

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (10.05.2023)**

### **1. 63 साल में 400 हादसे, 200 पायलटों और 50 नागरिकों की मौत, मिग-21 क्यों बना भारत की मजबूरी? ([abplive.com](https://abplive.com)) May 09, 2023**

राजस्थान के हनुमानगढ़ में सोमवार (8 मई 2023) की सुबह इंडियन एयरफोर्स का फाइटर प्लेन मिग-21 विमान क्रैश होकर रिहायशी इलाके में जा गिरा. इस हादसे में 3 महिलाओं की मौत हो गई. दोनों पायलट खुद को इजेक्ट करने में कामयाब रहे लेकिन उन्हें भी चोट आई है. खबरों के मुताबिक विमान ने सूरतगढ़ से उड़ान भरी थी और यह बहलोलनगर में क्रैश हो गया.

हादसे की वजह पता लगाने के लिए जांच समिति का गठन किया गया है. बीकानेर के पुलिस महानिरीक्षक ओम प्रकाश ने मीडिया को जानकारी देते हुए कहा कि पायलट ने मानव हताहतों को रोकने की पूरी कोशिश की. उन्होंने बताया कि दुर्घटनास्थल पर 2,000 से ज्यादा लोग इकट्ठा हो गए. प्रशासन ने कानून-व्यवस्था बनाए रखने की पूरी कोशिश की.

हालांकि यह पहली बार नहीं है जब मिग-21 विमान दुर्घटना का शिकार हुआ है. इसकी वजह से कई पायलटों की मौत भी हो चुकी है. सवाल यह है कि आखिर क्यों बार-बार मिग-21 के साथ ऐसा हो रहा है? और बड़े पैमाने पर हादसों के बावजूद मिग 21 की उड़ान पर रोक क्यों नहीं लगाई गई है.

### **कब-कब क्रैश हुआ मिग-21?**

भारतीय वायुसेना के बेड़े में मिग-21 विमान 1960 के दशक की शुरुआत में शामिल किये गये थे. शुरुआत से ही विमान का सुरक्षा रिकॉर्ड खराब रहा. 60 के दशक से लेकर अब तक तकरीबन 500 से ज्यादा मिग-21 विमान हादसे का शिकार हो चुके हैं. दुर्घटनाओं में करीब 200 पायलटों और 50 नागरिकों की मौत हुई.

साल 2021 में पूर्व रक्षामंत्री ए.के. एंटनी ने मिग-21 से जुड़े विमान हादसों को लेकर एक बयान जारी किया था. ए.के. एंटनी ने अपने बयान में कहा था कि वायु सेना में शामिल होने के बाद से लेकर साल 2012 तक 482 मिग-21 विमान हादसे के शिकार हो चुके थे. इन हादसों में 171 पायलट, 39 आम नागरिक और आठ अन्य की मौत हुई थी.

इसके बाद साल 2013 में दो, 2014 में तीन, 2015 में दो, 2016 में तीन, 2018 में दो, 2019 में तीन, 2021 में पांच और 2022 में एक मिग विमान हादसे का शिकार हुए. याद दिला दें कि साल 2022 गोवा कोस्ट पर नेवी का एक मिग-29K विमान क्रैश हुआ था. इस दौरान पायलट ने खुद को सुरक्षित इजेक्ट कर लिया था. इसके बाद अब 2023 में 8 मई को राजस्थान के हनुमानगढ़ में यह हादसा हुआ है.

### **2021-22 में कहां और कब क्रैश हुए मिग-21?**

- 28 जुलाई 2022 में राजस्थान के बाड़मेर के पास एक ट्रेनिंग उड़ान के दौरान मिग-21 विमान क्रैश हुआ. जिसमें दो पायलटों- विंग कमांडर एम राणा और फ्लाइट लेफ्टिनेंट अद्विटिया बल की मौत हो गई.

-24 दिसंबर 2021: राजस्थान के जैसलमेर में मिग-21 क्रैश हुआ था. इस हादसे में विंग कमांडर हर्षित सक्सेना शहीद हो गए.

-12 अक्टूबर 2022: नौसेना का मिग 29 का लड़ाकू विमान गोवा तट के पास दुर्घटनाग्रस्त हो गया. हादसे में पायलट बाल-बाल बचा.

-25 अगस्त 2021: राजस्थान के बाड़मेर में मिग-21 'बाइसन' हादसे का शिकार हुआ. पायलट सुरक्षित बच गए.

-12 मई, 2021: राजस्थान के सूरतगढ़ एयरबेस से उड़ान भरने के बाद पंजाब में मोगा के पास मिग-21 बाइसन के दुर्घटनाग्रस्त होने से 28 वर्षीय स्काइन लीडर अभिषेक चौधरी की मौत हो गई.

-17 मार्च 2021: ग्वालियर एयरबेस से उड़ान भरने के बाद मिग-21 के दुर्घटनाग्रस्त होने से ग्रुप कैप्टन आशीष गुप्ता की मौत हो गई.

-5 जनवरी, 2021: राजस्थान के सूरतगढ़ में एक मिग 21 बाइसन दुर्घटनाग्रस्त हो गया. पायलट की जान बाल-बाल बची.

## **एक नजर मिग -21 पर**

मिग -21 बाइसन विमान का सुपरसोनिक जेट विमान है. ये विमान दुनिया में सबसे ज्यादा बिकने वाला लड़ाकू जेट भी है. 60 साल से ज्यादा पुराने इस विमान के बेड़े के मिग -21 के चार सक्रिय स्काइन भारतीय वायु सेना की सेवा में है. मिग -21 बाइसन के जनरेशन 3 लड़ाकू जेट को अपडेट किया गया है. मिग-21 विमान को 1960 के दशक में वायुसेना में शामिल किये जाने के बाद से इसने अपनी संपूर्ण लड़ाकू क्षमता बढ़ाने के लिए 870 से ज्यादा मिग-21 विमान खरीदे हैं.

वर्तमान में जेट का इस्तेमाल केवल इंटरसेप्टर के रूप में किया जा रहा है, जिसमें लड़ाकू जेट के रूप में इसकी सीमित भूमिका है और ज्यादातर प्रशिक्षण अभ्यास के लिए इस्तेमाल किया जाता है. इस विमान को डिजाइन करने का श्रेय सोवियत वायु सेना-विमान को दिया जाता है. सोवियत वायु सेना विमान 1985 तक ही सेवा में था. उसके बाद अमेरिका और वियतनाम ने इसकी सेवा लेनी शुरू की. 1985 के बाद बांग्लादेश और अफगानिस्तान ने इसे सेवा से हटा दिया.

भारत में मिग 21 को 1960 के दशक में वायु सेना में शामिल किया गया था और 1990 के दशक के मध्य में रिटायर होने के बावजूद इसे बार-बार अपग्रेड किया जाता रहा है. अक्टूबर 2014 में वायुसेना प्रमुख ने कहा था कि पुराने विमानों को सेवा से हटाने में देरी से भारत की सुरक्षा को खतरा है क्योंकि बेड़े के कुछ हिस्से पुराने हो चुके हैं.

## **मिग 21 अभी भी सेवा में क्यों हैं?**

नए लड़ाकू विमानों को शामिल करने में देरी के कारण भारतीय वायु सेना मिग को लंबे समय तक सेवा में रखना पड़ा. जिससे भारतीय वायुसेना को भारत के आसमान की रक्षा के लिए एक निश्चित स्काइन ताकत बनाए रखने के लिए एक संकट का सामना करना पड़ रहा है.

स्वदेशी तेजस कार्यक्रम में देरी, राफेल सौदे से जुड़े राजनीतिक विवाद और धीमी गति से खरीद प्रक्रिया का मतलब है कि मिग 21 अपनी सेवानिवृत्ति की बाद भी सेवा दे रहा है. जो भारत के लिए खतरा पैदा कर रहा है.

## मिग-21 के क्रैश होने की वजह?

मिग-21 रुस द्वारा तैयार एक पुराना फाइटर विमान है. इसका इंजन काफी पुराना है और इसके साथ ही इसमें इस्तेमाल हो रही तकनीक भी काफी पुरानी है. यह एक सिंगल इंजन वाला विमान है और इसमें आग भी जल्दी लग जाती है.

नियंत्रक एवं महालेखा परीक्षक (कैग) ने एक बयान में कहा कि भारत के मुख्यधारा के नौसेना लड़ाकू विमान मिग-21 के को इंजन, एयरफ्रेम और फ्लाई-बाय-वायर प्रणाली में खामियों के कारण परिचालन संबंधी कमियों का सामना करना पड़ता है. बता दें कि आईएएफ में दुर्घटनाओं की संख्या में सभी फाइटर विमानों के मुकाबले मिग 21 के क्रैश होने की संख्या सबसे ज्यादा बताई जा चुकी हा.

कई बार जांच में सामने आया है कि इसकी खिड़कियों की डिजाइन में भी कुछ गड़बड़ी है, जिसकी वजह से कई क्रैश हो चुके हैं. मिग-21 विमानों के लगातार हादसों की वजह से इसे 'फ्लाइंग कॉफिन' यानी उड़ता ताबूत भी कहा जाता है. जानकारों ने मीडिया को बताया कि 2025 तक सभी चार मिग-21 स्क्वाड्रन को रिटायर करने की योजना है. सोवियत संघ मूल के विमानों के बेड़े को चरणबद्ध तरीके से हटाने की योजना वायु सेना के आधुनिकीकरण अभियान का हिस्सा है.

## मिग-21 विमान को 'फ्लाइंग कॉफिन' का नाम कैसे मिला?

भारतीय वायुसेना के लड़ाकू विमानों के बेड़े में मिग -21 विमान रीढ़ की हड्डी माना जाता है. वहीं रक्षा मंत्रालय के एक आंकड़े के मुताबिक इन विमानों के खराब सुरक्षा रिकॉर्ड के बीच दुर्घटनाओं की कई जांच की गई थी. इन दुर्घटनाओं में 170 से ज्यादा पायलट मारे गए थे. 2010 से अब तक 20 से ज्यादा विमान और 2003 से 2013 के बीच 38 विमान दुर्घटनाग्रस्त हो चुके हैं. दुर्घटनाओं की बड़ी तादाद से विमान को 'फ्लाइंग कॉफिन' के नाम से भी जाना जाता है. बता दें कि बीते पांच सालों में सेना के तीनों अंगों (थलसेना, वायुसेना और नौसेना) के विमान और हेलीकॉप्टर दुर्घटनाओं में 42 रक्षा कर्मियों की जान चली गई.

## मिग 21 की खासियत

60 के दशक में बना मिग-21 अपने समय में सबसे तेज गति से उड़ान भरने वाला पहला सुपरसोनिक लड़ाकू विमान था. यह इकलौता ऐसा विमान है जिसका इस्तेमाल दुनियाभर के करीब 60 देशों ने किया है. मिग-21 इस समय भारत के अलावा कई देशों की वायुसेना में सेवाएं दे रहा है. मिग- 21 एविएशन के इतिहास में अब तक सबसे ज्यादा बनाया जाने वाला सुपरसोनिक फाइटर जेट माना जाता है. इसके अब तक 11496 यूनिट्स का निर्माण किया जा चुका है.

मिग-21 एक हल्का सिंगल पायलट लड़ाकू विमान है. जबकि मिग-21 बाइसन लड़ाकू विमान मिग-21 का एक अपग्रेडेड वर्जन है. जिससे अगले 1-2 साल तक इसका इस्तेमाल किया जा सकता है. इस वर्जन का

इस्तेमाल केवल भारतीय वायुसेना ही करती है. बाकी दूसरे देश इसके अलग-अलग वेरिएंट का इस्तेमाल करते हैं.

### **कई अहम मौकों पर मिग 21 ने भारत का दिया है साथ**

साल 1965, 1971 और 1999 के युद्ध में पाकिस्तान से लड़ाई के दौरान मिग 21 ने गेम चेंजर की भूमिका निभाई. 1971 में भारतीय मिग-21 ने चेंगड़ एफ विमान को मार गिराया था. चेंगड़ एफ विमान मिग का ही एक और वेरिएंट था . इसे चीन ने बनाया था. वहीं 1971 की जंग में मिग-21 लड़ाकू विमान ने पाकिस्तान को जमीन पर भी आगे बढ़ने का मौका नहीं दिया.

मिग-21 विमानों ने पाकिस्तान को बड़ा नुकासान पहुंचाया है. बता दें की पूरी जंग में भारत का केवल एक मिग-21 बर्बाद हुआ जबकि पाकिस्तान के कुल 13 लड़ाकू विमान बर्बाद हो गए.  
अभिनंदन ने मार गिराया था F-16

याद दिला दें कि बालाकोट एयरस्ट्राइक के बाद भारतीय वायुसेना के विंग कमांडर अभिनंदन ने पाकिस्तान के एफ-16 को मार गिराया था. उस समय विंग कमांडर अभिनंदन ने मिग-21 से ही वार किया था. वहीं पाकिस्तान ने इस बात को कभी भी खुलकर स्वीकार नहीं किया. इसकी एक वजह ये भी मानी जाती है कि लगभग 60 साल पुराने लड़ाकू विमान से पाकिस्तानी एयरफोर्स के सबसे उन्नत लड़ाकू विमान एफ-16 कैसे मात खा गया. एफ-16 अमेरिका में निर्मित विमान है.

### **अब बेड़े से हटाए जा रहे हैं मिग-21?**

मिग-21 से जुड़ी घटनाओं को देखते हुए इंडियन एयरफोर्स ने इसे अपने बेड़े से हटाने का फैसला किया है. एयरफोर्स ने पिछले साल 30 सितंबर तक मिग 21 बाइसन की एक स्क्वाड्रन को हटा दिया था. वहीं मिग 21 की बाकी तीन स्क्वाड्रन को चरणबद्ध तरीके से 2025 तक बाहर करने की योजना है.  
<https://www.abplive.com/news/india/crashes-history-of-mig-21-why-are-still-in-service-several-in-spite-of-big-crashes-abpp-2403522>

## **STATES NEWS ITEMS**

### **2. Kerala govt approved 35% additional budget for printing, distribution of textbooks: CAG ([onmanorama.com](https://onmanorama.com)) May 09, 2023**

Thiruvananthapuram: The Comptroller and Auditor General (CAG) has found several anomalies in the printing and distribution of school textbooks in Kerala.

According to the CAG, the government granted a 35 per cent additional budget to the Kerala Books and Publication Society (KBPS) for these purposes, violating the stipulations in the store purchase manual.

The CAG also criticised the government for giving the contract to buy paper to print textbooks to the Tamil Nadu Newsprint and Papers Ltd. without inviting tenders. The government, in its

explanation to the CAG in this matter, had claimed that tender procedures were avoided to ensure the timely distribution of textbooks.

However, the CAG noted in its report that the government could plan the purchase of paper, printing and distribution of textbooks much in advance as these works are annual affairs.

The state Education Department had granted permission to KBPS to purchase paper from Tamil Nadu Newsprint and Papers Ltd. without tender during the financial year 2021-22 to avoid delay in the distribution of textbooks. In the subsequent fiscal year also, the government issued an order exempting KBPS from inviting tenders to buy paper and allotted Rs 35 crore for the purpose.

According to the CAG, the rates for printing and distribution had gone up by 35 per cent in both these financial years. In fact, the Education Department had paid Rs 70.03 crore to KBPS in 2022-23 alone in this regard. The CAG report also said that the government had been paying high rates to KBPS since 2017-18.

As per official data, 4.9 lakh new textbooks are required across the state in the academic year 2023-24. The first volumes of these textbooks were released in March this year and till now 85 per cent of the printing has been completed. Meanwhile, 72 per cent of the textbooks have reached the district hubs and 54 per cent of the books have been distributed.  
<https://www.onmanorama.com/news/kerala/2023/05/09/cag-finds-anomalies-state-govt-additional-budget-printing-distribution-textbooks.html>

### **3. Chhattisgarh liquor scam Explained: How Rs 2,000 crore was laundered in 3 years ([financialexpress.com](https://financialexpress.com)) May 09, 2023**

**According to the ED, 30 to 40 per cent of the total liquor sold in the state between 2019 and 2022 was illegal. This 30 to 40 per cent of country liquor was sold along with listed branded liquor at government shops and the revenue did not go to the government.**

Even as the Delhi liquor scam case continues to shake the nation's politics, the Enforcement Directorate (ED) has claimed that it has unearthed a similar liquor scam worth more than Rs 2,000 crore in Chhattisgarh.

The federal anti-money laundering agency has claimed that an IAS officer and a liquor baron are the prime accused of the alleged scam.

Liquor baron Anwar Dhebar, the brother of Congress leader and Raipur Mayor Aijaz Dhebar, was arrested in the case by the ED on Saturday.

A day after Dhebar's arrest, the ED said that it has found evidence of "unprecedented corruption". According to the ED, Anwar Dhebar led a criminal syndicate for illegal supply of liquor, and collected and laundered around Rs 2,000 crore from 2019 to 2022 with the backing of high-level politicians, private persons and senior bureaucrats in the state.

Defending his brother, Aijaz told The Indian Express, “If they (ED) are making such allegations, tell them to provide evidence. Where is the laundered money?”

An ED source said that Anwar Dhebar had formed a syndicate of persons/ entities to execute the scam so that money was illegally collected from every bottle of liquor sold in the state.

The agency said that IAS officer Anil Tuteja, posted as joint secretary in the state’s industry and commerce department, and Anwar Dhebar were the “kingpins” of the syndicate.

What is the Chhattisgarh liquor ‘scam’?

As per the ED, in Chhattisgarh the state controls “all aspects” of liquor trade from procurement to retail sale to consumers. No private liquor shops are allowed in Chhattisgarh and the government runs all 800 liquor shops. The Chhattisgarh State Marketing Corporation Limited (CSMCL) is responsible for procuring all the liquor sold in the state. The CSMCL issues tenders for manpower suppliers, who run the shops, cash collection tenders, and selects bottle makers and hologram makers.

The ED source added that with the backing of the political executives, Anwar Dhebar managed to get involved in the CSMCL. The syndicate charged a commission of Rs 75-150 per case from the suppliers for liquor procured by the CSMCL.

Then, Anwar Dhebar started getting manufactured unaccounted countrymade off-the books liquor and sold it through government run shops.

“This way the syndicate could keep the entire sale proceeds without depositing even one rupee in the state exchequer. Duplicate holograms were provided, and duplicate bottles were procured in cash. Liquor was transported directly from distiller to shops bypassing state warehouses. Manpower was trained to sell unaccounted liquor. Entire sale was done in cash. Entire sale was off the books and sale consideration was siphoned off with everyone in the illegal chain getting its share including – distiller, transporter, hologram maker, bottle maker, excise officials including higher echelons there, senior IAS officer (s) and politicians,” the ED said in a statement, adding that excise departments are mandated to regulate the supply of liquor, ensure quality liquor to users, prevent hooch tragedies, and earn revenue for the state. But, the probe revealed that the syndicate has thrown all these objectives out of the window.

The ED also alleged that it has evidence of an exchange of Rs 14.41 crore between the liquor baron and the IAS officer.

Earlier, the ED had conducted raids at 35 locations across Chhattisgarh, West Bengal and Delhi, including the residences of Anwar Dhebar.

According to the ED source, Anwar was summoned on seven occasions, but he did not join the probe. He was finally arrested by the ED on Saturday from a hotel in Raipur while he was trying to escape from the back door.

Bhupesh Baghel rubbishes allegations

Meanwhile, Chhattisgarh Chief Minister Bhupesh Baghel has rubbished the allegations and accused the BJP for hatching a conspiracy against the state government.

“With the state Assembly polls scheduled for this year-end, the disgruntled BJP is trying to defame the Congress-led state government using the ED”, he claimed.

Baghel said that it was the Raman Singh-led BJP government’s decision to sell liquor through a corporation in 2017 in the state and there were no further amendments made since then. “The revenue collection from liquor increased from Rs 3,900 crore in 2017-18 to Rs 6,000 crore in 2022-23 which clearly shows that the ED’s claim of a decline in revenue collection due to alleged corruption is false and baseless,” Baghel said.

The CM also stated that the Comptroller and Auditor General of India (CAG) has conducted audits of the state’s excise department and given it a clean chit.

The BJP, in its response said that along with looting the exchequer, the health of the public has also been put at risk as fake liquor was sold in government shops. “The scam has exposed Bhupesh Baghel’s corrupt ways,” said BJP MP Santosh Pandey.

AAP demands CM’s arrest

Meanwhile, without losing any opportunity to target the Congress, the Aam Aadmi Party on Monday demanded that the ED arrest Chhattisgarh Chief Minister Bhupesh Baghel and probe his role in the alleged liquor scam in the state.

“To run such a syndicate, the backing of a big political leader is required. The pattern of the scam directly points fingers at the chief minister of the state,” Aam Aadmi Party (AAP) leader and Delhi Minister Saurabh Bharadwaj said at a press conference. <https://www.financialexpress.com/india-news/chhattisgarh-liquor-scam-explained-how-rs-2000-crore-was-laundered-in-3-years/3080367/>

#### **4. Pay Rs 8 crore dues in a month or lose licences, Ola, Uber told in Chandigarh ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) May 10, 2023**

CHANDIGARH: The UT administration has given a month's time to Ola and Uber to pay outstanding dues of over Rs 8 crore or face cancellation of their licence to run cabs in the city.

The final chance was given after UT adviser Dharam Pal and senior UT officials held a meeting with representatives of the cab aggregators here on Tuesday.

The issue has again come to a head with outstanding dues rising to over Rs 8 crore. Recently, the Comptroller and Auditor General (CAG) report also red-flagged the outstanding dues, and the inability of the administration to recover the amount.

The administration had granted licence to the two companies in 2018 for five years. "As per the 'Chandigarh Administration on Demand Transportation Technology Aggregator Rules 2017', the

companies were mandated to pay Rs 1,000 entry fee per vehicle per quarter on the cabs enrolled with it but registered in Punjab and Haryana," said the official.

"The administration has already issued three show-cause notices - March 2021, April 2022 and the last one in March this year - to the aggregators," said an official. The notices directed the companies to pay the dues "immediately" or face cancellation of licence.

The companies approached the Punjab and high court against the notice.  
<https://timesofindia.indiatimes.com/city/chandigarh/pay-rs-8-crore-dues-in-a-month-or-lose-licences-ola-uber-told-in-chandigarh/articleshow/100114513.cms>

## **SELECTED NEWS ITEMS/ARTICLES FOR READING**

### **5. Fighting unfit: Latest MiG-21 crash is symptomatic of deeper malaise and one that's undermining India's defence preparedness ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) May 10, 2023**

The latest MiG-21 crash has killed three civilians and injured three more – wreckage from the burning aircraft fell on a village home in Rajasthan. The inglorious history of MiG-21 crashes in this country is beginning to look both like a tragedy and a farce. The Russian aircraft, of 1960s vintage, should have been phased out decades ago. That three squadrons of the MiG-21 continue to be in service is a huge indictment of defence planning and modernisation.

It is shocking that 55 military personnel have lost their lives in more than 50 aircraft and helicopter accidents in just over five years. The MiG-21 as well as the Cheetah/Chetak helicopters have been major culprits. Far from ensuring India's military capabilities, these flying coffins have de facto become weapons against the armed forces themselves. The MiG-21s are supposed to be replaced by the indigenous Tejas fighter. But the latter's low rate of production and induction has meant that less than 40 are in service against an order of 123. This gap is precisely why the MiGs continue to fly despite lack of modern avionics and poor spare parts.

The situation also raises serious questions about the country's defence preparedness at a time when it is locked in a border standoff with China and continues to face traditional and nontraditional threats from Pakistan. In fact, the number of fighter squadrons is down to 31 as against a sanctioned strength of 42. 5. Add to this serviceability issues and the actual number of fighters at our disposal at a given time is even fewer. True, the induction of 36 Rafale fighters has boosted airpower in per aircraft terms. But absolute numbers matter – since India must always prepare for a two-front war across a vast northern border and massive coastline.

Here's what GoI and the military brass across the services also need to ask themselves – will we actually go into combat in the 21st century with hopelessly outdated Russian platforms? The latter's poor performance in the Ukraine war has already raised serious concerns within India's security establishment. Plus, that war itself has jammed up the supply of spares as well as the proposed \$2. 2 billion deal for the purchase of additional MiG-29s and Su-30 MKIs by India. Diversify the procurement programme, speed up indigenous production and phase out the remaining MiG-21s well before the 2025 deadline – do it on war footing.



<https://timesofindia.indiatimes.com/blogs/toi-editorials/fighting-unfit-latest-mig-21-crash-is-symptomatic-of-deeper-malaise-and-one-thats-undermining-indias-defence-preparedness/>

6. **Flying coffins** ([telanganatoday.com](https://telanganatoday.com)) 10 May 2023

They are dubbed as ‘flying coffins’ for a reason. The ageing, Soviet-era aircraft MiG-21 has a poor safety record. The latest mishap in Rajasthan’s Hamumangarh district, where three people died after an Indian Air Force MiG-21 crashed, casts serious doubts over its operational capability. Inducted into the IAF in 1963, the MiG series aircraft has been questioned over its poor track record. The recent crash once again puts the spotlight on the safety issue. Over 205 accidents involving MiG aircraft have been reported since their induction. The key question remains why the IAF is using these aircraft despite their poor safety record? The IAF continued to depend on the MiG even though the Soviet Air Force — credited with designing the aircraft — removed it from service in 1985. Though the IAF has laid out a three-year timeline to phase out the MiG-21 fighter squadrons, the planned replacement is not going according to plan. The indigenously-developed Advanced Light Helicopter (ALH) ‘Dhruv’ too has failed to inspire confidence as it was involved in four accidents in the last six months. The armed forces have suffered a series of fatal incidents, largely due to technical glitches. The old MiG-21 jets as well as the Cheetah/Chetak helicopters, both of which should have been retired a couple of decades ago, in particular, have an alarming crash record. Around 55 military personnel have lost their lives in over 50 aircraft and helicopter accidents in just over five years.

Old flying machines that lack modern avionics and inherent safety features, inadequate training and supervision of pilots as well as technicians, poor maintenance and overhaul practices, and lack of quality control on spares, all lead to the unacceptable high crash rate. The armed forces have been demanding 498 new light utility helicopters for over two decades to replace their obsolete Cheetah and Chetak fleets. But their replacement is yet to happen. The unfailing regularity of IAF aircraft crashes has become an embarrassing reality. The frequent accidents highlight the problems in defence modernisation. Even though the IAF has been replacing the MiG-21 with the more capable Sukhoi Su-30 and the indigenously made Tejas Light Combat Aircraft, it has been hampered by the slow pace of induction of the Tejas that faced numerous delays in development. The IAF has a severe shortage of aircraft. It is now down to 31 fighter squadrons whereas the ideal requirement is 42 squadrons to meet the two-front challenges from Pakistan and China. The number could go down to 28 squadrons by 2024-25 when all the MiG-21s are phased out. A plethora of problems, including ageing aircraft, tardy progress on indigenous production and slow pace of induction of foreign imports, is plaguing the IAF. Modernising the military has been an unkept promise of successive governments. Greater private sector participation is needed to increase **indigenous production**.  
<https://telanganatoday.com/editorial-flying-coffins>

## **7. Making ‘Make in India’ work for the Aerospace and Defence Sector** ([financialexpress.com](https://www.financialexpress.com)) May 9, 2023

**The market opportunities and offset clauses in the government’s defence procurement policies have attracted several global players to set up operations and form joint ventures in India.**

The private sector generated over 20 percent of the Rs 80,000 crore turnover for the aerospace and defence sector in India. Leading business groups like L&T, Tatas, Mahindras, Hindujas and Bharat Forge have made significant investments during the last decade while public enterprises and organizations including HAL, BEL, BEML and NAL continue to scale up their operations with new programs to meet the government’s ambitious aspirations under ‘Atmanirbhar Bharat Abhiyan’ and ‘Make in India’ schemes. The market opportunities and offset clauses in the government’s defence procurement policies have attracted several global players to set up operations and form joint ventures in India. These include leaders like Airbus, BAE, Boeing, Collins Aerospace, Dassault Aviation, Israel Aerospace Industries, Pilatus, Lockheed Martin, Raytheon, Rafael, Safran and Thales.

Several initiatives have been launched to achieve self-reliance in defence manufacturing and innovation. Defence Industrial Corridors, Positive Indigenisation Lists, DRDO’s Technology Development Fund and Innovations for Defence Excellence (iDEX) and Defence Testing Infrastructure Scheme (DTIS) are some of the prominent ones. Local manufacturing of aerospace equipment and aircraft for defence and commercial applications will create significant opportunities for Indian companies, including Micro, Small & Medium Enterprises (MSMEs).

The path breaking Tata-Airbus joint venture for manufacturing the military transport plane, C295, will result in the full development of a complete industrial ecosystem. Involving all stages of the complete lifecycle of the aircraft, it will comprise manufacturing, assembly, testing, qualification, delivery and maintenance. Over 60 percent of the more than 30,000 detail parts, sub-assemblies, and component assemblies will be manufactured locally involving over two dozen MSME suppliers in this first-of-its-kind ‘Make in India’ aerospace programme in the private sector. In addition, an indigenously developed electronic warfare (EW) suite developed by BEL and Bharat Dynamics will be deployed on these crafts. However several critical systems such as engines, landing gear, avionics, and the EW suite will continue to be provided by Airbus for integration into the aircraft.

This transition from being assemblers of sub-systems imported from the original equipment manufacturers (OEMs) to creators of equipment, platforms and systems will require a thriving indigenous research, design, development and manufacturing infrastructure driven by a significant scaling up of the research and development ecosystem.

Four connected issues have to be addressed on a war footing to boost the R&D ecosystem. These include development costs, enabling technology transfer, intellectual property rights (IPRs) and testing & trial facilities

Development Costs – To achieve higher levels of indigenization for defence projects, companies need to invest in design, development, prototyping, trials and followed by participation in a competitive bidding process to win a production order. Such comprehensive programs usually span 3-5 years for development, 2-3 years for trials and acceptance which is then followed by a production order. The installation and commissioning of plant and equipment takes another 12-24 months followed by industrialization pre-production of 12-18 months. Given this long gestation period, companies need to upfront commit significant investments for the development in anticipation of a production order down the road which may or may not even fructify. Other uncertainties include scaling down the production quantity, specification changes or a decision not to go ahead with the production order post-development for strategic reasons by the defence ministry.

The ministry provides up to 70 percent funding for such prototype development subject to a cap of Rs 250 crores. However, this support is inadequate given the size of investments required. In the absence of commitments for a production order, definite timeline or production quantity, these development costs get added to the balance sheet of vendors to be amortized later when the production order is received or to be written off, if the order is not received within a reasonable timeframe.

In a few defence programs, the prototype development is awarded to two different development agencies with the understanding that the production order will be issued to L1:L2 (the two lowest-cost bidders) in a certain proportion. However, L2 is forced to execute the production order for the prototype developed by L1. This makes the entire investment made by L2 in its own prototype development redundant while increasing its execution risks. This process also increases the likelihood of the commercial bid prevailing over the technical superiority of the prototype. Given the financial risks and uncertainties of the development efforts not translating into a production order, even large industrial groups find it difficult to justify supporting such investments, especially when they participate in multiple such programs simultaneously.

Companies incorporate such risks into the bid pricing which then drives up the cost of the end product. An alternative option for de-risking is by enhancing the funding support from 70% to say 90% without any cap. In addition to reducing the development risk, it will encourage all bidders to price the product more competitively as their development cost will be significantly lower.

### **Enabling Technology Transfer**

The ‘Make in India’ programs have been designed to reduce dependence on OEMs by developing domestic capabilities. Local players will be successful only if the OEMs transfer the technologies. However, most OEMs extend transfer of technology (ToT) for low-value items which are not part of the core proprietary technology items. Such skewed technology transfers lead to lifelong dependence on the OEMs. Many times the low-value technology loses its relevance after the production order is completed. Mandating norms for higher levels of technology transfer in return for access to the booming market, low-cost labour, favourable policies and tax incentives is another way to bring technology. Incentivising OEMs to set up ‘Centers of Excellence’ (CoEs) and ‘R&D Centres’ in India to participate in the ‘Make in India’ Programs can be done by extending the offset clauses. Provided incentives similar to Production

Linked Incentives (PLI) will attract domestic players to invest in R&D and build long-term capabilities to address the domestic demand and tap the global markets.

### **Intellectual Property Rights (IPR)**

The IPR, under the ‘Make in India’ programs, belongs to the Government as a fallback mechanism in case the development agency goes into insolvency or encounters project delays. Such an arrangement prevents the development agency from using the IPR’s for product development for adjacent markets on their own or to further develop these products for global markets without the approval of the Government. Alternatives including the option of passing the IPR to the development agency for a royalty or one-time fees for development programs funded by the government, will be very progressive. Of course, such arrangements will exclude IPs with implications for national security.

### **Testing & Trial Facilities**

The testing and trial facilities require significant investments in land, infrastructure and personnel. Given the security restrictions for defence projects and huge investment requirements, it is financially not feasible for private players. In addition, significant time is lost between trials, sometimes years, waiting to use the public infrastructure with the defence services and the laboratories. Alternatively, significant costs have to be incurred to carry out these trials abroad. Incentivising investments and expanding the capacities will significantly lower delivery timelines while reducing the cost of the end product.

Establishing the envisaged next-generation indigenous domestic defence eco-system will necessitate a robust and state-of-the-art testing and trial infrastructure. On account of the stringent standards and specifications required in the defence industry, private players venturing into this sector or existing MSMEs face the mammoth challenge of catering to the testing requirements of these products.

Opening up the test facilities in defence laboratories and public sector organizations to the start-ups and MSMEs in equipment development and manufacturing under the Defence Testing Infrastructure Scheme (DTIS) is the first right step. Such progressive initiatives will boost investments in the indigenous design and production industry. Setting up an independent nodal umbrella body for testing, trial and certification requirements of defence systems will improve access to existing facilities while reducing the need for investments to recreate the capital-intensive infrastructure.

Addressing these issues will help us switch to a ‘Make by India’ pathway requiring our research and development to match and then exceed global standards. It seems to be a tall order, but not necessarily unachievable, as we will have to start aspiring to conceive in India and not just ‘Make in India’. Centres of Excellence that attract the best engineers, scientists and managers will enable a quantum leap in the number of IPs being created. Developing IPs will be a long and arduous haul yet that positioning will take ‘Make In India’ to the next level of moving from being Tier 1 and Tier 2 suppliers to innovators and new product creators.

Partnerships between global aerospace firms including Collins Aerospace and Boeing with technical and research institutions including IISc, IIM Bangalore, IITs and RVCE promote

collaborative research for technology development. The future pool of researchers will emerge from such partnerships.

While the market for civilian and defence systems in the aerospace sector is being created, it is time to develop a strong research base in India and a robust supply chain for components and sub-systems, most of which were being sourced from abroad. The development of the ecosystem for the aerospace industry will, as an offshoot, accelerate the development of the supply chain of critical subsystems and components of allied sectors like drones and space.

Public funding for investments in several critical future technologies will be foundational for future innovations both for commercial and military applications: artificial intelligence (AI), robotics, autonomous vehicles, augmented and virtual reality, and blockchains. The line demarcating products designed for commercial versus military purposes is blurring with these new technologies. <https://www.financialexpress.com/business/defence-making-make-in-india-work-for-the-aerospace-and-defence-sector-3080378/>

## **8. Record high GST collections explained: India's big reform success?** ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) 10 May 2023

GST collections at record high: India clocked a whopping Rs 1.87 lakh crore from Goods and Services Tax (GST) collections in the month of April 2023 - the highest ever monthly collection since the introduction of GST almost 6 years ago.

What does this high GST number mean for the Indian economy? Are these GST collections sustainable? And what is the road ahead for one of the biggest tax reforms that India has ever seen? In this week's episode of TOI Business Bytes, we seek to bring you answers to these major economic questions.

According to the Ministry of Finance, the gross GST revenue collected in the month of April, 2023 stood at Rs 1,87,035 crore. Out of this Rs 38,440 crore was Central Goods and Services Tax (CGST) and Rs 47,412 crore was State Goods and Services Tax (SGST). The Integrated Goods and Services Tax (IGST) stood at Rs 89,158 crore.

Yuvika talks about the importance of compliance and checking tax evasion and lauds the Centre for taking proactive measures to plug in loopholes. She also notes that the GST Council has played an important role in rationalising GST rates which has helped deal with compliance issues. She believes that going forward, states will also need to take a deeper look to check GST evasion.

Watch the video to know how India's GST reform compares to indirect tax collection mechanisms in major developed economies and why India should aspire to move towards a single tax rate system eventually.

Video Link: <https://timesofindia.indiatimes.com/business/india-business/record-high-gst-collections-explained-indias-big-reform-success-watch-video/articleshow/100116615.cms?from=mdr>

**9. India needs an emissions trading system to achieve net zero goals**  
([moneycontrol.com](https://www.moneycontrol.com)) 10 May 2023

**An emissions trading system, with careful design and implementation, can be an effective tool for India to achieve its emissions reduction targets while promoting economic growth and engaging with the international community on climate change**

A news report on May 8 mentioned that India is asking the European Union (EU) to recognise its Emissions Trading System (ETS). One might think that why was India making such demand and what was the need. India, a signatory to the Paris Agreement, has committed to reducing its greenhouse gas (GHG) emissions by 33-35 percent below the 2005 levels by 2030. This is a significant challenge for India, home to one-sixth of the world's population and the third-largest emitter of greenhouse gases after China and the United States. With emissions mainly coming from power generation, transportation, and industries, India's path to net zero will require significant investments in renewable energy, energy efficiency, low-carbon transport, carbon capture and storage (CCS) technology, afforestation, reforestation programmes, and circular economy.

**Net Zero Emissions Path**

India has set an ambitious target of achieving 450 GW of renewable energy capacity by 2030, which will require a significant increase in solar and wind power generation. Additionally, it must improve its energy efficiency by implementing green building codes, electrical appliance standards and energy-efficient lighting. With transportation demand increasing, the nation must accelerate the adoption of electric vehicles to reduce emissions. Investments in CCS technology will help capture and store emissions from industries that pose challenges in decarbonisation. Reforestation programmes will help leverage forests, the most significant carbon sink. A policy-induced fiscally supported move towards a circular economy that minimises waste and promotes resource reuse and recycling will also help India on its net zero emissions path.

The cost of achieving net zero emissions will depend on India's specific policies and measures. A recent study estimates that India must invest around \$2.5 trillion between 2015 and 2050 to achieve its climate goals. Successful efforts towards decarbonising nations such as Germany's 'Energiewende' programme, China's rapid adoption of electric vehicles and LNG trucks and Norway's carbon tax demonstrate the importance of strong political commitment, government incentives, regulations and economic instruments in driving change.

**Implementing Emissions Trading System**

Besides investments in renewable energy, energy efficiency and low-carbon transport, India may need to implement an ETS as a policy tool to achieve its climate goals cost-effectively. The ETS sets a cap on total emissions, creates a market-based mechanism that incentivises companies to reduce emissions, and rewards those who do so successfully. In summary, India's commitment to reducing GHG emissions is a significant challenge, but it can be turned into an opportunity with the right policies and investments. As the world's third-largest emitter, India's decarbonisation efforts will be crucial in the global fight against climate change. And the establishment of ETS is one such move that will put the process of decarbonising on a solid path, apart from helping

India avoid current and future trade frictions that may arise from emission levels of processes involved in producing similar goods domestically.

**An ETS can benefit India in several ways.**

First, it can help India meet reduction targets more efficiently and cost-effectively. By setting a cap on emissions, the ETS ensures that emissions are reduced with options for businesses to find cost-effective reduction pathways. This can reduce the overall cost of meeting the targets and create incentives for innovations and investments in low-carbon technologies.

Second, an ETS can help meet emission targets without compromising the country's economic growth. By creating a market for emissions allowances, an ETS can help drive investment in low-carbon technologies such as renewable energy and energy efficiency. This can create new jobs and economic opportunities while also reducing emissions.

Third, an ETS can help India to engage with the international community on climate change. As many countries worldwide adopt similar policies, an ETS can help India demonstrate its emission reduction commitments and willingness to work with others in addressing the global phenomenon.

However, implementing an ETS has its challenges. India must design a system compatible with its unique economic, structural, and political context. It must ensure the ETS is transparent and fair and does not impact its socio-economic growth aspirations with equity. It must address concerns around competitiveness and ensure that the ETS does not place an undue burden on specific companies or sectors. Despite these challenges, an ETS, with careful design and implementation, can be an effective tool for India to achieve its emissions reduction targets while promoting economic growth and engaging with the international community on climate change. No wonder the Reserve Bank of India report on 'Currency and Finance' released recently bats for an ETS in India. Speeding it up will prevent a 'Carbon Clash' with the EU over their proposed Carbon Border Adjustment Mechanism. <https://www.moneycontrol.com/news/opinion/india-needs-an-emissions-trading-system-to-achieve-net-zero-goals-10553731.html>

**10. Climate adaptation to cost India Rs 85.6 lakh crore by 2030: RBI ([downtoearth.org.in](https://downtoearth.org.in)) 09 May 2023**

**Sector-specific climate mitigation strategies can address the crisis in India to an extent**

The cumulative total expenditure for adapting to climate change in India is estimated to be Rs 85.6 lakh crore by 2030, according to the Reserve Bank of India.

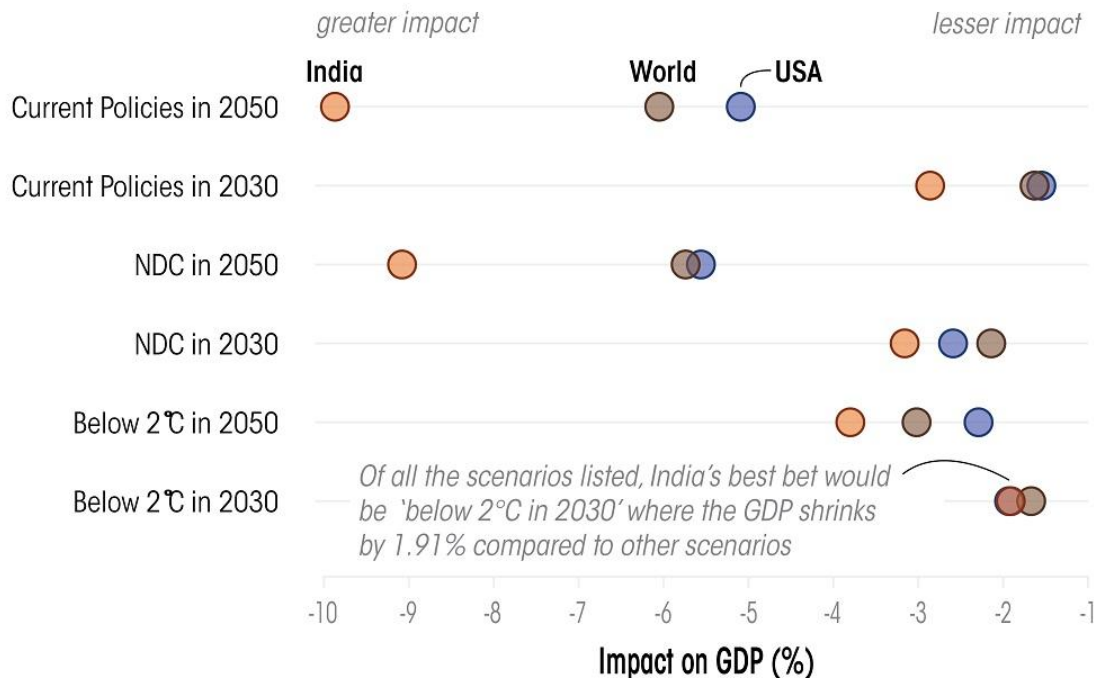
India's green financing needs to plug the infrastructure gap caused by climate events could be at least 2.5 per cent of the annual GDP, RBI's Report on Currency and Finance said.

"Different sectors of the economy have different emission intensities, it is advisable to not have a uniform climate mitigation strategy across sectors," the document suggested.



## GREEN TRANSITION: WHAT'S THE COST?

According to a Reserve Bank of India's report on climate change, "cumulative total expenditure for adapting to climate change in India is estimated to be 85.6 lakh crore" by 2030. But a greener and cleaner economy for the future comes with a cost – a shrinking GDP like India experienced during the initial pandemic years.



Source: Reserve Bank of India

## Down To Earth

The chart above highlights various policy-driven net zero or zero carbon emission scenarios by 2070. For a developing country like India, the transition impact is considered minimal when following the Current Policies in the 2030 scenario but even then the GDP will shrink by 1.19 per cent.

India is one the most-future-risk-prone countries to climate change, noted Global Climate Risk Index 2021. So how does a developing country mitigate such events?

Sector-specific climate mitigation strategies can address the crisis to an extent, as suggested by the report. But without any policy action, India's carbon dioxide emission levels will rise from 2.7 gigatonnes in 2021 to 3.9 gigatonnes by 2030.

In order to avoid such a scenario, renewable energy, electric vehicles and energy-efficient appliances should cater to 55 per cent of the country's future energy requirements.



For the rest 45 per cent — hard-to-abate sectors like heavy industries, animal husbandry and agriculture — a combination of renewable and deploying efficient carbon pricing or transferring the responsibility to producers can help address the issue.

Policy-wise, India is the highest-performing G20 country. NITI Ayog's state-wise performance analysis gives an idea of how different regions are performing on the climate change and energy fronts.

Chhattisgarh, Madhya Pradesh and Jharkhand are lagging behind in terms of overall scores among larger states, according to the policy think tank's State Energy and Climate Index based on six indicators. While Gujarat, followed by Punjab, is the best performer due to its electricity distribution companies faring well regarding infrastructure and financial position.

Among the smaller states and Union Territories, Chandigarh, Goa and Delhi are the highest performers, while a lot needs to be done in Lakshadweep and Arunachal Pradesh. <https://www.downtoearth.org.in/news/climate-change/climate-adaptation-to-cost-india-rs-85-6-lakh-crore-by-2030-rbi-89199>

#### **11. Agony of the Himalayas ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) May 09, 2023**

Himalayan development hinges on how infrastructure is developed. The Rs 1,000 crores in Uttarakhand's budget for relief and rescue is a significant policy decision. Outcomes will depend on how it links with the Prime Minister's policy statement that 'well-planned cities will decide the fate of India' apply to Himalayas?

The key elements of GIS-based spatial and transport planning, urban infrastructure, and municipal waste management have largely been ignored in Himalayan development as the policy focus has remained on rural development, carrying capacity and conservation, and now local capacity building.

The Joshimath subsidence crisis illustrates the twin policy failure. First, the recommendation of the Misra Committee Report of 1976, when Joshimath's population was about 15,000, that it is not a suitable place for the coming up of a township was ignored. Second, policy recommendations say a lot about what cannot be done but very little about what ought to be done and how.

Himalayan habitations catering to the static local economy are now impacted by new developments, namely, national socio-economic trends, infrastructure, and urbanisation. Joshimath's population grew from 455 in 1872 to 25,000 today. Unplanned urbanisation with the Char Dham yatra increasing from 6.5 lakh in 2016 to 17.6 lakh in 2022 constitutes a policy failure.

Technical recommendations drastically limiting the yatra and urban construction ignore the national trend of the inevitable shifting of the population to urbanising areas with better facilities and opportunities. Adopting the earlier experience of the 'plains' by notifying areas as

‘municipal’ and the Roadside Land Control and Road Infrastructure Acts of 2014 have not proved adequate.

Uttarakhand missed an opportunity to chart a new approach with the formation of the state in 2000. It should have used science for working out practical solutions for regional development within ecological limits, not highlighting known ecological problems and limiting development. Political guidance is needed because with the growing scientific capacity, different experts see the causes of the problems within their own expertise and there is no authoritative report establishing pro-active rather than reactive linkages. Even the recent flurry of scientific investigation is limited to disaster management.

For example, Karnprayag, where cracks have also appeared, needs satellite-based spatial planning providing parking, warehouses, hotels, and residences for service workers to meet the influx from the new rail line. Costly technological structures in currently affected areas in Joshimath will not resolve subsidence. Relocation of households in dispersed plots is a quick-fix unless new townships are planned providing economic opportunities and amenities. The right policy lesson was not drawn from the much-quoted Misra Committee.

Similarly, Joshimath’s location at the point where two tectonic plates meet is significant, but then Japan and New Zealand in areas of active and higher seismicity rely on high dams, and deposit sedimentation is considered a bigger concern. India also needs a commission on large dams and infrastructure for survey, research, and international technology exchange, rather than only considering banning them. This could be an area of cooperation with Japan.

The new uncertainty has to be addressed giving primacy to societal priorities of the local population over environmental concerns defined by outsiders. For example, the Kumaon Forest Grievances Committee, 1924, returned nearly half of the Kumaon forests to the villagers for meeting their needs. The gazette notification recognised that the chief conservator forests considered it a “serious set-back to the conservation of forests,” but the government was convinced “the people would have been satisfied with nothing less.” Forest panchayats were introduced and their subsequent history shows conflict between conservation and local use as an artificial construct.

The debate should be reframed for achieving urbanisation, building infrastructure, and middle-class levels of living within ecological limits.

First, the scientific institutes of the central government should shift to a policy relevant approach to assess, guide and monitor dams, infrastructure and urbanisation. Every ten years, a digital water, forest, transport, and urban assessment should be notified with fresh policy directions responding to the dynamic situation. ISRO has identified subsidence in Joshimath to a few millimeters and should develop such maps for the entire Himalayan tract.

Second, the shift from regulation to a vision for channeling human, goods and service flows is overdue. The Forest Conservation Act, 1980, declaring all non-agricultural land as forest, covering 72 percent of Uttarakhand, has severely restricted land use leading to unsustainable vertical urban load as facilities remain confined to existing halting places and markets. The

vision should be new halting places and townships in carefully selected locations connected by a network of highways in the community forests. This will also disperse and keep the ‘yatris’ in Uttarakhand for 10 days as part of a package that will benefit them and the entire state. Alternative highways will serve the military better.

Third, just as we have been experimenting with the optimum public-private partnership model for infrastructure, we need to consider the use of the extensive public land for dams, data centers and education institutions and parking lots for luxury buses, hotel facilities and townships as commercial packages. As national income rises there will be demand for better facilities, generating more demand. The local population can be given equity to obtain income, employment opportunities and becoming stakeholders.

Fourth, the mindset that these are ‘backward’ areas where the population suffers from a lack of capacity and should be supported in their villages has to change to skilling the local population to share the digital urban economy, raising teaching standards and doubling expenditure on primary, secondary and technical education. Recruitment to the new ITBP battalions should be from remote border villages.

Fifth, a new digital governance portal will support digital identity, service delivery, and responsive governance. Sub-divisional magistrates should be tasked with handling online grievances including tourists, and implementing the new skilling, transportation, urban development, and building codes as their primary responsibility.

Uttarakhand and Ladakh can become dynamic parts of the national economy with a bold new vision of urbanisation unique to their situation.  
<https://timesofindia.indiatimes.com/blogs/voices/agony-of-the-himalayas/>

## **12. Institutionalise arbitration ([thehindubusinessline.com](http://thehindubusinessline.com)) May 09, 2023**

The Alternative Dispute Resolution (ADR) system is regarded as a more effective and expedient method for resolving disputes than traditional courts. Mediation and arbitration are two of ADR’s primary methods for speedy dispute resolution. While the Mediation Bill is currently before Parliament for approval, the 1996 Arbitration and Conciliation Act was amended in 2019 to institutionalise arbitration in India.

Micro, small and medium enterprises (MSMEs) anxiously await the establishment of arbitration institutions and their designation by the nation’s highest courts. According to Section 18(3) of the MSME Act of 2006, if a dispute between MSMEs cannot be resolved through conciliation, the MSME Council must either arbitrate the dispute itself or refer it to an arbitration institution for resolution. The institution then conducts an arbitration and issues a binding award that is equivalent to a court’s decree.

### **Pending cases**

The institutionalisation of arbitration as an ADR mechanism in India remains a non-starter despite widespread publicity. Even after four years of notification, the Arbitration Council of

India has not become operational. As rights-based approach to delivering justice acquires prominence on a global scale, bureaucratic procedures suffocate access to justice in India.

Nearly five crore pending cases in Indian courts prompted policymakers to consider bolstering ADR mechanisms. Although the Indian arbitration law has significantly altered its scope, it is still subject to judicial intervention and interference.

In accordance with the 2017 recommendations of the Justice BN Srikrishna committee, the government has amended the Arbitration and Conciliation Act of 1996 in order to institutionalise arbitration in India.

Institutional arbitration presents disputing parties, including MSMEs, with an opportunity to save time, money and relationships. Property, financial, partnership, franchisee, construction, and any other commercial/business disputes can be arbitrated if the parties have a contract specifying arbitration as a means of resolving disputes.

Even if no arbitration agreement exists, parties can initiate arbitration by submitting a mutually signed letter requesting the appointment of an arbitrator to an arbitration institution. The institutions perform the remaining duties as a court would. The institutions of arbitration maintain absolute confidentiality throughout the entire procedure. Small and medium enterprises, the construction industry, civil contractors, families seeking property division among siblings, and others with arbitrable cases can walk into the offices of arbitration institutions and file their cases without the assistance of attorneys or advocates. In accordance with Section 34 of the Act, parties dissatisfied with an arbitrator's award may petition a court within 90 days to vacate the award.

Institutional arbitration institutions often face the issue of not being recognised as a quasi-judicial body authorised to hear cases without court involvement. Many individuals are oblivious that arbitrators' decision is legally binding and equivalent to a court order.

The Arbitration Council of India, to authorise and regulate arbitration institutions, isn't operational even four years after the passage of the law. Some State governments do not support other professionally established arbitration institutions, with the exception of a limited number that are established and funded by well-known law firms.

Thus, there is an imperative need for the Central Government and all the High Courts to take note of the institutions operating in each State and designate them as arbitration institutions in order to alleviate the increasing burden on the courts and create a truly accessible environment for justice. <https://www.thehindubusinessline.com/opinion/institutionalise-arbitration/article66831712.ece>

**13. 6 of 10 NGOs audited violated FCRA provisions: Officials ([hindustantimes.com](https://www.hindustantimes.com))**  
May 10, 2023

Six of every 10 non-governmental organisations (NGOs) inspected or audited by the ministry of home affairs (MHA) between June 2019 and April 2022, had committed one or more of the 12

compoundable offences under the Foreign Contribution Registration Act (FCRA), people familiar with the matter said, asking not to be identified. A compoundable offence is one that can be settled, usually with a fine. The number of NGOs that had committed non-compoundable offences is not known.

The ministry inspected or audited 335 NGOs and associations and found that in 201 instances, there were compoundable offences of the law that entitles these organisations to get foreign contributions.

The action, officials say, is in line with the government's policy that all organisations receiving foreign funds must ensure better compliance, transparency and accountability as well as adherence to declared and legitimate objectives and keep the authorities informed about the expenses.

"Inspections/audits were of 335 FCRA registered organisations were done between June 2019 and April 2022 to examine aspects such as utilization of foreign funds, submission of annual returns, diversion of funds, details of donors, change in names, address and objectives of NGOs etc.," said an officer, who didn't want to be named.

Data accessed by HT reveals that between June 2019 and April last year, MHA granted 570 new FCRA licences, 3,766 renewals, 80 prior permissions and 4,384 foreign hospitality permissions. At the same time, requests in fresh licence (2,821), renewal (738), prior permission (291) and hospitality (241) categories were rejected by it. Also, licences of 1,816 NGOs/associations were cancelled and 52 were suspended during this period. It isn't known whether any of the 335 inspected or audited are among those that had their licences cancelled or suspended.

To be sure, inspections and audits have been carried out after April 2022 as well, but the data is yet to be compiled.

FCRA licences have been in the news since a 2020 amendment that barred public servants from receiving foreign funding and made Aadhaar mandatory for every office-bearer of the NGOs. The new law also says that organisations receiving foreign funds will not be able to use more than 20% of such funds for administrative purposes. This limit was 50% earlier. Civil society has criticized the changes in the law saying it restricts foreign funded humanitarian work in India.

Abishek Jebaraj, a Supreme Court lawyer who has appeared in several FCRA cases, said: "The FCRA laws are severely hampering foreign social investment in India and the meeting of our sustainable development goals".

He added: "Fair regulations in national interest are important but the never-ending wait for getting registrations, high compliance costs, the vague and overbroad provisions, restrictions on collaboration with FCRA funds, arbitrary application of criminal provisions etc., are destroying several development organizations, increasing their administrative costs, causing social sector unemployment and preventing much needed aid to the poor in our country."

In October 2022, the government cancelled the FCRA licences of two Gandhi family run NGOs, Rajiv Gandhi Foundation (RGF) and Rajiv Gandhi Charitable Trust (RGCT) alleging that they violated several provisions of the act such as using funds for personal gains, diverting it for undesirable purposes, not keeping the government in loop about source and utilisation of funds, and not using the designated bank account.

The ministry recently ordered investigation by the Central Bureau of Investigation (CBI) against Oxfam India and environment law advocacy group – LIFE (Legal Initiative for Forest and Environment) citing serious violations in their funding and utilization.

A second officer said: “The inspections/audits help in effective monitoring of receipt and utilization of foreign funds. Such exercises also eliminate the possibility of benami expenditures and reduction in expenses on unproductive matters like increased salary of employees, bungalows and cars for office-bearers of NGOs”.

Organisations which may not be directly linked to a political party but engage in political action such as a bandh, hartal (strike) or rasta roko (road blockade) will be considered to be of political nature, according to new FCRA rules. The organisations covered under this category include farmers’ organisations, student or worker organisations, and caste-based organisations.

Responding to a query on the government using FCRA to crack down on critics and environmental groups, home minister Amit Shah on May 4 said in an interview with HT: “I don’t think more than 10% of the NGOs would have lost their licence. Working in the environment sector does not mean that they will not abide by the law of the land. Money coming into the country from abroad is a sensitive issue and there is a law for that, no one should transgress that. If anyone does that, then surely there will be action”.

MHA informed Parliament in March that organisations working in various fields received around ₹55,449 crore between 2019 and 2022. While ₹16,306.04 crore was received by NGOs in financial year 2019-20, ₹17,058.64 crore was received in FY2020-21 and ₹22,085.10 crore in FY2021-22. <https://www.hindustantimes.com/india-news/over-60-of-ngos-inspected-by-india-s-ministry-of-home-affairs-committed-fcra-offenses-leading-to-cancellations-and-suspensions-101683659349963.html>

**14. Feeble growth in Maharashtra healthcare spend ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) May 10, 2023**

MUMBAI: The share of Gross State Domestic Product (GSDP) allocated by Maharashtra government to healthcare has grown only marginally over the past few years, underlining how political regimes have failed to make it a priority.

Data from the National Health Accounts (NHA) Estimates for India 2019-20 indicates Maharashtra's spending on healthcare was barely 0.8% of its GSDP, a slight increase from the previous four-year average of 0.7%. Data showed total healthcare expenditure was Rs 77,501 crore of which government's contribution was just 27% (Rs 20,606 crore).

The state has done poorly compared to the national average, which showed an upward trend in government expenditure as a proportion of total health expenditure—from 29% in 2014-2015 to 41.4% in 2019-20. The Centre is spending 1.35% of the GDP on health.

According to Soumitra Ghosh from the School of Health Systems Studies at TISS, allocating at least 2.5% of GSDP to healthcare would be ideal as per the National Health Policy. However, states fail to even allocate 1% of their GDP to healthcare. "When governments neglect investments in healthcare, it is the people who suffer the most. They either cannot access healthcare at all or drop midway."

The data shows that bigger states like Tamil Nadu, Karnataka, Andhra Pradesh, and Gujarat are all spending in the range of 0.8-0.9% of their GDP on health, whereas smaller ones like Goa, Himachal Pradesh, Chhattisgarh, Sikkim have managed to take it to around 1.2-1.4%. Northeastern states Mizoram and the Arunachal Pradesh spend the most, almost 3.4% of their GSDP in health. Dr Abhay Shukla of the public health movement Jan Arogya Abhiyan said despite being ranked seventh on per capita income among states, Maharashtra is at the bottom in terms of state spending on healthcare. "Hence, the high degree of privatisation and out-of-pocket expenses remain," he said.

As per the NHA report, the state spent Rs 1,675 per capita on healthcare in 2019-20, only a slight increase from the Rs 1,120 spent in 2015-2016. By comparison, Himachal Pradesh spent Rs 3,829, Kerala Rs 2,590, Uttarakhand Rs 2,273 and Tamil Nadu Rs 2039 Bihar and UP were among the poorest spenders, allocating Rs 701 and 951 per capita.

Dr Shukla said the trend could show significant changes following onset of the pandemic. However, much of the spending would have been emergency-based and whether it translates into long-term shifts in expenditure patterns remained to be seen, he said.

The only positive development in the NHA was that out-of-pocket (OOP) expenditure for healthcare appeared to have declined from 58.9% in 2015-16 to 44.1% in 2019-20. Nationally too, there's been a steady decline in OOP expenditure as a percentage of total health expenditure from 62.6% in 2014-15 to 47.1% in 2019-20. <https://timesofindia.indiatimes.com/city/mumbai/feeble-growth-in-maha-healthcare-spend/articleshow/100116722.cms>