

NEWS ITEMS ON CAG /AUDIT REPORTS

1. Three Charts On Ayushman Bharat's Achievements and Shortfalls (*indiaspend.com*) 8 Oct, 2023

India's Union government health insurance programme completed five years last month, but what does it have to show for the time and money spent on it?

About 63 million people in India fall below the poverty line each year because of healthcare costs. Ayushman Bharat, the “most important Government welfare scheme underway in India today”, as per the Minister of State for Health and Family Welfare S.P. Singh Baghel, set out to remedy this by providing 120 million families with health insurance cover up to Rs 5 lakh under the Pradhan Mantri Jan Aarogya Yojana (PM-JAY). In addition, a network of health and welfare centres (HWCs) aims to provide preventive and primary healthcare services to the people.

In five years, the health insurance arm of the scheme has reached about 56% of all eligible beneficiaries. However, there are not enough empanelled hospitals for the registered beneficiaries, and out of pocket expenditure on health remains high, according to studies from different states.

The PM-JAY programme was launched five years ago on September 23, 2018 by Prime Minister Narendra Modi. A digital records-keeping arm called Ayushman Bharat Digital Mission was launched in September 2021.

The National Health Authority (NHA), an autonomous body headed by the Minister of Health and Family Welfare that implements the PM-JAY, has provided over 253 million people health cards, according to the NHA dashboard as of October 5. Our dataviz takes a look at the biggest health insurance scheme in the world and whether it's been a success.

Empanelled hospitals not enough to serve the eligible population

HWCs are different from primary health centres, according to Sudha Shree Chandrashekar, an advisor at the Health Systems Transformation Platform (HSTP), a non-profit that works with the central and state governments to improve healthcare delivery. “HWC goes much beyond PHCs, the scope of activity has expanded to include things like NCDs, mental health etc. – moving from healthcare to health (prevention, early care, health education), staffing has changed – the approach is more holistic,” they said.

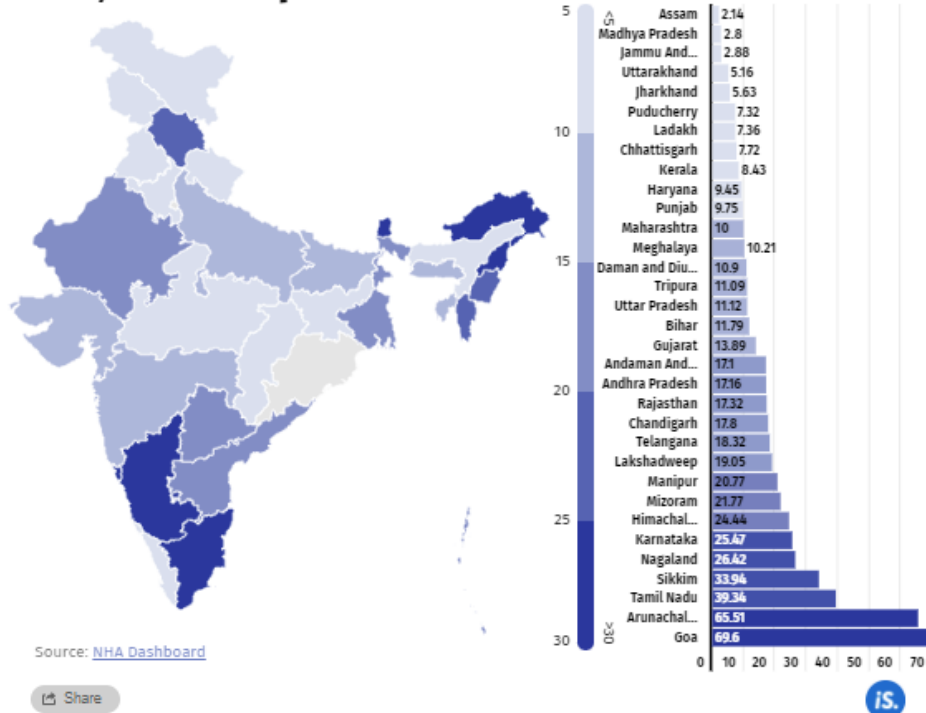
Some existing primary health and sub centres were converted into HWCs to deliver comprehensive primary healthcare including maternal and child health services, diagnostic services and free essential drugs, as per the PM-JAY website.

About 150,000 HWCs have been operationalised as of December 2022, as per government data.

PM-JAY also has 27,252 hospitals or empanelled healthcare providers (EHCPs), according to its dashboard, where beneficiaries can avail of cashless services. However, the number of active EHCPs is significantly less: only 19,756 EHCPs were active in the last six months.

But this number is too small for the number of people eligible for the scheme in several states, as an August 2023 Comptroller and Auditor General Report (CAG) report points out based on data from November 2022. For instance, Assam’s 349 EHCPs amount to two hospitals for every 100,000 people, as per the latest data from the NHA dashboard.

Number Of Empanelled Hospitals Per 100,000 People



In addition, in Andaman and Nicobar Islands, Assam, Maharashtra, Jharkhand, Haryana and Meghalaya, the EHCPS did not provide all the services they are supposed to provide under the scheme, noted the CAG report.

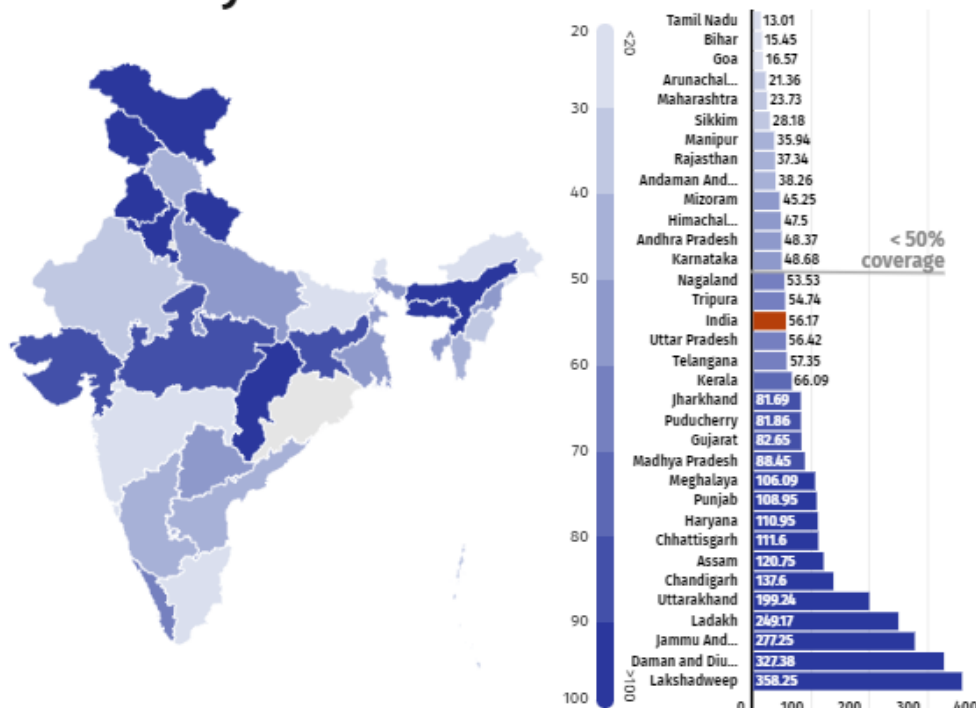
56% of eligible population covered

PM-JAY, which subsumed the older health insurance scheme Rashtriya Swasthya Bima Yojana, covers the poorest 40% of the households. Eligible households are selected on the basis of the socio-economic caste census (an enumeration exercise which ranks rural households based on access to health, housing, etc.) and occupational criteria (households that rely on begging, rag-picking, domestic work, etc. for their livelihood in urban areas).

Some states, like Uttarakhand, Karnataka and Himachal Pradesh have gone beyond the eligibility criteria and provided healthcare to more people, said Dr Chandrasekhar from HSTP. This is why some states have more than 100% enrollment in the programme. We have also reached out to the NHA to understand why this is the case, and will update the story when we receive a response.

So far, about half of the people eligible are covered by the health insurance scheme.

Percentage of eligible beneficiaries who have an Ayushman Card



Note: Total does not include the hospitals empanelled in Delhi, West Bengal and Odisha ; Assuming average family size is 5; Where the coverage is more than 100% of eligible beneficiaries, experts say the state has covered more people than listed under the SECC. We have also reached out to the NHA asking them why some states have over 100% enrollment.
Source: [NHA Dashboard](#)

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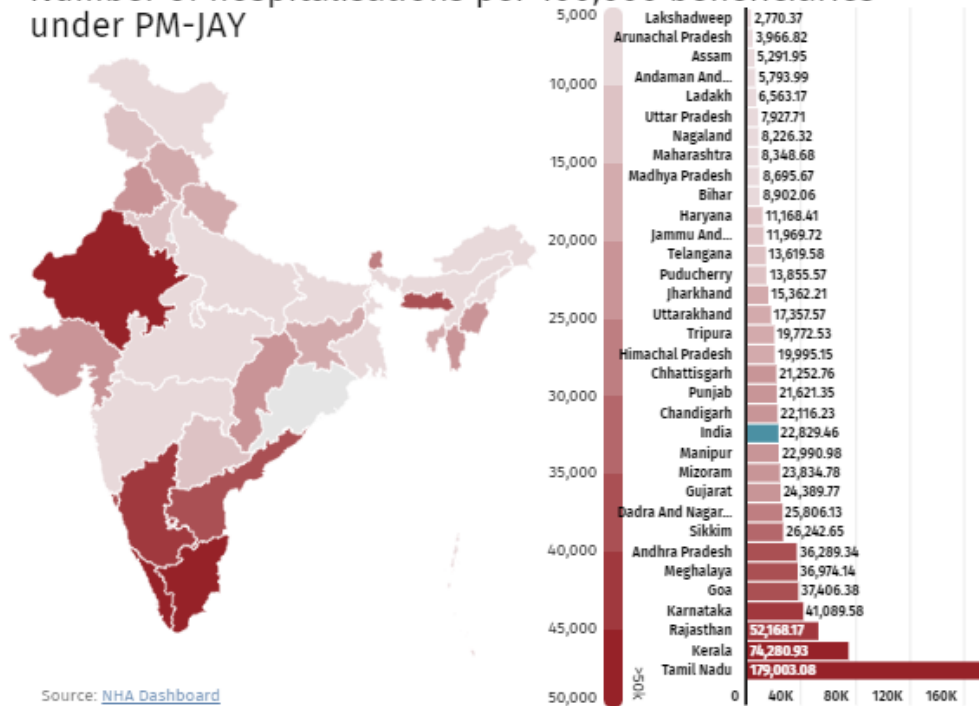
Usage of scheme varies across states

The number of hospitalisations per 100,000 Ayushman cards issued is highest in Tamil Nadu, with over 179,003 hospitalisations for every 100,000 people enrolled, as per the dashboard. Kerala has the second highest utilisation rate of PM-JAY with 74,280 hospitalisations for every 100,000 cards issued, followed by Rajasthan (52,168) and Karnataka (41,089).

Among the bigger states, Assam has the lowest utilisation of PM-JAY with 5,292 hospitalisations for every 100,000 beneficiaries. In Uttar Pradesh, there were 2.6 million hospitalisations since the scheme was rolled out, which translates to 7,928 hospitalisations for every 100,000 people enrolled.

Rate Of Utilisation Of PM-JAY In The States

Number of hospitalisations per 100,000 beneficiaries under PM-JAY



Source: [NHA Dashboard](#)

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OOPE is still high: data

High cost of healthcare forced people to sell assets, as IndiaSpend reported in March 2023.

PM-JAY does not cover the cost of out-patient consultations. Therefore, beneficiaries have to get referrals from government or private doctors for procedures, which they use at EHCPs, according to Ravi Singh (26), a social worker with Agrasar, an NGO that helps citizens procure the documentation required for Ayushman Bharat cards.

“We (Agrasar) asked 5,000 people with Ayushman Bharat cards about their experience. About seven or eight of them had been admitted, and none of them exceeded the coverage amount,” he added.

Reducing out-of-pocket expenditure (OOPE) on health is one of the objectives of the scheme. Yet, studies from different states reveal that OOPE is still high.

About 87.9% of people dipped into their savings for health expenses, 11.3% borrowed from friends and relatives, while 0.3% utilised health insurance, found a 2023 study by the National Council of Applied Economic Research which surveyed four states, Odisha, Maharashtra, Punjab and Uttar Pradesh.

During the Covid-19 pandemic, enrolment in a public or privately funded health insurance did not decrease OOPE, found a 2022 study. Another study found that although the availability of health insurance increased the chances of healthcare

utilisation, it did not protect against financial risks. Enrolment in PM-JAY or any other health insurance scheme did not increase the chances of institutional delivery or reduction in OOPE, found this analysis of data from the National Family Health Survey 2019-20.

The targeted nature of the scheme does not take into account the social gradient, said Rama Baru, a health policy specialist and professor at the Centre for Social Medicine and Community Health at the Jawaharlal Nehru University in New Delhi. “When you set a threshold and target people based on some criteria, you are excluding people who are just above the threshold. But that person can fall below the poverty line too,” she told IndiaSpend, adding that targeted schemes break social cohesion in communities. Instead, the focus should be on universal health care based on progressive taxation, she said.

IndiaSpend has reached out to the Ministry of Health and Family Welfare to comment on the enrollment, empanelment of hospitals and the expenditure incurred per person. This story will be updated when they respond. <https://www.indiaspend.com/data-viz/three-charts-on-ayushman-bharats-achievements-and-shortfalls-878004>

2. How disability benefit issue puts Army headquarters on the back foot (*indiatoday.in*) Oct 07, 2023

Given the protests by veterans, the Indian Army has denied any change in entitlements for any category of personnel getting compensation for death or disability

Amidst protests by veterans over the new disability pension from the government, the Indian Army has come out with a clarification that there is no change in the entitlement for any category of personnel being granted compensation for death or disability.

The government has announced several changes in the disability pension rules of the armed forces, effective September 21, 2023. The new guidelines are called “Entitlement Rules of Casualty Pension and Disability Compensation Award to Armed Forces Personnel 2023“. The new rules have revised the types of disabilities, replaced the term ‘disability element’ with ‘impairment relief’ under the new rules, and replaced the existing norms on disability pensions for armed forces personnel. In addition, the definition, calculation method and eligibility criteria have also changed.

The new disability pension policy came following the Department of Military Affairs forming a panel after the Comptroller and Auditor General of India (CAG), in a report presented in Parliament on March 27, raised concerns about pensions awarded to a “higher percentage” of officers, especially medical officers. The country’s top auditor stated that 36-40 per cent of officers leaving service each year receive disability pensions, compared to 15-18 per cent of jawans. The CAG report also noted a “significantly higher” percentage of retiring medical officers (mostly doctors) receiving disability pensions (44-58 per cent), compared to other army officers.

Several former army generals have come down heavily on the new disability rules. Lt Gen. H.S. Panag, a former northern army commander, said the new disability pension policy for soldiers will discourage young Indians from joining the military.

While talking about the misapprehensions among a section of ex-servicemen on the revision of provisions that govern the grant of disability pension, a panel of officers, headed by the adjutant general (AG), discussed the issue with five organisations of the veterans earlier this week.

The army headquarters clarified that the Revised Entitlement Rules are based on recommendations of a study involving all three services, armed forces medical services, ex-servicemen welfare and the finance department of the ministry of defence. “The aim of the study was to protect the genuine interests of pensioners who get disabled during service while preventing the exploitation of its liberal provisions from misuse,” said Chief of Defence Staff General Anil Chauhan, while adding that the Guide to Medical Officers has been vetted by the ministry of health and family welfare.

The defence ministry describes disability as a condition resulting in “long-term physical, mental, intellectual or sensory impairment” that hinders full participation in society or “a functional impairment that inhibits an individual from effectively discharging duties of a military nature or being provided alternate employment within the service, even though the individual may otherwise be fit to participate normally in society”.

The provision of the revised entitlement rules for the grant of disability pension will be applicable for personnel who retire after September 21, 2023.

The chief of defence staff made it clear that it has no retrospective application, and doesn't, in any manner, alter the emoluments of war widow family pensioners or veterans.

The disability element has been renamed as Impairment Relief in respect of only those personnel who are not invalidated due to their nature of disabilities and continue to serve till their term of engagement.

“The revised policy will not put armed forces personnel at a disadvantage compared to their civilian counterparts,” said Gen. Chauhan. He added that the revision of Entitlement Rules and Guide to Medical Officers will help retain a high degree of operational efficiency and motivation in all ranks of the armed forces.

However, a former army officer said on condition of anonymity that the definition and entitlement and percentages of disability have been totally destroyed, which means people won't get disability or death benefits in the first place since most medical conditions will not be regarded as “attributable to, or aggravated by military service”, which is a prerequisite for the said benefits. The officer added that the issue is not about change in nomenclature, rather it is about the change in “attributable/aggravated”. If there is no change, why were the new rules brought about in the first place. <https://www.indiatoday.in/india-today-insight/story/how-disability-benefit-issue-puts-army-headquarters-on-the-back-foot-2445684-2023-10-07>

3. Indian Armed Forces address concerns and clarify revised disability pension rules (*financialexpress.com*) Oct 07, 2023

The Indian Armed Forces have taken proactive steps to address concerns within the veteran community regarding the recently revised Entitlement Rules governing disability pensions for personnel across the three Services.

On Friday (Oct 6, 2023) in a media interaction, led by Chief of Defence Staff Gen Anil Chauhan, alongside Indian Navy Chief Admiral R Hari Kumar, Indian Air Force Chief ACM VR Chaudhari, Indian Army Vice Chief Lt Gen Suchindra Kumar, and Adjutant General Lt Gen Bansi Ponnappa, these concerns were addressed and clarified.

Gen Anil Chauhan emphasized that the revised Entitlement Rules would only be applicable to those personnel retiring after September 21, 2023, and there would be no retrospective application. Importantly, he highlighted that there were no alterations to the entitlements for individuals receiving compensation for death or disability.

The motivation behind these revisions in entitlement rules is manifold. It involves the efficient management of the 16-lakh-strong armed forces, ensuring high levels of motivation among troops, preventing misuse of entitlement rules, and promoting physical fitness among personnel.

One significant change is the renaming of the ‘disability element’ to ‘impairment relief,’ encompassing a broader range of conditions, including lifestyle diseases such as hypertension and diabetes. Gen Anil Chauhan explained that this change specifically applies to personnel who have not been invalidated due to their disabilities and continue to serve until their term of engagement concludes.

Earlier this year, the Comptroller and Auditor General (CAG) released a report indicating that approximately 40 percent of officers and 18 percent of personnel below officer rank (PBOR) retiring annually were beneficiaries of disability pensions. This report prompted the Ministry of Defence to conduct a comprehensive study on the matter.

Upon the introduction of the new rules, they faced criticism from various quarters, including veterans, ex-servicemen associations, and opposition parties. Concerns were raised that the revisions were primarily aimed at reducing disability pensions for the armed forces’ personnel.

Gen Anil Chauhan went on to provide specific details regarding changes in the grant percentages for different types of disabilities. He stated, “We have increased the grant from 30 percent to 50 percent for physical disabilities. Previously, it was a flat 30 percent. For amputation of fingers, the grant has been raised to 20 percent from the earlier 14 percent, and for frostbite, it is now 20 percent from the previous 10 percent. However, for seizure and other disorders, the grant has been reduced to 5 percent from the earlier 20 percent.”

CAG’s report, presented to the Parliament in March, analyzed disability pensions granted to personnel discharged from service between 2015-16 and 2019-20. The report revealed that the percentage of personnel retiring with disability ranged between 36

percent and 40 percent for officers and between 15 percent and 18 percent for PBORs. Additionally, it pointed out that 22 percent of disability pensions granted to officers and 13 percent of those granted to PBORs were exclusively related to lifestyle diseases.

In the past, a Director-General of Armed Forces Medical Services expressed concern in a letter to the Defence Secretary regarding an ‘alarming trend’ in disability pension claims, particularly among senior officers holding the rank of Lieutenant-General and Major-General, and their equivalents.

In conclusion, the Indian Armed Forces have taken measures to clarify and address concerns raised by the veteran community regarding the revised Entitlement Rules for disability pensions.

The changes, effective from September 21, 2023, have been introduced with the aim of ensuring the efficient operation of the armed forces, maintaining high troop morale, preventing misuse of entitlement rules, and encouraging physical fitness among personnel. While there have been alterations in the grant percentages for various types of disabilities, the armed forces have affirmed their commitment to upholding the welfare and entitlements of their personnel.
<https://www.financialexpress.com/business/defence-indian-armed-forces-address-concerns-and-clarify-revised-disability-pension-rules-3265525/>

4. New disability pension rules to boost efficiency: CDS General Anil Chauhan (*hindustantimes.com*) Oct 07, 2023

The new rules governing disability pension for military personnel will safeguard the legitimate interests of people who acquire disabilities during service and prevent the misuse of liberal provisions, with the goal of running the armed forces efficiently, ensuring battle readiness and encouraging physical fitness across the board, chief of defence staff General Anil Chauhan said on Friday.

The revised policy -- Entitlement Rules for Casualty Pension and Disability Compensation Awards to Armed Forces Personnel, 2023 and Guide to Medical Officers -- will be applicable to personnel who retire after September 21, will introduce no change in the entitlement of those granted compensation for death or disability, and will not alter the emoluments of war widows, family pensioners or veterans, the CDS said.

His comments came during a media briefing in South Block to clarify the entitlement rules against the backdrop of certain quarters of ex-servicemen questioning provisions related to the grant of disability pension, including its calculation, eligibility and diseases attributable to or aggravated by military service.

To be sure, the norms for claiming disability pension have now been tightened.

Those present at the briefing included air force chief Air Chief Marshal VR Chaudhari, navy chief Admiral R Hari Kumar, army vice chief Lieutenant General MV Suchindra Kumar and adjutant general Lieutenant General C Bansi Ponnappa.

Most of the concerns flagged by the veterans were addressed by a panel of senior officers, led by Ponnappa, on October 3, Chauhan said. Representatives of five ex-servicemen associations attended the meeting.

The government announced the new rules in September five months after the Comptroller and Auditor General asked the defence ministry to carry out an analysis of why a growing number of personnel were drawing disability pension - almost 40% of officers, and 18% of personnel below officer rank (PBOR) retire every year. The previous rules were promulgated 15 years ago.

“The idea is not to save money for the government but to manage the armed forces cadre efficiently. What message do we send by having a large number of people in low medical category,” Chauhan said in response to a question on the CAG report. The national auditor examined disability pensions disbursed to personnel discharged from service during 2015-2020.

A medical downgrade following a disability entitles a soldier to better retirement benefits. On average for the same rank, a disability pension can be 20% to 50% more than a normal one, and comes with tax exemption. The CAG report also flagged concerns about disability pensions being awarded on account of lifestyle diseases such as diabetes and hypertension.

“Earlier there were incentives to claim disability pension. There was a time when only 3-5% claimed this pension but the CAG report put the figure at 40%. So many people can’t be disabled,” Chauhan said.

The rules have been revised to streamline the procedure for assessment and entitlement without any ambiguity to avoid litigation, the defence ministry said in a statement.

The revised policy will not put armed forces personnel at a disadvantage vis-a-vis their civilian counterparts, the CDS said.

The defence ministry has introduced a new concept of impairment relief, which has drawn some criticism as it doesn’t involve tax exemption. “The disability element has been renamed as impairment relief in respect of only those personnel who are not invalidated out due to the nature of their disabilities and continue to serve till the term of their engagement. The change in nomenclature does not affect the nature of entitlement or quantum of emoluments,” Chauhan said.

Disability pension claims shot up in the years following the implementation of 6th Pay Commission report in 2006 as it that enhanced benefits significantly.

In December 2014, the military’s most senior doctor said officers nearing retirement were abusing disability benefits for higher and tax-free pensions, flagging concerns about the trend of fit officers exploiting the welfare measure by getting themselves placed in the lower medical category.

“I would like to apprise you of an alarming trend evolving in the services, with regards to claims for disability pension being preferred by senior officers of the rank of lieutenant general and major general and their equivalent,” Lieutenant General BK

Chopra, then director general, Armed Forces Medical Services, said in a letter to the defence secretary in December 2014.

“These senior officers, who have stayed in Shape-1 medical category throughout their career, suddenly present (themselves) with disease at the fag end of their service,” he wrote. <https://www.hindustantimes.com/india-news/new-disability-pension-rules-to-boost-efficiency-says-cds-101696619687394-amp.html>

5. संसद में कैग की रिपोर्ट के बाद नई गाइडलाइंस जारी, नये प्रावधान सेवानिवृत्त होने वाले इन सैन्य कर्मियों पर होंगे लागू (upkiran.org) 06 Oct 2023

संसद में कैग की एक रिपोर्ट के जरिए सशस्त्र बल कर्मियों और युद्ध के दौरान हताहत होने वाले बहादुरों की पेंशन का मुद्दा उठाने के बाद केंद्र सरकार ने नई गाइडलाइंस जारी की हैं। नए प्रावधान पिछले साल 21 सितंबर के बाद सेवानिवृत्त होने वाले सैन्य कर्मियों पर लागू होंगे।

दरअसल, सशस्त्र बल कर्मियों के लिए पेंशन और विकलांगता मुआवजा के लिए सरकार ने आखिरी बार 2008 में गाइडलाइंस जारी की थी। हालांकि, इसके बाद भारत सरकार ने समय-समय पर कई नीतिगत पहलों के साथ शर्तों में काफी बदलाव किए, लेकिन युद्ध में घायल विकलांग कर्मियों और वीर नारियों को दी जाने वाली पेंशन या मुआवजा राशि की पात्रता और दरों के मौजूदा नियमों और चिकित्सा दिशा-निर्देशों को स्पष्ट करने की जरूरत महसूस की गई। इस मामले को सीएजी ने भी संसद में अपनी रिपोर्ट में उठाया था। इसलिए सभी नीति प्रावधानों की जांच एवं समीक्षा करने के लिए सेना, नौसेना, वायु सेना, पूर्व सैनिक कल्याण विभाग और रक्षा मंत्रालय (वित्त) के सदस्यों को मिलाकर एक अध्ययन समूह गठित किया गया था।

अब इस समूह ने अपनी सिफारिशें सरकार को सौंप दी हैं, जिनके बारे में चीफ ऑफ डिफेंस स्टाफ (सीडीएस) जनरल अनिल चौहान और तीनों सेनाओं के प्रमुखों ने शुक्रवार को मीडिया से जानकारी साझा की। जनरल चौहान ने बताया कि सैनिकों के लिए विकलांगता पेंशन के नए संशोधित पात्रता नियमों के प्रावधान 21 सितंबर, 23 के बाद सेवानिवृत्त होने वाले सैन्य कर्मियों पर लागू होंगे। उन्होंने बताया कि किसी भी श्रेणी के व्यक्तियों को मृत्यु या विकलांगता के लिए मुआवजा दिए जाने की पात्रता में कोई बड़ा बदलाव नहीं किया गया है।

विकलांगता या पेंशन नियमों के लिए नए संशोधित पात्रता मानदंड के संबंध में पूर्व सैनिकों की चिंताओं के बारे में पूछे जाने पर चीफ ऑफ डिफेंस स्टाफ ने कहा कि संशोधित नियम 21 सितंबर को पूर्व सैनिक कल्याण विभाग ने अपनी वेबसाइट पर अपलोड कर दिए थे, लेकिन बड़ी संख्या में लोग इन नियमों के सटीक निहितार्थों को नहीं समझ पाए। इसलिए हमने 3 अक्टूबर को मान्यता प्राप्त पूर्व सैनिक संगठनों को बुलाया। उनमें से अधिकांश को इस बात की चिंता थी कि नए प्रावधानों में कहीं उनके हक न छीन लिये जाएं। इसलिए पूर्व सैनिकों को स्पष्ट किया गया, जिसके बाद उनमें से अधिकतर संतुष्ट थे।

बैठक के दौरान उभरी अधिकांश आशंकाओं के बारे में सवाल-जवाब हुए और कल रात इन्हें भी पूर्व सैनिक कल्याण विभाग की वेबसाइट पर अपलोड कर दिया गया। जनरल अनिल चौहान ने कहा कि पात्र सैनिकों के वास्तविक हितों की रक्षा करने, किसी भी तरह का शोषण रोकने, विकलांगता पेंशन और अन्य अधिकारों के लिए पात्रता मानदंड को संशोधित किया गया है। उन्होंने बताया कि समिति ने अपनी रिपोर्ट में सशस्त्र बल कर्मियों के लिए मृत्यु या विकलांगता मुआवजे पर उन सिद्धांतों और दिशा-निर्देशों को बनाए रखा है, जो पांचवें वेतन आयोग ने निर्धारित किए गए थे, जिसे छठे और 7वें सीपीसी के बाद और संशोधित किया गया था। <https://upkiran.org/New-guidelines-issued-after-CAG-report-in-Parliament-New-provisions-will-be-ap>

6. **When, 14 years on, IAF got its first trainer jet for LCA Tejas** (*indiatoday.in*) Updated: Oct 7, 2023

The delay forced the IAF to induct the LCA Tejas without the trainer version. HAL now aims to deliver the first eight of the 18 trainers by mid-2024

In November 2009, Group Captain Ritu Raj Tyagi of the National Flight Test Centre (NFTC) and project director (flight test) Air Commodore Rohit Varma took the maiden flight on a twin-seater Tejas trainer jet. The duo took off from the Bengaluru-based airport of Hindustan Aeronautics Limited (HAL). The jet was airborne for almost half an hour, reaching an altitude of 9 km (over 29,500 ft).

Since then, it has taken 14 years for HAL to hand over the first trainer version of the LCA (Light Combat Aircraft) Tejas after repeatedly missing deadlines. Delayed and inadequate funding from the government is seen as the key reason. Finally, on October 4, HAL handed over the first LCA twin-seater trainer to the Indian Air Force (IAF) in Bengaluru. The IAF has had to go ahead with induction of the LCA Tejas into its inventory without having the trainer version.

A few years ago, the Comptroller and Auditor General of India (CAG) had observed that the IAF would be constrained to induct the LCA fighter jet without the availability of trainer aircraft, which would have an adverse impact on pilot training.

HAL claims that introducing the Tejas trainer will enable the IAF to assign fighter pilots directly to LCA squadrons after completing their training on the ageing Hawk trainer jets. It will also facilitate the transition training for pilots from other fighter squadrons to operating the Tejas. HAL claims the Tejas trainer is “designed to support the training requirements of the IAF and augment itself to the role of a fighter in case of necessity”.

The LCA Tejas, according to HAL, is a state-of-the-art, lightweight, all-weather, multi-role 4.5 generation aircraft. It embodies modern concepts and technologies like relaxed static stability, quadruplex fly-by-wire flight control, carefree manoeuvring, an advanced glass cockpit, integrated digital avionics systems, and the use of advanced composite materials for its airframe.

The GE F404-IN20 turbofan engine powers the trainer jet, which has a length of 13.2 m, a width of 8.2 m, and a height of 4.4 m. The aircraft has a maximum takeoff weight of 13,500 kilos and a service ceiling (maximum usable altitude of an aircraft) of 50,000 feet.

Unveiling the twin-seater LCA, minister of state for defence Ajay Bhatt said that in all, the development of the LCA Tejas has also brought about a shift in our approach to defence procurement. “It has demonstrated that India has the talent, knowledge and capability to design, develop and manufacture world-class fighters”, he said.

The Union cabinet, in 2021, had approved the procurement of 73 LCA Tejas Mk-1A fighter aircraft and 10 LCA Tejas Mk-1 trainer aircraft at a cost of Rs 45,696 crore. Later, HAL got an order for another eight Tejas trainers. HAL is planning to hand over the first eight by mid-2024 and the remaining 10 by 2027.

IAF chief Air Chief Marshal V.R. Chaudhari, who a few months ago had criticised HAL over delays in delivery, said on October 4: “We have now signed a contract for 83 additional LCA jets and are moving forward to procuring 97 more LCAs. In the coming years, we will have a fleet of 220 LCAs in the IAF. It is a matter of pride for the country.” While this will bring the total to 180 LCA Mk-1As, it is now on HAL to pull up its socks and meet the IAF’s expectations by delivering the planes on time. <https://www.indiatoday.in/india-today-insight/story/when-14-years-on-iaf-got-its-first-trainer-jet-for-lca-tejas-2446188-2023-10-08>

STATES NEWS ITEMS

7. Two years before the flood came a warning about the Sikkim lake (*timesofindia.indiatimes.com*) Updated: Oct 7, 2023

A study in 2021 had identified Sikkim's South Lhonak Lake as potentially dangerous with a high outburst probability and had not only warned of the risks facing settlements lying downstream, but had also put the spotlight on the need for risk mitigation measures

North Sikkim’s South Lhonak glacial lake, the epicentre of the massive flash flood that ravaged the region on October 4, had been literally bursting at the seams after more than tripling in less than three decades. A 2021 study also warned about the risk of flooding, damage to settlements and the need for an early warning system.

As the Lhonak lake grew between 1990 and 2019 into a giant reservoir holding 65mn cubic feet of water, the study warned it was just a matter of time before a glacial lake outburst flood, or GLOF, caused massive devastation downstream.

When lakes outburst flood

As one of Sikkim’s largest and fastest-growing glacial lakes, South Lhonak was always a potential risk for GLOF, a sudden release of water from a lake formed by glacial melt.

“This was a known vulnerability,” says Ashim Sattar, the study’s lead author, of the flash flood that claimed at least 38 lives and wreaked havoc.

When a glacier melts, water collects into a lake. The build-up of water can cause the lake to suddenly breach its natural barriers.

What the 2021 study said

Sikkim has 14 other glacial lakes that are just as large as the one at South Lhonak that recently burst and caused massive devastation, says Sattar, a researcher at the Bengaluru-based Indian Institute of Science’s Divecha Centre for Climate Change.

He had co-authored the paper in 2021 warning about the growing danger from the South Lhonak lake. According to the study, South Lhonak was susceptible to flooding for several reasons, including its expansion towards steep slopes that heightened the risk of potential landslides and avalanches. The fact that the lake lies in a seismic zone is yet another risk factor.

The study had also pointed out that the lake-terminating South Lhonak glacier had “reduced from 6.4km to 5.1km” between 1990 and 2019, while the lake had expanded more than three times in size, in line with the glacier’s retreat. The lake had grown large enough to cause a lot of damage if it burst. And then, on October 4, all the fears expressed over the years came to pass.

Luckily, as evidenced by satellite images, all of the water in the lake didn’t drain out when the dam burst.

“It could have been worse,” says Sattar.

Sattar’s study had forewarned that “many settlements and assets along the river channel at Chungthang are potentially exposed to GLOFs, indicating the need to conduct a full environmental impact assessment and potentially undertake GLOF risk mitigation measures”.

As this piece pointed out, a Comptroller and Auditor general report had also flagged concerns with a hydroelectric project along the Teesta river. In fact, Sattar’s research paper had highlighted how the creation of the hydroelectric project resulted in a lot more settlements in a vulnerable area and there was a need to balance economic development with studies on hazards.

“It is clear that for sustainable development, a concerted effort is required to balance economic growth in the region and avoid unnecessary construction in the path of potential GLOF and other natural hazards,” the paper noted.

The research paper also noted that “GLOF risk mitigation in relation to South Lhonak and other critical lakes in the basin is of utmost importance” and that the results from the paper should help in the design of an early warning system in the valley.

A Reuters report said an early warning system was being developed but wasn’t set to be operational this year. The system could have warned local residents 90 minutes before the water overflowing from the lake reached settlements.

Not just Sikkim at risk in the Himalayas

The catastrophe on October 4 also highlights the risk to hydropower and other development projects in the Himalayas.

“When planning a project, it’s important to investigate what is happening upstream carefully,” says Farooq Azim, a glaciologist at IIT Indore. “The lake didn’t appear overnight.”

Another study published last year warns of risks to more than 650 hydropower projects being planned or constructed close to glaciers, or in the path of potential lake bursts. Many of these new projects are up-slope of existing ones, and in locations close to glaciers and glacial lakes, it points out.

Azam cites the disaster as an example of a “cascading hazard”. In this case, a cloudburst or avalanche combined with a GLOF, eventually leading to a dam being breached and causing even more water to flood the region.

“This is a case of one hazard inducing another hazard,” he adds.

The first global assessment done by an international team, led by scientists at UK's Newcastle University, flagged in February that India and Pakistan together make up one-third of the total number of people globally exposed to GLOFs.

The study, published in the journal Nature Communications, also underlined that the population exposed to GLOFs increases with distance from a glacial lake.

The Himalayan ranges are host to 7,500 glacial lakes. Of these, Sikkim has about 10%, of which nearly 25 are assessed to be at-risk.

Anjal Prakash, clinical associate professor at Bharti Institute of Public Policy, Indian School of Business at Hyderabad, says the UN's Intergovernmental Panel on Climate Change (IPCC) reports have consistently warned of the Himalayan region's vulnerability to climate change impacts, including the heightened risk of flash floods due to glacier melt and changing rainfall patterns.

“These reports emphasise the urgent need for climate action to mitigate these risks and protect vulnerable communities in the region,” adds Prakash. <https://timesofindia.indiatimes.com/india/two-years-before-the-flood-came-a-warning-about-the-sikkim-lake/articleshow/104232388.cms?from=mdr>

8. As Sikkim picks up pieces, Teesta-III reservoir, Opening of its gates under lens (*indianexpress.com*) 09 Oct 2023

As rescue and relief gather pace in Sikkim ravaged by a glacial lake outburst flood (GLOF), the high storage volume in the Teesta-III dam's reservoir and the failure to open its spillways are two key factors being looked into as probable triggers that exacerbated the GLOF's impact.

Sikkim's Opposition SDF has demanded a “forensic probe” into the dam break by Central agencies after Chief Minister Prem Singh Tamang Saturday blamed the “substandard construction” of the Teesta-III dam.

Sikkim Urja Limited, the company that developed and ran Teesta-III, is scrambling for damage control mode. On Saturday, it announced a financial relief package of Rs 70 crore for four GLOF-affected districts. This package, tweeted Tamang, was in addition to the relief aid provided by the state.

As reported by The Indian Express on Friday, the Rs 13,965-crore project has a history of dodgy compromises. This includes an allocation of only Rs 2 crore, pointed out the CAG back in 2009, towards its mandatory disaster management plan.

The GLOF warning, it is learnt, came from the ITBP between 12-40 and 1 am on October 4. While this gave time to move people away from the river in Chungthang

before the waters reached the village, efforts to open the dam's spillways apparently did not succeed.

Sources said a team of staff members of the Teesta-III project reached the dam site to open the spillways but were daunted by the rapidly rising waters. This has raised questions about dam maintenance since spillways are electronically controlled and are not supposed to require manual intervention.

“A dam of this size does not involve mechanical spillways. At roughly 15 meters per second, the flood must have taken over an hour to reach the dam site from the lake and around half an hour from the flood monitoring station at Lachen. That's enough time to operate the gates through remote control unless the spillways were damaged or stuck for some reason,” said an engineer with the Central Water Commission (CWC).

Sunil Saraogi, the executive chairman of Sikkim Urja Limited, confirmed that Teesta-III's spillways were indeed operated electronically. “We have been hearing a lot of things in the last few days but I will be able to verify only when communications are restored,” he said.

Investigators are also likely to probe if Teesta-III was operating above its capacity on October 3. “If it was so, the dam's storage was probably full. That would have left no space to absorb the initial impact of the flood but could have made it a lot worse by contributing the additional water,” said an SDMA official.

Saraogi could not confirm the dam's storage status when the GLOF hit. Teesta-III had a gross storage capacity of 5.08 million cubic meters and a live storage capacity of 3.3 million cubic meters.

The combined discharge of storage water and GLOF from Teesta-III hit NHPC's 510 MW Teesta-V – Teesta IV is at the proposal stage — and the under-construction 500 MW Teesta-VI downstream in about an hour, causing extensive damage, and washing all the bridges in its way.

The GLOF overtopped the Teesta-V dam, obliterating the approach road and the control room for remote operation, knocking down multiple transmission towers and drowning the power station where one casualty was reported. All connecting roads to the project site and parts of the residential colony were severely damaged.

Investigators will probe if Teesta-III was operating above its capacity on October 3. If it was, the dam's storage was probably full. That would have left no space to absorb the initial impact of the flood. Teesta-III has a live storage capacity of 3.3 million cubic meters.

The GLOF, subsequently, disrupted ongoing works at Teesta-VI where flood water entered the powerhouse and the transformer cavern, washing out bridges connecting the right and left banks at the barrage as well as the powerhouse.

A former NHPC official familiar with the developments underlined how Teesta-V's concrete dam, with spillways of 12,500 cumec, withstood the overtopping. “In contrast, with spillways of just 70,00 cumec, the concrete-face rock-filled dam of Teesta-III was

unlikely to survive the impact of this 8-10,000 cumec GLOF that also carried massive boulders. But opening the gates and emptying the reservoir in time could have reduced the damage downstream,” he said.

Himanshu Thakkar, coordinator of the South Asia Network on Dams, Rivers and People, said that the Teesta-III dam was not included in the CWC’s National Register of Large Dams (NRLD). “Commissioned in 2017, it is inexplicably missing in the NRLD compiled in 2019. There is no information on the Dam Safety Mechanism of Teesta-III and the last inspection of the dam and its spillway gates,” he said. <https://indianexpress.com/article/india/as-sikkim-picks-up-pieces-teesta-iii-reservoir-opening-of-its-gates-under-lens-8974047/>

9. Fraudulent de-siltation by Guwahati Municipal Corporation worsens waterlogging (*sentinelassam.com*) Oct 08, 2023

GUWAHATI: The menace of waterlogging in Guwahati has come to such a pass due to fraudulent spending of funds in the name of de-siltation and cleaning of rivers in the Metropolitan by the GMC (Guwahati Municipal Corporation) for years in the past.

The report of the CAG has revealed that the civic body fraudulently spent money on hiring dumpers and excavators, whose registrations show them as three-wheelers. According to the CAG report, during 2016-17, the GMC showed an expenditure of over Rs 1 crore in the name of de-silting and cleaning the Bharalu River. The GMC submitted documents claiming to have used 21 dumpers, one excavator, and four poclairn machines for the de-silting works. During verification of the documents, the CAG found that the registration numbers of the dumpers and the excavator were actually motorcycles, three-wheelers, private cars, buses, etc.

The CAG report of 2023 also said that the de-silting works had been done by GMC without preparing any estimate, obtaining administrative approval and technical sanction, or maintaining any measurement of the work done. In the absence of these vital records, the necessity and authority to undertake the work, the quantum of work to be done, and the quantity actually executed remained unassessed and undisclosed. Because of the non-availability of the required supporting documents, the expenditure of Rs 45.75 lakh was suspected to be fraudulent.

The GMC has all along been doing such casual works for the de-siltation of the city rivers: Bharalu, Basistha, and Bahini, besides the drains, which cost huge amounts every year. The quality of their work is such that a spell of rain is enough to cause an overflow of water from the drains. <https://www.sentinelassam.com/topheadlines/fraudulent-de-siltation-by-guwahati-municipal-corporation-worsens-waterlogging-670257>

10. TMC accuses Urban Development Minister Ashok Singhal of flood crisis in Guwahati (*indiatodayne.in*) Oct 06, 2023

TMC in Assam has accused Urban Development Minister, Ashok Singhal, for the recent flood crisis in Guwahati. It is alleged that Rs 26 crore worth of super-suckers, crucial for water drainage, are missing.

As Guwahati is in distress with recurring artificial floods, the Assam Trinamool Congress (TMC) has leveled serious allegations of mismanagement and financial irregularities against Ashok Singhal, the Guwahati Development Minister. Dilip Sharma, the Media Chairman of Assam TMC asserted that government negligence has transformed artificial flood management into a lucrative venture for a select few, while the people of Guwahati suffer the consequences.

The heart of the issue lies in the failure to maintain and clean the city's drainage system promptly, leading to the relentless cycle of artificial floods. Sharma's explosive allegations have sparked outrage among residents who have endured years of hardships due to this ongoing crisis.

In a press release, Dilip Sharma expressed his frustration, stating, "The people of Guwahati have endured hellish conditions caused by artificial floods for years. Despite annual government assurances to address the issue, these promises have proven to be nothing but illusions. Billions of rupees have been allocated for artificial flood mitigation, yet the problem persists."

Moreover, Sharma highlighted the lack of timely action by the Guwahati Municipal Corporation (GMC) and Guwahati Metropolitan Development Authority (GMDA). A damning report by the Comptroller and Auditor General (CAG) revealed that authorities failed to utilize Rs 209 crore last year. Specifically, Rs 15 crore allocated for drainage cleaning, Rs 12 crore for solid waste management, and Rs 16 crore for artificial flood control were neglected.

In a shocking revelation, it emerged that in October 2021, Guwahati Smart City Limited purchased 10 super-suckers at a staggering cost of Rs 26 crore, intending to deploy them for drain cleaning. However, due to inadequate management, these valuable assets now lie abandoned, plunging large areas of the city, including Anil and Nabin Nagar, Zoo-Road, Hatigaon, Gandhinagar, into a state of panic.

Guwahati Development Minister Ashok Singhal has faced intense scrutiny as the primary individual responsible for the dire situation. Just a few days ago, Singhal claimed that the city's residents were celebrating their freedom from artificial floods, raising questions about the credibility of those assertions.

The Chairman of the Media Department at Assam TMC is now demanding a thorough investigation into the proper utilization of funds allocated for artificial flood control. This includes the implementation of efficient measures by GMC authorities, emphasizing tangible actions over empty promises and rhetoric. <https://www.indiatodayne.in/assam/story/tmc-accuses-urban-development-minister-ashok-singhal-of-flood-crisis-in-guwahati-690188-2023-10-06>

11. Kerala seeks Central govt intervention as liquidity position severely stressed due to annual borrowing limit cut
(*thesouthfirst.com*) 08 Oct 2023

Kerala Finance Minister KN Balagopal wrote to Union Finance Minister Nirmala Sitaraman stating that the liquidity stress was now aggravated in Kerala specifically because of the cut in the annual borrowing ceiling for the financial years 2022-23 and 2023-24.

He sought the intervention of Nirmala Sitaraman on the issue.

He further said Kerala had been relying on its own sources of revenue for meeting the expenditure during recent years, unlike many other states.

Balagopal said the decision of the Union Government to include the borrowing of institutions like KIIFB (Kerala Infrastructure Investment Fund Board) and lower the annual borrowing limit of the state with retrospective effect was causing severe liquidity stress for Kerala.

Reduction in Revenue Deficit grant

“I write this letter to invite your kind attention to the issue of liquidity stress being faced by Kerala due to the reduction in annual borrowing limit (₹8,000 crore); cessation of GST compensation (loss of around ₹10,000 to 12,000 crore); reduction in Revenue Deficit grant during the current fiscal year (₹8,400 crore) compared to the previous year; and reduction in the inter se distribution from the divisible pool during the 15th finance commission (1.92 percent) compared to 10th finance commission (3.875 percent),” Balagopal said in the letter.

He added that Kerala was on a path of fiscal consolidation through augmentation of its own revenues and rationalisation of expenditure.

He said the state’s tax revenue grew at 22.4 percent (2021-22) and 23.4 percent (2022-23), and succeeded in limiting the fiscal deficit to well below 3 percent of GSDP in 2022-23, while reducing its revenue deficit as a proportion of GSDP to 0.9 percent.

“Our annual borrowing has also been kept within the statutorily permissible limits, adhering to the fiscal roadmap laid down by the Finance Commission. All these indicators evidence the commitment of the Government of Kerala to the goal of fiscal consolidation,” the minister said.

Balagopal added that the Ministry of Finance has been reducing ₹3,140.7 crore from the annual borrowing ceiling each year since 2022-23 on account of the off-budget borrowing done through KIFFB and KSSPL (Kerala Social Security Pension Company Limited) during 2021-22.

“The implementation of this new measure with retrospective effect has given a double shock to the state in terms of resource availability and its right to borrow from the open market,” he added.

CAG report

A report of the Comptroller and Auditor General of India (CAG) on Kerala's revenue sector for the financial year 2021-22 has found that the state's revenue collection had decreased by 10 percent from what it was in 2017-18, while the receipts from the Centre had increased.

Responding to the report, the finance minister said on 15 September, that the government will decide on follow-up actions on the observations made by the Comptroller and Auditor General of India (CAG) in its recent report, after a detailed examination by Assembly committees and other departments.

“As per the CAG report, in the financial year that ended on 31 March 2022, the total revenue deficit of the state is ₹28,258.39 crore. This deficit has been carried over from departments like GST, Kerala State Electricity Board, registration, and police for several years. Previous audit reports have clearly mentioned it,” Balagopal said in a statement.

Centre strangling state financially

In May, post the cuts, the state government had requested the Centre to fix the borrowing limit at ₹22,000 crore. Balagopal said the Centre was attempting to strangle the state financially, and in the process, the less privileged in the state were getting targeted.

He felt the Centre has made it a practice to deny or reduce grants and loans required by Kerala — a challenge to the people of the state.

The ultimate aim of the Centre is politics, and it wants to halt the developmental and welfare activities in Kerala, which has become a model for the entire nation, he said.

Balagopal called for a joint effort by all political parties in Kerala to secure its legitimate dues. The state government urgently requires at least ₹20,000 crore to clear the arrears in top priority areas.

Speaking to South First in May, he said, that the Union government has now set Kerala's borrowing limit at ₹15,390 crore, much below what the state was expecting.

In an interview with PTI, on 29 September, Balagopal, criticised the BJP-led Union government, alleging it was denying Kerala its legitimate shares from various resources, causing a serious liquidity crunch. <https://thesouthfirst.com/kerala/kerala-seeks-central-govt-intervention-as-liquidity-position-severely-stressed-due-to-annual-borrowing-limit-cut/>

12. Telangana's dependence on sale of lands and excise duties continues for raising financial resources (*thehindu.com*) October 09, 2023

The State government is relying on the sale of lands and excise for raising its financial resources going by the revenue receipts until the end of August this year.

Non-tax revenue at the end of August stood at ₹14,482 crore, a significant jump of over ₹12,600 crore, compared to the receipts by July-end, which were just ₹1,815 crore. The State has projected ₹22,808 crore non-tax revenue in the budget estimates, and the achievement was 63.5% by August-end, according to the provisional figures submitted to the Comptroller and Auditor General (CAG) of India.

The spike in non-tax revenue was primarily on account of the leasing out of Outer Ring Road which fetched ₹7,380 crore in August and the balance of a little over ₹5,200 crore was through the sale of land at locations like Kokapet, where an acre of land fetched a record price of ₹100 crore.

The State government expected to raise around ₹7,000 crore through the auction of lands, but the figure fell short as some of the prospective bidders were reported to have not yet paid the due amount.

Another area that saw an increase in revenue receipts was State excise duties. Revenue through excise duties was ₹6,074 crore till the end of July and it crossed the ₹10,000 crore mark reaching ₹10,149 crore by August-end.

The steep increase was attributed to the advancement of the auction of liquor outlets for the excise year 2023-25 by the State government, which mobilised around ₹2,650 crore in the form of a one-time non-refundable application fee of ₹2 lakh each from nearly over 1.3 lakh applications received for 2,620 shops across the State.

Incidentally, there was no significant rise in revenue through other sources, including Goods and Services Tax, Income Tax, Stamps & Registration and State's share of Union taxes showing the dependence on land sale and excise sectors. <https://www.thehindu.com/news/national/tehrangana/tehranganas-dependence-on-sale-of-lands-and-excise-duties-continues-for-raising-financial-resources/article67395910.ece>

13. Make PSUs, Autonomous bodies accountable (*dailyexcelsior.com*) 08 Oct 2023

The culpability for delays in convening governing body meetings of the autonomous bodies, corporations, and public sector undertakings in the Union Territory of Jammu and Kashmir lies squarely with the concerned departments. The Government has taken a grave view of the blatant disregard for the established bylaws and Memorandum of Association (MoA). There is a widespread failure to adhere to the stipulated bylaws and MoA by a significant number of these entities. These organisations are run according to the Memorandum of Association, which encompasses all fundamental details regarding the establishment, defined scope of business activities and objectives, extent of authority, and legal prerogatives of the company. Similarly, bylaws delineate crucial information about the Board of Directors, the governing body of the organisation, specifying its duties and powers, such as the tenure of board members and the quorum requirement for meetings. In essence, both the Memorandum of Association and bylaws dictate the operational conduct of autonomous bodies, corporations, and public sector undertakings.

The Chief Secretary's observations and directives carry paramount significance, especially when considering the financial predicament of these entities. Jammu and Kashmir has borne witness to the tragic fate of entities such as the State Road Transport Corporation (JKSRTC), State Forest Corporation, Jammu and Kashmir State Cooperative Supply and Marketing Federation (JAKFED), JKPCC, and many more in recent years. The glaring absence of accountability and responsibility has resulted in calamitous outcomes for numerous undertakings. Year after year, these PSUs, corporations, and other organisations have suffered colossal losses. It is imperative to recognise that the livelihoods of thousands of employees and their families are contingent upon the sustenance of these establishments. Furthermore, it is a disconcerting reality that, despite some of these entities being closed, senior officials find shelter in other Government departments, while grassroots-level workers languish without wages for prolonged periods.

The onus of effectively managing these organisations squarely rests on the top echelons of leadership, not the lower-tier staff. Timely policy decisions, coupled with their diligent implementation at the grassroots level, constitute the linchpin of success. In this digital era, the dynamics of business transform swiftly, and the era of monopolistic control has unequivocally concluded. Government entities are now ensnared in cutthroat competition with their counterparts in the private sector.

It is perplexing that nearly all these organisations flounder in their capacity to convene governing body meetings at the stipulated intervals to deliberate on crucial matters, including their financial well-being. The upper echelons of management have woefully failed to adhere to the MoA and bylaws, a dereliction of duty that reverberates through the organisational fabric, causing vital decisions to languish unresolved for months on end. The CAG has persistently flagged these lapses, yet remedial action remains conspicuously absent. Moreover, it is not just these corporations and PSUs that exhibit a wanton disregard for their financial affairs; many of them have refrained from submitting their records to the CAG for auditing over extended periods. Such management practices render these corporations and PSUs precariously poised for inevitable collapse.

The contemporary landscape predicates success solely on performance metrics. The Chief Secretary has judiciously assigned the responsibility for the regular conduct of these mandatory meetings to the Administrative Secretaries and Department Heads. Jammu and Kashmir has metamorphosed into a preeminent exemplar of e-Government among the States and Union Territories in the nation, and there exists no latitude for complacency within this revitalised UT. This dictum permeates all facets of policy formulation, with departments being unequivocally mandated to deliver results at any cost. The officials must take immediate action to rectify the situation and realign these entities on the path to rectitude. <https://www.dailyexcelsior.com/make-psus-autonomous-bodies-accountable/>

14. Budget amount increased but nearly Rs 1.5 lakh crore unspent in Odisha (*newindianexpress.com*) 07 October 2023

BHUBANESWAR: Even as the state government's budget has substantially increased over the last five years, at least Rs 1.46 lakh crore of the funds remain unspent raising serious questions over the budget preparation process.

Pointing out the lacunae, the CAG in its report on state finances for the year ending March 2022, stated the large amount of savings in allotted funds indicates both inaccurate assessment of requirements as well as inadequate capacity to utilise funds for intended purposes.

The unspent amount varied from 17.4 per cent to 39.51 per cent between 2017-18 and 2021-22. While out of the budget of Rs 1,06,911 crore in 2017-18, Rs 21,206 crore remained unspent, in 2019-20 Rs 24,777.71 crore was unutilised out of the budget proposal of Rs 1,32,660 crore. The highest amount of Rs 43,554.13 crore was unspent in 2020-21 out of the budget of Rs 1,50,000 crore.

The CAG maintained the release of funds in the last week of the financial year resulting in such huge unspent balance. An examination of sanction orders issued during 2021-22 revealed the government had released Rs 1,614.78 crore for the implementation of different schemes in 11 departments in the last week of March 2022. Of this, Rs 1,292.36 crore was released on March 31, 2022. As such there was no possibility of utilisation of these funds during 2021-22.

The implementation of several schemes was affected because of the practice of the state government. CAG has listed several such projects which suffered because of the delays. Of these, Rs 1,043.06 crore was released for National Rural Livelihood Mission (NRLM) on the last day of the financial year. Other schemes that suffered because of this included Jal Jeevan Mission, Rashtriya Krishi Vikash Yojana and POSAN Abhiyan.

The Panchayati Raj and Drinking Water department accounted for 80.71 per cent of the total amount released on the last day of the financial year. The CAG observed that the release of funds on the last day indicated that the funds were released primarily to exhaust the budget provision.

<https://www.newindianexpress.com/states/odisha/2023/oct/07/budget-amount-increased-but-nearly-rs-15-lakhcrore-unspent-in-odisha-2621697.html>

15. Congress alleges scam in medicine procurement in Goa (*daijiworld.com*) 07 Oct 2023

Congress on Saturday accused the BJP government in Goa of procuring medicines at "exorbitant prices to benefit one top private pharmacy".

Congress leader Girish Chodankar while addressing a press conference claimed that 'Morepenem (1 GM)' injection was purchased for Rs 4800, whose lowest cost was Rs 131.50.

Slamming the BJP government and Health Minister Vishwajit Rane, Chodankar said: "Even cancer patients were not spared from this loot and were asked to purchase costly medicines from this private pharmacy, though its actual cost is low."

He said that the financial position of the state government is "worst with liability around Rs 32,000 crore, despite that taxpayers money is looted".

"We had raised this issue earlier and CAG had also made an observation on this loot. Despite that, the Health Department continued to carry out this loot... We demand that a thorough investigation of this scam should be done. If the government fails to probe this scam, then we will approach the court," the Congress leader added.

Chodankar said: "Recombinant Tissue Plasminogen Activator injection used during treatment of brain stroke was purchased for Rs 29,000, but (its) actual cost was Rs 13,000. Morepenem injection is purchased at Rs 4,800, while its lowest rate was Rs 131.50. One medicine to treat cancer is available at Rs 1,500, but same is sold between Rs 5000 to 6000 at this Pharmacy housed in Goa Medical College."

He further said that since 2018 to 2022, this pharmacy has been provided a "business of Rs 163 crore, that too without following procedure".

"CAG had pointed out about this purchase... On the name of 'emergency' medicines, these (medicines) are being purchased from this particular pharmacy at exorbitant rates and the tendering process was stopped to benefit this firm," he alleged.

Chodankar said that Chief Minister Pramod Sawant should initiate a vigilance inquiry and prove that he was not working hand in glove with Rane "in this loot".
<https://www.daijiworld.com/news/newsDisplay?newsID=1128143>

SELECTED NEWS ITEMS/ARTICLES FOR READING

- 16. Contracts worth Rs 18,000 cr inked, Army seeks to 'institutionalise' emergency procurement powers (*theprint.in*)**
October 09, 2023

EP or emergency procurement power was extended to Army, Navy and Air Force. In case of Army, EP has been instrumental in capital procurement through 140 schemes across 4 tranches.

With the last tranche of the Emergency Procurement power (EP), given to the armed forces as an interim arrangement after the 2016 Uri attacks, getting over last week, the Army is seeking to institutionalise the scheme that helps it circumvent the long-drawn procurement process, ThePrint has learnt.

The EP was extended to all the three Services — Army, Navy and Air Force.

In the case of the Army, EP has been instrumental in the capital procurement through approximately 140 schemes, spread across four tranches (EP-I to IV), sources in the defence and security establishment said.

It helped the Army fill up critical gaps in multiple fields including fire-power, drone warfare, mobility, communication and personal protection of soldiers, among others, added sources.

As reported by ThePrint, the EP was first given to the armed forces after the 2016 Uri attack to help them circumvent the slow bureaucratic system of procurement, and under it, the services can ink contracts worth up to Rs 300 crore each on their own.

Following tension along the borders with China in 2020, the provisions were reintroduced.

The primary objective of the EP was to plug critical operational gaps, especially along the northern borders.

Major upgrades facilitated through the EP mechanism encompassed remote-controlled weapon systems, air defence missiles, anti-tank missiles, satellite downlink & recording systems, very small aperture terminal (VSAT), and portable mobile terminals.

These also included secure Army mobile systems, all-terrain vehicles, high-mobility reconnaissance vehicles, radars, loitering munitions, drones, counter drone systems, high-endurance UAVs, ballistic helmets, navigation systems, and simulation systems.

The initial three tranches saw the Army utilising approximately Rs 6,500 crore, and finalising 68 contracts.

Sources said this included over Rs 1,800 crore spent on modern weapons, equipment, and ammunition, besides almost an almost equivalent amount used for communication-related equipment.

About Rs 900 crore was dedicated to 10 contracts for surveillance equipment, while close to Rs 1,500 crore was allocated for 14 projects on drones and counter drone systems, and nearly Rs 1,000 crore for enhancing mobility in various terrain and engineering equipment, it is learnt.

In EP-IV alone, which spanned from September 2022 to September 2023, more than 70 schemes worth nearly 11,000 crore were inked.

“While the EP initiative has been pivotal in addressing immediate operational requirements, it’s evident that such a mechanism needs to be institutionalised for the long term,” said one source.

EP-IV expenses

Breaking down the EP-IV expenditures, sources said about 6-7 schemes for weapon systems consumed Rs 1,300 crore, while another Rs 1,300 crore was used across 7-8 projects for protective equipment.

Additionally, 9-10 schemes were allocated almost Rs 1,500 crore for intelligence, reconnaissance, and surveillance, while Rs 2,000 crore was reserved for about 10 projects focusing on drones and counter drones.

Communication-related equipment comprised about a dozen plus projects, absorbing approximately Rs 1,800 crore, sources said, adding that a significant amount of Rs 3,100 crore was used for about 25 projects on survivability and training.

Fifty percent of contracts in the first three tranches were awarded to the domestic industry.

EP-IV has concluded more than 70 schemes, amounting to close to Rs 11,000 crore, all of which are contracted with Indian vendors, it is learnt. <https://theprint.in/defence/contracts-worth-rs-18000-cr-in-armed-forces-seeks-to-institutionalise-emergency-procurement-powers/1795492/>

17. Rs. 1 lakh crore saved in five years by Ayushman Bharat scheme: Govt data (*hindustantimes.com*) October 09, 2023

Narendra Modi government's flagship health insurance scheme, Ayushman Bharat Pradhan Mantri Jan Arogya Yojna, has helped save at least ₹1 lakh crore in treatment costs in the five years since its inception in 2018, data from the Union ministry of health and family welfare showed.

“More than ₹5.7 crore worth cashless treatments have been provided and 25.4 crore beneficiary cards have been generated under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojna...,” a document from the health ministry read.

Under AB-PMJAY, the world's largest public health protection scheme, health coverage of ₹5 lakh per beneficiary family per annum is provided to at least 600 million beneficiaries who are identified on the basis of select deprivation and occupational criteria.

The scheme is designed to provide financial risk protection against catastrophic health expenditure and is implemented in insurance or trust or mixed mode as decided by states.

According to government data, 27,343 hospitals have been empanelled under the scheme, that are now providing both cashless, and portable treatment facilities.

On the successful completion of five years of the scheme, Union health secretary Sudhansh Pant recently said, “Around 60% of the amount has been used for tertiary care hospitalization, which had been one of the aims of PM-JAY when it was launched. Also, 177 Ayushman PMJAY cards are being made per minute, with 30 hospital admissions per minute. In addition, 48% of hospitalisations are women beneficiaries, whereas 8 hospitals are being empanelled per day, on an average.”

While the scheme has been implemented in 33 states and Union territories, three states — Odisha, West Bengal, and Delhi —are yet to implement it.

Separately, after two years of commencement of the Ayushman Bharat Digital Mission, at least 450 million Ayushman Bharat health ids have been created. “...more than 2.19 lakh health facilities have been registered, and more than 2.28 lakh health professionals

are already on board under the digital mission,” the health ministry statement said. <https://www.hindustantimes.com/india-news/1-lakh-crore-saved-in-five-years-by-ayushman-bharat-scheme-govt-data-101696790967456.html>

18. Education Derailed (*thestatesman.com*) October 7, 2023

Examining Boards, throughout India, have tried to mask the fall in educational standards; more students were declared passed in Board examinations of 2022 than in earlier years despite most examinees not attending classes for a single day.

The recent Health Ministry directive reducing the cut-off qualifying percentile for National Eligibility cum Entrance Test (NEET)-Post Graduate (PG) 2023, from fifty to “zero” across all categories, exposes the sorry state of medical education because the affected students, who had scored ‘zero’ or had negative marks, had ‘earned’ an MBBS degree after five years of academic and practical instruction. Should these students clear their post-graduate examination in the same way they had graduated, which is more than likely, the country will be burdened by medical specialists of zero competence. Eminent doctors, and professional medical bodies, like the Federation of All India Medical Association came out against the Government’s decision, but to no avail. To put things in proper perspective, NEET-PG 2023 had 200 multiple choice questions each with four options; a correct answer would get the candidate four marks while one mark would be deducted for a wrong answer. A candidate who chose a certain option, say option (a), for all questions would get a net of 50 marks (50 correct answers fetching 200 marks and 150 wrong answers resulting in deduction of 150 marks). Thus, examinees getting less than 50 marks were neither professionally competent nor were blessed with basic intelligence, and therefore, did not deserve to be admitted to a professional postgraduate course. The NEET-PG 2023 imbroglio, is not an isolated instance; education, at all levels, is floundering in India. The Annual Status of Education Report (ASER), 2022 found glaring shortcomings in the learning of schoolgoing children, of the kind that only 42.8 per cent of class five students could read a class two text ~ down from 50.2 per cent in 2018. Apparently, the Covid19 pandemic that had forced all educational institutions to close down for two years, worsened the already poor standard of education. Significantly, since 2009, when we were ranked 73rd out of 74 countries, the Government of India has consistently refused to participate in OECD’s Programme for International Student Assessment (PISA), which measures 15-year-olds’ ability to use their reading, mathematics and science knowledge and skills to meet real-life challenges. Examining Boards, throughout India, have tried to mask the fall in educational standards; more students were declared passed in Board examinations of 2022 than in earlier years despite most examinees not attending classes for a single day. Also, Board examinations saw a record number of students who scored more than 90 per cent marks. Anomalously, the cut-off marks for JEE-Advanced 2022 were kept at a mere 15 per cent, so that available seats could be filled up. It would appear that educational standards were deliberately lowered to conceal the rot in the educational system. Such blatant window dressing fools no one, but puts a question mark on the credibility of Board results. The most significant cause for the rot in the education system is insufficient funding by the Government. Till today, Government schools established by the British more than a century ago, are the backbone of our education system. Most of these schools are now floundering, with falling buildings and a huge shortage of teachers, affecting the learning of the majority of students in the country. A viral video from Bihar shows five primary Government

schools operating from a single room, with five teachers writing on a single blackboard, to a roomful of bemused children. Obviously, education imparted in such schools would be of an abysmal standard, yet no efforts are visible for the improvement of Government schools. The condition of higher education is even worse, with hardly any employment opportunities for young men with traditional education, i.e., ordinary BA and BSc degrees. Resultantly, the great universities of yesteryears, like Calcutta University, have a large number of vacant seats at undergraduate level. Even engineering courses in run-of-the-mill institutions have no value in the job market. Not surprisingly, hardly half the seats for undergraduate engineering courses could be filled up across India. Non-professional college degrees are losing their importance worldwide. Two years after the 2008-09 meltdown, half of the college graduates in the US became unemployed or underemployed. Slowly, after the effects of the recession wore down, college degrees regained their importance, but the percentage of high school graduates enrolling in college came down; from 70 per cent in 2009 to 61.8 per cent in 2021. After the Covid-19 pandemic, when the job market became unusually tight, the college degree again lost its relevance because while hiring for ordinary jobs, potential employers stopped asking for college degrees. According to a Harvard Business Review and the Burning Glass Institute estimate for the US, in the next five years, college degrees would not be required for 14 lakh jobs. However, students still vie for quality college education, because it develops essential skills like analytical thinking, active learning, and complex problem solving, which results in brighter college graduates with the right skillset, being paid more, and being employed at higher levels. This would explain why eight lakh students appear for the 16,000 IIT seats, and admissions to some Delhi colleges require 100 per cent marks in Twelfth Board, or why private universities, which charge a bomb for their courses, are burgeoning ~ the bottom line being that students graduating from these institutions can easily land a good job. The icing on the cake is that a talented alumnus of IIT/IIM can, one day, aspire to become the CEO of some top US corporate. However, outside this charmed circle, a student of ordinary means faces a cruel dilemma. After completing his school education, he has little capital, skill or experience to strike out on his own. If he goes to a second-grade college, he can only hope that he will get some small-time employment ~ after wasting his parent's money and several years of his own life. The obvious solution is to link education to jobs, which would entail providing the wherewithal to colleges to offer vocational education to interested students. This is not an untried idea; one-half to nearly two-thirds of students pursue vocational education in countries like Germany and Switzerland. The National Education Policy (NEP) 2020 rightly aims to introduce vocational education at all levels by integrating vocational education into mainstream education, in all educational institutions, by 2030. NEP also proposes to remove the 'hard separation' between the vocational and academic streams and overcome the stigma attached to vocational education. Further, NEP aims to ensure universal access to quality holistic education ~ including vocational education ~ from pre-school to Grade XII and every child would learn at least one vocation and be exposed to several more. However, implementation of NEP 2020, seems to be running far behind schedule; NEP had envisaged that by 2025, at least half of the students would have vocational exposure through school and higher education. The problem in implementation of NEP appears to be of finance and resolve; the NEP document requires that 6 per cent of GDP be spent on education, while we are spending only half of that. Further, changeover to NEP would require teacher re-education, new infrastructure and a complete overhaul of the education system ~ which is easier said than achieved. An obvious first step to popularize vocational education would be to stop lionizing higher education, and

running down its alternatives. The Government can also help by developing online courses on the pattern of Massive Open Online Courses (MOOCs), as an alternative to college enrolment, which would provide an affordable and flexible way for students to learn the latest skills, supplement their learning, and advance their career. The popularity of Coursera in the US, which has 118 million registered learners, and which adds about 5 million new learners every quarter, is a pointer to the usefulness of good online courses. The Government can also rethink about its Institutes of Eminence (IoE) initiative, which has hit a roadblock, with only 12 institutes, out of a possible 20, being granted the IoE tag, and funding of Rs.3,200 crore, out of a budget of Rs.10,000 crore, being utilized. Currently, the Empowered Expert Committee for IoE, has been defunct for more than two years, making any action on IoE unlikely. Probably, the unutilized funds of Rs.6,800 crore of IoE can be used to establish good vocational colleges in all districts, and thereby kickstart vocational education. Finally, learning requires great effort from students. As Mahatma Gandhi had said: “Live as if you were to die tomorrow. Learn as if you were to live forever.” <https://www.thestatesman.com/opinion/education-derailed-1503229136.html>

19. Bandra Fort Tender: 'Project Cost Inflated By 350% To Favour Contractor' (*freepressjournal.in*) October 07, 2023

City-based NGO Mumbai Mazi raises eyebrows over “bizarre” tender conditions; files complaint with BMC

A city-based NGO, Mumbai Mazi, has complained to BMC commissioner Iqbal Singh Chahal about a tender that has been floated for having a laser show facility at the Bandra promenade and for landscaping of the Bandra fort, which is a structure protected by the Archaeological Survey of India (ASI).

Seeking immediate cancellation of these tenders, the NGO averred that the project cost has been inflated to 350% to favour the contractor, GSN Associates, which is allegedly linked to the Covid oxygen plant scam. The complaint further pointed out that the appointed technical consultant has no experience regarding the ASI-connected structures. The NGO underlined that the tender condition for the use of only Italian parts is “bizarre” when quality Indian products are available at lesser prices. The complaint names GSN Associates and Ajanta Innovative Solutions in this regard. Emails to both these companies remained unanswered.

GSN associations had won the contract

GSN Associates had won a contract worth more than ₹200 crore for oxygen supply, but was later penalised owing to the delay in executing the contract. Significantly, the BMC’s Covid centre oxygen supply contract is currently under investigation by the Enforcement Directorate (ED). The complaint expresses surprise at how GSN Associates is qualified to supply laser show equipment to the civic body.

It further alleged that tender terms have been diluted to allow bidders without required ASI Fort monument work experience and questioned the appointment of Shashank Mehendale & Associates as the BMC’s project consultant. The company did not respond to an email from this newspaper.

Incidentally, the civic body has appointed Mehendale as an expert for the Malabar Hill reservoir project. He recommended that the reservoir be reconstructed in one go. The project has been effectively stayed by Mangal Prabhat Lodha, MLA of Malabar Hill, and minister. Local residents are up in arms against the project since it would involve the chopping of as many as 389 fully grown trees. <https://www.freepressjournal.in/mumbai/bandra-fort-tender-project-cost-inflated-by-350-to-favour-contractor>

20. Maharashtra Drugs Procurement Authority Decides to Close Tendering to Prevent Shortage of Medicines in Hospitals (*freepressjournal.in*) October 07, 2023

State health department has prepared a list of 800 drugs used across staterun hospitals. Govt extended powers to local authorities to use 100% funds from district planning development. Paperwork to be completed by 1st week of December. From January 2024, tendering will be ruled out.

To ensure there is no shortage of medicines in state-run hospitals, the Maharashtra Drugs Procurement Authority has decided to close the tendering process once and for all as it has been allegedly hampering the purchase over the years. From next year, hospital administrations can procure medicines as per rate agreements that will be valid for two years.

Medicines can be procured within eight days of raising demand

As per agreed contracts, medicines can be procured within eight days of raising the demand. This will also ensure that the stock doesn't reach expiry date, said Dheeraj Kumar, acting CEO of Maharashtra Medical Goods Procurement Authority. Sources said the delay in implementing the recently passed Medical Goods Procurement Authority Act and the resultant change in procurement rules are to blame for the shortage across government hospitals.

This led to the recent 80 deaths, including that of 17 infants, at hospitals in Nanded, Sambhajinagar and Nagpur. The government, however, has continued to deny that any shortage existed. An official from the state public health department said that hospitals will enter into a rate agreement on the lines of the Rajasthan Medical Supply Corporation and the Tamil Nadu Medical Services. We are completing the paperwork by the first week of December.

From January 2024, tendering will be ruled out, he said. The official added that hospitals rely on 150 essential drugs, while they have prepared a list of 800 drugs used across state-run hospitals. He said medical experts, pharmacists and drug procurement officers are working to sort this out on their level. Meanwhile, the state government has extended powers to local authorities to use 100% of funds from the district planning development committee (DPDC) reserved for buying medicines. In 2022, too, districts faced drug shortages.

Previous methods

The previous government had then issued a similar circular to expand the medicine procurement budget at the district level. This funding allows deans to procure medicines locally. The current limit for medicine procurement by the dean of Government Medical College and Hospitals (GMCH) is capped at Rs10 lakh.

From 2017, Haffkine BioPharmaceutical Corporation Ltd was entrusted with the task of purchasing medicines for hospitals. Shockingly, though, funds amounting to over Rs500 crore were returned due to non-implementation of the tender process in time. After an uproar, the government took charge from Haffkine and separated the Maharashtra Medical Supplies Procurement Authority to procure drugs and equipment.

In March this year, Maharashtra enacted the Medical Goods Procurement Authority Act with the aim to establish an authority for singlepoint procurement and supply of certain medicines, medical goods, medical consumables, devices, equipment and more for public hospitals and medical colleges. The authority was expected to do away with alleged delays in procurement of medicines from Haffkine, which didn't happen. <https://www.freepressjournal.in/mumbai/maharashtra-drugs-procurement-authority-decides-to-close-tendering-to-prevent-shortage-of-medicines-in-hospitals>