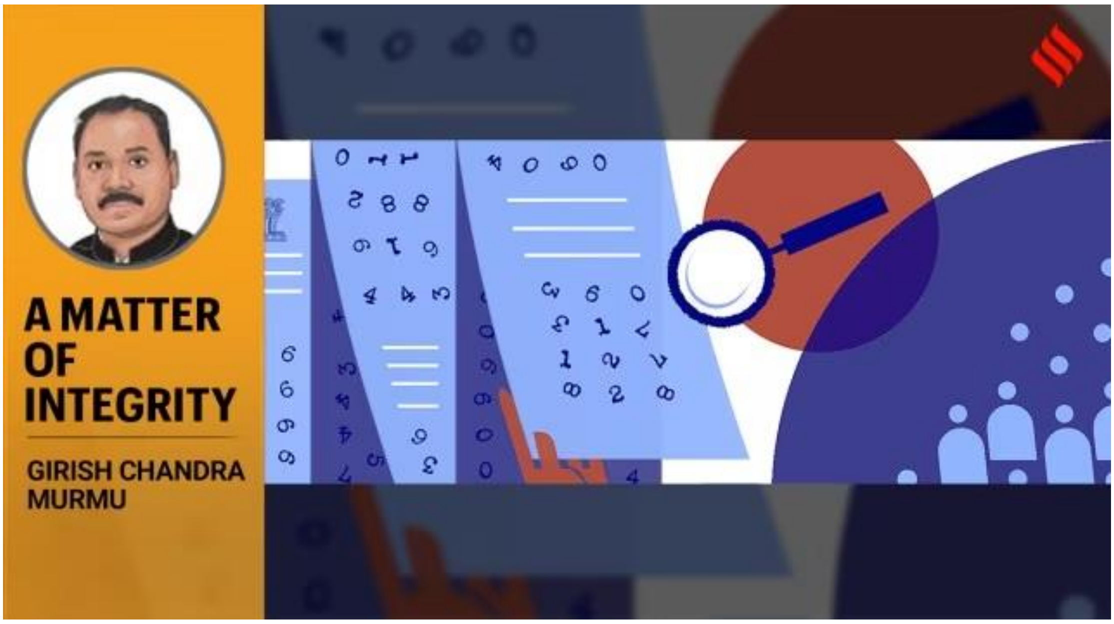
NEWS ITEMS ON CAG/ AUDIT REPORTS

1. CAG of India writes: As our democracy matures, my role is becoming more vital *(indianexpress.com)* Written by Girish Chandra Murmu | Updated: November 9, 2023

By placing the Indian citizen at the centre stage for implementation of government programmes and as ultimate beneficiaries, there is an onerous expectation of the CAG to assess the preparedness and planning, as well as to monitor and recommend corrective actions for realisation of economic, social and environmental aspirations



Shedding the shackles of foreign domination, India awoke to "life and freedom" on August 15, 1947. On January 26, 1950, the Constitution of India came into effect. Thus ensued our democratic journey, emphasising the principles of individual rights, equality, accessibility, rule of law, separation of powers, universal suffrage and public participation. Today, India stands as the world's largest democracy, with a vibrant political landscape, a diverse society, and ongoing efforts to overcome various socio-economic challenges.

The Comptroller and Auditor General of India (CAG) plays a crucial role in this democratic framework by ensuring transparency, accountability, and financial integrity in government's functioning. CAG helps maintain the separation of powers between legislature and executive by ensuring that the government's financial activities align with legislative intentions. Through its audit findings and recommendations, the CAG promotes good governance practices and helps governments streamline their operations, reduce inefficiencies and adhere to financial discipline. As India's democracy matures, the CAG's role becomes even more vital in promoting good governance and safeguarding the people's interests.

Democracy, was defined by Abraham Lincoln during the 1863 Gettysburg address, as "government of the people, by the people and for the people". These words have, in recent times, described the United Nations 2030 Agenda for Sustainable Development, a blueprint comprising 17 goals for mankind and the planet's wellbeing. Auditing the achievements of sustainable development goals is integrated in all our audit work. In fact, internationally, as a member of the UN Board of Auditors, CAG of India took up the audit of SDGs as a cross-cutting theme in the UN Audit in 2017.

By placing the Indian citizen at the centre for implementation of government programmes and as ultimate beneficiaries, there is an onerous expectation of the CAG to assess the preparedness and planning, as well as to monitor and recommend corrective actions for realisation of these economic, social and environmental aspirations. To effectively discharge this responsibility, it is important for audit to actively work in tandem with citizens, appreciating their concerns and feedback.

Citizen engagement guides audit in identifying high-risk areas of possible mismanagement and inefficiencies in governance, thereby improving focus and effectiveness. In India's federal, multiparty democracy with both Union and state governments responsible for implementation of numerous schemes, projects and programmes, enhancing engagement with stakeholders is imperative for audit. This need is further heightened with the paradigm shift in the government delivery system, using Direct Benefit Transfers for flow of funds, and ensuring accurate targeting of beneficiaries.

Leveraging technology and digital solutions make audit's citizen engagement more effective and scalable. With increasing mobile density, smartphone applications may be used to solicit society's suggestions. Digital reports with interactive data visualisation tools lead to better understanding and appreciation of our audit products. Deployment of 5G connectivity will transform governance. We need to harness the potential of these new technologies in our stakeholders and citizen engagement as well as overall audit strategies to make processes more efficient and effective.

Our framework for engagement with citizens at various stages of audit encompasses an Audit Advisory Board, including external domain experts, stakeholders' meetings workshops, beneficiary surveys during audits, using the results of social audit to aid CAG's audit, and of course, laying of audit reports in Parliament, state legislature and also uploading them on our website for information of citizens.

Social audit is an interesting tool for facilitating citizen oversight. The Parliament passed the National Rural Employment Guarantee Act, whereby Gram Sabhas were required to conduct regular social audits of all projects taken up under the scheme within the Gram Panchayat. The Ministry of Rural Development in consultation with the C&AG office notified the Mahatma Gandhi National Rural Employment Audit of Scheme Rules in 2011. The rules envisaged social audit units in each state as well as the audit process for social audit and follow-up action. The ambit of social audit has been significantly enlarged since.

The 73rd and 74th Constitutional amendments marked a quantum leap in India's democratic set up, as they created tiers of self-governance below the level of states. The structured origins of local governance in India can be traced to the "Janpadi and

Pancha" system. Fast forwarding to independent India, the 1958 Balwant Rai Mehta Committee recommendations laid the foundations for a three-tier structure for rural self-governance, culminating in the 73rd and 74th amendments.

Empowering PRIs and urban local bodies and municipalities, envisions people's participation in the process of planning, decision-making, implementation and delivery of a set of functions to be devolved to local governments by state legislatures. These local bodies are further empowered with the Finance Commission's direct flow of funds. Also, these local bodies not only implement the schemes of both Union government and state governments, but ensure transparency and visibility as grassroot participation is envisaged.

The primary audit of the accounts of local governments and issue of audit certificates is done by local fund auditors designated by state governments. Hand holding by the CAG to improve local governance, and, hence, strengthen democracy, includes capacity building of state local fund auditors in Audit Planning and Audit Methodologies, through Technical Guidance and Support (TGS) as recommended by the 11th Finance Commission. Over the years, CAG has issued numerous manuals/ guidance, forming the bedrock of auditing and accounting by local governments. Annual Technical Inspection Reports (ATIR) are issued by CAG's state audit offices entrusted with TGS. The primary focus of CAG's local government audit is an assessment of how well the delivery of the services pertaining to devolved functions have reached the last mile or the grassroots, through the efforts of the local governments.

Responding to the dearth of competent accountants willing to work in local governments, especially in the lower tiers located in remote places, CAG in collaboration with the Institute of Chartered Accountants of India has envisaged a set of online courses to create a pool of accountants intended to be available at local level, competent to prepare urban and rural local government accounts. Registration for these courses will commence on November 16, 2023, on Audit Diwas. Educational qualifications for eligibility have been prescribed at such level that these certified/ qualified accountants should be available for service on periodic contracts at reasonable cost to local bodies.

Carrying forward this recognition of local self-governance as the true manifestation of democracy and the CAG's responsibility for ensuring accountability, an international centre for local governance has been envisaged. This will serve as a centre of excellence for capacity building of local government auditors, both nationally and internationally; and will serve as a knowledge centre and think-tank, addressing capacity building for stakeholders at grass-roots level across the nation.

To conclude, democracy's vitality lies in its unique synergy of accountability and citizen engagement. As we navigate the complex landscape of modern governance, it becomes evident that for democracy to thrive, accountability mechanisms must be robust, and citizen engagement must be active and informed. While the CAG catalyses good governance, transparency and accountability, the responsibility to nurture and protect democratic principles falls not only on our institutions but on every citizen. It is then that the interplay of these elements fosters a mature democracy of the people, by the people, for the people. https://indianexpress.com/article/opinion/columns/cag-of-india-writes-as-our-democracy-matures-my-role-is-becoming-more-vital-9019469/

2. वेलफेयर योजनाओं में राज्यों का स्कोर कार्ड केंद्र से बेहतर

(bhaskar.com) डेरेक ओ ब्रायन | 09 Nov 2023

केंद्र सरकार की कल्याणकारी योजनाओं को लेकर वास्तविकता के बजाय हाइप ज्यादा है। मार्केटिंग की कुशलता से खामियों को छिपा लिया जाता है। चुनावी रैलियों के लच्छेदार भाषणों में इन योजनाओं को 'उपहार' के रूप में प्रस्तुत किया जाता है, जबकि वास्तव में वे री-पैकेज्ड हैं और अमूमन उन्हें उन दूसरे राज्यों से कॉपी-पेस्ट किया गया होता है, जो केंद्र सरकार के गठन से भी पूर्व से उनकी आजमाइश करते आ रहे थे। इनमें से आधा दर्जन का मुआयना करें!

आयुष्मान भारत
यह बहुप्रचारित स्वास्थ्य बीमा योजना हाल ही में सुर्खियों में आई थी, हालांकि गलत कारणों से। कैग ने अपनी रिपोर्ट में गम्भीर विसंगतियों की ओर इशारा किया। 7.5 लाख लाभार्थियों को एक ही फोन नंबर- 9999999999 से जोड़ा गया था।

1.1 करोड़ रुपए उन मरीजों को वितरित किए गए, जो मृत थे। 2.25 लाख मामलों में सर्जरी की तारीख डिस्चार्ज के बाद की है। अमेरिका-यूरोप में हेल्थकेयर पर होने वाले खर्च का 10% स्वास्थ्य बीमा सम्बंधी धोखाधड़ियों में चला जाता है। भारत में यह 35% होने का अनुमान है।

बेटी बचाओ बेटी पढ़ाओ
इस योजना के तहत 2016 से 2019 के बीच खर्च की गई लगभग 80% धनराशि का उपयोग केवल मीडिया प्रचार के लिए किया गया था। 2020 को छोड़कर, इस योजना के तहत कुल बजट आवंटन इसकी स्थापना के बाद से 848 करोड़ रु. ही रहा है। राज्यों को 622.48 करोड़ जारी हुए।

यह प्रति राज्य प्रतिवर्ष औसतन 3.58 करोड़ बैठता है। एनसीएईआर के एक अध्ययन में इसमें क्रियान्वयन की गड़बड़ियां पाई गई हैं। चार में से तीन स्कूलों में सुविधाघरों की अनुपलब्धता, यूनिफॉर्म-किताबें खरीदने में असमर्थता और आवागमन साधनों का अभाव था।

जल जीवन मिशन
लगभग एक करोड़ घरों में मिशन के उद्देश्यों को लेकर काम भी शुरू नहीं हुआ है। सरकार का दावा है योजना के तहत 1.68 लाख गांवों को पीने का पानी मिल चुका है, हालांकि ग्राम पंचायत द्वारा सत्यापन के बाद केवल 58,357 (35%) को ही 'प्रमाणित' किया गया है। 2024 की समय सीमा महीनों दूर है और आधे घरों में ही चालू नल कनेक्शन उपलब्ध कराए गए हैं। एनएसएसओ के अनुसार, अकेले यूपी में, 88% ग्रामीण परिवार पेयजल के लिए हैंडपंप पर निर्भर हैं।

पीएम पोषण
2023-24 के बजट में महिलाओं-बच्चों के लिए इस सामाजिक सुरक्षा कार्यक्रम के लिए आवंटन में सिर्फ 1% की वृद्धि की गई। 2023 में 11,600 करोड़ आउट-ले प्राप्त हुआ। यह 2022 की तुलना में 9% कम है। एनएफएचएस की रिपोर्ट बताती है भारत में पांच से कम उम्र के तीन में से एक बच्चा अविकसित था।

जनधन योजना और दुर्घटना बीमा
2022 तक, 8% से अधिक जनधन खाते जीरो बैलेंस थे। कुल खातों में से 18% निष्क्रिय हैं। रुपे कार्ड से जुड़े दुर्घटना बीमा दावों का निराकरण 2019 में 1853 से घटकर 2022 में 188 रह गया है।

अल्पसंख्यक छात्रवृत्ति
एम-फिल व पीएचडी करने के लिए छह अधिसूचित अल्पसंख्यक समुदायों- मुस्लिम, बौद्ध, ईसाई, जैन, पारसी और सिख को दी जाने वाली मौलाना आजाद फेलोशिप योजना 2022 में बंद कर दी गई। इसी साल कक्षा 1 से 8 तक के लिए दो दशक पुरानी बेगम हजरत महल प्री-मैट्रिक छात्रवृत्ति को भी आंशिक रूप से बंद कर दिया। अनेक गैर-भाजपा राज्यों में इस तरह की योजनाओं का स्कोर कार्ड केंद्र से बेहतर है! https://www.bhaskar.com/opinion/news/derek-obriens-column-states-score-card-in-welfare-schemes-is-better-than-the-centre-132119338.html

STATES NEWS ITEMS

3. Taking groundwater for business use could come with a price tag in Tamil Nadu *(newindianexpress.com)* 09 Nov 2023

The policy encompasses various government departments involved in water management, pollution control, local bodies, stakeholders, and the citizens of the state.

CHENNAI: The state government is set to upgrade its existing State Water Policy by January next year.

According to official sources, as part of the new policy, the government is discussing the possibility of charging groundwater extraction for commercial purposes.

In addition to that, water audits of irrigation structures like dams, reservoirs, multi-purpose water projects and canal systems may be undertaken and district-level water resources planning committees may be constituted under the chairmanship of the district collector.

A senior official from the Water Resources Department (WRD) has confirmed the move, saying, “The state planning commission and WRD are in discussion with experts and farmers to facilitate the implementation of the new water policy.”

“Tamil Nadu government initially introduced the State Water Policy back in 1994 and subsequently upgraded it in 2012. According to the regulations, the policy should be revised every four years. However, due to various reasons, the implementation of the updated water policy has faced delays,” the official added. Additionally, the official highlighted that the primary goal of the water policy is to comprehensively assess the current situation, tackle challenges, and address concerns specific to the state.

Another official said, “The Thiruppugazh committee has recently submitted a proposal to the state government outlining key points, and it will also be incorporated in the policy. These key aspects focus on water conservation, safeguarding waterbodies from pollution, flood management, protecting the delta regions, and more.”

The policy encompasses various government departments involved in water management, pollution control, local bodies, stakeholders, and the citizens of the state. It aims to develop strategies for addressing concerns and improving the state’s water management practices.

G Ajeethan, state general secretary of the Tamil Nadu Banana Growers Federation, emphasized, “Water conservation and management fall within the state’s responsibilities, while rivers are a shared concern. To ensure responsible water management, establishing a water audit unit like the Comptroller and Auditor General of India (CAG) is essential, and its findings should be accessible to the public.”

Ajeethan further pointed out, “Through this water audit unit, farmers can gain insights into water storage, usage, prevention of wastage, dam levels, monsoon predictions, and even crop patterns. Addressing the issue of polluted water bodies is critical, and strict measures should be taken against those causing pollution.” https://www.newindianexpress.com/states/tamil-nadu/2023/nov/09/taking-groundwater-for-business-use-could-come-with-a-price-tag-in-tamil-nadu-2631381.html

4. तमिलनाडु में व्यावसायिक उपयोग के लिए भूजल लेना महंगा पड़ सकता *(jantaserishta.com)* 9 November 2023

चेन्नई: राज्य सरकार अगले साल जनवरी तक मौजूदा राज्य जल नीति में सुधार करने की योजना बना रही है। अधिकारियों ने कहा कि सरकार नई नीति के तहत व्यावसायिक उद्देश्यों के लिए भूजल निकासी के लिए शुल्क लेने की संभावना पर चर्चा कर रही है।

इसके अलावा, बांधों, जलाशयों, बहुउद्देश्यीय जल परियोजनाओं, नहर प्रणालियों आदि जैसी सिंचाई सुविधाओं का जल ऑडिट किया जा सकता है और जिला गवर्नर की अध्यक्षता में जिला स्तरीय जल संसाधन योजना समितियों का गठन किया जा सकता है।

इस कदम की पुष्टि करते हुए, जल संसाधन विभाग (डब्ल्यूआरडी) के एक वरिष्ठ अधिकारी ने कहा: “राष्ट्रीय योजना आयोग और डब्ल्यूआरडी नई जल नीति के कार्यान्वयन को सुविधाजनक बनाने के लिए विशेषज्ञों और किसानों से परामर्श कर रहे हैं।”

“तमिलनाडु सरकार ने शुरुआत में 1994 में राज्य जल नीति पेश की और फिर 2012 में इसे परिष्कृत किया। नियमों के अनुसार, नीति की हर चार साल में समीक्षा की जानी चाहिए। हालाँकि, विभिन्न कारणों से, अद्यतन जल नीति के कार्यान्वयन में देरी हुई,”अधिकारी ने कहा। इसके अलावा, अधिकारी ने इस बात पर जोर दिया कि जल नीति का मुख्य लक्ष्य वर्तमान स्थिति का व्यापक मूल्यांकन, समस्याओं का समाधान और देश की विशिष्ट समस्याओं का समाधान करना है।

एक अन्य अधिकारी ने कहा, “थिरुप्पुगाज़ समिति ने हाल ही में राज्य सरकार को प्रमुख बिंदुओं को रेखांकित करते हुए एक प्रस्ताव सौंपा है और इसे नीति में भी शामिल किया जाएगा।” डेल्टा क्षेत्र और भी बहुत कुछ।

इन नीतियों में जल संसाधन प्रबंधन और प्रदूषण नियंत्रण में शामिल विभिन्न सरकारी एजेंसियां, स्थानीय सरकारें, हितधारक और राज्य के नागरिक शामिल हैं। लक्ष्य समस्याओं को हल करने और राज्य में जल प्रबंधन प्रथाओं में सुधार करने के लिए रणनीति विकसित करना है।

तमिलनाडु केला उत्पादक संघ के महासचिव जे अजितान ने जोर देकर कहा, “जल संसाधनों का संरक्षण और प्रबंधन राज्य की जिम्मेदारी है जबकि नदियाँ एक आम चिंता का विषय हैं।” और एक लेखा परीक्षक की आवश्यकता है. भारत के एक महानिदेशक (CAG) की आवश्यकता है और इसके निष्कर्षों को जनता के लिए उपलब्ध कराया जाना चाहिए।

अजितान ने आगे बताया, "इस जल ऑडिट इकाई के माध्यम से, किसान भंडारण, पानी के उपयोग, नुकसान की रोकथाम, बांधों की ऊंचाई, बारिश का पूर्वानुमान और यहां तक कि फसल पैटर्न के बारे में जानकारी प्राप्त कर सकते हैं।" प्रदूषकों के विरुद्ध. https://jantaserishta.com/local/tamil-nadu/taking-groundwater-for-business-use-could-come-with-a-price-tag-in-tamil-nadu-596197

5. AG office outreach mission to Dimapur *(morungexpress.com)* 8 November 2023

The Accountant General Office will be organising awareness programme on various audit and accounts function at conference hall, Hotel Saramati, Dimapur on November 24.

The Sr Deputy Accountant General (A&E) Office of the Principal Accountant General, Nagaland in a press release stated that the Offices will personally meet and hand over personal copies of latest Pension Payment Orders (PPOs) the list of which will be uploaded in our office website, GPF Final payment and RoP cases to the pensioners from the districts of Dimapur, Chümoukedima and Peren.

Further, Sr Treasury Officers of Dimapur, Peren and Chümoukedima districts have also been requested to collect Treasury copies on that day.

In addition, the office will take up the issue of settling outstanding Inspection Reports of Auditee units situated in Dimapur, Chümoukedima and Peren, it stated.

Various pavilions for Pension, GPF, RoP, Loan, Pay Slip, Inspection Report Settlement etc. will be set up for awareness and grievance redressal.

Therefore, any person having doubt or requires clarifications with regard to Entitlement & Audit matters is requested to attend the Programme, the release added. https://morungexpress.com/ag-office-outreach-mission-to-dimapur

SELECTED NEWS ITEMS/ARTICLES FOR READING

6. Govt Outsourced Critical Projects worth Rs 500 Crore to Consultancies in Last 5 Years: Report *(thewire.in)* 08 Nov 2023

The petroleum sector received the highest number of assignments, valued at over Rs 170 crore, from the Ministry of Petroleum and four of its PSUs, while nine organisations under the power ministry outsourced assignments worth Rs 166.41 crore to multinational consultancies.

An investigation conducted by The Indian Express, using records obtained through the Right To Information (RTI) Act, has revealed that 16 ministries and departments within the Union government have outsourced several critical assignments related to various aspects of governance to prominent multinational consultancy firms.

Between April 2017 and June 2022, the Big Four – Pricewater-houseCoopers (PwC), Deloitte Touche Tohmatsu Limited, Ernst & Young Global Limited and KPMG International Limited – and US-based McKinsey & Company, bagged at least 308 consultancy assignments worth nearly Rs 500 crore from various government ministries, departments and organisations, the newspaper reported, citing RTI records.

There are 59 ministries in the Union government.

The daily has named all the 16 departments/ ministries and about 50 organisations under their administration that consulted any of the five global consultants. These are Petroleum and Natural Gas; Rural Development; Administrative Reforms and Public Grievances; Promotion of Industry and Internal Trade; Coal; Electronics and Information Technology; Health and Family Welfare; Skill Development and Entrepreneurship; Defence; Civil Aviation; Public Enterprises; Non-conventional Energy Resources; Power; Road Transport and Highways; Environment, Forest and Climate Change; and Tourism.

"And these are just a few pixels of the big picture – RTI records made available to The Indian Express are mainly from government wings in the petroleum and power sectors," it added.

According to the RTI records, PwC was the biggest beneficiary, getting at least 92 contracts for over Rs 156 crore between 2017 and 2022. Deloitte got 59 assignments worth over Rs 130.13 crore. However, the amounts involved in four of those contracts were not provided, the report noted.

Similarly, E&Y bagged as many as 87 contracts for Rs 88.05 crore, with amounts not provided for five of them, the report said.

KPMG got 66 contracts worth Rs 68.46 crore, without any data provided on amounts for five of them. And McKinsey got three contracts for Rs 50.09 crore, it said.

The petroleum sector received the highest number of assignments, valued at over Rs 170 crore, from the Ministry of Petroleum and four of its PSUs, while nine organisations under the power ministry outsourced assignments worth Rs 166.41 crore to multinational consultancies.

The Indian Express mentioned that state-owned Indian Oil Corporation declined to provide the data citing the "trade secret" clause of the RTI Act.

The roster of ministries includes the Ministry of Tourism and NITI Aayog. Within the Ministry of Tourism, a minimum of Rs 18 crore worth of work was awarded to E&Y alone as part of its Swadesh Darshan initiative. Meanwhile, NITI Aayog outsourced seven assignments, amounting to Rs 17.43 crore, between 2019 and 2021 for the "evaluation of centrally sponsored schemes".

Starting in 2015, several news reports have highlighted the Narendra Modi government's practice of engaging consultants for initiatives like Make in India, Digital India, smart cities, Swachh Bharat, and skill development.

In July 2015, the Economic Times had reported, quoting senior consultants, that these consultancies were paid around Rs 500 crore in fees in the year ended March. And they said that in a year's time, total revenue from government engagements could rise to Rs 750 crore.

Industry trackers told the newspaper that consultants were being roped in at various stages for almost all government projects. And this is happening at both the state and the central level.

In June 2023, the Ken reported how the government roped in these consulting titans to "reshape the pillars of its digitisation crusade". It also indicates, per the report, that the government is on the brink of relinquishing its hold. https://thewire.in/government/govt-outsourced-critical-projects-worth-rs-500-crore-to-consultancies-in-last-5-years-report

7. Govt to spend more on food, fertiliser subsidies, MGNREGA in run up to elections: Source *(moneycontrol.com)* 09 NOV 2023

As the government plans to provide more funds on three fronts — food, fertiliser subsidy, and the rural job guarantee scheme — the pace of expenditure will pick up in the second half of the current financial year, putting the Centre on track to meet the fiscal deficit target for FY24, a senior government official said.

Despite the additional spending on account of subsidies, the Centre is confident of meeting the fiscal deficit target of 5.9 percent of gross domestic product (GDP) for 2023-24, the official told Moneycontrol.

"No deviation is expected on the fiscal deficit as the impact of higher subsidies is only for three months. The pace of spending is typically slower in the first half of the fiscal. This is in line with the usual trend, and there will be no undershooting in terms of the spending targets we have set," the official said.

While the government has budgeted for a food subsidy of Rs 1.97 lakh crore for the current fiscal, the fertiliser subsidy target in the Budget was pegged at 1.75 lakh crore. The allocation for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is Rs 60,000 crore for 2023-24, a steep cut from last year's outlay of Rs 89,400 crore.

The central government's expenditure in the first half of the current financial year has been less than half of that projected (47.1 percent) even though it collected more than half (52.2 percent) of its budgeted revenue in April-September. The fiscal deficit widened to Rs 7.02 lakh crore in April-September, accounting for 39.3 percent of the full-year target of Rs 17.87 lakh crore.

"We have maintained our push on capital expenditure. Other than that, spending has fluctuated in the first half of the current financial year," the official added.

The government's focus on capex continued as investments were up 29 percent in September and 43.1 percent in April-September at Rs 4.91 lakh crore. Since then, the

Centre's capital expenditure has crossed the Rs 5 lakh crore mark, Moneycontrol reported on October 23, quoting a government source.

Additional costs
The Centre's decision to extend the free food grain plan will have a limited impact on the fiscal deficit for FY24, the official said, adding that the additional spending due to the three-month extension is to the tune of Rs 15,000 crore.

Prime Minister Narendra Modi said on November 4 that India is planning to extend its free food grains programme by five years. This announcement comes ahead of general elections scheduled to be held around April or May 2024.

The free food grain scheme known as the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) allows eligible citizens to purchase five kg of food grains per person per month at highly subsidised prices.

The cost of providing LPG cylinders at Rs 300 to beneficiaries of the Pradhan Mantri Ujjwala Yojana will have an additional impact of Rs 3,840 crore, while the decision to sell wheat flour at a subsidised rate of Rs 27.50 per kg under the Bharat Atta scheme will have no impact on government spending, the official added.

The urban housing subsidy scheme that is expected to launch shortly will lead to an additional expenditure of Rs 3,000 crore in FY24 covering a period of three months, the official said, adding that the total cost of the scheme is Rs 60,000 crore spread over five years.

The official added that gains from tax collections will help cover the additional expenditure being incurred in FY24. In September, the Indian government's net tax revenue rose 14.3 percent year-on-year (YoY) to Rs 3.56 lakh crore. This was due to a 26.6 percent increase in corporate tax collections to Rs 2.12 lakh crore, while personal income tax collections rose 15.6 percent to Rs 91,247 crore. This propelled total receipts by 9.3 percent in September.

Increased subsidies to push up pace of expenditure in H2 FY24

Predictable borrowing
According to the official, the Centre's cash position is strong on account of a steady flow of funds through borrowings from the bond market at a time when expenditure has been fluctuating.

Even though the central government's cash position is more than comfortable, it wants to keep the borrowing programme for the current fiscal predictable, this official said when asked if the amount being raised through the sale of dated securities could be lowered later in the fiscal year.

"We do not want to keep surprising the bond market," the official added.

A person familiar with the matter said that the Centre's cash balance around last week was over Rs 4 lakh crore and that meeting the fiscal deficit target for the current fiscal is high on the government's agenda.

The finance ministry, on September 26, announced that it will borrow Rs 6.55 lakh crore through the sale of dated securities in the second half of the current fiscal, in line with its budget target. This would include green bonds worth Rs 20,000 crore.

The decision to keep the borrowing in line with the budget target did not tally with widespread expectations of a cut, given that there has been a surge in small savings collections. The Centre funds its fiscal deficit through a mix of borrowings from the bond market, proceeds from small savings, and drawdowns from the cash balance.

The central government plans to borrow a record Rs 15.43 lakh crore on a gross basis through the sale of bonds in 2023-24. Of this, Rs 8.88 lakh crore has been borrowed in the first half of the financial year. https://www.moneycontrol.com/news/business/h2-expenditure-to-pick-up-as-centre-plans-to-provide-more-for-food-fertiliser-subsidies-mgnrega-govt-source-11700591.html

8. Adopt Andhra pension model to prevent financial doom *(newindianexpress.com)* 09 NOV 2023

The issue was exacerbated for states with limited tax bases such as Bihar and Himachal Pradesh, where pension liabilities constituted over half the tax revenue.

The National Pension Scheme (NPS) currently serves as the framework for government employees' pensions. Due to the performance of the markets over the past two decades, the market-linked scheme appears attractive. Until 2019, the NPS returned a whopping 13-14 percent on its invested corpus across asset classes. However, the risk component surfaces during economic downturns or bear runs. During events such as a pandemic or recession, the invested corpus could slide in value and be unable to service the pension payouts.

Let's delve into India's pension structure, its risks and the NPS's shortcomings—and evaluate whether Andhra Pradesh's guaranteed pension system (GPS) could be a potential solution.

Pension schemes are structured on the interplay of benefits and contributions. The defined benefit scheme guarantees employees a fixed pension based on a predetermined formula without them having to allocate a portion of their salaries during active employment. The defined contribution scheme involves employees contributing a fixed amount from their salaries, with the pension depending on the total contributions and the returns generated on it.

The NPS is a defined contribution scheme whereas the model preceding it was a defined benefit scheme called the old pension scheme (OPS).

For government employees, in the case of OPS, the risk of servicing the pension rested squarely on the government as it had to allocate the pension from its tax and non-tax revenues. While the pension payouts were fixed and capped—not higher than a predetermined sum based on the last drawn salary—these were guaranteed by the government. Over time, this caused a colossal fiscal issue.

The Centre's pension bill grew from Rs 3,272 crore in 1990-91 to Rs 1,90,886 crore in 2020-21—a 58-fold increase. For states, the total pension bill rose 125-fold from Rs 3,131 crore to Rs 3,86,001 crore in the same period. The issue was exacerbated for states with limited tax bases such as Bihar and Himachal Pradesh, where pension liabilities constituted over half the tax revenue.

The two consequences of unsustainable pension liabilities are financial bankruptcy of the state, and increased borrowings and higher taxation. To avoid this, the government was compelled to introduce NPS in 2004. Central government employees commencing service on or after January 1, 2004, were mandatorily placed under NPS. Gradually, all state governments except West Bengal followed suit.

Under the NPS, employees contribute 10 percent of their salary and the government matches this (now increased to 14 percent). These combined contributions form the pension corpus, which is invested and compounds over the course of an employee's tenure. The aggregate returns—hinged upon the performance of the invested corpus—can be partly withdrawn in lump sum, while the remaining can be reinvested for recurring annuitised monthly payments. NPS eliminated the need for the government to fund the pension entirely out of its revenue receipts.

However, government employees faced a dual conundrum with the NPS. First, they had to fund their own future pension payments. Second, the NPS did not provide assured payouts. The absence of economic certainty eroded their trust in NPS, leaving them exposed to potential financial insecurities at the time of retirement due to unforeseen market oscillations, as demonstrated by American pensioners losing their savings during the 2008 crisis.

These issues made NPS a full-fledged election issue. The Aam Aadmi Party won the 2022 assembly elections by promising to restore the OPS. Rajasthan and Chhattisgarh announced the restoration of the OPS. Today, the OPS vs NPS issue has transcended economic rationale and is pitched as a mainstream political issue, the fiscal ramifications of which are disastrous.

In this context, Andhra Pradesh's GPS Act of 2023 assumes importance. The politically agnostic state government has refused to band with either of the two national political blocs. It has focused on constructively engaging with the Centre to optimise AP's developmental interests.

With the state fiscal deficit estimated to touch 8 percent by 2050 if the OPS is restored, the government recognises the perilous financial consequences. Parallely, it acknowledges the concerns about the NPS. After much deliberation, it struck a delicate balance between the OPS and NPS by implementing the GPS.

The GPS is premised on the NPS model but incorporates a defined benefit element. In the event of a shortfall between the net pension amounts under NPS and OPS, the AP government will top up the amount needed to ensure that employees draw a pension that is 50 percent of their last drawn salary. This alleviates employees' concerns about market downturns and provides a guaranteed pension amount. The GPS retains the contribution framework of NPS, only stepping in to fund the gap between the NPS and OPS pension amounts.

In financial terms, the GPS operates as a principal-protected market-linked debenture (PP-MLD). The reward propensity of an equity instrument is better than a fixed income instrument, but the risk exposure for equity is greater. A PP-MLD balances the risk-reward ratio. The debenture is linked to an underlying index such as the Nifty 50. At maturity, the return will be linked to the movement of the index. It also ensures the investor does not lose if the index slides down. This provides the cushion of a fixed income instrument and the reward prospects of an equity instrument.

Government pensions provide social security to a small fraction of the actively employed, leaving approximately 86 percent of the Indian workforce in the unorganised sector without any formal safety net. In a country with such economic inequities, states spending up to half or more of their tax revenues to support a tiny minority reeks of financial ineptitude, moral irresponsibility and fiscal imprudence. Given the current and forecasted fiscal climate, the Centre and states cannot go back to the OPS, however politically opportune it may appear. With GPS ironing out most of the teething issues that the NPS suffered from, states can either emulate it or stare at a definite financial winter. https://www.newindianexpress.com/opinions/2023/nov/09/adopt-andhra-pension-model-to-prevent-financial-doom-2631281.html

9. India's growth seems secure despite global headwinds and uncertainties *(livemint.com)* 08 Nov 2023

India is recording relatively rapid growth in the midst of global economic turmoil. This is not to deny that the country faces its own set of challenges. One big challenge is that post-pandemic consumption growth has not been broad-based. While the urban area has been showing strong pent-up demand, specifically coming from higher- income households, rural demand remains relatively muted. This year's poor monsoon rainfall has further jeopardized a rural consumption recovery. Overall, kharif season foodgrain production is likely to be lower by 4.7% year-on-year (as per first advance estimate), with lower production estimated for rice, pulses, coarse cereals and oilseeds. Inflation in some basic food items, like cereal and pulses, is already quite high. Weak agriculture production could further exacerbate inflation in these items. This in turn will have adverse implications for a broad-based consumption recovery.

The other major concern is around a pick-up in private investment. So far, the investment push in the economy has been mainly led by the government. The Centre's and aggregate states' capital expenditure (capex) have grown by a staggering 49% and 43% year-on-year respectively in the first half of 2023-24. However, the subsidy burden on the government has been increasing. There has been a higher outgo towards fertilizer and petroleum subsidies, even though the extension of the free food scheme for the poor will not have any meaningful impact on the food subsidy bill for 2023-24. The total subsidy bill in the year's first half stood at ₹2.1 trillion, which is the highest half-yearly amount seen in the past four years and 3.8% higher than the already high subsidy burden in the corresponding period last year. Going forward, an increased subsidy burden could put pressure on the government's capex plan as it tries to achieve its fiscal deficit target for 2023-24. With capacity utilization rising (74% as of the year's first quarter), private investment is expected to pick up. Corporate and bank balance sheets are also in good enough shape to support a firm capex recovery. Our analysis shows that for India Inc (a sample of 1,300 non-financial listed firms), capex in 2022-23 improved to reach 3.3% above the pre-covid level. A capex recovery is being seen in sectors like power, steel, cement and renewables. However, a sharp pick-up in private sector capex remains elusive. Worryingly, the data shows that investment projects announced by the private sector have been going down in the last two quarters. After touching a high of ₹13.4 trillion in the fourth quarter of 2022-23, new projects announced reduced to ₹6.6 trillion in the following quarter and then to ₹1.2 trillion in the second quarter of 2023-24 (as per the Centre for Monitoring Indian Economy). Investment projects announced give an indication of the intent to invest and hence is an important indicator to track. The private sector's lower intent to invest could be related to election-related policy uncertainties and is worrisome.

To add to domestic woes, uncertainties on the global front have got aggravated. Geo-political tensions have worsened with the Israel-Gaza War, even while the Russia-Ukraine conflict lingers. So far, there has not been a severe impact of the war in West Asia on global crude oil prices. However, if the war spreads further and turns into a wider conflagration that involves Iran (which accounts for 3.8% of global crude oil production), it could result in a crude-oil price spike, with serious implications for global growth and inflation. The International Monetary Fund has maintained its global gross domestic product (GDP) growth projection at 3% for 2023, with the US economic growth outlook improving marginally. However, the weak outlook for China and the EU region is a matter of concern. Amid weak global demand, India's merchandise exports remain poor, having contracted by 8.7%, year-on-year, in the current fiscal year so far. India's services sector exports have remained robust, though, despite a global slowdown, growing by 5% in 2023-24 so far. The external sector continues to record monthly exports in the range of $25-30 billion this fiscal year, compared to average monthly exports of $17 billion in 2018-19 (a pre-covid year). But the rate of growth in service exports has started coming down in the past few months.

Globally, interest rates have broadly peaked, and some emerging economies have already started cutting policy rates of interest. But with inflation concerns still lingering, interest rates staying 'higher for longer' appears to be the new mantra for most major central banks around the world. We need to remain cautious of the impact of this on global growth and financial sector stability.

Even as we face these risks, many high-frequency macro indicators in India are showing improvement. For instance, the Index of Industrial Production jumped by 10.3% in August 2023, with marked improvement in the consumer goods and infrastructure sectors. Monthly GST collections surged to ₹1.72 trillion in October, the second highest mop-up since its inception. Readings on both the manufacturing and services Purchasing Manager Index have slowed, but they remain comfortably in expansion territory. Overall, it's remarkable that India will manage to record above 6% GDP growth this fiscal year in the face of growing headwinds and uncertainties. https://www.livemint.com/opinion/online-views/indias-growth-seems-secure-despite-global-headwinds-and-uncertainties-11699449175482.html

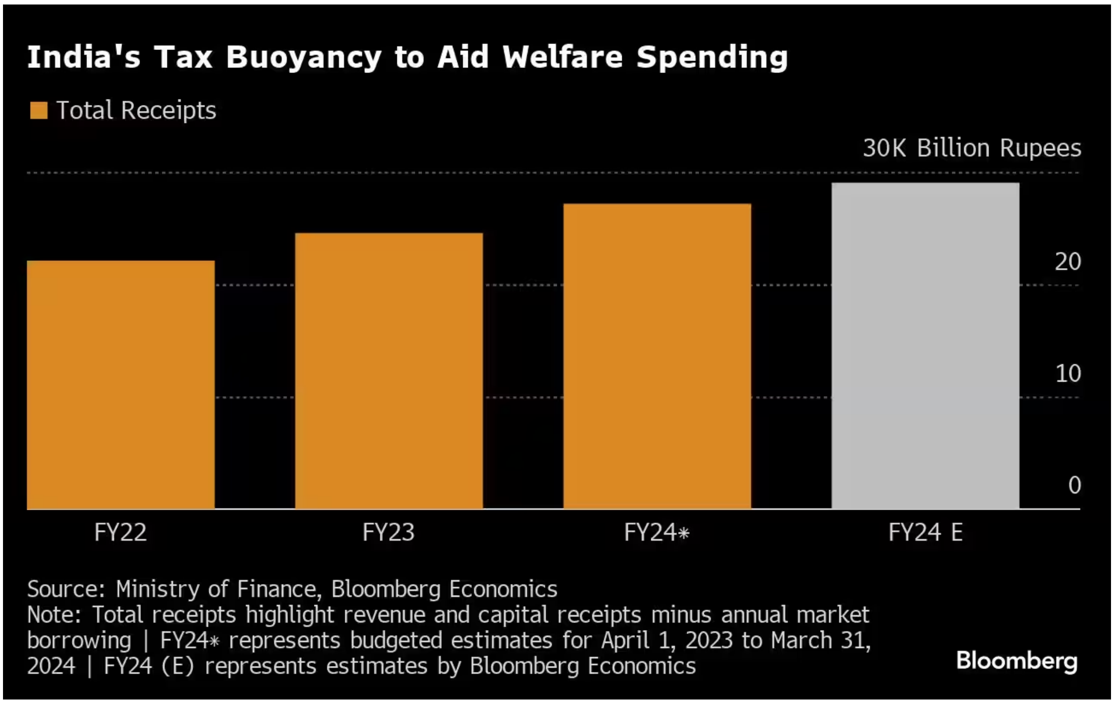
10. India's tax windfall gives PM Modi scope to spend more on welfare *(moneycontrol.com)* 09 Nov 2023

Bloomberg Economics estimates the central government's total receipts will be about 1.9 trillion rupees ($22.8 billion) above the budgeted amount in the current fiscal year that ends in March 2024. That's equivalent to 0.6% of gross domestic product.

India's government is likely to exceed its tax revenue projections this year, giving Prime Minister Narendra Modi more fiscal room to spend on wooing rural voters ahead of elections.

Bloomberg Economics estimates the central government's total receipts will be about 1.9 trillion rupees ($22.8 billion) above the budgeted amount in the current fiscal year that ends in March 2024. That's equivalent to 0.6% of gross domestic product.

Standard Chartered Plc. forecasts revenue will exceed the budgeted figures by 0.2%-0.3% of GDP.



The revenue windfall gives Modi's government more firepower for a populist push as voters in five states take to the polls this month and the nation gears up for general elections in 2024. On Nov. 4, the prime minister told a public rally he'll extend a popular free food program — which provides 5 kilograms of wheat or rice every month to 800 million Indians — for another five years.

The government has also increased cooking gas and fertilizer subsidies, and is considering other support measures for poor households, such as increased cash handouts to small farmers and subsidizing some home loans.

Tax collection has been stronger than expected this year as the economy expands, and the central bank has transferred more of its profits to the government, boosting public coffers. India's direct tax collection from April 1 through Oct. 9 was 18% higher than a year ago, the Ministry of Finance said in a statement last month.

"We think most of the excess will be channeled into welfare spending, mainly in rural regions," Bloomberg Economics' Abhishek Gupta wrote in a note Wednesday. He estimates the government's recently announced spending measures will amount to about 900 billion rupees, leaving it with additional headroom of 1 trillion rupees to spend on other initiatives.

The increased fiscal space means the government can boost spending measures without damaging its budget deficit target of 5.9% of GDP for the current fiscal year.

A finance ministry official said this week that the extension of the free food program announced by Modi won't have any impact on the deficit in the current and next fiscal year. Nomura Holdings Inc. said in a report on Nov. 6 that the near-term economic implications of the initiative "should be muted" although there are medium-term risks.

Standard Chartered estimates the fiscal measures already announced and being planned are unlikely to exceed 0.3% of GDP, which means the government is on track to achieve its fiscal deficit target for the year.

"We believe better targeting of subsidies has created space to either fully or partially absorb higher expenditure," the bank's economists led by Anubhuti Sahay wrote in a note. https://www.moneycontrol.com/news/business/economy/indias-tax-windfall-gives-pm-modi-scope-to-spend-more-on-welfare-11702021.html

11. The cloak of secrecy that electoral bonds offer must be removed *(financialexpress.com)* 09 Nov 2023

Electoral bonds, as former finance minister Arun Jaitley had once phrased it, were meant to "cleanse" political funding. But the fact is they have failed to meet the desired objective. The earlier political funding regime did leave scope for parties to launder money, thanks to its exemption for donations below a certain threshold from disclosure norms. Even so, whenever parties did receive donations above Rs 20,000, they had to receive it in forms other than cash and had to report relevant details, including donor particulars, to the Election Commission. On the other hand, electoral bonds ensure that donors of any quantum of such bonds stay almost anonymous. This is an attack on the electorate's right to know who funds their representatives, and thereby likely has a say on the policies enacted in the name of the masses.

Indeed, it is this "curtain" over possible quid pro quo that the petitioners had questioned before the Supreme Court in 2017 and 2018. After a rather long delay, the SC resumed hearing on the matter this year, and has reserved its verdict. The government, expectedly, has argued that the instrument is a transparent one—bonds have to be brought from the State Bank of India through accounts compliant with specified KYC norms, though buyers' details are kept secret. What is swept under the carpet is that the parties get to know who their donors are, but not the citizens who vote for the candidates they field. Jaitley, in his 2017 Budget speech, had emphasised that transparency in political funding is seminal to a functioning democracy.

It is thus ironic the government has argued in court that the electorate doesn't have a "general right to know" about the source of political funding, especially for "undefined ends". The loss of transparency had been flagged by the election watchdog to both the government and the Supreme Court. In an affidavit before the apex court in 2019, the EC had said that the bonds would have a "serious impact" on the transparency of political funding. It had also contended that the amendments made to the Representation of the People Act to operationalise the bonds "derailed" the 2014 guidelines it had issued on political parties having to report audited accounts to it. All this, however, was before a confounding U-turn in 2021.

The government's ringing endorsement of the opaque instrument—it has argued against a court-directed "alternative prescription"—is symptomatic of the general erosion of the public's right to know, whether general or specific. Section 44 (3) of the Digital Personal Data Protection Act amends Section 8 (1)(j) of the Right to Information Act, and thereby totally exempts personal information from disclosure under the landmark accountability law.

The DPDP Act amends this provision in such a way that an RTI applicant can't now seek "personal information" even when this information has a bearing on "public activity" or "public interest." This amounts to a wholesale denial of information under the guise of protecting privacy—especially in a context where the government has got unbridled powers to access citizens' personal data. RTI has been weakened over the last few years by chronic understaffing, chipping away the independence of the office of the Chief Information Commissioner, heavy pendency, inadequate information supplied, etc. Against such a backdrop, the anonymity that electoral bonds accord must not be the accountability architecture the country aspires to. https://www.financialexpress.com/opinion/protect-right-to-know-the-cloak-of-secrecy-that-electoral-bonds-offer-must-be-removednbsp/3300188/

12. **Blended financing is key** *(financialexpress.com)* By Amitabh Kant and Soham Kshirsagar | 09 Nov 2023

India will require substantial climate finance flows to meet its developmental and climate ambitions. This scale of finance can't be met just by public funds. Rather, public funds should be used to catalyse private capital to meet the scale of climate investments. It is crucial to engage institutional and private investors, as they possess much larger capital reserves than MDBs. An investment environment that offers bankable projects, hedges risks of new technology adoption, promotes regulatory stability and stimulates financial sector innovation is the need of the hour. A compelling rationale exists for substantially expanding the application of blended finance, where the risk-reward equation is managed, consequently fostering greater private investor confidence.

Blended finance is combining concessional finance from donors or third parties alongside MDBs' normal own-account finance, and/or commercial finance from other investors, to develop private sector markets and mobilise private resources. Be it fund-level, project-level, company-level or outcome-based, blended financing from all sources is critical for India's climate ambitions. With a lot of upcoming climate infrastructure being planned, the private sector, based purely on its interests, may not invest in the new-age clean energy technologies due to uncertainties, high risks, foggy rewards, and no assurance. However, MDBs, IFIs, donors, and philanthropists have a higher tolerance for risk and can chip in here. A prudent combination of public and private funds is critical to enhance the expected returns of high-risk climate projects, thereby attracting substantial capital.

From 2026-2030, India will require annual clean energy investments in the range of $253- 263 billion to align with its development and climate ambitions, which will rise to $325-355 billion over the 2031-2035 period. To achieve net zero by 2070, India would require cumulative investments worth $10.1 trillion, which is almost thrice the size of India's current GDP. Green finance in India sits at ~$44 billion per annum—less than a fourth of what India actually needs. Domestic sources continue to account for the majority of climate finance (80%) in India. Of these domestic sources, the private sector contributes about 59% or ~$22 billion. More private investment needs to be unlocked and mobilised as the finance required to reach the climate goals is now in trillions of dollars.

India has successfully deployed blended financing instruments in the past. For example, the Water and Sanitation Pooled Fund (WSPF) in Tamil Nadu issued a pooled bond worth $6.2 million to facilitate access to long-term domestic capital markets for small and medium Urban Local Bodies (ULBs) to finance water and sanitation services. We have also observed the remarkable success of the REVIVE Alliance in India, a $20 million multi-stakeholder initiative, enabled during the liquidity crunch of the pandemic. It encouraged micro-finance institutions to invest in high-risk communities—focusing on women—by leveraging concessionary and philanthropic capital to offer a First Loss Default Guarantee (FLDG) for loans. It's now time to champion this mechanism and learn from our experiences to mobilise private capital for climate-friendly investments.

The growth of climate change-related ventures in India necessitates a well-balanced mix of equity and debt financing to effectively transition from early-stage development (prototypes) to advanced stages (market-ready). This will aid projects in overcoming the challenging "commercialisation valley of death." Various blended finance instruments, such as grants, technical support, guarantees, concessional or subordinate debt, first-loss provisions, risk mitigation guarantees, and junior equity, are commonly employed, particularly in emerging sectors. Their widespread adoption in India should be considered, taking into account factors such as the instrument's suitability, legal framework, project size, and the expertise and confidence of the institution providing the blended finance instrument. These instruments play a critical role in risk mitigation for high-impact projects or in adjusting the risk-reward dynamics, thus bringing the project closer to achieving commercial viability. Mobilising these investments in India is also critical for businesses to diversify their operations and reduce dependence on traditional markets while hedging against economic downturns in other parts of the world.

India's G20 Presidency has been instrumental in aiding the reform of MDBs, critical to mobilising larger private capital flow. Today, MDBs only mobilise $0.6 in private capital for each dollar they lend on their own account, they should aim to at least double this target. G20 has thus advised MDBs to shift their approach by focusing on three key aspects: making private capital mobilisation a central element of their sustainable development strategies, supporting governments in reducing policy and regulatory risks to private investment mobilisation and aligning their financial product offerings to private capital market gaps.

India stands ready to further mobilise private capital with its robust national and state-level policy environments. It is already witnessing remarkable momentum, particularly in critical sectors such as infrastructure, clean energy, healthcare, and education. For instance, Bloomberg Philanthropies and Goldman Sachs-backed Climate Innovation and Development Fund recently financed the decarbonisation of 100 of the 255 e-buses by deploying solar, power-plus-battery energy storage systems, as part of its $5.2 million blended financing instrument. We have also witnessed Indian cooperative banks providing credit enhancement and credit affordability, as seen in the case of YES BANK's blended finance facility in Rann of Kutch where it facilitated access to mainstream debt finance for women salt farmers, to transition away from energy-inefficient diesel pumps.

The Union government has taken several initiatives to address the impediments of this financial instrument. US-India Clean Energy Finance (USICEF) is a standout example, whereby the multi-stakeholder partnership identified and supported nearly 50 enterprises operating since 2017. The grant investment of $5 million further mobilised $285 million in debt, generating 670 MW of renewable capacity and 20,000 jobs. India's leading role in the green bond market, with over $10 billion in issuances, coupled with the RBI's membership in NGFS, will be critical in further stimulating domestic blended finance initiatives.

Climate change is allowing us to reimagine traditional modes of financing. It is now imperative that India's private sector proactively amplifies its efforts and seeks out additional opportunities for collaboration in the realm of blended financing. https://www.financialexpress.com/opinion/blended-financing-is-key/3302204/

13. Government aims to enhance Military transport with procurement of Lorries and trucks *(financialexpress.com)* 09 Nov 2023

The Indian government is taking significant steps to bolster the transport capabilities of the country's armed forces. This effort has led to the issuance of two distinct Requests for Information (RFI) for the acquisition of approximately 5,000 Lorries to serve the three military services and an additional 2,500 trucks designated for the Indian Army.

These vehicles are specifically designed to operate in challenging environments, such as hilly terrains, high altitudes, cross-country regions, and desert conditions. The Lorries are intended to function as general service load carriers with varying payload capacities of 5 tons and 7.5 tons. The 5-ton Lorries will be deployed in demanding terrains, while the 7.5-ton vehicles will serve in more level plains.

The RFI outlines several key specifications for these vehicles. They must be equipped with 4×4 drive systems and be adaptable to diverse terrains and climatic conditions encountered in the country. It is anticipated that the formal Request for Proposal will be released within the next six months.

In terms of operational parameters, these vehicles must be designed to meet specific requirements. Their dimensions and weight should enable them to traverse a Class 18 bridge and be transportable by a broad gauge section of the railway. Furthermore, they should have the capability for swift conversion to a flatbed configuration by removing side walls, superstructure, and tailboards. These vehicles are expected to carry up to 34 soldiers on foldable side-facing seats along with their personal weapons and equipment. Fuel efficiency is also a crucial factor, with a minimum fuel consumption rate of five kilometers per liter, and the engine's average lifespan should exceed 1,50,000 kilometers or 15 years, whichever comes first.

In a separate RFI, the Indian Army is looking to procure approximately 2,500 trucks for use as general service load carriers with a payload capacity of 2.5 tons. These trucks will operate in a variety of terrains, including hilly areas, high altitudes, cross-country regions, plains, and desert environments, adapting to the diverse climatic conditions found in the country. Each truck will be capable of carrying up to 14 soldiers on foldable side-facing seats, along with their personal weapons and equipment.

This procurement initiative represents a significant step in modernizing and enhancing the transportation infrastructure of the Indian armed forces, ensuring they are well-equipped to meet the demands of their varied operational environments. https://www.financialexpress.com/business/defence-government-aims-to-enhance-military-transport-with-procurement-of-lorries-and-trucks-3302319/

14. Indian Army may procure over 90 light utility helicopters from HAL in a landmark deal *(zeebiz.com)* 09 Nov 2023

In a groundbreaking development, the Indian Army is considering the purchase of more than 90 light utility helicopters (LUH) from Hindustan Aeronautics Limited (HAL), marking a significant milestone in indigenous defense manufacturing. The decision is poised for imminent review by the Defence Acquisition Council (DAC), which is expected to conduct a meeting within the next month.

The proposed deal, with a total estimated value of approximately Rs 45,000 crore, is part of the Indian Army's extensive procurement plan to acquire 250 helicopters over the next 12 years. The first LUH helicopter under this agreement could potentially be delivered as early as December 2024, bolstering India's defense capabilities on its western and northern borders.

HAL, as the sole Indian company engaged in helicopter production, holds a pivotal role in securing the nation's defense needs. This exclusive deal signifies a significant shift in the Indian Army's procurement strategy, which is now geared towards domestically manufactured helicopters.

The urgency of this procurement stems from the Indian Army's pressing requirement to replace nearly 100 aging helicopters that are nearing the end of their operational lifespan within the next three years. The transition is critical to maintaining operational efficiency, and HAL's production capacity of approximately 30 helicopters annually has driven this decision to engage in long-term procurement planning.

Furthermore, the Indian Army is steadfast in its commitment to upholding national interests and has indicated its readiness to explore leasing options if the requisite number of helicopters cannot be secured promptly. Even in such scenarios, the preference remains to partner with Indian companies in line with the 'Make in India' initiative.

The DAC's upcoming meeting is expected to shape the future of defense procurement, with this substantial deal poised to underscore India's growing self-reliance in defense manufacturing. HAL's potential to meet the Indian Army's demands for LUH helicopters while also adhering to its extensive order pipeline marks a significant step towards enhancing India's defense capabilities. This development serves as a testament to the nation's commitment to bolstering its military might and ensuring security along its borders. https://www.zeebiz.com/india/news-indian-army-may-procure-over-90-light-utility-helicopters-luh-helicopters-from-hal-in-a-landmark-deal-263543

15. In Punjab, doubts over paddy phase-out: Crores in farm earnings, key part of central pool *(indianexpress.com)* 09 Nov 2023

Punjab Advocate General Gurminder Singh Kharbanda had suggested to the court that paddy cultivation must be replaced by millets and MSP should be given for other crops.

The Supreme Court’s observation on phasing out paddy from Punjab may be easier said than done as the state contributes a large chunk to the central pool and earns a significant amount of revenue from the crop every year, according to a noted economist and a top state government source.

On Tuesday, during a hearing on air pollution in Delhi-NCR and stubble burning, the top court had said that the growth of paddy, a crop not native to Punjab, is causing the water table to decline. “…paddy cultivation must be phased out to be substituted with other crops and the Central government should explore the aspect of giving a minimum support price for alternative crops,” it said.

Punjab Advocate General Gurminder Singh Kharbanda had suggested to the court that paddy cultivation must be replaced by millets and MSP should be given for other crops.

The state government source mentioned above, requesting anonymity, said it was unlikely that the Centre would provide so much money to Punjab for any other crop, even for millets. “Also, we do not have any such crop. The Centre already wants to phase out paddy from Punjab…. they have to pay so much MSP. Last year, we received Rs 43,000 crore for paddy procurement. This year, the state government has already received Rs 37,000 crore. This is a huge amount of money that helps the rural Punjab economy hugely,” said this source.

Although the order didn't name the variety, the reference was basically to Pusa-44. In the current kharif season, Punjab farmers have planted 5.48 lakh hectares under Pusa-44, which is over 17 per cent of the state's total 31.99 lh area under paddy.

Economist Kesar Singh Bhangoo said phasing out paddy was not the solution. "I agree that paddy is not native to the state and it is a water guzzler. But just imagine that last year when the wheat yield reduced due to extraordinarily hot February, the Centre banned the exports of wheat. When white rice vanished from shelves in the US, Iran and Iraq due to the Ukraine war, India banned the export of rice. Punjab produces 18 to 20 per cent rice for the central pool. How can the Centre do without this crop?" he asked.

He added that the government had spent millions on machinery for paddy and stubble. "Now, if they phase out paddy, what will they do with so much investment that has gone into the machinery? It does not work this way. Everything has to be thought through. There cannot be knee-jerk reactions," he said.

Bhangoo added that the only solution was that the government needs to look at the reduced window between paddy harvesting and wheat sowing.

Pusa-44 takes 155-160 days to mature. The crop transplanted in mid-June after nursery sowing a month earlier is ready for harvesting only towards late October. And since that leaves very little time for sowing the next wheat crop, ideally before mid-November, farmers burn the standing stubble and loose straw remaining after harvesting.

Ramandeep Singh Mann, a progressive farmer, posted on X: "Why not phase out vehicles in Delhi? SC ordered plying of Diesel & Petrol vehicles older than 10 years and 15 years, banned in Delhi; 53 lakh deregistered vehicles are still on roads, only 8500 impounded in 2022. Crop Diversification you get it, but a ban is 'criminal overkill'." https://indianexpress.com/article/cities/chandigarh/punjab-paddy-phase-crores-farm-central-pool-9019645/

16. Four years on, incomplete integrated sports complex at Jeypore yet to see dawn of the day *(odishatv.in)* 09 NOV 2023

The proposed Integrated Sports Complex at Phulabada in Jeypore was inaugurated in 2019 under the Sports and Youth Services Department of the Odisha government.

To get an integrated Sports Complex in Koraput district has turned out to be a distant dream for the locals as the construction of the complex is yet to be completed even after four years of its inauguration.

The proposed Integrated Sports Complex at Phulabada in Jeypore was inaugurated in 2019 under the Sports and Youth Services Department of the Odisha government.

However, the complex which had given hope to many athletes and sportspersons in the district who dreamt of making it big, has been allegedly subjected to government apathy as it is yet to be completed.

A private construction company in New Delhi had promised to complete the project in 1.5 years after its inauguration. But it allegedly left the project incomplete.

As per reports, the government has changed the contractor four times for the project for unknown reasons, but the complex is yet to see the dawn of the day.

Lamenting the alleged government inefficiency, a sportsperson, Jagdish Panigrahi said, "The sports complex is yet to be completed even after five years after its inauguration."

"The sports minister has visited the place twice since its inauguration but all his assurances have turned out to be false. Four contractors have been changed for this project in these five years. Now, Police Housing Board has been entrusted to complete it. The Board is also constructing the complex at a snail's pace," he alleged. https://odishatv.in/news/odisha/four-years-on-incomplete-integrated-sports-complex-at-jeypore-yet-to-see-dawn-of-the-day-219770

17. Maharashtra to buy iconic Air India building for Rs 1,601 crore, set up offices *(indiatoday.in)* 09 Nov 2023

The Maharashtra government has decided to waive all lost income and other penalties of Air India and acquire its iconic building at Nariman Point in Mumbai for Rs 1,601 crore. The state government plans to turn it into an extension of Mantralaya.

The decision was taken at a meeting of the state cabinet in Mumbai. The meeting, chaired by Chief Minister Eknath Shinde, also decided to waive around Rs 250 crore unrealised income and interest on the property, an official said.

The building was constructed in 1974 on land owned by the state government, which will now use it for its office space. Nearly 46, 470 square meters of space will be available for government offices in the 22-storey building owned by Air India Assets Holding Limited, a company created by the Union Ministry of Civil Aviation in 2018 to manage all Air India-owned properties.

Many departments had to be shifted to other spaces far away from Mantralaya, the administrative headquarters of the state, due to a fire accident that occurred in Mantralaya in June 2012. Since then, the state government has been spending more than Rs 200 crore on rented spaces annually.

Before the purchase of this building, the unearned income and penalty of Air India will be waived off by the state government so that the building can be vacated and taken over at the earliest.

Nine floors of the building are vacant at present. Three floors house GST offices, while the income-tax department has eight floors. The ground and first floors are currently with Air India, and the government has communicated to Air India Assets Holding Company that it should hand over the building free of encumbrances.

One of Mumbai's iconic buildings, the sea-facing Air India tower, came up on state government-owned land in 1974. It was built by John Burgee of the New York-based architectural firm Johnson/Burgee. Burgee was known for his contribution to post-modern architecture.

The building was one of the targets of the 1993 serial bomb blasts in Mumbai. A car bomb exploded in the building's basement garage, killing 20 people and destroying the offices of the Bank of Oman located above.

The building was put up for sale in 2018 as part of Air India's asset monetisation plans. It has an area of 4.99 lakh square feet. https://www.indiatoday.in/cities/mumbai/story/maharashtra-waives-off-air-indias-losses-to-take-possession-of-its-iconic-building-2460593-2023-11-08

18. Protest erupts after massive 'irregularities' in distribution of PDS rice in Jajpur *(odishatv.in)*

Alleging irregularities in the distribution of rice under the Public Distribution System (PDS), scores of beneficiaries at Singhapur panchayat under Binjharpur block in Jajpur district expressed resentment by staging an agitation on Thursday.

As per the allegation by beneficiaries, they have been issued tokens since last September but the dealer is not providing them rice under the PDS scheme on a regular basis. Despite repeated complaints to the administrative officials, no step has been taken in this regard, they alleged.

"The dealer has not been providing us PDS rice for the last two months. Though we have been provided tokens, the dealer is dillydallying and now we are deprived of our quota of rice. We are facing a lot of problems due to the delay," said Prabhasini Behera, one of the beneficiaries.

"We are facing a lot of trouble in getting our quota of rice from the dealer. He (the dealer) is killing our time and making many excuses to provide us rice on a regular basis. We have complained about the irregularities to the district administration many times. However, no step has been taken in this regard yet," rued Prashanta Pandava, another beneficiary.

Meanwhile, Jajpur Sub-Collector Gopinath Kuanr said that they are aware of the allegations and appropriate action in this regard will be taken at the earliest.

"An investigation into the alleged irregularities is currently going on. Following the completion of the investigation, proper action will be taken," said Kuanr. https://odishatv.in/news/odisha/protest-erupts-after-massive-irregularities-in-distribution-of-pds-rice-in-jajpur-219796