

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Another name for freebies is disaster (*dailyexcelsior.com*) Nov 24 2023

Elections are being held in five important states of the country starting from November 7 to November 30, 2023. Elections are actually festivals of our democracy. Due to the continuous and peaceful tradition of elections after independence, India has emerged as not only largest democracy, but also as one of the strongest democracy in the world. Election is the time for political parties to inform voters about their policies and proposed program, through their election manifestos.

In history, all political parties have been trying to woo voters with their promises in the form of programs, but the nature of election promises has changed in the last decade and a half. In these promises, instead of policies and programmes, announcement of cash transfer and free schemes has taken precedence over policies and programs. Announcement of various freebie, including cash transfers to women, farmers, students and sometimes minorities and weaker sections, free electricity, free water, free travel to the entire women etc., has now become a common phenomenon.

In Madhya Pradesh, apart from waiving off the loans of farmers, the Congress party has also announced many other free schemes like free electricity, gas cylinder subsidy, Rs 1500 per month to women, unemployment allowance of Rs 3000 to youth etc. Similar announcements have been made by different political parties in Madhya Pradesh and other states going into elections. Every possible effort is being made to woo the voters.

In such a situation, it is a matter of concern, whether this is a healthy trend for our democracy. Will our governments be able to fund these free schemes? Will the debt burden on state governments increase with freebies? What impact will these free schemes have on essential government expenditure on health, education and infrastructure? These questions are of paramount importance.

Lessons from other countries

In many countries of the world, there are many examples of government debt increasing due to freebies and many countries have been ruined due to the same. The examples of Venezuela and Sri Lanka etc. show that even reasonably rich countries can face disaster due to freebies; what to talk of poor countries like Pakistan. Currently, due to free schemes in the name of welfare state, there is a long list of many rich countries, which are today under huge debt and are no longer able to fund these schemes any more.

Increasing debt on states

This trend of freebies is now spreading in many states of India. In the elections to be held this month, political parties have made a series of announcements of freebie schemes. We are hearing daily about free electricity, free transport, transfer of money to women, unemployment allowance to youth, etc. along with free vehicles and many other freebie schemes. Some time ago, the Reserve Bank of India and the Comptroller and Auditor General of India (CAG) had published data in their respective reports about increasing debt of the states due to freebies and have expressed concern over these freebie schemes and rising debt burden of the states.

According to the Fiscal Responsibility and Budget Management (FRBM) Act, the target debt-GSDP (Gross State Domestic Product) Ratio, in any state should not exceed 20 percent. But as per CAG, in most of the states of the country this ratio is much more than the targeted one. It reached 48.98 percent in Punjab, 42.37 percent in Rajasthan, 37.39 percent in West Bengal, 36.73 percent in Bihar, 35.30 percent in Andhra Pradesh, 31.53 percent in Madhya Pradesh, 27.80 percent in Telangana, 27.27 percent in Tamil Nadu and 26.47 percent in Chhattisgarh. And if the debt on state government enterprises and the guarantees given by the state government are also added, then by 2020-21 the debt to GSDP ratio in Rajasthan would be 54.94 percent and in Punjab it would be 58.21 percent. In Andhra Pradesh also it has been estimated at 53.77 percent, it is 47.89 percent in Telangana and 47.13 percent in Madhya Pradesh. In West Bengal and Bihar also it's 40.35 percent and 40.51 percent respectively, and in Tamil Nadu it is 39.94 percent. CAG also reported that the debt of the states is continuously increasing compared to the target ratio. This is a matter of concern not only for these states but also for the entire country.

Regarding Andhra Pradesh, the Reserve Bank says that after Punjab, Andhra Pradesh is the second state in the country with highest spend on free schemes. It is noteworthy that in Punjab, 45.5 percent of the total tax revenue is being spent on free schemes and in Andhra Pradesh expenditure on freebies is 30.3 percent of total tax revenue. Talking about the state's GDP, in Punjab 2.7 percent of the state GDP is spent on free schemes annually and in Andhra Pradesh its 2.1 percent. Apart from this, in Madhya Pradesh, 28.8 percent of the tax revenue is spent on subsidies, and in Jharkhand it is 26.7 percent.

It is noteworthy that according to the assessment of CAG, the debt is more in those states where higher amount is being spent on free schemes. Punjab and Andhra Pradesh are at the top in this, where a huge part of the total revenue is spent on free schemes. Apart from Andhra Pradesh, Tamil Nadu is another state in the south which spends hugely on freebies.

Impact on essential expenditure

When a province spends such a large proportion of its tax revenue on free schemes, not only capital expenditure on infrastructure would go down, due to increasing debt of the state governments, social services like education and health as well as transport and other essential services will also be impacted. For the development of any state, it is imperative to increase investment in infrastructure. Lack of infrastructure affects investment and hence the development of the state. Therefore, it is necessary to speed up the development of the country by curbing the free schemes offered by the states.

Impact on ratings too

We have to understand that India is a union of states, hence the debts of both the Central Government and the State Government together is considered as the overall debt of the government. While on the one hand the central government has succeeded in reducing its debt which had crossed 60 percent of the gross domestic product during the Covid19, to 55.5 percent in 2022; the debt of various state governments has continuously been increasing in proportion to the state GDP. In such a situation, due to increasing debt on the overall government, the economic rating of the country is getting impacted. If this continues, our country will not only have difficulty in getting new investments, our companies and government will also have to pay higher rate of interest on the borrowing

from foreign countries. That is, increasing debt is not only creating fiscal imbalance, but is also affecting the ability of state governments to run welfare schemes and is also blocking the path for the development of the country and industry in particular. There is an urgent need to take appropriate steps to ensure that political parties do not put the country in trouble for their narrow political gains. Due to political reasons, the legislature and government machinery are less likely to be interested in this task, but other pillars of our democracy like judiciary and media will have to come forward in opposing freebies. <https://www.dailyexcelsior.com/another-name-for-freebies-is-disaster/>

2. State Capex: Glass one-third full (*moneycontrol.com*) Nov 24 2023

To meet the capex target for FY2024, the capital outlay and net lending of the 21 states would have to expand by an estimated 28 percent YoY, which appears challenging in light of the Assembly elections in some states and the parliamentary elections in 2024

The first eight months of the ongoing fiscal have been quite eventful, amid Assembly elections taking place in five states. With Parliamentary Elections coming up on the horizon, this is a good time to take stock of the state government finances.

The Comptroller and Auditor General (CAG) of India has released fiscal data for H1 FY2024 for 21 states, which throws up rather mixed trends. The combined revenue deficit of states widened modestly to Rs 0.7 trillion in H1 FY2024 from Rs 0.5 trillion in H1 FY2023 but was equivalent to a worrying 90 percent of the level budgeted for the full year. The root cause for this is a moderate pace of growth of their combined revenue receipts, at 8 percent in H1 FY2024, which is significantly below the 19 percent year-on-year (YoY) expansion forecast in the FY2024 Budget Estimates (BE).

Meagre revenue growth appears to have compelled the states to restrain the rise in their revenue spending to 10 percent in H1 FY2024, a far cry from the 18 percent increase that they had pencilled in at the time of the presentation of FY2024 budgets.

Meagre Revenue Growth

So why did revenues, a nominal metric, grow so languidly, when the Indian economy is estimated to have grown in excess of 7 percent in real terms in H1 FY2024? Dissecting the various components of the revenues of the states reveals that consumption-based taxes such as State GST and excise duty collections, actually reported a fairly healthy double-digit growth in H1 FY2024. However, a contraction in the sales tax collections and grants from the Centre in H1 FY2024 dragged the YoY increase in revenues of the states.

In the post-GST era, sales tax is largely imposed only on fuels, and in some states, on alcohol (over and above the excise duty). Several states in the sample had cut their VAT rates on petrol and diesel in November 2021, and have not revised them back to those levels until now. The negative impact of this has been exacerbated by the cut in cesses on fuels by the Government of India (GoI) in May 2022, which lowered the base price on which the VAT rates are levied by the states. Further, the sedate growth in the

consumption of fuels has led to an estimated 3 percent contraction in the sales tax collections of the states in the first half of this fiscal.

Additionally, the grants from the Centre to the 21 states shrunk by a massive 27.2 percent in H1 FY2024, in stark contrast to the 25.3 percent expansion expected by them in FY2024 BE. This contraction was on account of the discontinuation of GST compensation grants with effect from June 2022 and the tapering of the Finance Commission recommended grants, both of which ideally should have been anticipated by the states, and built into their forecasts. In contrast, Central tax devolution has been front-loaded relative to last year, and recorded a handsome 21 percent expansion in H1 FY2024.

State Capital Expenditure

Nevertheless, the fiscal deficit of the sample widened considerably to Rs 3.5 trillion in H1 FY2024 from Rs 2.4 trillion in H1 FY2023 but stood at a relatively modest 40 percent of the FY2024 BE. The wider fiscal deficit followed from the welcome 50.3 percent expansion in the capital spending of the 21 states, exceeding the estimated 35 percent growth budgeted by them for FY2024. With this, the states achieved a third of their budgeted target for capital outlay for FY2024, higher than the trend recorded last year.

The jump in state capex benefitted from the front loading of the approval and disbursement of the interest-free capex loans by the GoI in FY2024 compared to FY2023. To recap, the GoI had presciently decided to enlarge the allocation of the capex loans to the states to Rs 1.3 trillion for FY2024 from the Rs 813 billion that was disbursed to them in FY2023. Till October 2023, the GoI had approved capex loans of Rs 962 billion and released a sizeable Rs 585 billion to the states. In FY2023, the entire Rs 813 billion had seen a back-ended release, getting disbursed nearly equally in Q3 and Q4 of FY2023.

To meet the target for FY2024, the capital outlay and net lending of the 21 states would have to expand by an estimated 28 percent YoY, or Rs 1.2 trillion, during the second half of the year. Although this is lower than the 50 percent increase in H1 FY2024 and in line with the growth in H2 FY2023, it appears challenging in the light of the Assembly elections in some states in Q3 FY2024 and possible imposition of the model code of conduct ahead of the parliamentary elections during Q4 FY2024. As a result, the fiscal deficits of some states may end up being lower than the budgeted level, although this would entail a less healthy quality of their fiscal deficit.

On a positive note, we now estimate the GoI's gross tax revenues to exceed its FY2024 BE by Rs 0.5 trillion, of which around Rs 0.2 trillion would be devolved to the states. We expect this upside to be released to the states in Q4 FY2024, which could help to restrain the issuance of State Government Securities in that quarter, below our forecast of a sizeable Rs 3.4 trillion. <https://www.moneycontrol.com/news/opinion/state-capex-glass-one-third-full-11806301.html>

3. Lack of safety standards will hamper tunnel safety audit in India (*business-standard.com*) Nov 24 2023

Neither has the Comptroller and Auditor General apparently conducted any audit ever to assess safety issues in such projects, satisfying itself with only checks on the money spent in the projects

In the wake of the tunnel disaster at Uttarakhand, while the central government has decided to conduct a safety audit of 29 under-construction tunnels in India, it turns out that there is no dedicated safety unit with the National Highways Authority of India (NHAI) for such projects. The position is similar with the other large road and tunnel building organisation, the Border Roads Organisation.

Neither has the Comptroller and Auditor General apparently conducted any audit ever to assess safety issues in such projects, satisfying itself with only checks on the money spent in the projects. In fact, India does not have its own standards of tunnel safety, depending instead on the British Standards-06164 issued in 2019. https://www.business-standard.com/india-news/lack-of-safety-standards-will-hamper-tunnel-safety-audit-in-india-123112300937_1.html

4. देश की ग्राम पंचायत के एकाउंटेंट्स को बेहतर एकाउंटिंग के गुर सिखाएगा आईसीएआई (patrika.com) Nov 23 2023

देश की 2.50 लाख ग्राम पंचायतों, 4500 नगर निकायों (नगर पालिकाओं) के एकाउंटेंट्स को द इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया (आईसीएआई) बेहतर एकाउंटिंग के गुर सिखाएगा। भारत के नियंत्रक एवं महालेखा परीक्षक (कैग) की सिफारिश पर संस्थान ने पंचायत एवं नगरपालिका के एकाउंटेंट्स के लिए एक सर्टिफिकेट कोर्स तैयार किया है। 12वीं उत्तीर्ण विद्यार्थी इसे कर सकेंगे। इसके लिए एक दिसंबर से पंजीकरण शुरू होंगे।

द इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया (आईसीएआई) देश की ग्राम पंचायतों, नगर पालिकाओं के एकाउंटेंट्स को बेहतर एकाउंटिंग के गुर सिखाएगा। भारत के नियंत्रक एवं महालेखा परीक्षक (कैग) की सिफारिश पर संस्थान ने पंचायत एवं नगरपालिका के एकाउंटेंट्स के लिए एक सर्टिफिकेट कोर्स तैयार किया है।

आईसीएआई के अध्यक्ष अनिकेत तलाटी ने बताया कि देश में 2.50 लाख ग्राम पंचायतें हैं। इसके अलावा 4500 शहरी निकाय (नगरपालिकाएं) हैं। इन सभी को सालाना केन्द्र एवं राज्य सरकार की ओर से करीब तीन लाख करोड़ रुपए की ग्रांट दी जाती है। जिसका एकाउंट ये तैयार करते हैं।

इतनी बड़ी राशि के हिसाब-किताब की ऑडिट के दौरान कैग को सुधार की जरूरत महसूस हुई। जिससे कैग की सिफारिश पर तीन मंत्रालय-ग्रामीण विकास मंत्रालय, पंचायती राज मंत्रालय और आवासन और शहरी कार्य मंत्रालय के सहयोग से इस कोर्स को तैयार किया है। राज्य सरकारों के साथ मिलकर इसका क्रियान्वयन होगा।

एक लाख एकाउंटेंट्स की जरूरत, 12वीं पास कर सकेंगे कोर्स

तलाटी ने बताया कि ढाई लाख से ज्यादा ग्राम पंचायत और नगरपालिकाएं हैं। जिनमें एक अनुमान के तहत एक लाख से ज्यादा प्रशिक्षित एकाउंटेंट्स की जरूरत होगी। इसे देखते हुए 12वीं उत्तीर्ण विद्यार्थी इस कोर्स को कर सकेंगे। इसमें एकाउंटिंग कॉन्सेप्ट, प्रिंसिपल, कन्वेंशन एंड पॉलिसी, बेसिक एकाउंटिंग प्रोसिजर, प्रिपरेशन ऑफ फायनेंसियल स्टेटमेंट्स, सीएजी एकाउंटिंग फॉर्मेट, लिस्ट ऑफ कोड, ई ग्राम स्वराज, ग्रांट की अनिवार्य शर्तों की जानकारी दी जाएगी। विद्यार्थियों को पांच सौ रुपए

पंजीकरण शुल्क देना होगा। एक दिसंबर से पंजीकरण शुरू होंगे। जनवरी में प्रवेश परीक्षा ली जाएगी। अप्रैल-मई में मुख्य परीक्षा ली जाएगी।

10 भाषाओं में स्टडी मटीरियल, क्षेत्रीय भाषा में भी परीक्षा

तलाटी ने बताया कि गुजराती, हिंदी, अंग्रेजी, कन्नड़, बंगाली, सहित 10 भाषाओं में स्टडी मटीरियल तैयार किया है। विद्यार्थी क्षेत्रीय भाषा में भी परीक्षा दे सकेंगे। प्रवेश परीक्षा वस्तुनिष्ठ प्रश्नों (एमसीक्यू) पर आधारित होगी। मुख्य परीक्षा में एमसीक्यू के साथ विषय आधारित एकाउंट तैयार करने वाले लिखित में जवाब देने वाले प्रश्न पूछे जाएंगे। लाइव क्लास, प्री रिकॉर्डेड लेक्चर भी उपलब्ध होंगे।

<https://www.patrika.com/ahmedabad-news/icai-will-trained-accountants-of-gram-panchayat-of-the-country-8603442/>

STATES NEWS ITEMS

5. Indian Audit and Accounts Department Celebrates Audit Week in Mumbai by 12 Offices of the CAG Audit Community *(business-standard.com, latestly.com) Nov 23 2023*

Indian Audit and Accounts Department (IAAD) offices have commemorated the third Audit Diwas with a weeklong series of events between November 16-22, 2023. Audit Diwas was marked by various activities like a blood donation camp, essay competition, poster making and slogan writing, heritage walk, and others. The staff of the IAAD participated in various activities, whereas the students of some of the colleges under the Mumbai University participated in essay competition entailing the theme CAG's role in nation-building by ensuring accountability, transparency and good governance.

The concluding day of the Audit week was celebrated at the Regional Capacity Building and Knowledge Institute, BKC on 22 November 2023. The occasion was graced by all the HoDs, officers and about 600 staff of the IA & AD. The HoDs comprised Guljari Lal, C.M. Sane, Sandip Roy, Tanuja Mittal, K.P. Yadaw, Abdul Rauf, Aastha Luthra, and Shailesh Jakhotiya. The occasion was marked by lighting of the lamp by all the HoDs. This was followed by various cultural activities as well as deliberations on professional excellence of the audit community and their commitment to public service. Further, the winners of the various events were also felicitated.

The audit community made a solemn pledge to dedicate itself to the cause of accountability and good governance. While reaffirming the idea of auditors as facilitators of good governance, the audit community maintained that audit should not be viewed as a fault-finding agency. They have proved to be equal partners in implementation of various schemes and projects by pointing out deficiencies and suggesting recommendations for remedial action by the Governments. It is worth noting that the Ministry of Finance, for example, has made three amendments regarding three sections 10AA, 56(2) (vii b), and 142(2A) of the Income Tax Act accepting our recommendations regarding the performance review on Gems and Jewellery.

The President of India inaugurated the 3rd Audit Diwas on 16th November 2023 at the office of the CAG of India, New Delhi. Audit Diwas 2023 is being celebrated to mark the history and heritage of the Supreme Audit Institution of India. This was followed by the 31st Accountants General Conference. The broad theme for the conference was

'Driving Change 2030: Empowering Actions to Shape Our Future'. Under this, the CAG audit community deliberated on two sub-themes: Familiarization with the Strategic Plan of SAI India for the period 2023-30, and Digital Growth in SAI India and Way Forward. https://www.business-standard.com/content/press-releases-ani/indian-audit-and-accounts-department-celebrates-audit-week-in-mumbai-by-12-offices-of-the-cag-audit-community-123112300702_1.html

6. Indian Audit and Accounts Department Celebrates Audit Week in Mumbai by 12 Offices of the CAG Audit Community (*theprint.in, aninews.in*) November 23, 2023

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(*ptinews.com, devdiscourse.com, en.news4social.com*) November 23, 2023

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8. **SKUAST-K celebrates Audit Week with PAG office in Srinagar** (*greaterkashmir.com*) November 24, 2023

Srinagar: Sher-e-Kashmir University of Agricultural Sciences and Technology of Kashmir in collaboration with the Office of the Principal Accountant General (PAG), Srinagar held a special event to celebrate the ongoing Audit Week.

A number of programs including audit awareness, functioning of audit, inter-university and college debates, career guidance in audit services and speeches were held in the daylong event. Students from various institutions and experts also participated in interactive exchanges on various global and local topics, particularly concerning the young generation.

Vice Chancellor, SKUAST-K, Prof Nazir Ahmad Ganai; PAG (Audit), J&K, Pramod Kumar; DAG (Audit), J&K Inabat Khaliq; Directors and Officers of SKUAST-K along with other dignitaries, participated as judges and guest speakers at the occasion.

The students from six Colleges debated topics like the impact of artificial intelligence on human life, the role of tourism in the development of J&K, appropriate age for accessing social media, etc. The aim of the debates was to provide a platform for young minds to engage in meaningful discussions on critical issues, fostering their intellectual growth and preparing them for future leadership roles.

The team comprising students from SP College including Shayan Showkat Allaie and Shahzaib Parvaiz, was declared winners, whereas the team representing Kashmir University including Khaleel Firdous Shah and Eleena Raja were declared the runner-ups. The winners were presented with awards and mementoes by the PAG office. Lubna Parvaiz from Govt College for Women was also recognised for her skills receiving the Best Speaker award.

On the occasion, Vice Chancellor, SKUAST-K, Prof Nazir Ahmad Ganai, announced special additional prize money for all the participating students. The winning team was provided Rs 10,000, the runner-up team Rs 5,000 and all the participants Rs 1,000 each consolation prize. <https://www.greaterkashmir.com/city/skuast-k-celebrates-audit-week-with-pag-office-in-srinagar/>

9. **सीएजी ने इंटरनेशन फोरम पर छोड़ा है प्रभाव: रामहित** (*inextlive.com*) November 24, 2023

प्रयागराज। लेखापरीक्षा में जनसामान्य की भागीदारी तथा प्रौद्योगिकियों आर्टिफिशियल इंटेलीजेंस, साइबर सिक्योरिटी को एकीकृत करने, प्रभावशाली ब्लू इकोनॉमी की लेखा परीक्षा करने आदि जैसे विषयों को लेकर हमने प्रतिबद्धता एवं विशेषज्ञता दिखाई है। यह ब्लू इकोनॉमी आर्थिक विकास, बेहतर आजीविका और नौकरियों के लिए समुद्री संसाधनों के सतत उपयोग से जुड़ी हुई है। इसमें समुद्री इको सिस्टम को संरक्षित करना भी शामिल है। यह बातें गुरुवार को आडिट सप्ताह के समापन के मौके पर कही गईं। समापन समारोह कार्यालय प्रधान महालेखाकार (लेखा एवं हकदारी) के प्रांगण में हुआ। प्रधान महालेखाकार ने चीफ गेस्टस एजीएम (एनसीआर) चंद्रप्रकाश गुप्ता एवं अन्य विशिष्ट अतिथियों का स्वागत किया। प्रधान महालेखाकार राम हित ने लेखापरीक्षा के महत्व को रेखांकित करते हुए बताया कि विगत वर्षों में सीएजी ने अन्तर्राष्ट्रीय मंच पर भी अपना विशेष प्रभाव छोड़ा है।

बेहतर सेवा देने को प्रतिबद्ध

प्रधान महालेखाकार राम हित ने आगे कहा कि विभाग इसके निरन्तर विकास एवं संविधान में दिए गए उत्तरदायित्वों के प्रति संवेदनशीलता के साथ प्रभावशाली एवं पेशेवर लेखापरीक्षा सेवाएँ प्रदान करने, उच्च गुणवत्ता की एकाउंटिंग और इंटाइटिलमेंट फंक्शन को बेहतर बनाकर हितधारकों को उत्कृष्ट सेवाएँ प्रदान करने के प्रति वचनबद्ध है। इस अवसर पर ऑडिट सप्ताह के अंतर्गत आयोजित क्रिकेट प्रतियोगिता की विजेता टीम रेलवे विद्युतीकरण व उपविजेता एजीयूपी, मैन ऑफ द सीरीज बलराम सिंह यादव को सम्मानित किया गया। इसके अलावा विभिन्न प्रतियोगिता की विजेता अनुष्का सिंह, अरविन्द सिंह, ऊष्मा शंकर, प्रखर गुप्ता, पम्मी कुमारी, गौरव अहिरवार, अभिलाषा, साक्षी मिश्रा, आयुषी जायसवाल, पायल, यतिका, सुभिक्षा यादव, साक्षी कुमार, परी, रिद्धिमा सिंह, वर्तिका, शांतनु शुक्ल, कामख्या सिंह, आनंदी जैसवाल, धैर्य मिश्र को सम्मानित किया गया। समारोह के अंत में सांस्कृतिक कार्यक्रम का आयोजन किया गया। इस अवसर पर महालेखाकार अभिषेक सिंह, वरिष्ठ उप महालेखाकार डॉक्टर सुरेन्द्र, धनलक्ष्मी चौरसिया, उप महालेखाकार अवनीन्द्र राय, श्रेयांश सिंह सहित कार्यालय प्रधान महालेखाकार (ऑडिट-प्रथम) एवं महालेखाकार (लेखा एवं हकदारी) के अधिकारी/कर्मचारीगण उपस्थित थे। वरिष्ठ लेखापरीक्षा अधिकारी/ सामान्य प्रशासन एसके सिंह द्वारा ऑडिट सप्ताह का सफल आयोजन किया गया। यह सूचना विवेक सिन्हा, मीडिया प्रभारी द्वारा उपलब्ध करायी गयी। <https://www.inextlive.com/uttar-pradesh/allahabad/cag-has-left-an-impact-on-the-international-forum-ramhit-1700768569>

10. 2019 salary scam: Four Chandigarh Police personnel arrested (indianexpress.com) November 24, 2023

Police said that the four policemen were among more than 100 who were benefited in the salary scam. Huge money was credited in the salary accounts of the cops.

As many as four Chandigarh Police personnel were Thursday arrested in connection with the 2019 salary scam.

They were identified as Assistant Sub-Inspectors (ASIs) Mohan Singh, Krishan Kumar and two head constables Alwinder Singh and Mukesh Kumar.

Police said that the four policemen were among more than 100 who were benefited in the salary scam. Huge money was credited in the salary accounts of the cops.

“These policemen were arrested during the ongoing investigation of the salary scam. They will be produced in the local court Friday. These policemen had also not returned the excess credited money in their accounts. So far, a dozen cops have been arrested in this scam,” a police officer said.

The salary scam was highlighted during the audit of Comptroller and Auditor General (CAG), and a special audit which established the scam of around Rs 1 crore. An FIR for forgery, cheating and under provisions of the Prevention of Corruption (PC) Act was registered at Sector 3 police station in February 2020.

Police filed the main chargesheet along with two supplementary chargesheets in a district sessions court and the case is pending trial. Departmental action has also been initiated against the accused police personnel.

The amount involved in this scam was recovered by the SIT. The records of the period from April 1, 2015, were procured. Huge records were taken into police possession from AG (UT), Account Branch of Chandigarh Police and various banks.

On the basis of the evidence, sections 201, 409, 467, 477A of the IPC and Section 7 (b) of the Prevention of Corruption Act were added for destruction of vouchers/ forgery etc.

Sources said that the maximum amount siphoned off to employees by way of undue benefits has already been recovered.
<https://indianexpress.com/article/cities/chandigarh/2019-salary-scam-four-chandigarh-police-personnel-arrested-9040253/>

11. BMC announces ‘zero prescription policy’ in its hospitals (*hindustantimes.com*) Nov 24, 2023

MUMBAI: The BMC on Thursday announced a ‘zero prescription policy’, which means that patients will not have to purchase a single medicine from drug stores outside civic hospitals. To implement the policy, the BMC’s central purchase department (CPD) has increased its ambit of medicines and medicinal purchases from the existing list of 1,000 items (medicines and surgical items) to 4,000 items, and asked its hospitals to submit their requirements for the department to begin the purchasing process. The 4,000 items include medicines, drugs and surgery articles.

The policy announcement was made by chief minister Eknath Shinde during his visit to KEM Hospital. The BMC said it would be the first municipal corporation in the country to implement this policy.

HT on May 10 had reported on artificial shortage of medicines across BMC-run hospitals, after which the state had initiated a high-level inquiry into the procurement of medicines. The BMC had also announced a revamp in the procurement process.

Additional municipal commissioner Dr Sudhakar Shinde, who has been working on streamlining the medicine purchase system and holding a series of meetings with the CPD since July, said that the increased number of procured items—from 1,000 to 4,000—would take care of most of the prescriptions which patients at BMC-run hospitals hitherto had to buy from outside. CPD officials said the hospitals had been asked to send their requirements within a month, after which the CPD would purchase the medicines within a month and roll out the policy.

HT’s report on May 10 had highlighted the artificial shortage of medicines at BMC-run hospitals which, in turn, forced patients to buy medicines, gloves, saline, medical dressing material and so on from outside. While contractors claimed the CPD had not floated tenders for bulk purchase for three years, BMC officials said they opted for purchasing medicines locally to break the contractors’ monopoly.

However, when HT visited some hospitals, it found that relatives of patients were spending heavily on buying medicines. A CAG report titled ‘Public Health Infrastructure of Health Services in Maharashtra’ from 2019-20 to 2021-22 also stated

that there was a delay in finalisation of the rate contract for different schedules of medicines for a period ranging from four months to 35 months.

Vijay Balamwar, joint commissioner, CPD, said that during the four months of inquiry, it was found that local purchase of supplies by the hospitals cost seven to eight times more than what could be procured at bulk rates. “CPD spent around ₹170 crore in the last two years for procurement whereas hospitals spent around ₹1,300 crore,” he said. “Despite high expenditures, patients were prescribed medicines from outside, which was costing citizens around ₹600 crore.” Balamwar added that during the series of meetings with Dr Shinde, it was discussed that the prescription business in BMC-run hospitals should end.

After HT’s report on May 10, the BMC deputy municipal commissioner (public health), in a meeting on May 10, directed health officials, including hospital deans, to ensure that there was no shortfall of medicines and medical supplies at the facilities.

Subsequently, on August 4, the state announced a high-level inquiry into the procurement of medicines and equipment by civic hospitals. “BMC hospitals ask patients to bring medicines from outside,” said industries minister Uday Samant in the assembly. “They also ask them to get their medical tests done in private hospitals and laboratories. Considering this, medicines that are procured by the hospitals and the facilities they are providing require a detailed probe.” Samant also announced a white paper on the services provided by five BMC hospitals.

The municipal corporation has four medical colleges, one dental college, 16 peripheral hospitals, five special hospitals, 30 maternity hospitals and 192 dispensaries along with 202 Aapla Dawakhana. On average, more than 50,000 patients benefit from civic hospitals’ OPDs departments every day and 20 lakh patients in the in-patient department yearly. <https://www.hindustantimes.com/cities/mumbai-news/bmc-announces-zero-prescription-policy-in-its-hospitals-101700767828698.html>

12. Alleged liquor scam case: Hearing on bail pleas of Chandrababu Naidu, Kollu Ravindra adjourned (*newindianexpress.com*) 24 November 2023

VIJAYAWADA: With the conclusion of arguments on the anticipatory bail petitions of TDP chief N Chandrababu Naidu and former Excise minister Kollu Ravindra in the alleged liquor scam case on Thursday, the Andhra Pradesh High Court adjourned the hearing to Monday (November 27) so the advocates of both the sides can submit their arguments in writing.

Appearing for Naidu in the case, senior advocates Nagamuttu and Dammalapati Srinivas said the file proposing the exemption of privilege fee for liquor shops never came up before the then CM Naidu. The counsel argued that decisions pertaining to the privilege fee exemption were taken at the Excise minister and excise commissioner level itself.

According to the petitioners’ counsel, the post State bifurcation, from June 2014 to March 2015, the excise department got only Rs 11 crore in revenue, which makes the

prosecution's argument that with the exemption of privilege fee, the State exchequer suffered Rs 1,500 crore loss irrelevant.

Further, there was no mention of State exchequer suffering loss due to the exemption of the privilege as part of the excise policy during 2014-19 in the CAG report.

Dammalapati and Nagamuttu argued that the prosecution had misled the court by showing the draft copy of the CAG report 2019.

Further, it was explained that the cabinet decision was taken to allow SPY Agros to pay its licence fee with interest in instalments, after taking legal opinion.

They said the Advocate General has not explained why the anticipatory bail should not be given to the petitioners.

They further argued that the prosecution failed to show any evidence to prove that Naidu had demanded money in the case and it was sent to him. In the last one-and-a-half months, six cases were registered against Naidu as regime revenge, they said.

Kollu's advocate Posani Venkateswarlu said as the case against the ex-minister was registered based on decisions taken prior to 2019, Section 17A of the PC Act is applicable. He said no evidence was shown to establish the former minister acted with ill motives.

Advocate General S Sriram urged the court to dismiss the anticipatory bail petition as the decision of the petitioners had caused a loss to the exchequer. Later, Justice T Mallikarjuna Rao adjourned the case for Monday.
<https://www.newindianexpress.com/states/andhra-pradesh/2023/nov/24/alleged-liquor-scam-case-hearing-on-bail-pleas-of-chandrababu-naidu-kollu-ravindra-adjourned-2635775.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

13. Income Tax Data Reveals That Increase in Compliance Is Marginal (*thewire.in*) 23 Nov 2023

The income tax data released recently points to the highly skewed nature of income distribution in the country, with only about 0.68% people paying effective taxes.

The Central Board of Direct Taxes (CBDT) has released data on income tax payees for financial years 2013-14 to 2022-23. More detailed data about different categories of tax payees are available for the financial year 2020-21. This data can be used to get an idea of the income distribution of the top income earners in the country.

Income tax is paid by a minuscule percent of the population. Official data shows that 7.4 crore individuals filed tax returns in FY2022-23 and 6.75 crore in FY2020-21. In this earlier year, there were also 2.1 crore people who did not file a tax return but paid Tax Deducted at Source (TDS). So, in FY2020-21, effectively there were 8.85 crore people in the tax net – which was 6.6% of the population. Since we do not have

corresponding data on those not filing tax return but paying TDS for FY 2022-23, we do not yet know the total number of entities in the tax net in 2022-23.

Anyone paying income tax or filing a tax return has to have an income above the income tax exemption limit and therefore has to be among the top income earners in the country. What is their distribution?

The exemption limit for determining tax liability is now Rs 3 lakh but has been Rs 2.5 lakh, with some concessions for senior and super senior citizens. With a standard deduction of Rs 50,000 and rebate under Section 87A, till now an individual did not have to pay any tax up to a taxable income of Rs 5 lakh. Of India's per capita annual income at current prices of Rs 1,50,007 in 2021-22, this is 333%. From the current financial year, tax will have to be paid at income of above Rs 7.5%, 414% of the likely per capita income of about Rs 1,81,000. So those in the tax net are in the tail of the income distribution.

With so much concession, for FY2020-21, out of 6.76 crore e>Returns filed, 4.46 crore paid nil tax (67.3% of the total). The 2.1 crore who did not file a return but paid TDS must have had an income below Rs 2.5 lakh, otherwise they would have had to file a return. Adding these two numbers, effectively, 6.6 crore returns out of a total of 8.85 crore (73.4%) were filed by those with low incomes. 91 lakh (10.3% of those in the tax net) had taxable incomes above Rs 9.5 lakh and who can be called well-off in the Indian context. About 2.15 lakh declared income above Rs 1 crore and maybe characterised as wealthy.

In brief, people in top rung of the income ladder in the country were those who were in the income tax net (6.6% of the population) even if they did not pay income tax. Out of these, only 0.68% of the population were the really well off who effectively paid income tax. Further, 0.016% declared an income above Rs 1 crore and had a share of 38.6% of the taxable income.

Caveats

This picture of the well-off, characterised by those who effectively pay income tax, is incomplete. Two additional factors need to be taken into account. First, the rich families split up their incomes. This enables them to take advantage of concessions on each of the returns filed and each of the incomes may then fall in the lower income bracket on which a lower tax rate may apply. Second, the well-off resort to black income generation by not declaring their true income.

The first point implies that the 0.68% people who paid significant amounts of income tax belong to an even smaller percent of the families. So, the actual family income of the well-off is much higher. Since the poor face unemployment, under employment and joblessness, their family income is not much higher than what a poor individual earns. The implication is that the gap in family incomes between the well-off and the poor would turn out to be much larger than gap in incomes shown by the data on individuals paying tax.

Further, black incomes are generated by the well-off, who have substantial incomes. Those who have an income below the taxable limit don't need to hide their income.

They do not have to file a return or declare their income to the tax authorities. Those who have a taxable income of, say, up to Rs 9.5 lakh, need pay only a few percent of it as tax, if they take advantage of deductions under 80C, 80D, 80TTA, etc. So they will hardly benefit from hiding their income and will not be generators of black incomes.

It is the well-off, especially businessmen and professionals who declare a lower income to tax authorities so as to pay a smaller portion of their income as tax. Some of them completely escape the tax net by not filing a return or by showing an income below the taxable limit.

All these factors lead to the official data underestimating the skewedness of income distribution in the economy.

Has compliance increased

The organised sector has higher incomes and contributes most to direct taxes. It produces 55% of the GDP. Its share of GDP would have risen during the pandemic, which disproportionately hit the unorganised sector. The GDP was Rs 1,98,00,914 crore in FY 2020-21, the Covid year. So, Rs 1,08,90,000 crore should have been captured in the tax net from the organised sector. Some more should have come from the few well-off businesses in the unorganised sector.

Detailed data for FY 2020-21 shows that the taxable income declared by all return filers was Rs 69,59,552.48 crore. This is about 35.15% of the GDP and about 63.9% of what should have been shown as declared incomes by the organised sector. On this declared income, the tax collected was Rs 9,47,176 crore. The tax to GDP ratio was a very low 4.78%. If black income generation were taken into account, it would be even lower.

In FY2021-22, GDP recovered from its low during the pandemic, and became Rs 2,36,64,637 crore. The direct tax collection increased to Rs 14,12,422 crore, so that the direct tax to GDP ratio rose to 5.97%. In 2018-19, this figure was even higher at 6.02%. But, even this figure is low compared to many developing economies.

The government claims that more and more people are filing tax returns and presents this as an indication of better tax compliance and a reduction in the black economy. According to the data just released, the number of people paying direct taxes has risen from 7,42,49,558 in FY2016-17 to 9,37,76,869 in FY2021-22. This is impressive, but the catch is that most of the people entering the tax net declare nil income or a low income, as pointed out above.

A reduction in black income generation would have meant that many more of the individuals with high incomes would have come into the tax net, and the direct tax to GDP ratio should have risen sharply instead of hovering between 5.5% and 6% since 2014-15.

The increase in the number of tax returns is due to the constancy of the income at which a tax return needs to be filed remaining unchanged at Rs 2.5 lakh, while incomes have risen due to inflation. The per capita net national income, which tells us how much an average citizen is earning, is 30.1% higher in 2022-23 than it was in 2019-20.

Thus, someone with an income of Rs 2 lakh in FY2019-20, pre pandemic, would be earning Rs 2.6 lakh in FY2022-23. In 2019-20, she would not have had to file a tax return while in 2022-23 she would have to file a return. Thus, the number of tax return filers would automatically rise. But the tax they pay would not rise, so their entry into the tax net does not impact the tax to GDP ratio.

Conclusion

The income tax data released recently points to the highly skewed nature of income distribution in the country with only about 0.68% people paying effective taxes. The percentage of families they belong to would be even smaller. If tax manipulations by the wealthy and black income generation are taken into account, then the income distribution becomes even more skewed. Finally, the increase in the number of tax filers is due to inflation but this has hardly led to an increase in the direct tax to GDP ratio since most new entrants in the tax net file either nil return or are exempt from tax. So, tax compliance in the country has hardly changed. <https://thewire.in/economy/income-tax-data-reveals-that-increase-in-compliance-is-marginal>

14. Need to resolve disputes, MoRTH tells FinMin as road construction slows (*livemint.com*) 23 Nov 2023

The ministry has sought an extension of the Vivad Se Vishwas scheme to address the backlog of contractual disputes that are impeding capital flow and hindering progress in the sector

The roads ministry has sought an extension of its scheme to resolve hundreds of disputes over contracts—including some stuck in courts—that are holding up road-building, according to two people familiar with the matter.

Some 400 disputes between government agencies and contractors, involving a substantial sum of money, are stuck in arbitration and courts.

The Ministry of Road Transport and Highways (MoRTH) expects the government's Vivad Se Vishwas (dispute to trust) to speedily resolve these cases and unlock stuck capital.

But for this to happen, claimants must fulfil the eligibility criteria for filing of dispute resolutions and adhere to submission deadlines. According to a recent notification from the finance ministry, the deadline for submitting claims under the Vivad Se Vishwas scheme has been extended until December.

However, the deadline has already passed for challenging a legal order in an existing dispute.

Arbitration orders passed up to 31 January 2023, and court awards up to 30 April 2023, qualify for a one-time settlement of claims. The ministry now wants an extension of this eligibility cut-off date till the end of November to bring more disputes for resolution.

“Based on the suggestions from the industry, the ministry has sought extension of the scheme eligibility. This would unlock a lot of capital that could be deployed for road and highway construction,” one of the two people quoted above said.

P.C. Grover, director general of the National Highway Builders Federation (NHBF), added, “We had requested MoRTH to take up the issue of amending the eligibility criteria for settlement of disputes under Vivad Se Vishwas with the finance ministry to maximize benefit to the industry and reduce disputes.”

Determining the actual amount entangled in these disputes is challenging as it varies from total project costs, he added.

In its letter to the roads secretary, NHBF has sought an extension of the eligibility criteria for arbitration awards from the 31 January to 31 August. Additionally, they sought an extension for court orders, from 30 April to 30 November 2023, for resolutions under the scheme.

The finance ministry had initially set a deadline for new claim submissions—ones that are not challenging an order—to 30 October. However, it has now extended it to 31 December.

Queries to MoRTH and the finance ministry did not elicit any response till press time.

The Vivad Se Vishwas scheme is particularly significant for the roads and highways sector, as it promises to unlock capital that can be used to expedite the construction of more highways.

Highway construction has been slowing over the past couple of years, and has been progressing at a sluggish pace in FY24. In the first seven months of the current fiscal year, only 4,474 km of highways had been constructed, falling well short of the 13,800 km target.

The pace of road awards is even slower, with only about 2,595 km awarded in April-October, compared with over 5,000 km a year ago. The target for awards this year is 12,500 km.

Delays in approving revised cost estimates for Bharatamala Phase 1 projects also impacted highway awards, while a significant portion of contractors’ and builders’ liquidity is tied up in disputes. According to a report by SBI Caps, national highway awards saw a subdued first half, though there was an uptick in September, with awards in Q2 closing only 6% up from a year ago.

Awards might decline compared with FY23, to 10,500 km in FY24, below the target set by MoRTH. <https://www.livemint.com/news/india/need-to-resolve-disputes-morth-tells-finmin-as-road-construction-slows-11700733501242.html>

15. India set to kick off 3 mega defence projects worth Rs 1.4 lakh crore (*timesofindia.indiatimes.com*) Nov 24, 2023

NEW DELHI: India is now set to give preliminary approval to three mega indigenous projects to manufacture another aircraft carrier, 97 more Tejas fighters and 156 Prachand light combat helicopters, which together will be worth around Rs 1.4 lakh crore.

The Rajnath Singh-led defence acquisitions council is likely to take up the “acceptance of necessity (AoN)” -- the first step in the procurement process -- for the three crucial projects at a meeting slated on November 30, sources told TOI on Thursday.

Once the AoNs are accorded, the tendering and commercial negotiations will take place before the three deals are submitted to the cabinet committee on security for the final nod.

All these projects, which will take several years to be executed, are critical for strengthening the country’s operational military preparedness in the backdrop of China’s expanding multi-domain warfare capabilities.

India’s own ‘Iron Dome’: DRDO’s long-range Air Defense Systems (LR-SAM) to be readied by 2028-2029

The 97 Tejas Mark-1A fighters, at a cost of around Rs 55,000 crore, will add to the 83 such jets already ordered under the Rs 46,898 crore contract inked with Hindustan Aeronautics (HAL) in February 2021.

These 180 Tejas jets are critical for IAF to boost the number of its fighter squadrons, which is down to just 31 when at least 42 are required to tackle China and Pakistan. The first 83 Mark-1A jets are slated for delivery in the February 2024-February 2028 timeframe.

It will take 8-10 years for the second indigenous aircraft carrier (IAC-2), in turn, to be built at the Cochin Shipyard for around Rs 40,000 crore as a “repeat order” of the 44,000-tonne INS Vikrant or IAC-1.

INS Vikrant was commissioned in September 2022, after being built for around Rs 20,000 crore, but will be fully combat-ready only by mid-2024. The Navy also has the older Russian-origin carrier INS Vikramaditya, the refurbished Admiral Gorshkov inducted in November 2013 under a \$2.33 billion deal with Russia.

The Navy currently has only 40 of the 45 MiG-29K jets, inducted from Russia for another \$2 billion, to operate from carriers. The twin-engine deck-based fighter being developed by DRDO is likely to take at least a decade to become fully operational. In the interim, India is now finalizing the Rs 50,000 crore acquisition of 26 Rafale Marine fighter jets from France.

The 156 Prachand helicopters (90 for Army, 66 IAF), capable of offensive operations in high-altitude areas like Siachen Glacier and eastern Ladakh, in turn, will cost around Rs 45,000 crore.

They will add to the 15 such choppers (10 IAF and 15 Army) already inducted under the first Rs 3,887 crore contract in March last year. The need for a mountain warfare-

capable chopper like the 5.8-tonne Prachand, which is armed with 20mm turret guns, 70mm rocket systems and air-to-air missiles, was first acutely felt during the 1999 Kargil conflict.

The Navy, on its part, initially wanted a nuclear-powered 65,000-tonne IAC-2, capable of carrying a larger aviation complement than the 30-aircraft capacity of INS Vikrant. But budgetary constraints have made it opt for a smaller electric-propulsion IAC-2.

China, incidentally, already operates two aircraft carriers, Liaoning and Shandong, and is fast building two more. The third Chinese carrier, the over 80,000-tonne Fujian, was 'launched' in June last year. The US, of course, has 11 'super' 100,000-tonne nuclear-powered carriers, each of which carries 80-90 fighters and aircraft. <https://timesofindia.indiatimes.com/india/india-set-to-kick-off-3-mega-defence-projects-worth-rs-1-4-lakh-crore/articleshow/105455212.cms?from=mdr>.

16. Sovereign gold bonds should be phased out (*thehindubusinessline.com*) Nov 24, 2023

It is a form of high-cost borrowing the government can ill afford

The Sovereign Gold Bonds (SGBs) scheme has completed eight years since its inception with the first tranche coming up for redemption this month-end. Gold prices have more than doubled over the issue price; hence, investors in this tranche stand to make a killing with annualised returns of nearly 11 per cent from gold price appreciation, apart from the 2.75 per cent annual interest they have earned. Despite such returns to investors though, the SGB scheme must be judged a failure.

Launched in the backdrop of an unsustainably high current account deficit (4.8 per cent of GDP for FY13) caused by uncontrolled gold imports, SGBs, along with the gold monetisation scheme, were designed to bring about a permanent reduction in India's gold import bill. SGBs were to be issued and redeemed by the Centre at prevailing market prices of gold with the interest payout and a capital gains tax exemption tagged on as sweeteners. Policymakers hoped that households would cut back on their purchases of physical gold, which entails costs such as making charges and storage, to latch on to a government-backed instrument with better returns. But thanks to the lukewarm response to successive SGB issues, their outstanding stock today represents just over 120 tonnes of gold. SGBs have made scarcely a dent in India's bullion imports which have ranged between 700 and 1,100 tonnes annually in recent years. For households purchasing jewellery for weddings and other occasions, SGBs are obviously a poor substitute. Lower-income households who stash their rainy-day savings in bullion prefer physical gold for its ability to generate instant liquidity when pledged with the local moneylender. For investors keen to own gold as a trading bet or diversifier, gold exchange traded funds which are available on tap, have proved more useful than SGBs — which are issued and redeemed at a time of the Reserve Bank of India's choosing.

The Centre, however, has reason to be relieved that the SGB scheme has not taken off, as it is a high-cost borrowing it can ill-afford. Recurring crises have led to global gold prices nearly doubling since 2015, even as the rupee has depreciated from about 65 to

83 to a dollar. SGB borrowings have turned out to be much dearer for the Centre than plain-vanilla borrowings from the domestic bond market at a time of low interest rates. Given gold's propensity to lie low for long periods but shoot up sharply when global geopolitical or financial risks loom, the Centre has taken on significant price risks on its SGB obligations — which it has so far left unhedged, and unwisely so.

In any case, the Centre importing physical gold to back its SGB dues would defeat the very purpose of the scheme, while hedging in the derivatives market could escalate costs. All things considered it may be prudent for the Centre to phase out SGBs, before investors decide to flock to them attracted by the returns from the first tranche. <https://www.thehindubusinessline.com/opinion/editorial/sovereign-gold-bonds-should-be-phased-out/article67565422.ece>

17. States Lacked Capacity to Test Fortified Rice, But Had to give it to the Poor (*thewire.in*) Nov 24, 2023

In Jharkhand, 56,000 quintals fortified rice rations were distributed while the state lacked a fully equipped laboratory to confirm the quality and the levels of vitamins and iron.

To reduce anaemia and malnutrition, the Union government began experimenting with supplying rice grains artificially enhanced with micronutrients such as iron, vitamin B, folic acid, in the public distribution system in 2021. Medical experts have debated the benefits of chemically-fortified rice versus its potential harm. Public officials in Jharkhand's capital Ranchi told *The Wire* that they were asked to either distribute fortified rice, or forgo getting food aid from the Union government.

Right to food and health activists have documented concerns that by forcing mandatory consumption of grains fortified with industry-made micronutrients in haste, the government has ignored the safety of the some of most vulnerable individuals who would consume this rice.

A number of studies show the Union government released fortified rice to the public even in the face of serious gaps in infrastructure to assure quality. An evaluation of the scheme by NITI Aayog, India's planning body, after visits to seven states showed the government proceeded even when laboratory facilities for ensuring basic quality in the supplied grains were lacking. As explained below, studies by the World Food Programme of the UN, and J-PAL, a global research centre, too showed similar gaps.

Setting sensitive standards on the go

To fortify rice with factory-made nutrients, a powder "pre-mix" of vitamins and minerals – iron, vitamin B12, folic acid – is added to powdered rice and broken grains. The paste is machine-carved to manufacture new rice grains, which are mixed into grains being given as food rations.

In 2022, in phase two of the programme when the government decided to scale up the pilots for fortified rice from 15 districts to 291 districts – up from providing 35 lakh

metric tonnes to 175 lakh metric tonnes in social schemes – its coverage expanded quite rapidly in Jharkhand.

Almost all of Jharkhand's 24 districts are in the category “aspirational”, which means they are extremely poor and are lacking in basic infrastructure, or they fall under the state's “high burden” category of malnutrition and anemia. On the ground, it became evident that the haste in expanding the schemes led to lapses in accounting for quality.

India's statutory food regulator, the Food Safety and Standards Authority of India (FSSAI) has placed fortified rice in the category of “high risk”, that require mandatory safety checks. Making chemically fortified rice requires regular monitoring. Measures include checking the quality of the powder pre-mix of vitamins and minerals which is added into powdered rice, whether the micro-nutrients are as per the required Recommended Dietary Allowances (RDA) decided in scheme norms, if fortified rice was blended in the required proportions as stipulated (one enhanced or fortified grain to every 100 ordinary rice grains), and finally, whether the rice gets eaten within its shelf-life period of one year.

India lacks the required laboratories with facilities to check the quality of the pre-mix of micronutrients such as iron, folic acid and vitamins. A confidential scheme evaluation in May 2022 by the government's planning body, the NITI Aayog, first accessed by The Reporters' Collective, flagged this problem.

Only the laboratories that are accredited by the commerce ministry's National Accreditation Board Testing and Calibration Laboratory (NABL) are equipped to accurately test micronutrient levels in the fortified rice kernels.

In NITI Aayog's assessment of laboratory infrastructure, which it calculated using the number of samples that can be tested in a year, found a testing capacity of 2,66,333 samples a year. It noted that when the scheme will be fully scaled up by March 2024, it will require testing nearly 9-10 times more, at 23,66,178 samples. Thus, it estimated a gap of 20,99,845, or nearly two million samples, indicating a huge mismatch between testing capacity and need that such a scheme entails.

When the Union government pushed to expand the scheme rapidly, a state such as Jharkhand, in the interior eastern part of India, faced particular disadvantages. Though it has high numbers of those who depend on subsidised food rations – 86% of the state's residents qualify for the food-grains – and a high number of ration outlets, it lacks even a single laboratory fully equipped to provide the quality checks.

The east and the northeast region, where Jharkhand lies, has only 10% of the laboratories but holds more than 30% of the food ration outlets and thus generates a higher number of samples for testing. But the laboratories are located primarily in India's northern region around the capital, or the south.

NITI Ayog evaluation stated the East and North-East region have highest number of ration outlets – a high proportion of the rural residents survive on food subsidies – but few laboratories.

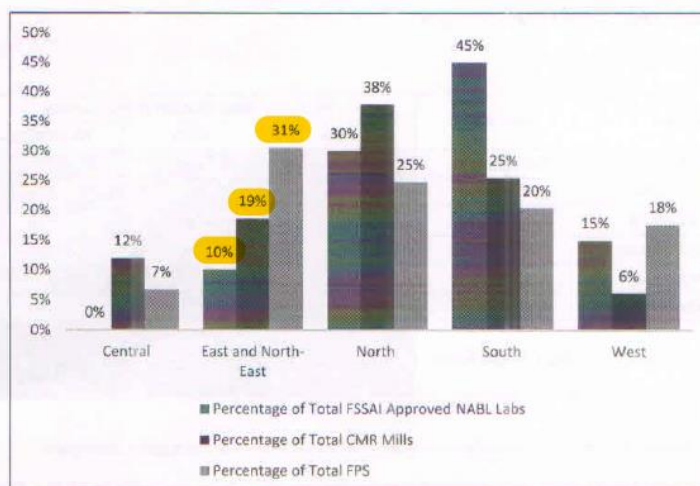


Figure 9: Zone-wise distribution of FSSAI Notified NABL Labs, CMR Mills and FPS

3. Review of Preparedness, Supply Chain Management, and Component-wise Status

As per the FSSAI, of the laboratories in India that can perform these tests, none are in Jharkhand. The closest such laboratory is in Kolkata in the adjoining state of Bengal. Yet, the evidence in Jharkhand shows the Union government proceeded with the compulsory scheme without ensuring the mechanism to timely verify the quality of and level of safe micronutrients fortified grains was available.

Over more than a year between 2021 and early 2023, officials state, the Jharkhand state government supplied 56,000 quintals of fortified rice to the state’s poorest. The micronutrient levels and quality of rice kernels was tested at Sun-Tech, the only NABL-laboratory located in Tupudana, Ranchi, in the state capital. However, this stopped earlier this year as the FSSAI stated that this laboratory cannot test micronutrients and it lacks the “Proficiency Test” certification.

“We have one such laboratory in our state. But even this is no longer functional to test micronutrient levels in Fortified Rice Kernels (FRK),” Yatinder Prasad, the managing director of the Jharkhand State Food Corporation told The Wire.

The state’s secretary for food and civil supplies Amitabh Kaushal refused to comment on the issue.

A callous path

As per the scheme’s guidelines, the FSSAI has to ensure NABL laboratories in all states, and periodically evaluate the scheme with the health ministry. On “quality assurance mechanisms”, the guidelines state “an officer will verify Certificate of Analysis (proof of micronutrients analysis) of every fortified rice kernel(FRK) batch”, and that “a sample is to be lifted from each blending point monthly to go to a NABL laboratory.” It recommends that a sample of the fortified rice being distributed be collected monthly from the ration shop, or places it was served.

Officials in Jharkhand said they were not able to collect and test samples from ration shops, schools and creches, and they believed that leaving it to manufacturers to prove

the quality and quantity through such certificates of analyses may be inadequate to monitor in a foolproof way. “First, we lack such a laboratory in our state. And second, there is no way for us to get the micronutrients’ tested in time for distributing the grains to poor households every month,” said a senior official. “As the local authority overseeing this scheme, ideally, we prefer we should have had a second layer of testing, allowing us to verify that no manipulation in quality was done by the rice kernel manufacturers.”

The state provides food subsidies to more than six million poor households, or over 26 million residents. They are in two categories: priority households get 5 kg rice per person per month and “Antyodaya”, the poorest of the poor, are entitled to 35 kg per month.

Dasiya Parhaiyan, of a Particularly Vulnerable Tribal Group, in Jharkhand attending a public hearing on barriers to right to food. Nearly 86% rural residents of Jharkhand’s poor residents survive on food subsidies. Photo: Anumeha Yadav

“The laboratory takes 10-15 days to give us the results and if we wait that long, we cannot do the ration distribution by a fixed time,” explained the official. “The time to lift grains from the public system is fixed, or else the state would lose its quota of grains, and distribution is also time-bound. If you do not do it within a certain time, the Point of Sale devices at the retail stores will automatically block the disbursement of grains.”

The official added, “The infrastructure that should have been there for a scheme like this that affects people’s health and vital nutrition is absent. It is just not sufficient.”

The confidential NITI Aayog report drafted after visits to seven pilot districts documented serious lapses in quality control, and abdication of quality mechanisms by the government.

Unlike the substantial role envisioned in food ministry guidelines on the scheme, “FSSAI is found to have almost no role in quality assurance/quality control of fortified rice within the visited districts”, it noted, and that “there are no reported processes to monitor the quality and cost of the nutrient premix”.

It found that in some districts, regular monitoring was by “development partners”, such as Tata Trusts, or the American NGO, PATH. Though the guidelines state sample checking will be done at rice mills, FRK [fortified rice kernel] plants and at ration shops, it found “no samples were being taken from rice mills, ration shops and children’s schools and creches where this was being served”.

The officials from the food safety body and food and civil supplies department are supposed to independently test the quality of the FRK. In Jamshedpur, East Singhbhum district, supply officer Rajeev Ranjan told The Wire that the quality checks at mills were done by PATH in Jharkhand. PATH checked if the rice mills had obtained quality certificates when buying FRK from manufacturers, and if the tested and certified batch matched what was being provided further. For FRK, the manufacturers have to test every batch of 10 lakh metric tonne, and then PATH was trying to make sure that the sample and final delivery batch of rice matched, he said.

When The Wire called the mobile phone number listed on the internet by Sun-Tech Laboratory – the only nationally-accredited laboratory in Jharkhand which tested fortified rice in 2021-22 in the first year of the scheme – Shubham Mishra, a founding associate of the company, answered the call. He said he looked after the food division work done by the laboratory remotely from New Delhi, and had earlier worked from Ranchi.

Mishra said that Sun-Tech was among 27 of 41 NABL laboratories that had been “put on hold” for testing fortified rice by the central food safety authorities as it failed to clear a “proficiency test”. “Earlier 41 labs were approved by FSSAI. Then FSSAI changed the method of technology of testing for micronutrient levels. Of those 41 labs, 27 were no longer considered qualified in a proficiency test. We were among those who did not qualify.”

While proper laboratory infrastructure was missing, 56,000 quintals of fortified rice were supplied to Jharkhand’s rural residents till June 2023. The supply of fortified rice went on even while the facilities to the test of the quality and quantity of micronutrients being added were inadequate, or absent.

Mishra, from the Sun-Tech laboratory, accepted that testing micronutrient levels had been challenging for laboratories such as theirs. “The same sample of fortified rice gives different results when sent to test in different laboratories,” he said. “For example, if we find a sample does not contain the required amount of micronutrients, iron and vitamin B12 and it fails, when we send it to a different laboratory to compare, it fails the test not because it is too low, but instead because it exceeded the levels of micronutrients!”

The same problem had been identified during the pilots by the secretary of the Ministry of Consumer Affairs, Food and Civil Supplies, Sudhanshu Pandey. Speaking at a seminar in New Delhi on October 25, 2021, Pandey said that his team had found that the laboratory infrastructure was not ready. He said that when they selected samples from various sites, the same sample’s results from two different laboratories were different, because the tests and equipment protocols, the laboratory machines were missing in several parts of the country.

Mishra of Sun-Tech laboratory said that the results of micronutrients in the fortified rice varied also because of lack of uniform blending by those who sold the fortified kernels, which includes a range of suppliers from big industry to smaller players.

Sushil Sharma, owner of NuVit Foods FRK, a small newly-established factory near Jamshedpur said the price range and quality of of pre-mix he had purchased to supply into Jharkhand ration supply varied from Rs 240 to Rs 320 per kilo.

Exact blending in fortified rice to natural rice grains in a ratio of 1:100 grains required costly blending equipment in the range of Rs 15 lakh, said Abhishek Jain, who is a production manager at JVS Foods Pvt Limited, one of India’s first and largest supplier of fortified kernels. “Smaller manufacturers prefer to use cheaper pre-mix, and equipment in the range of Rs 2-3 lakh, which does not ensure proper blending”, claimed Jain.

The Union government has partnered with educational institutes to create and set standards for blending machines, but these remained costly and out of reach of small, local rice mills, acknowledged state officials.

When Jharkhand food department first started supplying fortified rice, it had identified Jain's factory in Jaipur in Rajasthan, 1,300 kilometres from Ranchi, as one of the qualified suppliers. In 2022, it asked mills to procure the grains from NuVit Foods in East Singhbhum. This year, it had identified three kernel manufacturers in Hyderabad, Guwahati, Kolkata as qualified suppliers.

Jain of JVS Foods described the proliferation of fortified rice kernel manufacturers in the last two years since the union government announced the scheme as one of the causes of poor quality fortification going on in India. "Today, more than 600 fortified rice kernel makers have come up. Of these, hardly 60 large players like us sell quality kernels with the right level of micronutrients," Jain told The Wire at his factory.

To supply it into the public distribution system, rice mill owners have to order and purchase of fortified rice kernels, blend it into ration rice, and the government reimburses them later. Jain continued: "In many cases, small rice millers have started making the fortified rice kernels, thinking that "What is the big issue? We will just install an extruder machine and make FRK ourselves"." He added: "They add low quality pre-mix, or they purchase from a large company such as Royal DSM (the world's largest vitamin maker, a Dutch firm which JVS purchases premixes from), but then they blend in additional material of sub- standard quality, to increase the volume. But the quality is zero."

More than 5,000 millers in Punjab went on a strike in October over the issues they are facing in sourcing fortified rice. There is inadequate quality control of fortified rice. Photo: Anumeha Yadav

The issues of quality, of unreliable laboratory results of micronutrients have continued. Last month, over 5,500 rice millers that process rice to supply as rations to the Punjab government went on strike from October 13 throwing the paddy procurement into chaos. The central government bodies had rejected the rice they had blended fortified kernels as lacking iron and vitamins as per the scheme norms.

"There is sometimes a 200% difference in results of micronutrients tests from one laboratory to another," said Tarsem Lal Saini, president of Punjab's rice millers association told The Wire. "But that is because of lack of monitoring of laboratories and quality aspects. How can we be held responsible if the right systems for assuring quality are not in place?"

FSSAI officials, whose role it is to regulate these quality aspects, did not respond to request for comment and to right to information queries.

Studies found serious gaps

The WFP, which worked with the FSSAI, evaluated the scheme pilots too and highlighted serious gaps in quality control and monitoring. Its evaluation called "Status Update" of April 2021 documented findings from several states.

For Assam and Karnataka, it mentioned that there was “no progress” in quality control, for Chhattisgarh it states that it does “not have a NABL accredited laboratory”, that there is “no defined mechanism of monitoring”, adding that “millers can reach out to FRK suppliers on their own. This may lead to compromise in the quality of FRK and fortified rice.”

In Jharkhand and Madhya Pradesh, and even in Tamil Nadu, it found, “no baseline for scheme conducted”.

Overall, the WFP found “Lack of compliance towards Quality control/Quality Assurance in FRK production” and that “in absence of regular, well defined monitoring mechanism by department/government officers, rice millers are not able to enforce regular checks”, and more seriously, that there is “lack of stabilisation and variation in result of micronutrient analysis”. But even after flagging these serious lacunae, including in absence of quality control mechanisms in this food intervention, the WFP report went on to recommend that the Indian government “scale up the distribution of fortified rice” in all public schemes for children’s nutrition.

A pilot study conducted by J-PAL, a research centre, similarly cautioned against lack of readiness and of effectiveness of the intervention. J-PAL’s large scale pilot in Cuddalore district with government of Tamil Nadu was a cluster randomised control trial, which would compare the results between a population not eating fortified rice with a group that was given rice fortified with iron, zinc, Vitamin A, B “at levels recommended by WFP”. The project was discontinued in 2020 and its authors, all of whom are international academics, listed five “key challenges” to the government, and highlighted the absence of infrastructure.

They stated that in India, the technology to produce fortified rice kernels or FRK of adequate quality “was and still is in infancy”, further that these “subpar products are not accepted by consumers and may not withstand normal cooking processes which may cause loss of micronutrients.” They pointed to a lack of clear and widely shared test protocols to test micronutrient content. They said that measuring water-soluble vitamins was especially hard, and “some laboratories do not deliver consistent reliable measurements despite being certified, leading to delays and uncertainty.”

Finally, they stated that their study had used micronutrient levels as per the WFP; and “the FSSAI guidelines allow for lower (but possibly less effective) micronutrient content”.

The note by a team of global researchers listed key challenges they faced while trying to study if rice fortification in the PDS reduced anaemia in Tamil Nadu’s Cuddalore district.

Although the project had to be discontinued in early 2020, around the time of the scheduled start of distribution, the research team had already conducted a substantial amount of background work, necessary in part to overcome significant logistical hurdles. In this document, we summarize the principal lessons learned during the project life, highlighting five key challenges that any rice fortification program should recognize and overcome, in the hope that other stakeholders and researchers will benefit from our accumulated experience.

Key Challenge 1. A first problem was that, in India, the technology to produce FRKs of adequate quality was and still is in its infancy, and even reaching this early stage required a long process of product design in collaboration with FRK manufacturers. Sub-par products may not be accepted by consumers (who thus must be involved in product design), or may be unable to withstand normal cooking processes, leading to substantial loss of MN.

Key Challenge 2. A second hurdle was the lack of clear and widely shared protocols to test FRKs and blended rice for their MN content and to assess cooking and storage losses. Measuring the concentrations of water-soluble vitamins has proved to be particularly difficult, and some laboratories have been unable to deliver consistently reliable measurements despite being certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL), leading to considerable delays and uncertainty. Given that consumer safety is paramount, testing procedures

On one hand, thus, there were unresolved questions by scientists and medical experts who have been on the government's regulatory panel on over-layering with iron for certain vulnerable groups with medical conditions such as sickle cell disease, malaria or thalassemia (as explained in part one of series). On the other, one of the largest trials on the intervention had been discontinued.

Medical experts and scientists say that the researchers' note raises a question on the logic and efficacy of micro-dosing anemic individuals with small quantities of iron. Crucially, there is the vital question about local food alternatives.

The current range of iron as per the scheme's rules should be 28 to 42.5 milligrams per 100 grams for iron content. Researchers as well as farm activists pointed out that more nutritious, far richer in iron indigenous or folk rice varieties are cultivated by farmers in India. Dr Debal Deb, a plant scientist and paddy conservator in Odisha told The Wire that he has identified more than a hundred varieties of Indian rice, such as Dudhe Bolta (130 mg per kg), Bhuri Shulah (85 mg per kg), Leda Sal (65 mg per kg), which have a much higher content of iron naturally, between 10 to 152 mg per kg, than the content of the iron in the factory-made fortified rice kernels. Dr Deb has published these findings in journals.

"The agriculture department can help grow a variety of these native, nutritious, iron-rich rice varieties and make them available through the public distribution system," said Dr Deb who has conserved more than 1,450 native rice varieties in one of South Asia's largest seed bank in Rayagada district in Odisha.

He said each indigenous variety of rice is unique, and several are naturally rich in nutrients such as iron, zinc, antioxidants, omega-3 fatty acids. "But instead of focusing on supporting this farming, the government has adopted a centralised policy pulverising, blending, re-moulding paste to look like rice grains. Such a policy is illogical and wastes public funds, it favours only big industry."

Smothering small businesses

In Chakulia, Jharkhand's "rice bowl", small and medium sized rice mills enterprises were struggling with the financial implications of the switch to fortified rice in the social security system.

In the fortified rice supply chain, rice kernel manufacturing firms import the pre-mix containing vitamins and minerals as micronutrients and add this to the rice paste to make artificial rice kernels using "hot extrusion" technology. The rice mill operators have to buy these kernels and blend them into custom milled rice very carefully in a ratio of 1:100 – one chemically fortified kernel of rice to every 100 grains of rice – using blending machines. They transport this to government's godowns from where it goes to retail outlets.

In the scheme norms, the Union government stated it would cover basic costs at the rate of Rs 73 for every quintal of fortified rice that the mills supply. But in Jharkhand, it has not covered even this basic cost that small and medium millers bore. The millers too said that they were coerced to switch to the new system, or threatened with losing their licenses.

"In April 2021, the Jharkhand state government told us to switch to supplying fortified rice," recounted one rice mill owner. "They told us, 'To remain as a supplier of rice into the public distribution system (PDS), you will have to install machines which blend fortified rice'. The switch was done in such a hurry, almost overnight, that those who could not install or operate the blending machines, mixed the kernels into rice manually, by hand!"

He added: "Usually for milling for eg. 5,000 quintals of paddy for the PDS, the government pays us Rs 1 lakh as incentive. They forced us to install the machines by withholding our incentive payments in 2021."

Deepak Jhunjunwala, who owns one of the largest mills, Maa Jagdambaa Udyog, in Chakulia and leads the Chakulia rice mill association, was among the four mill owners ordered to switch to supplying fortified rice in the pilot scheme. He estimates that he lost Rs 3 lakh in lapsed incentive payments in 2021. This was after he had spent spending Rs 8 lakh to install a blending machine on the government's instruction, besides bearing the costs to hire staff to supervise the blending and paying for procuring and testing fortified rice between 2021-22.

Medium and small businesses received no government support for their costs. Between 2021 and November 2023, they had not even received any payments due for fortifying rice at the rate of Rs 73 per quintal. "We were not paid Rs 34,20,835 for the fortified rice he had supplied to the PDS from mid 2021 till now," said Jhunjunwala.

The mill owners too had got quality of each batch of the fortified rice they supplied tested at Sun-Tech laboratory in Ranchi, till this year when the laboratory was taken off the FSSAI list of qualified laboratories to test micronutrients. Earlier this year, the mill-owners were asked to discontinue the testing, which would be carried out by the kernel makers.

While under the guidelines, the FSSAI is responsible for visiting the mills including for quality checks, none of the mill owners interviewed in Chakulia had had any quality check visits by the FSSAI.

“The only time FSSAI staff visited us was to give us “F+” license in early 2023, after we had applied for a license,” said one mill owner. This license denotes that the mill is qualified to sell fortified rice in the open market, outside the public distribution system. “They did not visit to inspect the quality of the milled rice otherwise.”

An entrepreneur who mills rice from paddy and sell to wholesalers who further sell to retail grocery shops said they found no demand from either individual consumers, or wholesalers for fortified rice in the market, outside the government public distribution system.

Swadeshi Jagran Manch, an economic wing affiliated with the Rashtriya Swayamsewak Sangh, which promotes domestic industry has questioned the effects of mandatory food fortification on small and medium enterprises in India. In the 90s, SJM had opposed mandatory fortification of salt with iodine and led a campaign to allow small enterprises to continue making common salt, without added iodine, available. “Only very large industry is able to afford these standardisation and processing,” said SJM national co-convenor Ashwani Mahajan. “We went to the Supreme Court and revoked the mandatory fortifying with iodine and allowing making of common salt. Yet, small firms making salt were wiped out.” Mahajan questioned why mandatory fortification was being imposed on small industry such as mills. “If it was a proven matter of saving lives, then one can understand forcing this standardisation on all,” he said. “We believe there is a lack of proven credibility in organisations pushing such interventions. Instead, there is evidence that artificial micronutrients cannot get assimilated into the body easily. We need nutrition from natural food.”

‘It is nothing like rice’

The Chhotanagpur region, which parts of Jharkhand, Chhattisgarh and Odisha fall in, is a forested region and holds biodiversity hotspots rich in indigenous millets, rice varieties, pulses and forest foods.

Dayamani Barla, an Adivasi activist fighting to preserve indigenous communities’ land and forest rights said the scheme had been implemented in haste, without consulting the communities who would have to eat the fortified rice, and without understanding their food systems: “Here, farmers keep the paddy they grow in storage at homes, and when they have to eat, process a small quantity at home and eat it fresh. They eat parboiled rice and millets. They complement that with ration rice.”

Deepak Pani, director of Gram Swaraj, a NGO in Odisha’s Mayurbhanj district, which works on the state’s millets program, argued that even if the intention was to provide further nutrition with staples such as cereals, the union government ought to have seriously explored other food options. “What is the need for rice fortified with nutrition in factories when local rice varieties and millets contain more nutrients?” he asked. “On one hand, the government claims it is supporting local climate resilient, nutritious crops such as millets, on the other, it is making industrial food fortification compulsory. This is a contradiction in its approach. Unpolished rice varieties grown in villages here are far richer in nutrients.” He pointed out that millets – which are richer in micronutrients

than fortified rice – if kept dry, could easily be stored for up to 15 years for use in public distribution.

In villages, the picture is more complex. Smallholder farmers shared that with a slow but gradual process of ecological and cultural erosion in this biodiversity rich region, the soils in all areas now no longer support growing certain older folk varieties of cereals.

In Jharkhand's Latehar district, which started getting fortified rice in phase two last year, farmers affirmed that since 10-15 years their "own paddy varieties" (indigenous seeds) no longer grew well. They believed that this had happened after increasing fertiliser use. "Earlier, all our paddy seeds were our own," said Pravesh Oraon, the mukhiya headman of Khairajat a village by the foothills, though only 20 kilometers from the town of Latehar. "We started growing hybrid paddy varieties 10 years back. Within five years of using these with chemical fertilisers, our older paddy varieties now no longer grow on the same soil as they did earlier without fertilizers."

In the more remote village Chormunda in Mahuadanr block on top of the plateau, the commercial paddy seeds had been slower to reach, and several smaller farmer still grow folk rice varieties. The area started getting fortified rice as rations only last year.

Here, Catherine Tithio a tall gaunt Adivasi farmer was plucking mustard saplings that had sprouted in her fields after scattered showers. "Goda-dhan, Chosaarh, Kalamdaani, Ranikajar," she counted the indigenous rice varieties her family continued to plant, which grew without fertilisers or irrigation. Along with these, they grew little millets and potatoes, she said. Still, Tithio too said she did not trust the new fortified rice because of its appearance. "I have heard that this is plastic. I cannot say," she said. "It looks different from our rice, and it does not look good. To be cautious, I separate it out while cooking."

In the remote forest hamlets of Subdega block in Odisha district Sundargarh, Albisia Lakra a rice farmers she was not convinced that the rice was laden with vital nutrients. "It is too white! It looks quite distinct. I separate it out," said Lakra.

She had dried various produce in her courtyard – yam, gourds, and berries – and had dried kulthi dal, horse gram lentils on the floor of her hut in Deogaon-Kalumara village. Lakra confirmed that the village health worker, the ASHA (Accredited Social Health Activist employed by health ministry) had informed the village residents that it was "vitamin rice" and instructed them to eat it:

"But if we wash the rice with warm water, boil it to cook the rice, rinse it, then anyway the water is washed away," said Lakra, as she separated the rice grains out on a sieve, distinct opaque factory-made grains, away from the bulk of grains it had been mixed into.

"Vitamin nahi bahega? Kya Vitamin bachega? How is it possible that the vitamin is surviving the cooking process? I do not believe it," she said. <https://thewire.in/rights/fortified-rice-kernel-experiment-testing>

18. What pollutes India? : Biomass burning remains the biggest contributor, but its share is falling because of PMUY
(*financialexpress.com*) Nov 24, 2023

Air pollution is a pan-India problem. In 2022, the average PM2.5 levels across the country were 10.7 times higher than the WHO standard. This means that almost the entire country breathes air considered unsafe by the WHO. The cost of this pollution is around 1.2 million premature deaths and 3% of GDP. Multiple studies show that air pollution in rural areas is as severe as in urban areas, and about 70% of premature deaths from air pollution happen in villages.

The question thus is: Where does all this PM2.5 (particulate matter less than 2.5 microns in size) come from? Recent iFOREST research has attempted to answer this question. Using globally accepted methodology and government data, the research shows that India emits approximately 5.2 million tonnes (MT) of PM2.5 annually, excluding dust from natural and manmade sources.

About 48% of these emissions come from the use of biomass, such as fuelwood and dung cakes, for cooking and heating. Open burning of crop residues contributes an additional 6.5%, making biomass burning responsible for 55% of total PM2.5 emissions. Industry and power plants are the second-largest emitters, contributing about 37%. The transport sector, a major focus of air pollution mitigation, contributes about 7% of the total PM2.5 emissions.

But how could this be? How can emissions from all industries and power plants (India has the world's second-largest fleet of coal-based power plants) and 300 million plus vehicles plying on roads be less than those from the chullahs of the poor? The answer is simple: unlike automobiles and industries where some pollution control devices are used, biomass cookstoves and open burning in fields emit all of their pollutants unconstrained into the air. Thus, PM2.5 emission per kilogram of biomass in cookstoves is tens to hundreds of times more than those from per kg of coal in power plants or diesel in automobiles. This is precisely why rural areas suffer equally from air pollution.

The Regional Emission Inventory in Asia (REAS), an initiative by researchers from Japan to estimate air pollution from Asian countries, provides data on India's PM2.5 emissions from 1950 to 2015 for specific sectors. iFOREST research, which follows REAS's methodology, has estimated the emissions for 2021. The analysis of both datasets indicates that the emissions from the industry sector are on an upward trend, while those from the transport sector and power plants peaked in 2010 and have declined marginally.

The most significant emissions decline has happened from residential cooking. PM2.5 emissions from cooking have dropped by 13% or about 0.3 MT during 2010-2021 due to the shift to LPG. Thus, the 50 million households that have shifted to LPG as their primary cooking fuel between 2010 and 2021, thanks to programs like Pradhan Mantri Ujjwala Yojana (PMUY), have contributed the most to reducing air pollution.

To address air pollution decisively, we must go beyond “optics” like odd-even, banning construction, spraying water, inducing artificial rains, etc. and focus on energy transition.

Energy transition in the residential sector would provide the biggest gains. Thus, shifting households to LPG, biogas, or electricity for cooking and heating would eliminate 48% of India’s PM2.5 emissions. Doing so would also eliminate 800,000 premature deaths directly caused by exposure to PM2.5 inside the household and enable the country to achieve its commitments under Sustainable Development Goal 7 to provide “clean energy to all by 2030”. While this is a herculean task, it can be achieved with focused policy interventions like PMUY.

Similarly, energy transition in industry, especially MSMEs, and rigorous monitoring and enforcement would be necessary to decrease industrial pollution. On the other hand, a shift to EVs in the automobile sector would be necessary to reduce vehicular pollution.

Lastly, eliminating stubble burning is essential to decrease severe and hazardous pollution days in Delhi-NCR. This practice contributes to PM2.5 emissions equal to those from all of India’s vehicles. Both incentives and penalties should be deployed to eliminate this environmentally damaging practice.

These are the steps for controlling air pollution in the country; anything less would not suffice. <https://www.financialexpress.com/opinion/biomass-burning-remains-the-biggest-contributor-but-its-share-is-falling-because-of-pmuy/3314580/>

19. Rs 1,900 crore Ahmedabad revival plan to balance heritage, modernity (*timesofindia.indiatimes.com*) Nov 24, 2023

Ahmedabad: After ruminating for almost a year, the civic body has decided to demolish the iconic Sardar Patel Stadium at Navrangpura, which was recently put on the 2020 World Monument Fund (WMF) watch list.

The stadium, designed by Charles Correa, will now be replaced by a Rs 200-crore sports facility. A Rs 26-crore building to house the city museum or Sanskar Kendra has also found place in the civic body’s latest Rs 1,900-crore city revival plan.

The Ahmedabad Municipal Corporation (AMC) is yet to clarify whether master architect Le Corbusier’s Sanskar Kendra will be replaced with the new museum building.

In a bid to create a unique identity for itself, the civic body’s policy-making standing committee has approved a whopping Rs 1,927 crore for 17 infrastructure projects.

A budget will be placed before the state government soon.

These projects are aimed at building Ahmedabad’s brand image and transforming the city into a modern metropolis while preserving its heritage.

The AMC has also demanded Rs 1,250 crore from the state government for the second phase of the Sabarmati Riverfront project which will cover a 5.8-km stretch from Shahibaug Dafnala to Indira Bridge on the eastern bank of the river and a 5.2-km stretch from Torrent Power to Indira Bridge on the western bank.

Another major project is the construction of a new foot overbridge on the Sabarmati at a cost of Rs 80 crore. This bridge will also serve as a landmark.

“The new SP stadium complex is expected to give Ahmedabad a state-of-the-art sporting facility that can host international events. This has been done keeping in mind the 2036 Olympics in mind,” said a senior AMC official.

In addition to these large-scale projects, the AMC has also earmarked funds for various heritage projects in the city.

These include Rs 10 crore for the development of heritage routes in the walled city area, Rs 15 crore for lights on heritage monuments, Rs 15 crore for lighting work on all the river bridges in the city, and Rs 80 crore for a heritage themed foot overbridge.

The AMC has also proposed to set up two yoga centres in each zone of the city at an estimated cost of Rs 7 crore. Other projects include the development of city square, construction of a botanical garden, Sanskar Kendra at Paldi, development of lakes and interlinking of lakes in the eastern and western areas of the city, construction of a swimming pool and community hall in Chandlodia ward, construction of a swimming pool in Nikol, and development of Lal Bahadur Shastri Lake in Bapunagar.

These projects are expected to give Ahmedabad a muchneeded facelift and make it a more attractive destination for tourists and investors. <https://timesofindia.indiatimes.com/city/ahmedabad/ahmedabad-revival-plan/articleshow/105459468.cms>

20. Lessons from the Uttarkashi mishap (*hindustantimes.com*) Nov 24, 2023

The Himalayas are a fragile range. Any construction here is fraught and demands careful planning and a great understanding of the complex terrain

The 41 workers trapped in a tunnel near the Himalayan town of Uttarkashi since November 12 are safe. But the accident is a wake-up call about the perils of undertaking massive construction projects in the fragile Himalayan range, which is under threat from intense human activity and the vagaries of the climate crisis.

India, of course, is no novice in the field of mountain tunnelling. It has done — and is doing — tunnels in Kashmir and Ladakh and other parts of the country. These are capital-intensive projects because tunnelling is the most sensitive, complicated and expensive process in construction. Tunnelling helps to reduce travel time and plays a strategic role by enabling quicker passage of defence armaments and military troops. But, with the growing urgency to speed up construction, the manifold risks and challenges involved in the construction of tunnels are often ignored. The current

construction mishap in Silkyara, Uttarkashi in the Char Dham highway project is a glaring reminder of the need for careful planning and execution of tunnels and the overall need for sensitivity when attempting to tunnel through the Himalayas.

Boring and building a tunnel through a mountain is perilous as it is. It is as fraught as removing a column from a high-rise building. No doubt, there are advanced technologies like Tunnel Seismic Prediction (TSP) and Ground-Penetrating Radar (GPR) which give a reasonable idea about the prevailing geomorphological conditions, but natural geological surprises can never be ruled out. The Himalayas are young mountains and tunnelling here is particularly prone to experience squeezing rock conditions, the inrush of water, roof falls or chimney formations, and gas explosions. These problems occur because of the presence of shear zones, fault zones, thrust zones, difficult terrain conditions, and folded rock sequences.

In order to prevent failures, extensive and thorough planning and surveying needs to go into tunnelling projects. It is, therefore, important to understand the causes of tunnel failures and the remedial measures that need to be adopted to prevent them. The most common cause is the ab initio poor designing of the tunnel project. Many times, failures occur in the tunnels due to improper soil investigation and inadequate design. Along the different stages in tunnel construction, there is a need for proper ground investigation and high-quality design. The design has to be complemented with uncompromising proof-checking by experienced and competent experts. Once the design is finalised, supervision and deployment of suitably qualified engineers to understand, appreciate and execute the design scrupulously is critical.

Substandard construction, poor workmanship and lack of quality control are other reasons for the failure of tunnels. In the case of the Heathrow Express tunnel collapse in 1994, basic systems of construction working had gone unchecked leading the inquiry commission to conclude: “The collapses could have been prevented, but a cultural mindset focused attention on the apparent economies and the need for production rather than the particular risks.” Therefore, a robust quality control system should be followed and monitoring has to be carried out continuously and meticulously and even the slightest defect remedied promptly.

Another cause is the wrapping and twisting of the tunnel support system. The bearing capacity of ground soil near the portal decreases due to the continuous ingress of water to the bottom of the tunnel portal. This water causes the concrete lining to settle into the ground and, therefore, leads to the wrapping and twisting of the tunnel support system. Proper designing of the drainage system is, therefore, crucial. If swelling clay soil is observed above the crown of the tunnel, it will be amenable to hydrothermal pressure, which can cause an increase in the volume of soil particles, resulting in heaving at the base of the pavement surface. To reduce the passive flow of material on the soil particles, rock bolts or anchor bolts are usually recommended when the clay soil swells and cannot be avoided.

Sometimes due to heavy rainfall, the ground near the tunnel portal can collapse because of excessive water pressure. The deployment of an umbrella technique, which holds the material surrounding the periphery of the tunnel, reduces the risk of such collapse.

If fault and fracture zones are not suitably anticipated during the blasting, they can have serious consequences. In the course of blasting, the existing faults and fractures get loosened, and the loosened rock mass creates an excessive shear force on the periphery of the existing tunnel which can cause shear failure and cracks into the concrete lining. If the fault or fractures exceed the permissible limit, then grouting with chemical stabilisation is necessary. Near the fault or fracture regions, the strength of the tunnel support system should be increased by reducing its spacing. The blasting system should be well-designed, incorporating all the functional parameters such as stemming length, burden, bench spacing and control of fly rock.

Sometimes cavities may be generated in the surrounding rock mass after or during the execution of the blasting process. If the assessment of cavities in the alignment of the tunnel is not worked out before the advancement of each and every trail, then it can lead to the failure of the tunnel near the advancement portal. Therefore, trail holes should be made before each and every advancement in the tunnel section and if any cavity is observed, it should be filled with bentonite slurry.

Highways and, in particular, tunnels in the Himalayan region need the highest level of attention to detail and cannot be left to the contractor's whims. Geotechnical investigations, correct design, suitable support system, quality control and continuous monitoring during and after the excavation, are crucial to the success of tunnel construction. Protocols and SOPs for future maintenance and repair are also critical even if they entail temporary closure.

The implementing agency, whether the Border Roads Organisation or the National Highways and Infrastructure Development Corporation Limited (NHIDCL), needs to be more than mere contracting agencies and should emerge as specialist organisations for sustainable engineering in mountain highways and tunnels. They should be tasked to build suitable skill sets and resources to be able to effectively supervise contractors and deliver failsafe and lasting tunnel projects. <https://www.hindustantimes.com/opinion/lessons-from-the-uttarkashi-mishap-101700746655179.html>