fight. In order to attain a position of advantage created by way of attrition; one must be able to impact the enemy without incurring greater losses, frequently by using weapons with greater stand-off ranges to protect friendly forces.

The Indian Army's conventional infantry forces will have to fight against enemy forces in a linear fashion. Therefore, they are subject to topography and the consequences that weather, geographical and man-made obstacles, and canalization have on the landscape. Due to their inherent closeness to hostile forces, infantry forces are also exposed to attrition by unrelenting indirect fire from cannons, rockets, mortars, and missiles that are designed to utilize stand- off ranges to their advantage. For these reasons, infantry forces care more about these indirect fire dangers than they do about an adversary's war-making capability.

This is where rocket artillery comes in. Rocket artillery does not exactly assist the fighting directly. Rocket artillery is Army/Corps/Division resources that are deployed far from the frontlines for counter-battery duties. i.e., when an enemy artillery fires, the blue force artillery radar will track the trajectory of the artillery round and ascertain the approximate location of the enemy artillery. The friendly rocket artillery will then be delivered to the location and they will fire their rockets to overwhelm the area. In contemporary warfare troops and hardware never assembled in one place near the frontline. Artillery, armoured vehicles and infantry, air defence, are positioned at a distance from each other.

The Indian Army has a long history of using rocket artillery. The Indian Army had the 62xBM-30 Smerch systems and the BM-21 Grad launchers. Both these MLRS systems are of Russian origin. While the Grad lacks the range in terms of anti armour guided weapons it does have the ability to deliver much more top attack munitions per load than Smerch, but launches them over shorter range.

To replace the BM-21 Grad India's Defence Research and Development Organization (DRDO) toiled hard to develop the indigenous Pinaka Multi Barrel rocket launcher (MBRL) based on an 8×8 vehicle. Pinaka is a comprehensive system that integrates high energy propulsion, submunition warheads, servo- controlled launcher structure as well as fire control computer. Pinaka Incorporate State-of-the-art technologies for providing superior combat performance. Pinaka proved its combat capabilities during the Kargil conflict in June 1999.

Each Pinaka battery is composed of six launcher vehicles, six loader- cum replenishment vehicles and two command post vehicles. Every launcher vehicle carries two pods that accommodate a total of 12 rockets. Each Pinaka rocket can carry a 100 kg payload for a range of 40 km. A solitaryPinaka battery can neutralize a surface area of 700m x 500m. Upcoming rockets of the Pinaka system will have a much greater range.

A salient aspect of the Pinaka MBRL is that it continues to evolve and can therefore be upgraded to fire a variety of new rockets. Some of the new rockets that DRDO should consider developing are:

(1) A new 200km range rocket for the Pinaka that can hit in one salvo a cluster of targets at a major distance from each other, as they concurrently launch projectiles separate in flight, each corresponding to its input GPS-based target data. The upgraded Pinaka system should be able to automatically obtain and process information from drones or reconnaissance vehicles; it does not need to be keyed by the operator. With a 200km range this rocket can effectively carry out Suppression of Enemy Air Defenses(SEAD) operations because several ground-based radars are in that range.

(2) Taking a leaf out of the SA-6 SAM complex that employs a rocket booster as a combustion chamber for a ramjet, the DRDO can develop a ramjet powered rocket. A ramjet can be 3D printed quite quickly. This ramjet powered rocket could fly for a couple of minutes at low power settings that just remove drag and let it cruise along for huge distances, or it could run for a shorter phase with a higher thrust setting, permitting it to climb and move relatively fast at higher altitudes.

(3) Rocket tube launched drone. Having a rocket tube launched drone means the Indian Army will not have to depend on a separate recon unit to locate targets or support their operations. Much of the time the Indian Army's artillery force will work along with recon and intel forces which probably will have their own drones that will search for and find appropriate targets for the rocket artillery battery and then after a first rocket attack the drone can observe the results and calculate if another attack is needed or not.

Pinaka MBRL will be extremely effective in any border conflict against China or Pakistan in targeting armoured formations. The adversary's armoured vehicles can button up and drive through rocket artillery fire but as soon as they button up, their ability to see diminishes to a large extent. And as they drive through the artillery fire, there is a high chance they will have firepower and mobility damage or that the formation will alter its direction of attack. The results are interruption and suppression of armour. By far, perhaps the most important factor is production of these rockets. Over the years the production of Pinaka rockets has increased. With two active defence corridors in Uttar Pradesh and Tamil Nadu and an increase in the participation of the Indian private sector in the defence industry there is every reason to believe that the volume of production will increase going forward. https://www.financialexpress.com/defence/indias-rocket-artillery-force-endeavor-in-self-reliance/2708498/

16. India's White Revolution Runs into Fodder Problem *(newsclick.in)* 13 Oct 2022

Milk and meat production suffer gravely in India due to the poor quality and chronic under-availability of fodder. There are solutions, but is anybody listening?

India has a fodder problem and the fate of over thirty crore cattle hangs by a thread, as fodder prices sharply increase and rumours of worsening shortages spread like wildfire in the farms. The government held emergency meetings in which it declared there are "no shortages", but it is an open secret that India has a significant chronic fodder deficit. Typically, the shortfall is about 11-12% for dry fodder, 25-30% for green fodder, and 36% for concentrated fodder. As a result, meat and milk production gravely suffer. But what is the situation this year?

Cattle reeling under the lumpy skin disease have sent milk production plummeting, along with the earnings of those who rear them. Now, fodder prices have risen from Rajasthan to Bengal. Going by the government's recent estimation, dry fodder prices rose to Rs. 8-14 per kg from Rs. 5-6 last year.

Major cattle-rearing states have reported over 200% increases in fodder prices. It is during the harvest season that fodder is usually available aplenty, and prices can fall to around Rs. 3-4 per kg. Currently, in many places, it is selling at over Rs. 10 per kg in unprocessed form. Even dairy operations, especially in the small and unorganised sector, are suffering due to sudden spikes in fodder prices.

Feed and fodder contribute half or more to the cost of milk. Further, in India, improving fodder quality can enhance milk production and quality more than breed improvement. So, the higher fodder prices get, the costlier milk and derivates will get, while the average yield of Indian animal breeds would remain lower than globally.

In Gujarat, home to India's largest dairy cooperative Amul, the bulk rate for jowar [sorghum], wheat straw and dried bajra [pearl millet] is over Rs. 15 per kg. When contacted, cattle farmers in Bikaner, Rajasthan, said they are able to procure as much fodder as they need—but only at sharply escalated prices. In May and June, there were serious concerns about shortages, but a spell or two of rainfall boosted the green fodder supply. The wheat under cultivation in Bikaner was already low this sowing season because many farmers preferred to sow higher-earning mustard. Therefore, in summer, Bikaner (and other parts of North India) had the classic conditions of fewer (than even the usual) supplies, leading to a price rise in the main crop as well as its offshoot—fodder.

The pressure on cow shelters and cattle farmers started amping up in the summer—farmers began to struggle to find fodder that met both the crucial needs of a steady supply and a reasonable cost.

Anurag Saxena, who looks after fodder production at the National Dairy Research Institute (NDRI), run by the autonomous government agency Indian Agriculture Research Institute (IARI) says, "The per quintal price of dry fodder has reached Rs. 1,800 this season, which very high. This is a result of the heat waves in March and April, which devastated the standing wheat crop. The market had less wheat stock, which led to price inflation."

"Wheat production in Punjab, Haryana and Uttar Pradesh was impacted during Rabi season 2022. And now, due to irregular rain, the berseem [Egyptian clover] crop has also suffered. Other dry crops such as bajra, and fodder crops have also taken a hit," Saxena says.

In Jhansi, Uttar Pradesh, Dr Purushottam Sharma, the head and principal scientist of livestock production and management at the Indian Grassland and Fodder Research Institute (IGFRI), another IARI body, says, "There is a huge price rise when it comes to fodder. From the usual Rs. 1,000 per quintal, now it is more than Rs. 1,500 per quintal. Now due to ongoing rains, the green fodder crops are also affected. Excessive rainfall has damaged crops. For example, untimely rainfall has badly affected legume crops in the Bundelkhand region. Dry fodder crops such as Bajra, pulses, etc., are also affected."

Reports from across North India make it clear the fodder problem in 2022 also has a climate change angle. Untimely rain and heatwaves disrupted the fodder economy—an already deficit supply was further hampered, leading to price escalation. However, do Indian policymakers have a solution to the looming fodder deficits and inflations? Let us find out.

Fodder Solution

Fodder usually falls under the ambit of state governments. The IGFRI has put in the public domain State-wise plans for fodder management and supply. "But if States adopt multi-cropping along with perennial grass and fast-regrowing fodder, India could easily fill the gaps in shortages," says Dr Sharma.

But Dr Saxena presents the reality check, "Food grains are the top priority for farmers. Fertile land is shrinking, while the population pressure is increasing. This situation makes fodder the last priority. That's why we can only raise fodder production through price controls and support for farmers."

Historical reasons are important here: the Green Revolution varieties of food crops diminished fodder availability. No doubt, fodder development has advanced too, but pre-green revolution paddy and wheat varieties had longer edible stocks, which were used as fodder, after the grain was threshed. Newer varieties are aimed at higher grain production, and hence have shorter inedible stocks, especially in paddy. At any rate, fodder crops now require to be grown in separate areas. Our current agricultural thinking only feeds humans and leaves the animals needs behind.

Zoom out to the national level, and harnessing the full potential of milk and meat production is still a far cry. And it would be impossible without setting up an authority dedicated to fodder management, along the lines of the Food Corporation of India. State-wise, farmers must be encouraged to grow fodder, green and dry, which can be transported for consumption in other regions. An introduction of minimum support price or MSP for fodder, accompanied by public procurement of crops that yield fodder, such as bajra, pulses, berseem, etc. could help fill the immediate gaps.

Experts advise caution in managing supplies and production. They say it would be essential to create fodder-producing clusters and FPOs backed by financial incentives. Climate change impact and seasonal lulls in supply and demand mean that better management techniques are as important as raising production. A fodder authority could establish village-based centres, especially in dry areas of Rajasthan and Gujarat, etc., to provide fodder at regulated rates. A network of fodder mandis (market yards) needs to be created in the major cattle-rearing states.

The central government has been mapping the cattle population through a tagging system—think of it as an Aadhaar card for cows—but what we need is fair-priced fodder for livestock on a mass basis, not policing of cow populations and consumption habits. States need emergency supplies and stockyards for fodder, which can be converted into silage (preserved fodder) and stored for future use. And last but not least, the Union budget 2022-23 made a Rs. 8,514 crore allocation for agriculture research, the same as the revised estimate in 2021-22, marking a 0% hike. Indeed, the Indian Council for Agricultural Research got the largest chunk of this allocation—Rs. 5,877 crore, up roughly Rs. 315 crore from the previous year. Most of this money goes to paying salaries and continuing older projects.

Fodder research in the light of climate change is essential too. India must devote more resources to climate adaptation strategies for fodder crops. Else, the while revolution may die a sad unprofitable death. https://www.newsclick.in/india-white-revolution-runs-fodder-problem

17. After ₹100-cr NGT rap, Ludhiana MC floats tender to dispose of 19 lakh MT legacy waste *(hindustantimes.com)* Published: Oct 13, 2022

Two months after the National Green Tribunal slapped it with a ₹100-crore penalty, the municipal corporation (MC) has finally floated a tender for bio-remediation (disposal) of around 19 lakh metric tonnes of legacy waste in the city.

An MC official, who did not wish to be named, said, “Around 24 lakh metric tonnes of legacy waste has accumulated at the main dump on Tajpur Road. We have already awarded a ₹28-crore contract to dispose of 5 lakh metric tonne of waste under the Smart City Mission. Now, tenders have been floated to a hire contractor for processing the remaining garbage.”

MC commissioner Shena Aggarwal said, “The process to dispose of 5 lakh metric tonnes of waste under the first phase is likely to start by October 20. Eventually, all legacy waste will be disposed of.”

As per the tender notice, contractors can submit their bids till November 10, after which the project will be awarded to the lowest bidder with the requisite technical expertise.

The garbage mountain at Tajpur Road is a ticking bomb with frequent fires being reported at the dump due to heat and the generation of highly combustible methane gas. Apart from the fire risk, residents living near the dump have also complained of breathing issues and respiratory ailments.

Spread across 49 acres, the Tajpur Road dump receives around 1,100 metric tonnes of waste each day. Recently, the state government had approved over ₹100 crore for the MC under the Swachh Bharat Mission to streamline solid waste management.

In figures

Legacy waste at the dump: 24 lakh metric tonnes

Waste to be treated in Phase 1: 5 lakh metric tonne

Daily waste production: 1,100 metric tonnes

Area under the dump: 49 acres

Funds allotted under Swachh Bharat Mission : ₹100 crore

Last day to apply for tender: November 10

What is bio-remediation?

Bioremediation is a waste management technique, which involves the use of organisms to remove or utilise pollutants. https://www.hindustantimes.com/cities/chandigarh-news/after-100-cr-ngt-rap-ludhiana-mc-floats-tender-to-dispose-of-19-lakh-mt-legacy-waste-101665603383638.html