NEWS ITEMS ON CAG/ AUDIT REPORTS (26.10.2022)

1. CAG rejects CVC's request to make it part of exit interviews *(timesofindia.indiatimes.com)* PRADEEP THAKUR | Updated: Oct 26, 2022

NEW DELHI: The comptroller and auditor general (CAG) has denied a request from the central vigilance commission (CVC), the apex anti-corruption watchdog, to involve the latter in all exit interviews with auditees at the point of concluding its reports. The supreme auditor has cited parliamentary privilege as reason for not sharing any details of its findings before they are tabled in both the Houses of Parliament.

Sources said the CVC had recently written to the federal auditor emphasising its preventive vigilance role as the anticorruption watchdog while seeking access to such exclusive exit conferences. The CVC also monitors and recommends multi-agency probes on complaints of irregularities and corruption in central procurements and contract management.

The exit interviews are a stage where the CAG summons senior officials of government ministries and departments for responding to findings of the auditor with respect to irregularities. All responses, along with the auditor's comments, are recorded in the audit report for further action to be taken by the government departments.

The CAG has, however, cited its responsibility of sharing its reports first with the President and on his acceptance tabling in Parliament before they are made public.

As part of its new initiative of systemic improvement, the CVC had recently asked chief vigilance officers (CVOs) of public sector undertakings to participate in these exit interviews, where "conclusion and recommendations are discussed with the head of the concerned entity" and their responses are recorded.

"Involvement of CVO might provide a direct linkage between the vigilance branch and CAG audit outcome and give an early start in vigilance investigation of the matter by the vigilance department," the CVC has noted.

The CVC had also taken this up with the secretary, expenditure and secretary, department of public enterprises, besides the CAG.

Though many of the CAG reports in the recent past have become part of investigation taken up by the CBI and other agencies, formally there has never been a practice of involving any external agency in the finalisation of its audit reports other than the auditee. All CAG reports are taken up by the investigative agency for probe only after they are tabled in Parliament. https://timesofindia.indiatimes.com/india/cag-rejects-cvcs-request-to-make-it-part-of-exit-interviews/articleshow/95087782.cms

2. After Union govt, states obfuscating budgets. India needs true bond market more than CAG audits *(theprint.in)* Updated: Oct 26, 2022

As seen with the fall of the Liz Truss govt in the UK, a well-functioning bond market can sometimes be more brutal and more effective in taming government profligacy.

It has been reported that the Comptroller and Auditor General of India is considering ways to take a more holistic view of the financial sustainability of state budgets. The Liz Truss government in the United Kingdom fell owing to fiscal concerns. A CAG audit is a step in the right direction. However, as seen in the UK, a well-functioning bond market can sometimes be more brutal and effective in taming government profligacy.

Caring about the fisc

It takes money for a government to function. Salaries and electricity bills have to be paid. Capital expenditures have to be incurred on building assets in the hope that they will bring economic growth. All of this is largely financed through taxes and other revenues. If they fall short, as they usually do, the government has to borrow. It is possible that the debt becomes so large that most revenues get spent on servicing it and not on incurring developmental expenditure. Excessive debt can further dampen economic growth and lead to higher taxes in the future and inflation. This is why we worry about government finances and insist that the spending is in line with revenues. In 2003, India enacted the Fiscal Responsibility and Budget Management (FRBM) Act, which came into effect in 2004. The Act required the Union government to keep its revenue and fiscal deficits below certain thresholds. By 2010, all states had also enacted their own FRBM Acts.

CAG audits and off-balance sheet exposures

Under the Constitution of India, the CAG is authorised to conduct an audit of the finances of the government(s). It studies where governments spend money, how they manage debt, and whether or not constitutional provisions relating to budgetary management are being adhered to. Evaluating if fiscal deficits are within thresholds specified under the FRBM Act is another objective of the CAG audits. The findings of the CAG tell the legislature whether money is being spent as it was meant to, whether deficits are contained, and if not, where the gaps are. It is a way for the legislature to get a report card of the executive.

The CAG audit of Union accounts for 2017-18 and 2018-19 found gaps in some accounting practices. It showed that the Union government had been undertaking spending from “extra budgetary resources” that do not show up in the standard fiscal calculations. For example, the debt is raised by a State-owned enterprise so it doesn’t show up on the government’s balance sheet. But since it is expenditure incurred by the government, ultimately, it has similar fiscal implications. Such obfuscation also dampens the credibility of the government.

The true fiscal burden

It seems that now it is the turn of the state governments who are raising loans through their own enterprises and mortgaging state assets. Off balance sheet borrowings have reached a high of 4.5 per cent of gross state domestic product (GSDP), so much so that the Union government had to exhort them to come clean and allow for further borrowings only after full disclosures of their off balance sheet liabilities.

The discussion so far has only been on explicit borrowings by the state. However, governments often make promises of payments deep into the future, such as their pension obligations. They also provide implicit guarantees to certain institutions — if these fail, then governments are likely to step in and bail them out. Other examples include the wage indexed pension promises for the armed forces, health insurance promises through government-funded programmes, or the cost of recapitalising banks should they get in trouble. If one were to correctly measure state finances, then these liabilities need to be taken into account.

The State and the market

The CAG reports do not penalise governments for fiscal irresponsibility. They can, at best, shine light on the functioning of the executive. It is only when the government has to go to the market to borrow for its expenditures that it has to bear the cost of its excesses. If you are deep in debt and unable to even service your earlier obligations, you can expect that the only people who will lend to you will do so at a higher interest rate. This is, in some sense, the penalty that Liz Truss had to pay for being reckless about the impact of her policies on the budget. The bond markets went for a spin, and the Bank of England had to step in to calm the waters.

Why do our bond markets not penalise the government? This is because we don't have a true market. We force our financial institutions to purchase government bonds, making them a captive audience for the government. If an insurance firm or pension funds investment guidelines require that contributions be largely invested in government bonds, then there is not much scope for these institutions to walk away. The government has to make no effort to persuade investors to lend to it. It just forces them. Until we reform our bond markets, we will have to rely solely on mechanisms like the CAG to point to the problems and hope that it persuades us to do things carefully. https://theprint.in/opinion/cag-audits-for-state-govts-are-good-but-what-india-needs-is-true-bond-markets/1181840/

3. CAG to conduct special audit for DTH service providers on I&B min's orders *(business-standard.com)* Updated: Oct 26, 2022

Direct-to-home (DTH) TV service providers will be subjected to a special audit by the Comptroller and Auditor General of India (CAG) over their long-running dispute over licence fees, a report in Economic Times (ET) said.

The office of the CAG has been asked to conduct the audit by the Ministry of Information and broadcasting. According to the report, an "intensive" audit of the service providers like Airtel Digital TV, Tata Play, Dish TV and Sun Direct will be conducted going back to a year of these companies' inception or grant of licence by the government.

The audit will also be conducted to ensure that the amount to be submitted to the centre in the form of the licence fee is "correctly assessed".

In May, DTH service providers sought a licence fee waiver owing to a decline in the number of subscribers. Between 2003 and 2007, the centre granted DTH licences to 6 providers. But currently, there are only four in the market. The audit, however, will be conducted for all six.

The two players that are no longer in the market are Videocon's D2H TV and Big TV/ Independent TV.

Generally, DTH service providers need to submit 8 per cent of their gross revenue to the government in the form of licence fees. For the four players, the number of subscribers, according to ET, stands at 68 million.

However, according to ET, there are concerns among government officials that the revenue calculations as recorded by different operators have been dropping and aren't along expected levels.

In 2020, DishTV received a notice from the I&B ministry to pay Rs 4,164 crore in the form of the licence fees and the interest due since the company's inception in 2003.

Revenues from the DTH licence fee, along with those from commercial TV services, FM radio, etc., are expected to exceed Rs 1,000 crore in FY23. https://www.business-standard.com/article/current-affairs/cag-to-conduct-special-audit-for-dth-service-providers-on-i-b-min-s-orders-122102600379_1.html

4. Airtel Digital TV, Tata Play, Dish TV and Sun Direct's accounting under CAG scrutiny *(economictimes.indiatimes.com)* Updated: Oct 26, 2022

The Centre has sought a special audit of direct-to-home (DTH) TV service providers on the long-running dispute over licence fees, ET has learnt.

The union ministry of information and broadcasting wrote to the Comptroller and Auditor General (CAG) of India this week asking for an intensive audit of all DTH service providers going back to their year of inception or grant of licence by the government.

The move is over suspected discrepancies in revenue calculation by DTH service providers, ET has learnt.

Waiver Request

The I&B ministry has, accordingly, asked the CAG to conduct a special audit to ensure that the amount submitted to the central government by way of licence fee is "correctly assessed and collected," it is learnt.

DTH operators had sought a licence fee waiver in May, citing a decline in subscribers over the years, due to factors such as the advent of streaming services. Six DTH licences were granted by the Centre between 2003 and 2007. While there are only four in the fray now - Airtel Digital TV, Tata Play, Dish TV and Sun Direct - the CAG audit has been sought for all six. The audit, therefore, will cover Big TV/Independent TV as well as Videocon's D2H TV, ET has confirmed. The companies couldn't immediately be reached for comment.

The four in the fray besides the free DTH provider - DD Free Dish, run by government-owned Doordarshan - have a total 68 million plus subscribers. DTH service providers have to pay a part of their revenue as licence fees to the Centre.

This is set at 8% of annual gross revenue as recorded in the audited accounts of the company.

However, there are concerns among the government officials that the revenue calculations as recorded by different operators have been dropping and aren't along expected levels.

Revenues from the DTH licence fee, along with those from commercial TV services, FM radio etc., are expected to exceed Rs 1,000 crore in FY23.

The licence fee issue, which has been simmering for years, has been the subject of litigation as well. In December 2020, the Essel Group running Dish TV had got a Rs 4,164 crore notice from the I&B ministry seeking payment of licence fees and interest since inception in 2003. https://economictimes.indiatimes.com/news/india/airtel-digital-tv-tata-play-dish-tv-and-sun-directs-accounting-under-cag-scrutiny/articleshow/95087948.cms

5. Tata Play, Airtel Digital TV, Sun Direct and Dish TV's Accounting Under Scrutiny: Report *(outlookindia.com)* Oct 26, 2022

The Union Ministry of Information and Broadcasting (I&B) wrote to the CAG of India asking for an intensive audit of all these DTH service providers going back to their year of inception or when the licence was granted by the government

Direct-to-home (DTH) service providers Tata Play, Airtel Digital TV, Sun Direct and Dish TV have come under scrutiny of Comptroller and Auditor General (CAG) of India, as per the Economic Times. The report mentions that the Centre has asked for a special audit of these service providers on the ages-old dispute over licence fees.

According to the Economic Times report, the Union Ministry of Information and Broadcasting (I&B) wrote to the CAG of India asking for an intensive audit of all these DTH service providers going back to their year of inception or when the licence was granted by the government. It adds that the move has been initiated as some discrepancies have been suspected over revenue calculation by these companies.

The I&B ministry has asked CAG to conduct this special audit to ensure that the amount submitted to the central government by way of licence fee is correctly assessed and collected, as per the report. This development comes after the DTH service providers asked for a waiver of licence fee in May, citing a decline in subscribers over the years. The report has confirmed that the audit will cover Big TV/Independent TV as well as Videocon's D2H TV.

These DTH service providers have to pay a part of their revenue as licence fees to the Centre, fees for which a waiver was sought, as mentioned before. This amount is set at 8 per cent of the annual gross revenue as recorded in the audited accounts of the company, the report adds.

The revenues from the DTH licence fee, commercial TV services, FM radio etc., are reportedly expected to cross Rs 1,000 crore in FY23, as per the report. https://www.outlookindia.com/business/tata-play-airtel-digital-tv-sun-direct-and-dish-tv-s-accounting-under-scrutiny-report-news-232544

6. CAG scrutiny: Airtel Digital TV, Tata Play, Dish TV और Sun Direct के खातों की होगी जांच! जानिए क्या है मामला *(navbharattimes.indiatimes.com)* Updated: 26 Oct 2022

डायरेक्ट टु होम (DTH) टीवी सर्विस प्रोवाइडर्स की मुश्किलें बढ़ सकती हैं। सरकार ने सीएजी (CAG) से इन कंपनियों का स्पेशल ऑडिट (special audit) करने को कहा है। लाइसेंस फीस (licence fees) को लेकर इनका लंबे समय से विवाद चल रहा है। केंद्रीय सूचना एवं प्रसारण मंत्रालय ने इस बारे में सीएजी को एक पत्र लिखा है। इसमें सभी डीटीएच सर्विस प्रोवाइडर्स का शुरुआत से अब तक इनटेंसिव ऑ

डिट करने को कहा गया है। इन कंपनियों के रेवेन्यू कैल्कुलेशन में गड़बड़ी का संदेह है। यही कारण है कि सरकार ने सीएजी से इनका व्यापक ऑडिट करने को कहा है। इनमें एयरटेल डिजिटल टीवी (Airtel Digial TV), टाटा प्ले (Tata Play), डिश टीवी (Dish TV) और सन डायरेक्ट (Sun Direct) शामिल हैं।

डीटीएच ऑपरेटर्स ने मई में लाइसेंस फीस में छूट की मांग की थी। इसके पीछे उनकी दलील थी कि उन के ग्राहकों की संख्या में कमी आई है। उनका कहना था कि स्ट्रीमिंग सर्विसेज के आने जैसे कई कारणों से उनके सब्सक्राइबर्स की संख्या घटी है। 2003 से 2007 के बीच छह डीटीएच लाइसेंस दिए गए थे। लेकिन यह संख्या अब चार रह गई है। इनमें एयरटेल डिजिटल टीवी, टाटा प्ले, डिश टीवी और सन डायरेक्ट शामिल हैं। सरकार ने सभी छह डीटीएच ऑपरेटर्स का ऑडिट करने को कहा है। इस तरह बिग टीवी/इंडिपेंडेंट टीवी (Big TV/Independent TV) और वीडियोकॉन के डी2एच टीवी (D2H TV) की भी जांच होगी। इन कंपनियों से टिप्पणी के लिए संपर्क नहीं हो पाया।

रेवेन्यू में गिरावट

एयरटेल डिजिटल टीवी, टाटा प्ले, डिश टीवी और सन डायरेक्ट के साथ-साथ फ्री डीटीएच प्रोवाइडर डीडी फ्री डिश (DD Free Dish) के 6.8 करोड़ से अधिक सब्सक्राइबर हैं। फ्री डीटीएच सरकारी डीटीएच सर्विस प्रोवाइडर है। डीटीएच सर्विस प्रोवाइडर्स को अपने रेवेन्यू का एक हिस्सा लाइसेंस फीस के रूप में सरकार को देना होता है। यह उनके सालाना ग्रॉस रेवेन्यू का आठ फीसदी होता है। फाइनेंशियल ईयर 2023 में डीटीएच लाइंसेस फीस के 1,000 करोड़ रुपये के पार पहुंचने की उम्मीद है। इसमें कमर्शियल टीवी सर्विसेज और एफएम रेडियो आदि की लाइसेंस शामिल है।

लेकिन सरकारी अधिकारियों को आशंका है कि इन कंपनियों के रेकॉर्ड में रेवेन्यू में गिरावट आई है और ये उम्मीद के मुताबिक नहीं है। लाइसेंस फीस का मामला कई साल से चल रहा है। यह मामला कोर्ट में भी है। दिसंबर 2020 में सरकार ने एस्सेल ग्रुप (Essel Group) के डिश टीवी को एक नोटिस भेजकर 4,164 करोड़ रुपये जमा करने की मांग की थी। कंपनी को 2003 से लाइसेंस फीस और ब्याज के रूप में यह रकम चुकाने को कहा गया था। https://navbharattimes.indiatimes.com/business/business-news/govt-asks-cag-to-do-a-intensive-audit-of-airtel-digital-tv-tata-play-dish-tv-and-sun-directs-accounts/articleshow/95090162.cms

STATES NEWS ITEMS

7. पंजाब में कॉलेज 14 फीसदी बढ़े, दाखिले 28 फीसदी घटे *(amarujala.com)* 25 Oct 2022

चंडीगढ़। पंजाब में बीते 10 साल के दौरान कॉलेजों की संख्या 14 फीसदी इजाफे के साथ 1111 तक पहुंच गई, लेकिन इसी दौरान प्रदेश के कॉलेजों में दाखिला लेने वालों की संख्या में आश्चर्यजनक तरीके से 28 फीसदी तक की गिरावट दर्ज की गई है। यह खुलासा कंट्रोलर एंड ऑडिट जनरल ऑफ इंडिया (कैग) ने सूबे के उच्चशिक्षा विभाग की कार्यप्रणाली संबंधी अपनी ताजा ऑडिट रिपोर्ट में किया है। कैग ने यह भी पा

या है कि प्रदेश के कॉलेजों में टीचरों के 27-
54 फीसदी तक पद लंबे समय से खाली हैं, जिन्हें भरने की तरफ विभाग कोई गंभीर कदम नहीं उठा रहा।

रिपोर्ट में कॉलेजों की बढ़ती संख्या की सराहना करते हुए यह सवाल भी उठाया गया है कि कॉलेजों का विस्तार अनियमित है। किसी इलाके में कई कॉलेज खुल गए हैं जबकि कुछ इलाकों में एक भी कॉलेज नहीं है। हालांकि प्रदेश में प्रति एक लाख की आबादी पर 29-
35 कॉलेज हैं। रिपोर्ट में कहा गया है कि सूबे के 33 उपमंडलों में 17 सरकारी कॉलेज हैं लेकिन 10 उपमंडल ऐसे हैं जहां एक भी कॉलेज नहीं है। सूबे में 2010-
11 में जहां कॉलेजों की कुल संख्या 973 थी, वह 2019-
20 में बढ़कर 1111 हो गई है। इस तरह कॉलेजों की संख्या में 14.18 फीसदी की बढ़ोतरी हुई है।

कैग ने अपनी रिपोर्ट में सिफारिश की है कि राज्य में कॉलेज खोलने के लिए जियोग्राफिकल मैपिंग का सहारा लिया जाए ताकि पूरे प्रदेश में समान रूप से कॉलेज की पढ़ाई की व्यवस्था उपलब्ध हो सके। कैग ने प्रत्येक उपमंडल में कम से कम एक कॉलेज खोलने की सिफारिश की है। इसके साथ ही कैग ने दाखिले बढ़ाने के लिए उपाय खोजने की भी सिफारिश की है। इसके तहत विश्वविद्यालयों में हॉस्टलों की क्षमता बढ़ाने पर भी जोर दिया गया है। ऑडिट में कैग ने यह भी पाया है कि प्रदेश के कॉलेजों में विद्यार्थियों के दाखिले के रुझान में भारी गिरावट हो रही है। वर्ष 2010-11 से 2019-
20 तक कॉलेजों में दाखिलों में 28 फीसदी की कमी आई है।

यूनिवर्सिटीज का किया ऑडिट

कैग ने मार्च से अगस्त 2021 तक पंजाबी यूनिवर्सिटी पटियाला, जीएनडीयू अमृतसर और राजीव गांधी यूनिवर्सिटी का भी ऑडिट किया। इसमें कैग ने पाया कि 2015 से 2020 तक स्टेट स्कॉलरशिप स्कीम में 632 विद्यार्थियों पर 7 लाख रुपये खर्च किए गए, जबकि इसी अवधि में पोस्ट मैट्रिक स्कॉलरशिप स्कीम में 3,36,624 विद्यार्थियों को लाभ दिया गया, जिस पर 702 करोड़ खर्च हुए।

नैक की रैंकिंग में भी पिछड़े पंजाब के कॉलेज

पंजाब के सिर्फ तीन कॉलेज ही राष्ट्रीय मूल्यांकन और प्रत्यायन परिषद (एनएएसी) रैंकिंग में शामिल हैं। कैग ने इसका मुख्य कारण, साधारण कौशल में कमी, टीचरों की कमी, प्रशिक्षण की कमी, इंडस्ट्री के साथ सरकारी कॉलेजों का कमजोर तालमेल, कॉलेजों में प्रबंधन सूचना पद्धति के अभाव को मानते हुए रिपोर्ट में लिखा है कि कॉलेजों में निगरानी और मूल्यांकन, जिसके तहत शिक्षा में बराबरी, गुणवत्ता और प्रशासन प्रबंधन संबंधी कमियों पर नियंत्रण किया जाना है, की कमी भी एक बड़ा कारण है। कैग ने सिफारिश की है कि पाठ्यक्रम का निर्धारण एनएएसी द्वारा तय मानदंड के अनुसार होना चाहिए और कक्षाओं में 20 विद्यार्थियों पर एक अध्यापक का रेशो होना चाहिए। फिलहाल पंजाब के कॉलेजों में यह रेशो 49 विद्यार्थियों पर 1 अध्यापक का है। https://www.amarujala.com/haryana/panchkula/colleges-in-punjab-increased-by-14-percent-admissions-decreased-by-28-percent-panchkula-news-pkl4663930118

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Government to rationalise expenditure to maintain 6.4% fiscal deficit target *(cnbctv18.com)* October 25, 2022

The Indian government is walking a tight fiscal rope as buoyant tax receipts may not be enough to cover the additional expenditure and the non-tax revenue gap in the ongoing fiscal.

At the moment, the finance ministry holding the budgetary exercise meeting for the 2023-24 fiscal, and there are demands coming in the revised estimates (RE) —some have been less than the first half of the current fiscal — stack up to around Rs 3 lakh crore-odd.

Plus there could be a bit of on the non-tax revenue side, as there are currently no clear estimates of what the RBI dividend could look like, and there is going to be a gap on the disinvestment side as well. So, that coupled with the additional expenditure, is something that the government is grappling with.

Tax revenues have been more than buoyant, both direct and indirect. Direct taxes may actually grow by around 30 percent odd in the ongoing fiscal. But the current sentiment within the government is that this may not be sufficient to maintain the fiscal deficit at 6.4 percent, and so, some kind of 'rationalisation' in expenditure is very likely.

They will not touch the big expenditure ticket items like MNREGA, food subsisdies, fertilisers as all of those are strict commitments. But there could be some revisions in the smaller schemes and smaller demands from smaller ministries and departments. We will only know for sure as those numbers will be out in next year's Union Budget. But all of this is part of the ongoing budgetary exercise.

From next year onwards, up to the 2025-26 financial year, the government has to reduce the fiscal deficit to below 4.5 percent, which is going to be a challenge because then the reduction will have to be more than 50 basis points every year, which means maintaining it at 6.4 percent this year becomes very important. https://www.cnbctv18.com/finance/government-to-rationalise-expenditure-to-maintain-64-fiscal-deficit-target-15016121.htm

9. Northern Border: MoD to purchase 750 RPAVs to increase Army's arsenal *(newindianexpress.com)* October 26, 2022

At the time when the de-escalation of the massive forces deployment by Chinese PLA and Indian Army is yet to take place in the Eastern Ladakh, the Ministry of Defence (MoD) has issued the fifth Request For Proposal (RFP) within a fortnight for procurement of drones to add to the capabilities of Indian Army's elite Special Forces along the Northern Border.

The MoD intends to procure 750 Remotely Piloted Aerial Vehicle (RPAV) for the Indian Army's Parachute (Special Forces) Battalions which are mandated to execute special missions behind enemy lines through Fast Track Procedure under Emergency Procurement.

The RFP in its description of the equipment mentions that the current volatile situation along Northern Borders warrants expeditious procurement of operational equipment. "RPAV is a potent situational awareness device which provides surveillance by day and night along with ability to scan the target area and provide a processed 3D scanned image of the target to execute special missions.

This equipment will be employed for situational awareness, short range surveillance, scanning the target area and providing processed 3D images of the target before entering the target area," the RFP says. "This force multiplier enables the Special Forces to execute pinpoint precision strikes during direct action tasks such as raids, elimination of High Value Targets, Command and Control elements including enemy leadership. It is therefore imperative for Parachute (Special Forces) Battalions to be equipped with this state of the art niche technology," adds the MoD.

Defence anaylyst Lt Gen VK Chaturvedi (Retd) said that awareness of the enemy (battlefield transparency) is crucial in high altitude where mobility is a prime factor in gaining advantage and these will help the Units deployed in the Northern Borders. "These RPAs will assist the local commanders in gaining information on the enemy position, men and equipment and about the changes on ground, thus enabling them to take timely and appropriate action," he said.

Last week, four RFPs were issued by the MoD with the first set of them to procure 1,000 Surveillance Copters and 80 Mini Remotely Piloted Aircraft (RPAs).

Move for special mission behind enemy lines

The MoD intends to procure 750 Remotely Piloted Aerial Vehicle (RPAV) for the Indian Army's Parachute (Special Forces) Battalions which are mandated to execute special missions behind enemy lines through Fast Track Procedure under Emergency Procurement. https://www.newindianexpress.com/nation/2022/oct/26/northern-border-mod-to-purchase-750-rpavsto-increase-armys-arsenal-2511789.html

10. Army to Get More M4s for Use in Eastern Ladakh, Vehicle to Be Equipped with Anti-Tank Missile: Report *(swarajyamag.com)* October 26, 2022

With no progress towards de-escalation with China in eastern Ladakh, the Indian Army has ordered more M4 armoured vehicles from Bharat Forge, an arm of the Kalyani Group, a new report says.

The new M4s will be equipped with Israeli Spike anti-tank guided missiles (ATGM). Integrating an ATGM will give these vehicles the capability to target Chinese tanks deployed along the Line of Actual Control.

The People's Liberation Army has deployed its 33-tonne ZTQ-15 (or Type 15) light tanks on the Tibetan Plateau.

The report adds that the vehicle may also get a 20 mm one with an automatic turret to replace the 7.62 mm one currently on board.

According to the report, around 60 M4s have already been delivered to the Army, including 30 for the UN Peacekeeping Force.

In February last year, the Army ordered M4s emergency procurement. Although the number of vehicles it ordered remains unknown, the Kalyani Group had revealed in a statement that it "received an order worth Rs 177.95 crores from the Ministry of Defence for supply of M4 vehicles".

These vehicles, the report adds, are being delivered to the Army in batches with modifications required for operations in high-altitude areas.

Kalyani's M4 is a license-built version of Mbombe 4 developed by South Africa's Paramount group. However, the Kalyani Group says that it has taken the level of indigenisation in the vehicle up to nearly 95 per cent.

The vehicle has been designed with an operational range of 800 kilometres. Powered by a 460 horsepower engine from US-based Cummins, the vehicle has a payload limit of 2.3 tonnes.

"The Kalyani M4 is a multi-role platform, designed to meet the specific requirements of armed forces for quick mobility in rough terrain and in areas affected by mine and IED threats," the Kalyani Group says.

The vehicle can carry an infantry section of ten soldiers in full combat gear. It has been designed to provide the crew and the infantry soldiers STANAG-3-rated protection in the battlefield.

The vehicle has ballistic and blast protection for up to 50kg TNT side blast. It is protected against IED/roadside bombs due to its "innovative design, built on a flat-floor monocoque hull."

M4 underwent extensive trials in Ladakh, which also falls under the Northern Command, before the Army placed the order for these vehicles under an emergency procurement amid the China-India border standoff. The vehicle has also completed desert trials in the Rann of Kutch. https://swarajyamag.com/news-brief/army-to-get-more-m4s-for-use-in-eastern-ladakh-vehicle-to-be-equipped-with-anti-tank-missile-report

11. Yielding little results, does govt need to review PM-AASHA scheme? *(business-standard.com)* October 26, 2022

The Commission for Agriculture Costs and Prices (CACP) has once again called for strengthening the different components of the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) scheme to ensure remunerative prices to farmers.

The scheme that was launched in September 2018 to ensure remunerative prices to farmers has three components.

It comprises the (i) Price Support Scheme (PSS), (ii) Price Deficiency Payment Scheme (PDPS), and (iii) Pilot of Private Procurement and Stockiest Scheme.

Under the PSS, the overall quantity of procurement by the central government is restricted to 25 per cent of the actual production of the commodity for that particular season.

If any state intends to procure beyond 25 per cent but to a maximum of 40 per cent of production through central agencies, then the quantity will be utilised by the state government for its PDS and other welfare schemes at its own cost.

The commission has repeatedly said that of the three components, only PSS is functioning somewhat efficiently, while the remaining two, deficiency payment and private procurement pilots, have been a non-starter.

"After implementation of PM-AASHA, PSS has made a significant stride in terms of procurement of pulses and oilseeds by NAFED, but PDPS and PPSS have not made much progress. The Commission strongly recommends that PDPS and PPSS can be strengthened in addressing the procurement issues of oilseeds and pulses as physical procurement of these crops is not feasible due to the absence of procurement and market infrastructure unlike that of wheat and paddy," the Commission said in the latest report.

Even in PSS, there have been allegations of implementation problems and cuts in allocation.

In the Union Budget of 2018-19, around Rs 1,500 crore were allocated for the scheme, which came down to Rs 500 crore in the 2019-20 Budget and further dropped to Rs 400 crore in the 2020-21 Budget.

The explanation given by the government is that the reduction in the Budget is not due to any malaise but the allocation of the annual budget is meant for meeting up the reimbursement of losses incurred in the implementation of schemes and gets revised based on the actual requirements.

"Besides the overall market also responds to the declaration of MSP and government's procurement operations which results in private procurement on or above the MSP benefitting the farmers for various notified crops," the government said in a reply made in Parliament.

There have been other implementation issues with the scheme's PSS component as well.
These are mostly related to the disposal of the procured quantity, which makes institutions participating in them wary of having to bear huge losses.

The CACP, in one of its findings, said that disposal or liquidation of stocks of pulses procured under PSS by NAFED has been a challenge as NAFED incurs heavy losses in the open market and the sale of stocks in the market depresses market prices and sentiments.

Therefore, there is an urgent need to address the institutional and infrastructure constraints that hinder price support-linked procurement and to have a long-term sustainable policy for the disposal of stocks.

There are other major constraints as well such as difficulties in arranging storage space near procurement centres and disposal within nine months under the PSS when huge procurement is made. All of these need to be adequately addressed by the government, the Commission observed.

In the case of pilots on private procurement and stockist schemes, there were plans to conduct as many as eight pilots for the project.

The purchases had to be mandatorily at MSP, for which the private players were to be granted 15 per cent of the crop's notified MSP as a services charge while all other expenses etc had to be borne by the private party themselves.

The responsibility of disposal of the procured commodity was with the private players and so was handling and transportation expenditure, while the state governments were required to provide a favourable environment for the operation of the private player through lowering or waiving mandi fees etc.

However, little has been known about the progress of this component of PM-ASHAA ever since it was launched sometime in 2017. By all available sources, it hasn't evoked a great response.

In the case of the price deficiency payment component of the scheme, other than in Haryana, the scheme isn't operational anywhere else in the country.

Madhya Pradesh, which pioneered the scheme naming it 'Bhawantar Bhugtan Yojana' has since moved out of it with no plans of going back again. https://www.business-standard.com/article/current-affairs/yielding-little-results-does-govt-need-to-review-pm-aasha-scheme-122102500636_1.html

12. In 2020, over 3,30,000 people died in India due to exposure to particulate matter from fossil fuel combustion: Lancet *(thehindu.com)* Oct 26, 2022

Report adds that from 2000-04 to 2017-21, heat-related deaths increased by 55% in India

An estimated over 3,30,000 people died in India due to exposure to particulate matter from fossil fuel combustion in 2020, says the 2022 report of The Lancet countdown on health and climate change: health at the mercy of fossil fuels, released on Tuesday, adding that from 2000-2004 to 2017-2021, heat-related deaths increased by 55% in India.

The new findings presented in the seventh annual global report of the Lancet Countdown on Health and Climate Change also pointed to the fact that governments and companies continue to follow strategies that increasingly threaten the health and survival of all people alive today, and of future generations.
In India, 45% of urban centres are classified as moderately green or above. Urban redesign that puts health first can provide increased green space that reduces urban heat, improves air quality, and benefits physical and mental health, states the report.

Giving an indication of the economic loss, the report states that in 2021, Indians lost 16,720 crore potential labour hours due to heat exposure with income losses equivalent to about 5.4% of national GDP.

For India, the report adds that from 1951-1960 to 2012-2021, the number of months suitable for dengue transmission by Aedes Aegypti rose by 1.69%, reaching 5.6 months each year.

Stating that climate change is amplifying the health impacts of multiple crises, the report further found that from 2012-2021, infants under one year old experienced a higher number of heatwave days.

Additionally it added that the duration of the growth season for maize has decreased by 2%, compared to a 1981-2010 baseline, while rice and winter wheat have each decreased by 1%.

Warning that governments aren't focusing on the issue as much as required, it said that in 2019, India had a net negative carbon price, indicating that the government was effectively subsidising fossil fuels. "India allocated a net 34 billion USD [around ₹2,80,000 crore] to this in 2019 alone, equivalent to 37.5% of the country's national health spending that year. Biomass accounted for 61% of household energy in 2019, while fossil fuels accounted for another 20%. With this high reliance on these fuels, average household concentrations of particulate matter exceeded the World Health Organisation (WHO) recommendation by 27-fold nationally and 35-fold in rural homes,'' said the report.

The report recommends that improvement in air quality will help to prevent deaths resulting from exposure to fossil fuel-derived particulate matter. https://www.thehindu.com/sci-tech/energy-and-environment/in-2020-over-330000-people-died-in-india-due-to-exposure-to-particulate-matter-from-fossil-fuel-combustion-lancet/article66052997.ece

13. Climate change amplifying health impacts of multiple crises, says The Lancet report ahead of COP27 *(indianexpress.com)* Oct 26, 2022

Ahead of this year's United Nations climate change conference (COP27), a major new report has said that the continued dependence on fossil fuels is compounding the health impacts of the multiple crises the world is facing — including the fallouts of the Covid-19 pandemic, the war in Ukraine, the cost of living crisis, and climate change.

"Our report this year reveals we are at a critical juncture. We see how climate change is driving severe health impacts all around the world, while the persistent global fossil fuel dependence compounds these health harms amidst multiple global crises, keeping households vulnerable to volatile fossil fuel markets, exposed to energy poverty, and dangerous levels of air pollution," Dr Marina Romanello, Executive Director of the Lancet Countdown at the University College London said.

Dr Romanello is co-author of The 2022 report of the Lancet Countdown on health and climate change: health at the mercy of fossil fuels. "New findings presented in the seventh annual global report of the Lancet Countdown on Health and Climate Change reveal that governments and companies continue to follow strategies that increasingly threaten the health and survival of all people alive today, and of future generations," an official release on the report said.

The report represents the work of 99 experts from 51 institutions, including the World Health Organization (WHO) and the World Meteorological Organisation (WMO), the release said.

According to a fact sheet on the specific impacts on India — which uses data from the report but is not itself a part of the report — climate change is affecting almost every pillar of food security:

* The duration of the growth season for maize has decreased by 2%, compared to a 1981-2010 baseline, while rice and winter wheat have each decreased by 1%.

* From 2012-2021, infants under one year old experienced an average of 72 million more person-days of heatwaves per year, compared to 1985-2005. For the same period, adults over 65 experienced 301 million more person-days. This means that, on average, from 2012-2021, each infant experienced an additional 0.9 heatwave days per year while adults over 65 experienced an additional 3.7 per person, compared to 1986-2021.

* From 2000-2004 to 2017-2021, heat-related deaths increased by 55% in India.

* In 2021, Indians lost 167.2 billion potential labour hours due to heat exposure with income losses equivalent to about 5.4% of national GDP.

* From 1951-1960 to 2012-2021, the number of months suitable for dengue transmission by Aedes aegypti rose by 1.69%, reaching 5.6 months each year.

"These are early warnings and we need to take mitigation measures like adapting heat action plans in each city. For instance, the Ahmedabad heat action plan that has shown mortality can be reduced, should be adapted everywhere," Ahmedabad-based public health expert and Director, Indian Institute of Public Health, Gandhinagar, Dr Dilip Mavalankar, told The Indian Express.

Dr Sundeep Salvi, Chairperson, Global Burden of Diseases-India for respiratory diseases, said the burning of dirty fuels needs to be minimised as soon as possible to reduce the accompanying health impacts.

"Global warming and climate change is intricately related to human health and India needs to do something seriously in this space," Dr Salvi said.

Neither Dr Mavalankar nor Dr Salvi were involved in the preparation of the report. https://indianexpress.com/article/explained/explained-health/climate-change-amplifying-health-impacts-of-multiple-crises-says-the-lancet-report-ahead-of-cop27-8229812/

14. Windfall taxes on oil firms to fetch Rs 40,000 cr in FY23 *(financialexpress.com)* Oct 26, 2022

The windfall taxes imposed in July on domestic crude and export of petroleum products will likely generate additional revenues of around Rs 40,000 crore in the current fiscal, a senior official told FE, adding that nearly half of these taxes will likely be paid by private sector companies.

If global crude oil prices decline to $70-75/bbl, then the windfall taxes will be scrapped, the official said, but added that unless this price range is established, the levies may continue subject to fortnight adjustments.

These one-off levies meant to extract a share for the government from the "windfall profits" made by oil sector firms due to elevated global crude prices have undergone seven fortnightly revisions since. While the tax on export of petrol was removed in the first revision, it was also clarified that no tax will be applicable on exports from special economic zones (SEZs), a move that gave some relief to Reliance Industries (RIL). However, RIL still took a hit from the tax and reported a flat year-on-year growth in net profit in the September quarter at Rs 13,656 crore, which was also down 24% sequentially.

In the seventh review on October 15, the government raised the windfall tax on domestically-produced crude oil to Rs 11,000 from Rs 8,000 per tonne, and the levy on the export of diesel to Rs 12 from Rs 5 per litre, citing a rise in global crude prices in the last fortnight. It also reintroduced a levy of Rs 3.5/litre on the export of jet fuel, which was removed in the previous fortnightly review.

“There is no separate data yet as to how much has been collected so far through the special levies as these are subsumed in excise duty receipts. But, additional tax revenues could be in the range of Rs 30,000-40,000 crore in the current fiscal,” the official said. The extra receipts would offset partly the Centre’s revenue loss of an estimated Rs 85,000 crore in FY23 from the excise duty cuts on petrol and diesel in May.

The rates of the levies are being changed depending on crude prices and the refining spread. While private refiners RIL and Rosneft-based Nayara Energy are the principal exporters of diesel and ATF, the windfall levy on domestic crude targets producers like state-owned ONGC and OIL, and Vedanta-controlled Cairn.

India has a total refining capacity of 249 million tonne per annum (MTPA), the second-largest in Asia. RIL has a 68 MTPA capacity, including 33 MTPA in the domestic tariff area, which is covered by the windfall tax levies. Nayara has an annual capacity of 20 MTPA. Private refineries are more export-oriented than state-run refiners.

About 71.15% of crude oil is by state-run ONGC and OIL while private firm Cairn has a share of about 24%.

The Indian basket of crude oil prices averaged a record $116/bbl in June 2022 before moderating to $90.7/bbl in September. But it has increased to $91.7/bbl so far in October 2022, much higher than $73/bbl in December 2021.

While petroleum products exports rose 7% on year in H1FY23 to 32 million tonne, the earnings from the sales rose 88% to $34 billion, reflecting the elevated prices sustaining after the Ukraine war broke out in February 2022. Despite the slowdown in the world economy, crude prices are sustaining at a high level as the Organization of the Petroleum Exporting Countries has decided to cut production.

The government’s rationale for introducing these taxes is to lay its hands on a chunk of the “windfall profits” reaped by some of the domestic firms, on the back of elevated global oil prices. The move is also aimed at addressing the crunch in the domestic fuel market, as private refiners neglected supplies to domestic retail outlets while tapping the highly remunerative export markets. https://www.financialexpress.com/economy/windfall-taxes-on-oil-firms-to-fetch-40000-cr-in-fy23/2743221/

15. Govt may commission studies on divestment of state-run firms *(hindustantimes.com)* October 26, 2022

The central government may commission studies to assess the impact of strategic divestments of state-run enterprises in unlocking their economic potential after privatisation, officials aware of the development said.

The proposal is in line with a suggestion made by the parliamentary standing committee on finance, they said, requesting anonymity. After deliberation on this matter, the government agreed to conduct periodic studies with the help of professionals to supplement the Annual Public Enterprises Survey on the status of value creation in the central public sector enterprises, they said.

“The studies can also be undertaken at appropriate intervals on how strategic disinvestment (privatisation) has contributed to realising economic potential of the enterprises post privatisation,” one of them said.

While the annual survey is released by the Department of Public Enterprises, an arm of the finance ministry, the proposed studies are expected to be the responsibility of Department of Investment and Public Asset Management, another arm of the finance ministry, the official said.

The finance ministry and DIPAM did not respond to email queries on this matter.

The genesis of Annual Public Enterprises Survey is traced to the 73rd report of the estimates committee for the 2nd Lok Sabha in 1959-60, which recommended that in addition to the annual report of each public sector undertaking submitted in Parliament, there should be a separate detailed report highlighting the performance of all state-owned firms. The erstwhile Bureau of Public Enterprises (now DPE) drafted the first survey in 1960-61, showing performance of all CPSEs on key financial and operational parameters.

The latest available survey for 2020-21, which is the 61st publication in the series, segregates these companies into various sectors such as agriculture, mining, manufacturing, processing and services. According to the report, initially here were only five central public sector firms (1951), but by 1969, their number grew to 84 and by 2020-21, they increased to 389. The number of listed central government-owned companies also increased from 50 in 2016-17 to 61 in 2020-21.

The latest survey recorded total paid-up capital of all CPSEs at ₹3.21 lakh crore as on March 31, 2021, as against ₹3.10 lakh crore a year ago. Total financial investments in all CPSEs as on March 31, 2021, was ₹21.67 lakh crore, compared to ₹21.28 lakh crore as on March 31, 2020. Among the sectors, the services sector had the highest investments, accounting for 67.25% of outstanding financial investments in CPSEs, followed by manufacturing and processing (25.09%), and mining with exploration (4.89%).

According to the 2020-21 survey, the total capital employed by all CPSEs was ₹32.47 lakh crore as on March 31, 2021, against ₹30.97 lakh crore a year ago, showing a growth of 4.84%. These firms made an overall net profit in 2020-21 of ₹1.58 lakh crore, compared to ₹93,000 crore during 2019-20, an increase of 69.48%.

The CPSEs contributed ₹4.96 lakh crore in 2020-21 to the central exchequer by way of excise duty, custom duty, Goods and Services Tax (GST), corporate tax, interest on central government loans, dividend, and other levies, a 31.14% year-on-year jump. https://www.hindustantimes.com/cities/delhi-news/govtmaycommissionstudiesondivestmentofstaterunfirms-101666725381794.html

16. PLI scheme and Atmanirbharta *(thehindubusinessline.com)* October 25, 2022

Over the last 30 years, successive Central governments have strived hard to raise the share of manufacturing in India's GDP to 25 per cent. It currently stands at 17 per cent, which is a slight improvement since 2014 when it had been stagnating at 13-15 per cent.

China has been able to increase the share of its manufacturing sector in its GDP from 17 per cent in 1992 to 28 per cent in 2021. Consequently, China has emerged as the world's largest manufacturing economy. Its share in global manufacturing has increased from mere 4 per cent in 1992 to an overwhelming 30 per cent in 2021, significantly higher than Germany, which for long was the biggest manufacturing economy.

This is a propitious time, both externally and domestically, for India to achieve this objective. In an attempt to reduce country risk, global companies are now trying to diversify away from China. With the sharp rise in domestic wages in recent years, Chinese companies are under pressure to relocate capacities overseas. They are vacating low technology sectors as they seek to raise productivity levels in line with rising wages.

At the same time, the quality of governance and of the investment environment has markedly improved in India. This is principally a result of States competing with one another to attract investments and a concerted effort by both the Centre and States to cut red tape and regulatory burden.

Industrial policy

If India wants to achieve its desired goal of manufacturing contributing about 25 per cent of its GDP, policy attention should focus on raising the share of Indian manufacturing in carefully selected sectors in world markets. This in effect is the pursuit of the 'industrial policy' advocated by several prominent economists like Dani Rodrik and Alice Amsden.

This approach is for the first time since Independence being tried in India through the implementation of the Production Linked Incentive (PLI) scheme. This has been announced for 13 manufacturing sectors, which are either sunrise sectors or in which import dependence is very high.

Under the PLI scheme, the Centre has committed to pay ₹2 trillion ($27 billion) as direct cash incentives to select firms but only after they have achieved the targets stipulated. It was estimated by NITI Aayog that, if successful, the PLI scheme can generate about $500 billion of new manufacturing output and 200,000 quality jobs. It will also reduce vulnerabilities in sectors such as strategic equipment, electronics and advanced pharmaceutical ingredients. Early positive results in the mobile phone sector inspire optimism about the PLI scheme.

To succeed, the PLI scheme requires careful and continuous monitoring and active coordination between the Centre and State governments. Care has to be taken to ensure that a PLI scheme does not slip into becoming a set of tariff and non-tariff protection as this will defeat its primary objective of creating globally competitive manufacturing capacities. Tariff and/or non-tariff protection for each sector must therefore come with a clearly defined sunset clause.

The PLI scheme will also depend rather critically upon ensuring that domestic capacities created under the scheme embody frontline technologies to remain globally competitive. An expanding share in world markets by firms covered by the PLIS would be the clearest evidence of their acquisition of frontline technologies and achieving global competitiveness. From past experience, we should expect multiple push-backs and inertia from firms in this regard. These will have to be resisted to ensure PLIS' success.

The other end of the manufacturing spectrum is occupied by medium, small and micro enterprises (MSMEs). These account for more than 80 per cent of manufacturing employment, contribute about 35 per cent of exports and account for nearly 25 per cent of the sector's output. But MSME units suffer from inadequate access to technology, commercial credit and regional and/or global production networks.

India's manufacturing sector will not attain global competitiveness unless this marked dualism between the formal and informal segments within the manufacturing sector is not eliminated. The expanding coverage of GST will help in reducing the dualism. But sector-specific measures are needed

The FDI factor

The present government has demonstrated its intent to use FDI as a means for ramping up manufacturing capacity by its bold approach in opening up nearly all manufacturing sectors, including defence production to foreign direct investments. This is beginning to show positive results and the inflow of FDI is expected to exceed $100 billion in FY23. To achieve even better results, we need to distinguish between new capacity creating FDI from inflows of private equity capital that take over existing capacities.

There is a new tendency to even combine inflows of finance capital with FDI and private equity inflows. This creates confusion.

All three are distinct categories of foreign capital and should be reported and treated differently. This will help in ensuring foreign capital inflows are not used predominantly to take over domestic innovations and capacities created by Indian start-ups and entrepreneurs.

It will also be useful to annually compare India's performance with other FDI recipient countries. Inter-State comparisons of FDI inflows will encourage State governments to focus their efforts on attracting FDI inflows that create export oriented manufacturing capacities and generate quality employment.

Globally competitive manufacturing and resultant exports will lead the way for India to achieve true Atmanirbharta. Consistent efforts in select sectors can help India successfully expand its share in world trade from the present level of less than 3 per cent (taking merchandise and services trade together) to at least 12 per cent by the time we celebrate the centenary of our

Independence in 2047. Such an achievement while achieving true Atmanirbharta will also enhance our national security in multiple ways. https://www.thehindubusinessline.com/opinion/pli-scheme-and-atmanirbharta/article66053921.ece

17. Contractor scam in rural job scheme deprives needy *(telegraphindia.com)* Oct 26, 2022

This summer, Gaudsahi village under Kapileswarpur gram panchayat in Odisha's Puri district began renovating the village pond under the Mahatma Gandhi National Rural Employment Guarantee Act.

About 20 workers would come to the work site every day, get photographed carrying basketfuls of soil or digging the earth, and then leave without doing any real work. The photo would be uploaded on an app to mark their "attendance".

The work would be done with JCB machines by a contractor hired by the gram panchayat. When the wages arrived, the workers would keep about 30 per cent and hand over the rest to the panchayat to pay the contractor, villagers said.

Everyone would be happy, including the workers who would rather work for market wages (Rs 350 a day in coastal Odisha for unskilled labour) than the rural job scheme wages (Rs 222 a day), while earning a little "extra" on the side by scamming the welfare programme.

"Also, many workers are uninterested in physical labour in the coastal areas. They make a 'guest appearance' and the work is done by contactors and machines," a villager told The Telegraph.

However, the scam deprives villagers who cannot easily get work and genuinely need NREGA jobs and wages.

Besides, contractors and machines are not allowed under the job scheme, which provides for paid, unskilled work for up to 100 days a year to every rural household. Its objective is to provide as much work as possible to households in the lean season.

Yet, contractors and machines are often seen at NREGA worksites, says a survey by Azim Premji University, released on Friday.

The survey report, "Employment guarantee during Covid 19: Role of MGNREGA in the year after 2020 lockdown", covered the scheme's performance during the pandemic in eight blocks: Phulparas and Chhatapur in Bihar, Bidar and Devadurga in Karnataka, Khalwa and Ghatigaon in Madhya Pradesh, and Wardha and Surgana in Maharashtra. (The Odisha village was covered directly by this newspaper.)

Unlike Gaudshahi in Odisha, in many of the surveyed villages the workers did not know that contractors were doing the work in their name and were appropriating their entire wages in connivance with local officials.

The survey, which found that a huge number of households did not get work under the scheme, was told by villagers that one major reason was that “the contractors” did not inform them about the work.

“As per the Act, contractors are banned in MGNREGA. But the study reveals high prevalence of contractors especially in the two blocks of Karnataka, where nearly half to two-thirds of the households have picked this reason,” the report says.

“And, nearly half the households in the low-performing block of Bihar (Phulparas) have alluded to contractors not informing them as a key reason for not getting enough work.”

The other reason the workers cited for not getting work was the lack of adequate projects being sanctioned.

The report said the vast majority of households reported a loss of income, of 30 to 50 per cent, during the Covid year (financial year 2020-21).

Across the eight blocks, roughly 39 per cent of the job card-holding households interested in NREGA work did not get a single day’s work during the Covid year.

This was because of the very high demand during the pandemic, with its total and partial lockdowns and travel restrictions.

According to official data, the total sum spent on labour wages in the surveyed blocks in the Covid year was Rs 152.68 crore. The survey team has estimated that to meet the true demand for NREGA work in these blocks, the labour budget should have been three times higher at Rs 474.27 crore.

The survey has recommended doubling the number of field functionaries, who visit the work sites and measure the work done, to reduce the scope for corruption.

The survey, conducted in November-December 2021, covered 2,000 households. https://www.telegraphindia.com/india/contractor-scam-in-rural-job-scheme-deprives-needy/cid/1894215