NEWS ITEMS ON CAG/ AUDIT REPORTS (08.12.2022)

1. Of 422 recommendations by CAG, Centre accepts just 83 in 2021-22 *(millenniumpost.in)* 8 Dec 2022

Even though the findings of performance audit reports of the Comptroller and Auditor General (CAG) of India put the government's functioning mechanism under the scanner, the Centre is least concerned about acting on the recommendations suggested by the national auditor as of the 422 recommendations made in the year 2021-22, the government accepted just 83 recommendations, which accounts to 20 percent of the total recommendations.

According to the CAG's performance report for the year 2021-22, the apex auditor has stated that a total 34 audit reports of the Union government and 131 such reports of states and Union Territory governments were approved in the last fiscal.

In comparison to the acceptability of the recommendations by the CAG, the states and UT have performed much better that the union government as out of 1,722 recommendations, state governments have accepted 475 suggestions, which accounts to 28 percent of the total recommendations made by the national auditor in the last fiscal.

Of the total 2,144 recommendations, which were made in the 162 audit reports approved during the financial year 2021-22, a total 558 recommendations were accepted by the audited entities. In terms of percentage, just 26 percent of recommendations have been accepted by the governments at the Centre and states.

"On an average, the CAG had approved 105 audit reports annually between 2018-21 for laying in the Parliament and state assemblies, while in 2021-22, out of 165 approved audit reports, 34 reports were to be tabled in the parliament and 131 in the state assemblies," it said. However, as per the performance report, 21 union reports and 119 state audit reports were presented to the parliament and the state legislative assemblies. Further, one union audit report and 45 state audit reports approved in 2020-21 were also presented to the Parliament and the state legislatures.

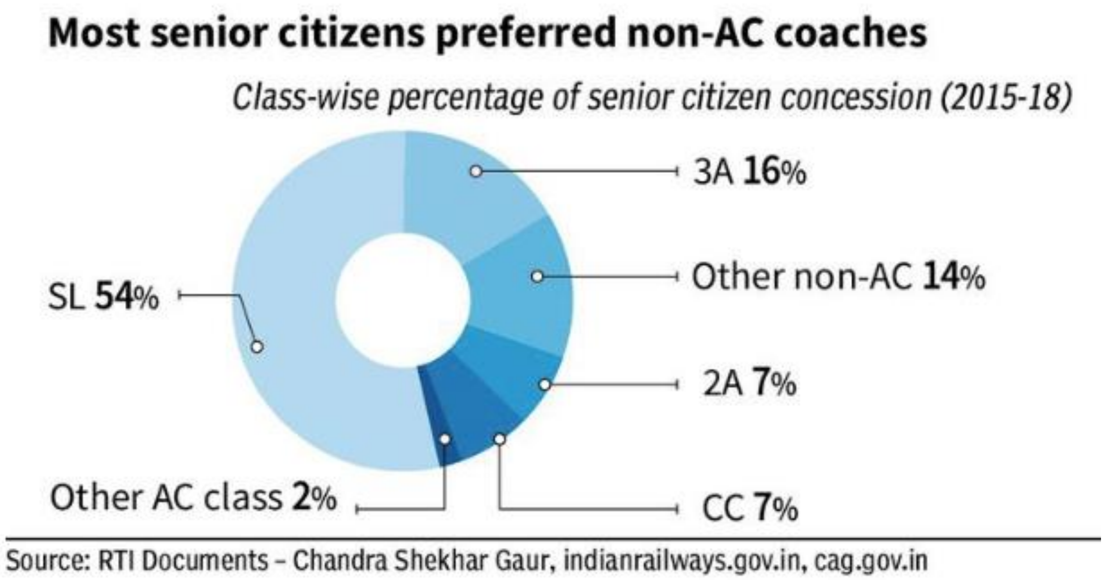
As a part of making auditing of implementation of different welfare schemes sponsored by both the Centre and the state governments more transparent and accountable, the CAG has planned to increase engagement with citizens during the process of auditing.

Generally, after drawing the attention of the government over lapses in the implementation of any policy, the CAG makes some recommendations for the better functioning of the department and reducing the losses. In case of Report no 13 of 2021 related to Railways Finances, the apex auditor had made 12 recommendations which included need to take steps to diversify Railways freight basket to enhance freight earnings and also suggesting considering exploitation of its idle assets to increase other earnings.

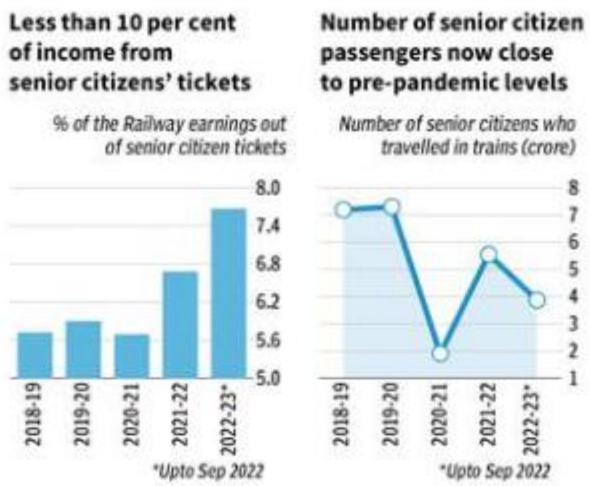
The CAG had also recommended the Railways to address the backlog of renewal of over-aged assets for safe running of trains and considering speeding up the winding-up process of non-working Railway PSUs. https://www.millenniumpost.in/big-stories/of-422-recommendations-by-cag-centre-accepts-just-83-in-2021-22-501539

2. Railways saved just around ₹2500 crore by withdrawing senior citizen concessions *(thehindubusinessline.com)* December 07, 2022

A little over two years ago, precisely on March 19, 2020, the Ministry of Railways issued a circular withdrawing train ticket concession for various categories of people, including senior citizens. This was to prevent non-essential travel. While most of the pandemic-related restrictions have eased, the concessions are yet to be restored. Our analysis of RTI data revealed that between March 2020 and September 2022, the railways have only saved around ₹2560.9 crore by withdrawing concessions for senior citizens.



An RTI filed by Madhya Pradesh-based activist, Chandra Shekhar Gaur, said that between March 2020 and September 2022, the railways earned ₹5808.85 crore by selling tickets to senior citizens. Women passengers who have completed 58 years of age are allowed a 50 per cent concession in fare, while men are allowed a concession of 40 per cent, if they have completed 60 years of age, in all classes of trains, except Garib Rath and certain other trains like Gatiman Express, Suvidha, and Humsafar trains.



Back to normal

In H1 FY23, Railways' earnings out of senior citizens' tickets were ₹2335.21 crore. This is just ₹675.57 lesser than the money that railways made in FY20, out of these tickets.

2.5 years of suspended concessions

₹2560.91 cr Approximate amount of extra money the Railways earned by suspending senior citizen concessions

Money the Railways earned from senior citizens' tickets

Earnings (₹ cr)

FY	Male	Female	Transgender	Total
2018-19	1,746.22	1,173.61	0.25	2,920.08
2019-20	1,800.61	1,209.84	0.33	3,010.78
2020-21	542.13	332.86	0.11	875.10
2021-22	1,547.43	1,050.76	0.35	2,598.54
2022-23 *(Upto Sep 2022)*	1,344.44	990.09	0.68	2,335.21

■ No concession

Gaur's RTI's reply also shows that the number of senior citizens who travel by train has been increasing since 2021 and could probably surpass pre-pandemic levels by the end of FY23. While 7.3 crore senior citizens travelled by Indian Railways in FY20, it dipped to 1.9 crore in FY21. But it increased to 5.5 crore in FY22 and in FY23, until September end, it was 3.87 crore.

Bid to bring back concessions

As restrictions have eased, there has been a lot of hue and cry across sectors, seeking to restore concessions for senior citizens.

"We senior citizens are an unorganised sector, where just a small proportion of people have pensions or earnings," says TRP Unny, former Secretary General, All India Senior Citizens' Confederation, a senior citizens' body. Unny says the body has taken up the issue with the centre on several occasions. "Also, The Government of India has assured in the National Policy on Older Persons 1999 that they will give concessions to senior citizens in all modes of transport," he says.

Agreeing with this, development economist, Venkatesh Athreya, says, “This concession should be restored since it would benefit the poorer travellers who are far more numerous than the rich. A small proportion would not need it. They can be encouraged not to avail of the concessional fare.”

However, the centre in July said that it is not desirable to restore concessions as the cost weighs heavily on the Railways. On the other hand, a Comptroller and Auditor General report from 2019 noted that “On an average, 8.42 per cent of the reserved passenger earnings were allowed as concessions under various categories.” But, the same report said that number of reserved passengers availing concession had grown at a rate of 6.3 per cent per year between 2015-16 and 2017-18. https://www.thehindubusinessline.com/data-stories/data-focus/railways-saved-just-around-2500-crore-by-withdrawing-senior-citizen-concessions/article66234552.ece

STATES NEWS ITEMS

3. Mumbai: Amid policy objections, CAG begins audit of pandemic projects *(freepressjournal.in)* December 08, 2022

The Comptroller and Auditor General of India (CAG) has undertaken the audit of BMC expenditure during the Covid-19 pandemic. However, as per experts, the CAG is not within its right to conduct audit of expenses on health during the pandemic as per the provision of the Epidemic Act 1897.

On Oct 29, Chief Minister Eknath Shinde had issued directions to the CAG to audit BMC projects to the tune of Rs12,000 crore undertaken from Nov 28, 2019 to Feb 28, 2022, when the MVA was in power in Maharashtra.

The probe was ordered following the BJP’s corruption allegations vis-à-vis contracts awarded during the pandemic. Transactions of at least 10 departments are expected to be probed by the CAG. Following the CM’s order, a team comprising eight to 10 members had visited the BMC headquarters in November-end and had met BMC Commissioner Iqbal Singh Chahal and other senior officers. The CAG has been tasked to finish the audit before 2022 draws to a close.

However, according to official sources, the CAG can only seek details of expenditure made by the BMC but cannot express its own view, observation and objections on health expenditure. A senior officer of the BMC said on condition of anonymity, “It’s difficult for corporations to follow the accurate process of tenders during a pandemic.” The BMC spent Rs3538.73 crore during the pandemic and Rs907 crore on hospitals from 2020-22.

Meanwhile, apart from the Covid expenses, CAG will audit the BMC expenditure on an Ajmera plot in Dahisar for Rs339.14 crore; expenses of Rs1,496 crore on four bridges, Rs2,286.24 crore to repair 56 roads, Rs1,084.61 crore on six sewage projects, and Rs1,020.48 crore on solid waste management projects. Moreover, Rs1,187.36 crore was spent on three sewage treatment plants.
https://www.freepressjournal.in/mumbai/mumbai-amid-policy-objections-cag-begins-audit-of-pandemic-projects

4. AG Nagpur are carrom champs *(thehitavada.com)* 08 Dec 2022

AG NAGPUR emerged champions in the recently concluded Indian Audit & Accounts Department (IA & AD) West Zone Carrom Team Championship that was held at Jaipur.

AG Nagpur defeated DGCA, Mumbai 2-1 in the final. Raju Bhaisare of AG Nagpur pocketed the singles crown defeating Dilesh Khedekar of DGCA, Mumbai 2-1 while Narayan Dhurve of AG Nagpur lost to S Kitke of AG Ahmedabad 2-0 to be the runner-up.

In team championship final, Bhaisare came from behind to beat Jitendra Kale 1-25, 25-6, 25-11. But Dilesh Khedkar got the better of Rajesh Jambhulkar 25-12, 25-15 to equalise 1-1. In the crucial doubles match, Sudhir Bamburde and Ravi Tirmale of Nagpur beat Pradeep Bharia and Rakesh 25-9, 15-25, 25-5. In the individual men's event, Bhaisare defeated Dilesh Khedkar in straight sets 25-7, 25-11. In veterans event, Dhurve lost to Kitke 13-25, 10-25.

Sushama Chaudhary and Kavita Nair represented women's team. Yashwant Khapre was player cum manager of the team.

Praveer Kumar, Accountant General (A&E) and R Thiruppathi Venkatasamy, Accountant General (Audit), Nagpur felicitated the victorious AG Nagpur team and wished them best of luck for the IA & AD Inter Zonal Carrom Tournament which is slated to be held in Shilong, Meghalaya from January 9-11, 2023.

Dinesh Mate, Akshay Khandare, S Haripriya, DK Verma, Vinit Ghadge, Mangesh Dudulkar, Manju Naidu, Ram Andhani and Neeraj Kumar were present on the occasion. https://www.thehitavada.com/Encyc/2022/12/8/AG-Nagpur-are-carrom-champs.html

5. A.G. NAGPUR EMERGE IA & AD WEST ZONE CARROM CHAMPIONS *(thelivenagpur.com)* December 8, 2022

A.G. Nagpur emerged champions in the recently concluded Indian Audit & Accounts Department (IA&AD) West Zone Carrom Team Championship 2022-23 which was held at Jaipur, by defeating DGCA, Mumbai in the finals, 3-0. Raju Bhaisare of A.G. Nagpur, pocketed the Singles crown defeating Dilesh Khedekar of DGCA, Mumbai 2-1, while Narayan Dhurve of A.G. Nagpur lost to S. Kitke of A.G. Ahmedabad 2-0 to be the Runner-up.

The tournament was held from 29th Nov. to 1 st Dec. 2022, at Jaipur, Rajastan. In the finals of team championship, A.G. Nagpur beat D.G.C.A, Mumbai 2-1. In the first Match, Raju Bhaisare of A.G. Nagpur came from behind to beat Jitendra Kale of DGCA, Mumbai, 1-25, 25-6, 25-11.

In the second match, Dilesh Khedkar of DGCA, Mumbai got the better of Rajesh Jambhulkar 25-12, 25-15, to equalize 1-1. In the crucial doubles match, Sudhir Bamburde & Ravi Tirmale of A.G. Nagpur beat Pradeep Bharia & Rakesh of DGCA, Mumbai, 25-9, 15-25, 25-5 to pocket the Team Championship title in Nagpur's favour 2-1.

Earlier, in the Semifinals, A.G. Nagpur had blanked P.A.G, Mumbai 3-0. In the Individual Mens Event, Raju Bhaisare of A.G. Nagpur emerged Singles Champion when he defeated Dilesh Khedkar of DGCA, Mumbai in straight sets 25-7, 25-11. Earlier in the semi finals he had beaten Ramchandran of A.G. Gwalior, 25-9, 25-5. One white slam and one black slam was scored by Raju Bhaisare, one in quarter final and one in the final.

In the veterans event, Narayan Dhurve of A.G. Nagpur lost to S. Kitke of A.G. Ahmedabad 2-0, ie. 13-25,10-25 to be the runners up in veterans category. Praveer Kumar, Accountant General (A&E) and Shri Mr. R Thiruppathi Venkatasamy, Accountant General (Audit), Nagpur felicitated the victorious A.G. Nagpur
winning team and wished them best of luck for the IA &AD Inter Zonal Carrom Tournament which is slated to be held in Shilong, Meghalaya from 9th to 11th January 2023.

Dinesh Mate, Sr. Dy. Accountant General, Akshay Khandare, Dy. Accountant General, Ms. S. Haripriya, Dy. Accountant General, Shri D.K. Verma, Sr. Audit officer, Vinit Ghadge, President (AGRC,Audit), Shri. Mangesh Dudulkar, Secretary (AGRC,Audit), Ms. Manju Naidu, Welfare Assistant, Shri Ram Andhani, Secretary and Neeraj Kumar of AGRC, A&E, were present on the occasion. https://thelivenagpur.com/2022/12/08/a-g-nagpur-emerge-ia-ad-west-zone-carrom-champions/

SELECTED NEWS ITEMS/ARTICLES FOR READING

6. Indian Railways: 452 Projects Costing Rs 7.33 Lakh Crore at Various Stages of Planning, Sanction and Execution *(swarajyamag.com)* Dec 8, 2022

As many as 452 railway projects are in different stages of planning, sanction and execution, according to the Indian Railways.

This includes 183 new lines, 42 gauge conversion and 227 doubling of the total length of 49,323 km costing about Rs 7.33 lakh crore.

The railways has commissioned 11,518 km long line with an expenditure of Rs 2.35 lakh crore having been incurred up to March 2022.

All the projects have been reviewed based on last mile connectivity, missing links, traffic potential on the project, capacity enhancement, availability of land, forest/wild-life clearance etc.

Presently, the railway's focus is on completion of capacity enhancement projects, last mile connectivity projects, national projects and gauge conversion projects etc.

Various steps taken by the government for speedy sanction and implementation of rail projects. They include (i) setting up of Gati Shakti units (ii) prioritisation of projects (iii) substantial increase in allocation of funds on priority projects (iv) delegation of powers at field level (v) close monitoring of progress of project at various levels, and (vi) regular follow up with state governments and authorities concerned for expeditious land acquisition, forestry and wildlife clearances and for resolving other issues pertaining to projects.

According to the railways, this has led to substantial increase in rate of commissioning since 2014.

Since 2014, there has been substantial increase in fund allocation for new line, gauge conversion and doubling projects, and commensurate commissioning of projects in Indian Railways.

The average annual budget allocation for these works during 2014-19 increased to Rs 26,026 crore per year from Rs 11,527 crore per year during 2009-14 (126 per cent more than average annual budget allocation during 2009-14).

The annual budget allocation increased to Rs 39,836 crore in financial year (FY) 2019-20 (246 per cent more than average annual budget allocation during 2009-14), Rs 43,626 crore in FY 2020-21 (278 per cent more than the average annual budget allocation during 2009-14) and Rs 56,716 crore for FY 2021-22 (392 per cent more than average annual budget allocation during 2009-14).

For FY 2022-23, the highest-ever budget outlay of Rs 67,001 crore has been provided for these works, which is 481 per cent more than average annual budget outlay of 2009-14.

During 2014-22, across Indian Railways, 20,628 km sections (3,970 km new line, 5,507 km gauge conversion and 11,151 km doubling) have been commissioned at an average of 2,579 km/year which is 70 per cent more than the average commissioning during 2009-14 (1,520 km/year).

Land acquisition and its demarcation is done by revenue authorities of the state government. Compensation for land acquired by the railways is deposited with the state government concerned.

The railways closely and regularly follows up with state governments and authorities concerned for expeditious land acquisition, demarcation for infrastructure projects.

According to the information given by Railway Minister Ashwini Vaishnaw in a written reply to a question in the Lok Sabha on Wednesday (7 December), the completion of any railway projects depends on various factors like quick land acquisition by state governments, forest clearance by officials of forest department, deposition of cost share by state government in cost sharing projects, etc.

Also, various other factors that affect the completion time and cost of the project are, prioritising projects, shifting of infringing utilities, statutory clearances from various authorities, geological and topographical conditions of area, law and order situation in the area of project site, number of working months in a year for particular project site due to climatic conditions. https://swarajyamag.com/infrastructure/indian-railways-452-projects-costing-rs-733-lakh-crore-at-various-stages-of-planning-sanction-and-execution

7. Muddled Reforms: Indian Railways Management Service is a train to nowhere *(moneycontrol.com)* December 8, 2022

The Indian Railways (IR) has finally sent an indent to the Union Public Service Commission to recruit 150 Indian Railways Management Service (IRMS) officers through a separate IRMS examination. To mollify railway unions, 50% of junior scale vacancies will be filled through IRMS and the balance by promotion from ranks. However, the IRMS has been badly conceived and its execution is poor.

In the Making for Three Decades

The IRMS has been in the making for 28 years. It was conceived first by the Prakash Tandon Committee (1994) and endorsed by the Rakesh Mohan Committee (2001), Sam Pitroda Committee (2012) and Bibek Debroy Committee (2015). The Union Cabinet approved the creation of IRMS by merging eight services on December 24, 2019.

The current framework of the IRMS will fail to solve the IR's deep-rooted silo culture and instead will usher in an era of chaos. It will also prevent the best talent from joining the IR. Here's why.

Firstly, the IR has ignored the fine print of the Debroy committee recommendations which called for the consolidation and merger of eight Group A services into two services. The committee had suggested the creation of the Indian Railway Technical Service (IRTechS) by merging five technical services and the Indian Railway Logistics Service (IRLogS) by merging three non-technical services.

To traverse the path charted out by Debroy, the IR had to simply recruit unified IRLogS officers through the Indian civil services exam and unified IRTechS officers through the Indian engineering services exam. There was no need to reinvent the wheel.

Secondly, silos are not the sole preserve of the IR. Silos are the nemesis of the best Fortune 500 companies. Even Prime Minister Modi manages silos - 58 ministries. If the Railway Board CEO is service and people-oriented and is focused on results, silos are bound to crumble.

In the past, the Railway Board had chairpersons like Mohinder Singh Gujral, who transformed the IR silos into a winning team. It is the same silo-bred railwaymen who executed the audacious dream of building the Konkan Railway. Turbocharged by the towering leadership of E Sreedharan, who later came to be known as the Metro-man, I as a junior officer managed to raise Rs 2,600 crore from the domestic and international market to complete this marque project in record time. Also, railway men from the Integral Coach Factory (ICF), led by iconoclast Sudhanshu Mani, created the Vande Bharat Trains. India's metro rail revolution was handiwork railwaymen, led by Sreedharan. Thus, it has been amply demonstrated that empowered top management can end the IR's silo culture.

The breaking of silos is needed at every juncture, at the unwieldy railway board, zonal railway and divisions offices and stations.

Thirdly, the IRMS has no place for bureaucrats cut in the mould of TN Seshan, Mohinder Singh Gujral, Y Venugopal Reddy, Subrahmanyam Jaishankar and Amitabh Kant. The IRMS is looking to recruit only engineering and commerce graduates and chartered accountants. Even those who studied at venerable institutions such as Harvard, Wharton and the Indian Institute of Management, Ahmedabad are not eligible to join the IRMS.

Fourthly, IRMS is like the proverbial "Birbal's Khichdi" that shall never be cooked. Its exam pattern is neither similar to that of civil services nor engineering services. The IRMS main exam is designed to be a poor cousin of the civil services exam. Aspirants are, however, required to appear for the civil services prelims. This will not help the IR attract either good bureaucrats or able technocrats.

Worse, a resolution of the complex problem of inter se seniority of the 7,500 serving railway officers is nowhere in sight.

Time for Structural Reforms

The IR is in dire need of substantive structural reforms, to make it a leaner and more efficient organisation. Here are the reforms that are required to be taken up on a priority basis.

One, separate policymaking, regulation and operations. The ministry (Railway Board) must confine itself to policy matters, independent regulator (s) should regulate, and railway zones, divisions and companies should operate, maintain and manage the railways.

Two, mothball unwanted projects worth lakhs of crore rupees, sanctioned to suit political expediency. The IR needs a robust new architecture to fast-track project execution in a mission mode. The prevalent paradigm of construction through zonal railways has not delivered the desired results.

Three, the IR should focus on core business and noncore activities such as running schools, colleges, and hospitals and the police force should be divested on a war footing.

Four, all production units should be consolidated under unitary control to ensure better control, management, coordination and infusion of state-of-the-art technology.

Five, the number of zones and divisions needs to be rationalised. The IR today is a complex cobweb of 19 zones and 70 divisions. It should be pruned to five zones and twenty divisions with a focus on operational ease, efficiency and effectiveness.

Six, to jumpstart execution speed, efficiency and quality, the IR must merge zonal construction units with IRCON and RVNL.

Lastly, implement the 2014 Sreedharan Committee recommendation on the cessation of tendering work by the Railway Board and transferring it to zones, divisions and production units. The Railway Board continues to finalise nearly 50 percent of all tenders, purportedly to achieve economies of scale.

If the IR is to be saved, Railway Board must cede tendering powers and focus on its core job of policy-making for which it was created on recommendations of the Robertson Committee of 1903. https://www.moneycontrol.com/news/opinion/muddled-reforms-indian-railways-management-service-is-a-train-to-nowhere-9664911.html

8. Government allocates Rs 3.91 lakh crore as subsidy under PMGKAY *(millenniumpost.in)* December 8, 2022

The Centre has allocated 1,118 lakh tonnes of foodgrains to states and Union Territories so far under the free ration scheme PMGKAY with a food subsidy outlay of around Rs 3.91 lakh crore, Parliament was informed on Wednesday.

The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) was launched in April 2020 and has been extended several times. In September-end, the scheme was extended for a further period of three months up to December 2022.

Under the scheme, the Centre provides 5 kilograms of wheat and rice free of cost to 80 crore poor every month. This is over an above the foodgrains supplied under the NFSA.

In a written reply to Lok Sabha, Food and Consumer Affairs Minister Piyush Goyal said: "So far under the PMGKAY scheme the government has allocated a total of almost 1,118 lakh tonnes foodgrains to the states/UTs (i.e total allocation from Phase I to phase VII)."

The total sanctioned outlay for food subsidy and central assistance for all phases I-VII is approximately Rs 3.91 lakh crore, he added.

In 2020-21 fiscal, Rs 1,13,185 crore was allocated to implement the PMGKAY, while Rs 1,47,212 crore was allocated in 2021-22 and Rs 1,30,600 crore in the 2022-23 fiscal.

The PMGKAY was started in April 2020 to help the poor whose livelihoods were shuttered by the lockdown aimed at containing the spread of the Coronavirus. https://www.millenniumpost.in/nation/government-allocates-rs-391-lakh-crore-as-subsidy-under-pmgkay-501511?infinitescroll=1

9. The answer for India's economic recovery *(indianexpress.com)* Written by Rakesh Mohan | Updated: December 8, 2022

Several agencies, including the IMF and the World Bank have projected lower growth rates for the Indian economy in FY23, than the 7.2 per cent estimated by the RBI in April. The Central bank has now lowered its forecast to 6.8 per cent. Given the current situation, with the Q2 FY 2023 GDP growth clocking in at 6.3 per cent, the economy is likely to grow at 6.5-7.0 per cent in this fiscal year. It is difficult to arrive at a precise estimate for growth this year with unprecedented economic uncertainty worldwide, including high global inflation, synchronised monetary tightening, and the impact of the Ukraine war.

On medium-term growth prospects, there are some positive signs in the Indian economy. Company and bank balance sheets are healthier, credit growth is rising, and capacity utilisation has increased, all of which augur well for investment activity. The waning of Covid-19 should hopefully have a positive impact on travel, transport and tourism. Construction activity should pick up further with the reduction in housing inventory and almost stable prices over the last decade.

I expect a higher growth rate from FY24 onward for India. But such a recovery would also require us to tackle many of our economy's pressing problems — some of which are a hangover from the past and some that have been exacerbated by Covid. Our biggest concern relates to employment, an issue that has persisted over the last two decades. In brief, we have not generated enough good jobs to match the scale at which the economy has grown, especially in the organised sector. As a result, we have very high under-employment and poor-quality employment, which have hampered a much-needed move away from agriculture.

Job growth is crucial if we are to reduce the still high levels of poverty in the country. We do not have a precise estimate of the current levels of poverty, as there has been no household consumption survey since 2011-12, and the 2017-18 survey was abandoned due to technical issues. But there is reasonable consensus that poverty could be around 10 per cent of the country's population: A low number compared to the past, but as many as 140 million people could still be living in poverty. The rising demand for the MGNREGA, and the importance of food distribution schemes and other welfare programmes for the poor are indicators of the lack of non-agriculture jobs being generated.

An alarming aspect of the employment problem in India is the low participation rate of women in the labour force, which is among the lowest in the world. This loops back to the importance of labour-intensive manufacturing. For example, much of Bangladesh's success, and that of Southeast Asian countries, in exports and manufacturing stems from the large number of women working in their factories. A positive trend in India has been the growing trend in girls attending schools and college in the last 20 years, but this also means that an increasing number of educated women are not working.

Closely linked to the issue of employment is the country's real exchange rate: The rupee has been overvalued for long and needs to be allowed to depreciate, though in a calibrated way, ensuring external and financial stability. An overvalued rupee has discouraged the export of labour-intensive manufacturing goods, which are very price-sensitive in global markets. It has also had a dampening effect on domestic production as our currency has depreciated at a lower rate than other emerging economies like China and Indonesia. Domestic producers of goods that compete with imports into our markets have been impacted by the inflow of cheaper imports. This has disincentivised them from expanding production – and generating employment.

Problems that have come to the fore post-pandemic include the health of micro, small and medium enterprises (MSMEs). Accurate information on this is somewhat scarce but anecdotal evidence suggests that they have been more severely hit than the formal sector. However, the continued recovery of the formal sector, as indicated by various metrics, in terms of the improved health of corporates and banks should effectively pull up the MSMEs through supply chains linkages, among others.

On the inflation front, India is doing better than many advanced economies and emerging markets. But, we still have a negative real interest rate (that is, the difference between the RBI's policy rate and inflation). Hence, the policy rate needs to rise further, providing a push to financial savings, which are needed to generate higher investment for growth. Inflation does, of course, need to be contained through supply-side measures as well, such as an improvement in the supply of food products. https://indianexpress.com/article/opinion/columns/india-economic-recovery-labour-manufacturing-8312253/

10. India chases clean energy, but economic goals put coal first *(moneycontrol.com)* NEW YORK TIMES | Dec 8, 2022

India's subsidies for fossil fuels were nine times the size of clean energy subsidies in 2021, according to the International Institute for Sustainable Development.

In the shadow of a retired coal-fired power plant in India's capital, Meena Devi tries to make her family home — four brick walls with a tin roof — a safe place to breathe.

Although the smokestacks at the plant went dormant years ago under a court order, there is no shortage of hazards in her air, ranging from vehicular exhaust to construction dust to ash from crop stubble burning in adjacent states.

Emissions from the dozen coal-fired power plants still operating around the New Delhi region feed a toxic smog that hangs over the city each winter, imperiling people of all backgrounds. Sometimes it is Devi adding to the smoke with wood fires she burns when her husband, a house painter, has no work and the family has no cash to refill the cooking gas cylinder.

While the central government gives poor families a small subsidy for cooking gas as a cleaner alternative to firewood, the main energy subsidies go to consumers of gasoline and diesel, mainly benefiting the middle class, and to producers, transporters and processors of coal as well as utilities that burn coal.

“My throat burns, and the kids are not able to breathe when I’m lighting the chulha,” Devi said, using the Hindi term for a wood stove. “What can I do? We’re not the only ones contributing to pollution.”

Devi is in the crosshairs of a global challenge: how to bring power to the world’s poor and fight climate change at the same time.

In India as in many other countries, political and economic considerations have yielded an energy strategy of simultaneously pursuing clean energy and burning fossil fuels, an approach that ultimately puts security ahead of climate.

Despite pledges at climate conferences to lead the world’s transition toward green energy, Prime Minister Narendra Modi’s government is in full expansion mode on the fossil-fuel front. Cheap, reliable prices for electricity and gasoline are its priority.

India’s subsidies for fossil fuels were nine times the size of clean energy subsidies in 2021, according to the International Institute for Sustainable Development.

The investments have boggled advocates of green energy, but officials say India’s ambitious economic growth targets — reaching annual gross domestic product of $5 trillion before the end of the decade, up from $3.2 trillion in 2021 — can be met only by sharply increasing dirty and cleaner energy sources alike.

“Energy security is my first priority,” India’s power minister, R.K. Singh, said at a recent forum, explaining the government’s commitment to burn more coal.

“I will not compromise on the availability of power for this country’s development,” he added.

India will soon have the largest population of any country, so its choices will be critical not only for the health of its citizens but also for the prospects of limiting global warming to a sustainable level.

“India is pivotal to the future of global energy and climate policy,” said Amy Myers Jaffe, an energy and climate expert at the New York University School for Professional Studies. “Their emissions trajectory will be material on whether global emissions can reach net zero by midcentury.”

India’s environmental record is mixed at best. It has driven down the costs of renewable energy to some of the world’s cheapest rates, which should mean less smoky skies over New Delhi and other cities in India rated as having the world’s worst air.

Renewable energy in India rose to 163 gigawatts in August from a few megawatts in 2010, according to the Institute for Energy Economics and Financial Analysis, a research group in Cleveland. Moreover, renewables make up 40% of the country's installed power generation capacity and are targeted to grow to 61% by 2030.

Yet coal is the foundation of India's power system and the most persistent source of urban air pollution. The average coal-fired power plant in India is 14 years old, compared with a global average of 20. Coal plants normally function for 30 to 50 years.

India's pledge to achieve carbon neutrality by 2070 leaves ample space for coal-powered generation to increase even as cleaner energy sources gradually take up a larger share of the energy mix. And a broad lack of regulation could mean far greater emissions before coal power peaks.

In 2015, India's coal-fired power plants were ordered to reduce emissions of sulfur dioxide and nitrogen oxide. Adoption of the technology to capture these pollutants has been limited, with companies given repeated extensions to comply. Around Delhi, only two out of a dozen coal-fired power plants follow the rules.

Yet Modi's government has offered to finance a new coal-fired plant near the capital, part of an extensive pipeline of new coal infrastructure. It subsidizes publicly traded Coal India with $2 billion a year.

"The way coal is priced, subsidies are leading to higher air pollution from power plant emissions," said Sunil Dahiya, an analyst at the Center for Research on Energy and Clean Air.

"The entire world knows that Delhi is a critically polluted region," Dahiya added. "Contrary to that, they are trying to add one more plant," he continued, referring to the Modi government. "It defies all logic."

As it has for many countries, the war in Ukraine has made India alert to its dependence on foreign energy, particularly oil. It imports about 85% of the 5 million barrels it consumes daily. The government has opened up close to 1 million square miles of territory, including pristine coastal areas and offshore waters, for natural gas and oil drilling, drawing the attention of Exxon Mobil, Total and Chevron.

The investments in fossil fuels belie the increasingly compelling economics of renewable energy in India.

After more than a decade of both public and private investment, solar power is abundant in India and as cheap as any other energy source. An aggressive biofuels policy that has led to 10% ethanol blending saves the government $5 billion a year in oil imports. India is sopping up foreign direct investment in green hydrogen, so called because it is produced with renewable energy.

India's national oil company, ONGC, is adding renewable energy to its portfolio, and Coal India has proposed setting up solar parks in reclaimed mining areas. Reliance, the giant Indian refiner, is trying to sell assets to Saudi Aramco to raise capital to expand solar panel production and establish green hydrogen infrastructure. Reliance and Adani, the largest coal supplier in

India, have net-zero goals and have pledged tens of billions of dollars toward green energy projects.

Because India is the world's third-largest emitter of greenhouse gases, its adoption of cleaner fuels could help the world avert climate disaster. Yet India's projected energy demands include an astronomical rise in oil, gas and coal consumption. That suggests that the problem of India's hazardous air quality — and tens of thousands of premature deaths it claims each year — could get much worse before getting better.

"We went into the transition, green, sustainability thing with a degree of passion that was almost religious fervor," Hardeep Singh Puri, India's petroleum and natural gas minister, said in an interview.

"But you've got to survive the present to be able to make a realistic transition," he said.

India has taken advantage of Moscow's supply of heavily discounted crude oil — now supplying about one-quarter of its daily needs — to shield India's state refiners from losses. Cheaper crude has also allowed New Delhi to protect its people from inflation by keeping pump prices low.

The government slashed excise duties on petrol and diesel twice in the past year, urging states controlled by Modi's Bharatiya Janata Party to cut taxes, too. The move most likely helped the government avoid the political tumult over high gas prices and shortages seen in neighboring Pakistan, Sri Lanka and Nepal.

"More than inflation, we've shielded our population from chaos," Puri said. "If you didn't have gas," he added, "all hell breaks loose."

Half of emissions in Delhi, ranked as the world's most polluted capital, come from vehicular traffic, but there is little incentive to drive less. Some 60 million people in India fuel up daily.

Yet many millions more in the country of nearly 1.4 billion get bad air with little benefit.

In Subhash Camp, the Delhi slum where Devi lives, women gather in a narrow lane strung with electrical wire and decorative strands of marigold. They describe the respiratory illnesses that their children were born with or that they soon developed, requiring expensive hospital treatment.

They also explain how free cooking gas canisters and subsidized gas in recent years have helped them control the environment in a small way for their children, and the consequences when there is no money for gas.

"My children say, 'Please, Mummy, do not light the chulha — I can't breathe,'" said Reshma, a construction worker and mother of three who goes by one name. "I think about the pollution, but I have to make food."

After pledging billions of dollars for oil and gas exploration and the expansion of coal, the Modi government says it plans to pivot away from energy subsidies — but starting with the cooking gas, the subsidy that most helps the poor. https://www.moneycontrol.com/news/economy/economy-economy/india-chases-clean-energy-but-economic-goals-put-coal-first-9670281.html

11. A new tax for the govt to boost its revenues *(livemint.com)* Dec 8, 2022

Climate change is something we are worried about. There have been targets set for various countries and India is a front-runner here. Companies are working towards net-zero, which means that as their business operations emit carbon-laden gases, they will either reduce these pollutants to nil or fully compensate for them by absorbing the same quantity from the atmosphere. Awareness of this has spread. Good. But another question is whether the government can do something to earn revenue here.

The government has been looking at different ways of augmenting its revenues, as mere tax buoyancy cannot be relied upon; growth levels can vary and abnormal situations seem to arise almost every year. As options are explored, existing taxpayers usually end up being taxed even more. Given that climate action is a big thing today, there is room to think of taxing companies that pollute the environment. With the country going digital and most business units GST-registered, we have records of what each firm does. This universe of companies can serve as the taxable base on which a green tax can be levied. Even for a rudimentary activity like farming, we have knowledge of the pollution caused, and this tax can be imposed at the mandi level, the official point of sale.

There are different ways of arriving at the amount of pollution emitted by every business activity. Manufacturing and construction top the list, broadly, with services next. More specifically, fuel-based industries top the list of polluters. Think of coal, oil, gas and petro-products, and of energy suppliers that use fossil-fuel inputs. Other large polluters include industries like transport, chemicals (especially fertilizers), technology, processed food and fashion. Services with no factories add to ecological atrophy with their buildings and servers that add to global warming. The fancy glass-front edifices of modern commercial complexes that use much energy to keep cool are other examples.

In short, every economic activity adds its bit to pollution and can be brought under the tax net. The Centre only needs to commission research agencies to independently evaluate the emissions of all industries and set standards for the same. This done, there is scope for taxing industries on the basis of the pollution caused by their business activity.

India’s top 4,000 odd companies had a combined turnover of roughly ₹100 trillion in 2021-22. Intuitively, all these sales can be linked to pollution. Our green tax rate can then be defined along a scale and imposed on all industries. On an average, if the green tax rate is, say, 0.5% of turnover, the government can rake in an amount of ₹50,000 crore annually, which can then be used to finance budget spending. Since the government has already spoken of issuing green bonds for projects that are environmentally compliant, a green tax would actually complement this effort.

The green tax need not be uniformly applied, and its rate could vary from 0.1% to 2%, depending on the industry concerned. As the sales of these companies or industries grow, they would automatically yield higher revenues to the government. In a way, this would make businesses pay for the damage caused to the environment. The tax, hence, would be a levy based on the status of the company and defined by the industry to which it belongs. Once a green tax is imposed, it would be fair to dispense with the mandatory corporate social responsibility (CSR) expenditure that firms currently bear. Presently, there is a net worth/sales/net profit criteria, by which companies must spend 2% of net profit on activities defined under CSR. The 2% of profit-after-tax norm in existence is not fair, it may be argued, as the purpose of any company is to produce goods or services. It is not ethically right to force them to take up CSR activity. It takes up a lot of bandwidth, as it involves having separate staff to administer the same.

Addressing social causes like health, education, open spaces, etc, is the job of the government and passing on such tasks to commercial entities makes little sense. Businesses do not have the core competence to do social good and invariably end up passing on the funds to non-profit entities, which defeats the purpose. Several Indian companies have long been involved with philanthropy on their own volition, which is how it should be.

Some companies have been observed to indulge in 'greenwashing' just to meet CSR obligations. This again defeats the purpose.

Ideally, India's green tax should be levied on a company based on emissions that can be measured. As this is difficult to assess with accuracy, using broad industry averages as the norm would be a good start. Companies can be slotted into industry groups based on how their production or sales are classified. A cut-off level of 50% product sales or production can be used for classification, or alternatively, the product with the largest share in a company's overall production or sales can determine its industry assignment. Assessment of pollutant emissions can be reviewed periodically, as firms would be expected to do their utmost to induct new technologies and reduce their emissions over time.

One consequence could be that companies will pass this cost onto their customers. At the individual level, this would not be very significant and can be absorbed. Moreover, consumers of products and services that are environmentally unfriendly would also be made accountable to the world at large (and to pay for the same). In a zero-sum game, the cost has to borne by somebody. But the government is sure to be a big beneficiary. https://www.livemint.com/opinion/columns/a-green-tax-would-help-augment-government-revenue-11670436408120.html

12. India unveils Rs 2.2 trillion plan to upgrade grid for clean power *(business-standard.com)* 8 December, 2022

India unveiled a 2.44 trillion rupee ($29.6 billion) plan to build transmission lines to connect renewable generation, as it aims to nearly triple its clean-power capacity by 2030.
The project will connect solar plants in the sun-drenched deserts of Rajasthan and Gujarat and wind farms in Tamil Nadu to the national network, the power ministry said in a statement. It will help boost India's inter-regional transmission capacity from 112 gigawatts to 150 gigawatts by the end of the decade.

A lack of transmission lines has held back renewable electricity in India. As the nation embarks on its path to net zero by 2070, it needs to address this shortfall so that clean power can flow to urban and industrial hubs that are often far from generation sources.

India has a generation capacity of 173 gigawatts from non-fossil fuel sources and plans to almost triple it to 500 gigawatts by 2030. The transmission plan includes building transformers and high voltage lines to carry power long distances, as well as laying submarine cables to ship electricity from offshore wind projects.

The power networks sector welcomed the plan, but sounded a note of caution on how contracts will be awarded. Private transmission companies have been lobbying New Delhi to allocate all projects through competitive bids, rather than the current practice of giving some to state-run Power Grid Corp. of India Ltd. without competition.

"The plan presents a very large opportunity to the industry and is absolutely crucial to India's renewables ambitions," said Vijay Chhibber, director general at lobby group Electric Power Transmission Association, which represents the private network companies. "What we still need is a complete clarity on how these projects will be awarded." https://www.business-standard.com/article/economy-policy/india-unveils-rs-2-2-trillion-plan-to-upgrade-grid-for-clean-power-122120800650_1.html

13. France's Rafale jets are frontrunner in race for Indian Navy contract *(theprint.in)* 7 December, 2022

French aircraft manufacturer Dassault Aviation's Rafale-M has emerged as the frontrunner to bag a mega contract from the Indian Navy for 27 fighters, ThePrint has learnt, leaving behind US firm Boeing's F/A-18 Super Hornet.

Sources in the defence and security establishment said the Navy has submitted a detailed report to the defence ministry on performance of the Super Hornets and Rafale-M, which is the marine version of the fighter aircraft already in use with the Indian Air Force, during two sets of demonstration.

American firm Boeing and French manufacturer Dassault Aviation carried out operational demonstrations of the Super Hornets and Rafale-M respectively, showcasing ski-jumps — a crucial take-off capability — from the shore-based test facility at INS Hansa in Goa, to demonstrate their ability to operate from Indian aircraft carriers.
Refusing to get into details, sources said the report from the naval headquarters to the defence ministry mentions the "positives" only, and that Rafale-M met all criteria.

The report to the defence ministry has been sent after a detailed analysis by the naval headquarters on the performance by both aircraft. Those undertaking the tests had prepared a 'trial report' that was sent to the naval headquarters for detailed analysis on performance and shortlisting of aircraft.

Asked whether the lift size of India's indigenous aircraft carrier INS Vikrant would be an issue, sources said both aircraft had to be brought up and down at a certain angle. While the wings of Super Hornets fold — unlike the Rafale — these still had to be brought up and down at a certain angle. Both aircraft also have a separate process in which the wings fold.

The design and space of the lift size has been a problem because it is understood to have been made taking the MiG 29K and the naval version of the Tejas aircraft into consideration.

The Navy currently operates the Russian MiG 29K aircraft from INS Vikramaditya. But with the commissioning of INS Vikrant, the force has been seeking more fighter jets.

The new contract is meant to be an interim arrangement because the Navy is betting on its indigenous fighter. Navy Chief Admiral Hari Kumar had Saturday said the future of Indian naval aviation was the indigenous Twin Engine Deck Based Fighter (TEDBF), whose prototype is expected by 2026-27 and production to start somewhere around 2032.

He also said that the existing naval fighter, MiG 29K, were in limited numbers and Russian spare supplies were “also not very forthcoming”.

Fighters for IAF
Sources said the ball now was in the court of the defence ministry that will decide on the next course of action. They added that the contract is likely to be a government-to-government deal just like the earlier order for IAF’s Rafale jets.

It is learnt that the French have offered to transfer some aircraft from its own naval fleet to ensure that the Indian Navy can operate them faster. However, all fighters are likely to be bought off-the-shelf.

Sources explained that the forward movement by the Indian Navy would mean that the proposal for more Rafale jets for the IAF is also likely to gather speed. This is because it would make for a more prudent financial decision to have more numbers of aircraft, thereby bringing down on costs.

As reported by ThePrint earlier, the government is thinking of splitting the mega deal for 114 Multi-Role Fighter Aircraft (MRFA) for IAF. Instead of acquiring 114 fighters in one go, as was planned earlier, the government is looking at going in for an initial order of 54 aircraft for the IAF.

This would entail 18 aircraft being bought off-the-shelf from the foreign Original Equipment Manufacturer (OEM) and 36 built in India through a joint venture under Make In India.

This would be an order that will be placed with the foreign OEM directly. A follow-on order will be placed to the joint venture and this deal would be in Indian currency. https://theprint.in/defence/frances-rafale-jets-are-frontrunner-in-race-for-indian-navy-contract/1252690/

14. Mumbai: Versova-Bandra Sealink Delayed By 3 Years, Only 5 Per Cent Work Completed *(swarajyamag.com)* C

Considered as an important link to connect south and north Mumbai, the Versova-Bandra Sealink (VBSL) project is moving at a snail’s pace.

A mere 5 per cent civil work has been completed on the project since it was initiated in 2019 — actual work started only in August 2022.

Part of the Mumbai ‘Sea Link’ Project, VBSL’s deadline has now been revised to December 2026 from its earlier estimated completion time of 2023.

The ‘Sea Link’ project includes Bandra-Worli Sea Link (BWSL) project (completed and operational), Versova-Bandra Sea Link (VBSL) project (ongoing) and Versova Virar Sea Link

(VVSL) as an extension to VBSL project by Maharashtra State Road Development Corporation (MSRDC).

Project Concept
The Versova Bandra Sea Link Project (VBSL) comprises construction of a sea link bridge along the West coast of Mumbai from Bandra (on South side) at Bandra-Worli Sea Link (BWSL) to Versova at Nana Nani Park (on North side).

The length of the sea link is 9.6 km with four dispersal points at Bandra Connector, Carter Road Connector, Juhu Koliwada Connector and Nana Nani Park Connector.

The sea link will have 4+4 lanes on both the sides with tolling facilities. The connectors will have a length of 1.17 km at Bandra, 1.8 km at Carter Road, 2.8 km at Juhu Koliwada and 1.8 km at Nana Nani Park.

VBSL is a marquee project with a length of 17.17 km, which is three times the length of the Bandra-Worli Sea Link of 5.6 km.

Contractor Delays
The state government has appointed the Maharashtra State Road Development Corporation (MSRDC) as the nodal agency for the implementation of the VBSL project.

Initially, Reliance Infra-Astaldi joint venture (JV) was chosen as the contractor for the project.

Later on, new JV partners — Webuild (earlier Astaldi) and APPCO, a Uttar Pradesh-based company — came into the picture after Reliance Infra sold its shares to Astaldi and the MSRDC gave consent for the change of partner.

The Rs 7,000-crore project was expected to be ready by 2023, which has now been revised to December 2026.

A senior MSRDC official said, “Till date, 5 per cent civil work is only completed, and the work by earlier contractors was slow even if we take pandemic and other legal cases into consideration. Now, we have given the date of December 2026 to the newly appointed two contractors for construction of VBSL.”

The MSRDC officials added that with the delay in the completion of VBSL, they have not made any analysis on cost escalation for the project yet.

According to the MSRDSC officials, the sea link alignment is likely to be visible only after a year.

“The contractor is currently constructing a temporary bridge so it can be used to transport material and machinery for the work. Moreover, work can be carried out only till the arrival of monsoon next year, as during monsoon, no work can be done in the sea,” the official said. https://swarajyamag.com/news-headlines/mumbai-versova-bandra-sealink-delayed-by-3-years-only-5-percent-work-completed

15. 5 years on, Indoor Sports Stadium Shopian awaits completion *(thenorthlines.com)* December 7, 2022

Even after elapsing around five years, the indoor sports stadium at Arhama area of South Kashmir's Shopian is awaiting completion due to which sports players feel dejected.

Players from different villages of the area said that they were very much hopeful that by enhancing the sports infrastructure in the area, youth will get engaged in different sports activities and will remain away from drugs, however, after completion of around five years, the project seems nowhere near completion. They said since the beginning, the construction work is going at snail's pace due to which whole sports lovers besides players are discouraged.

The project was given a deadline of 2 years, however, five years have now passed but the project is yet to get completed, Rouf Ahmad, a local resident said. He said that if the stadium is completed it will prove beneficial for budding talented players besides helping in keeping youth away from drug addiction.

Asif Ahmad, a social activist of the area said that our valley is facing the nuisance of drug addiction which is due to lack of recreational opportunities given to our youth and such projects are very important to keep them away from drugs. He said that indoor sports lovers are facing problems as authorities have failed to complete the stadium in the area.

In winters, such an infrastructure can prove very beneficial for the youth of Shopian where addiction rate is high, he said Sports players along with sports lovers said that they have brought this issue to the notice of concerned authorities hundreds of times but so far nothing has changed on ground. They once again requested authorities to complete this project at an earliest so that youth can get involved in sports activities and won't fall prey to drugs. Pertinently the project is being executed by JKPCC with an estimated cost of Rs 4 crore.

Meanwhile, officials said that 90 percent of the work has been already completed and due to paucity of work has been put on halt. They said once funds will be made available, work will restart and project will be completed. https://thenorthlines.com/5-years-on-indoor-sports-stadium-shopian-awaits-completion/