NEWS ITEMS ON CAG/ AUDIT REPORTS (07.05.2022 to 09.05.2022)

1. मुश्किल में भारत के 'ऑफसेट' रक्षा करार, सुधार की ज़रूरत है *(hindi.theprint.in)* 7 May, 2022

राज्यमंत्री अजय भट्ट ने 'ऑफसेट' रक्षा करारों के बारे में पिछले महीने संसद में जो जवाब दिया उसने अंदाजा दे दिया कि ये करार किन बुरी स्थितियों में हैं जबकि भारत में रक्षा उत्पादन की क्षमताओं को आधुनिक प्रौद्योगिकी का लाभ दिलाकर मजबूती देने की जरूरत है. मंत्री ने बताया कि 21 ऑफसेट करारों में पिछले पांच वर्षों में वेंडरों ने 31 दिसंबर 2021 तक 2.24 अरब डॉलर के बराबर की देनदारी देने में चूक की है. उन्होंने यह भी बताया कि 16 मामलों में डिफ़ाल्टरों/ निष्क्रिय वेंडरों पर 431.4 लाख डॉलर का जुर्माना ठोका गया है. भट्ट ने यह भी बताया कि पिछले पांच साल में 31 दिसंबर 2021 तक 47 करारों में 2.64 अरब डॉलर के ऑफसेट दावे दाखिल किए गए हैं.

मंत्री का यह जवाब झटका देने वाला है क्योंकि इसका अर्थ यह है कि 57 ऑफसेट करारों की बड़ी रकम जुर्माने में बदल गई है, और रक्षा तथा सुरक्षा व्यवस्था के सूत्रों के अनुसार इसकी संख्या और बढ़ने वाली है.

यही नहीं, बड़ी रक्षा कंपनियों पर जुर्माना ठोका गया है. सूत्र बताते हैं कि इनमें लॉकहीड मार्टिन भी शामिल है जिस पर सी-130जे हरकुलस विमान से जुड़े काम के मामले में जुर्माना किया गया था, साफ़्रान (फ्रांस) है जो मीराज विमान के आधुनिकीकरण और राफेल विमान के अधिग्रहण के मामले में शामिल थी, थेल्स (फ्रांस) है जो मीराज के आधुनिकीकरण तथा 'एचएएल' के साथ रॉकेट से जुड़े प्रयासों में शामिल थी, यूरोपीय संघ 'एमबीडीए' है जो मीरज-2000एच के लिए 'माइका' मिसाइलें बनाने के काम में तथा राफेल के अधिग्रहण के मामले में शामिल थी, रोसोबोरोनएक्सपोर्ट (रूस) है जो कामोव का-28 हेलिकॉप्टरों, मिग-29 विमानों और एमआई-17 हेलिकॉप्टरों के सुधार के कामों में शामिल थी. इजराएल की एरोस्पेस इंडस्ट्रीज को हारोप तथा हेरोन ड्रोनों से जुड़े करारों के लिए जुर्माना का सामना करना पड़ा है.

2005 में, भारत ने आयातों के जरिए 300 करोड़ रुपये से ज्यादा की पूंजीगत खरीद के लिए डिफेंस ऑफसेट पॉलिसी अपनाई. विदेशी वेंडरों को खरीद की कीमत के कम-से-कम 30 प्रतिशत के बराबर का निवेश करने की शर्त राखी गई. पहला ऑफसेट करार 2007 में किया गया और उसके बाद से 57 करारों पर दस्तखत हो चुके हैं. 13.52 अरब डॉलर मूली के कुल 57 करार किए गए हैं जिन्हें 2033 तक पूरा किया जाना है.

आगे कठिन दौर है

विशेषज्ञ लोग निजी बातचीत में कहते हैं कि अगले पांच साल में जुर्माने के मामलों में भारी वृद्धि होगी, हालांकि नए ऑफसेट करार नहीं किए जा सकते हैं. भारत उन चंद देशों में शामिल है जो प्रतिस्पर्द्धी टेंडरों की बोली के मूल्यांकन में ऑफसेट पैकेज की गुणवत्ता को आकलन की कसौटी नहीं बनाते.

दिल्ली की 'इनसाइटीओन कंसल्टिंग' ने हाल के एक 'वारगेम' में पाया कि 1 अगस्त 2012 को जारी ऑफसेट दिशा-
निर्देशों से पहले हुए करारों में जुर्माना करार की अवधि से तय होता था इसलिए गतिरोध तय था क्योंकि दोनों पक्ष लंबे समय तक निष्क्रिय रहते थे. यह भी पाया गया कि 57 करारों में से 50 से ज्यादा करार अभी भी खुले हैं.

इस प्रथा की सीएजी ने 2020 में काफी निंदा की थी और कहा था कि विदेशी वेंडर ठेके हासिल करने के लिए प्रायः ऑफसेट वादे कर लेते हैं और फिर टालमटोल करने लगते हैं. सीएजी ने रफाल सौदे में दासाल्ट एविएशन और एमबीडीए से मिले एक प्रस्ताव का उदाहरण दिया था. उसने कहा था कि 2005 से लेकर मार्च 2018 तक विदेशी वेंडरों के साथ कुल 66,427 करोड़ रु. के 46 ऑफसेट करार किए गए थे. ऑडिटर के मुताबिक, दिसंबर 2018 तक वेंडरों को 19,223 करोड़ रु. के ऑफसेट अदा किए जाने चाहिए थे लेकिन इसके केवल 59 प्रतिशत के बराबर के 11,396 करोड़ के दावे पूरे किए गए.

सीएजी ने कहा,
'इसके अलावा, वेंडरों ने इन ऑफसेट दावों के केवल 48 फीसदी (5,457 करोड़ रु.) को जो पूरा किया उसे मंत्रालय ने स्वीकार किया. बाकी को खारिज कर दिया क्योंकि वे करारों की शर्तों और रक्षा विभाग की उगाही प्रक्रिया के अनुरूप नहीं थे.'

रफाल सौदे में ऑफसेट का होना फ्रांस वालों को भी अचंभित कर दिया. उन्होंने कहा कि यह सरकारों के बीच का सौदा था और इससे पहले ऐसे सौदों पर लागू नहीं था. लड़ाकू विमानों के लिए मूल टेंडर में 50 फीसदी के ऑफसेट की शर्त थी इसलिए भारत सरकार ने सीधी खरीद के लिए इसी शर्त पर ज़ोर दिया.

विवाद निबटारे की संस्था बने

मोदी सरकार ने 2016 में किए गए रफाल सौदे की तरह, सरकारों के बीच के भावी सौदों ऑफसेट को गैर-
जरूरी बना दिया था. अब और ज्यादा कदम उठाने की जरूरत है ताकि मौजूदा करारों को रक्षा मंत्रालय समेत सभी पक्षों की पसंद के मुताबिक पूरा किया जा सके.

आगामी वर्षों में अधूरी देनदारियों में वृद्धि होने वाली है इसलिए ऐसे मामलों को प्राथमिकता दी जानी चाहिए. 'इंसाइटियोन कनसल्टिंग' के संस्थापक राजीव चिब ने कहा कि विरासत में जो गतिरोध की स्थिति मिली है उसमें रक्षा मंत्रालय सप्लायरों को अपनी देनदारियां पूरी करने का एक और मौका देना चाहिए. यह भी सिफ़ारिश की गई कि यह दूसरा मौका नये नियमन/व्यापक नीति रूपरेखा के तहत मिलना चाहिए, जिसमें 'ओरिजनल इक्विपमेंट मैनुफैक्चरर्स' (ओईएम) को ऑफसेट देनदारियां पूरी करने करने की इजाजत हो. यह इजाजत उन प्रावधानों के तहत दी जाए जिनका संकेत रक्षा विभाग द्वारा खरीद की अब तक प्रकाशित किसी प्रक्रिया में दर्ज ऑफसेट प्रक्रियाओं में किया गया है. और इसके लिए रक्षा मंत्रालय विवाद निबटारे की अधिकार संपन्न समिति (ईडीआरबी) का गठन कर सकता है, जिसका नेतृत्व कोई वरिष्ठ नौकरशाह या उद्योग जगत का कोई पेशेवर कर सकता है और इसमें सेना तथा उद्योग जगत के प्रतिनिधि भी शामिल होंगे.

ईडीआरबी का लक्ष्य सभी मौजूदा गतिरोध की स्थितियों को ऐसे समाप्त करना है कि उससे सबसे बेहतर परिणाम हासिल हो. इसमें नये प्रस्ताव की मांग करना और उसे रक्षा मंत्रालय के अंतर्गत 'डिफेंस एक्विजीशन

काउंसिल' के जरिए मंजूरी दिलाना शामिल हो. https://hindi.theprint.in/defence/indias-offset-defence-deal-in-trouble-needs-to-be-reformed/320482/

2. Europe dreams of military power, but NATO's still in charge. India must engage with caution *(theprint.in)* 9 May 2022

Prime Minister Narendra Modi's visit to Paris, Copenhagen and Berlin has been hailed as India's reach out in a post-Russian strategic future in Europe, or engagement with an emerging 'third pole' in international relations. All of it—the visuals with world leaders and the wildly enthusiastic crowds—made for heady viewing back home, and justly so. But a standoff analysis of Europe's independence in defence, a quality so necessary to emerge as a separate centre of power, has not just been absent, but may not emerge anytime in the near future, given ground realities. That, in turn, affects how India and Europe are likely to engage with each other.

Squabbling pax Europa and googly from the US

Europe has long been regarded as an economic powerhouse, but never a grim eyed military power. A dream of 'European defence' flowered briefly in the late 1990's, and then seemed to die out, with, however, continuing flickers of determination. A Franco-German brigade was set up in 1992 that later became the node of a Eurocorps joined by Belgium, Spain, and Luxembourg and held up as the foundation of a European army.

Unkind jokes were made about the brigade, where commands had to be given in five different languages and that used widely different weaponry. Efforts at coordination began again in 2016 and thereafter with the wonderfully detailed Coordinated Annual Defence Review putting forward at least 55 areas of possible defence cooperation and coordination between States. Other efforts followed like the Permanent Structured Cooperation (PESCO), and the launch of the European Defence Fund (EDF). But the end result? Nothing much.

The blame does not rest with the Europeans alone, however riven by national divisions and a flatulent bureaucracy. The United States, and by extension the United Kingdom, did everything possible to sabotage such an effort. For Washington, the spotlight was always on the North Atlantic Treaty Organization (NATO) and constant demands that Europe 'do more' to contribute to this, than follow independent initiatives. Besides, the US remained suspicious of France, as the major—and some say the only—independent nuclear power in Europe.

Paris always saw itself in a leadership role, with even President Emmanuel Macron being a protagonist of a European defence identity. That idea resurfaced after the ignominious withdrawal from Afghanistan when European powers were not even consulted by Washington. By September 2021, European Commission President Ursula Van der Leyen was calling for the EU to take up role missions that did not include NATO and the United Nations and announced an EU defence summit in France. NATO's Secretary General Jans Stoltenberg almost immediately 'warned' against such a move and duplication of structures, especially since Von Der Leyen also called for a Joint Situational Awareness Centre in the EU, shared intelligence, and improved defence production. The European Commission reacted to this with a whole roadmap on all this, notably observing the need for coordinating "where possible", with the US and NATO. Washington probably had a fit. In the event, the move was incredibly timed. Barely ten days later, Russia invaded Ukraine.

Europe in shock and trouble ahead

Shocked out of its apathy, the European Defence Summit must have been a sober event. Yet it was convened only as an 'informal meeting' of the Heads of State and Government on 11 and

12 March. The Joint statement noted the ‘tectonic’ shift in European history, declared that it would consider speedily Ukraine’s application to join the EU (made four days after the Russian attack) and provided directions on defence that were far more specific than before. They agreed to increase defence expenditures, with a significant share for investment in strategic shortfalls investments; develop capabilities for the full range of missions and operations, including cybersecurity and space-based connectivity; and inter alia fostering of synergies between civilian, defence and space research—much of this to be done collaboratively. It also agreed on measures to strengthen Small and Medium Enterprises (SMEs) in defence. And the key sentence? That a stronger EU “is complementary to NATO, which remains the foundation of collective defence for its members”. European defence identity again seemed to wither away as the threat won over opportunity.

Following Ukraine, several countries have declared an increase in the defence budget. The most astonishing turnaround was Germany’s pledge to ramp up defence spending in 2022 alone by €100 billion ($112 billion), taking this from 1.53 per cent of the GDP to above 2 per cent; (incidentally, the target set by NATO months ago). Six others followed with commitments of a total of $33 billion so far. More are expected to follow. All this is for the good of the European defence industry. The trouble is its wide dispersal and uneven size.

An analysis indicates that while the UK, France and Italy dominate the market, there are some 1350 small SMEs unevenly spread across the region. Germany’s defence industry has been lagging with even industry giants like Rheinmetall finding the going tough and a public disinterested in their activities. Besides, apparently huge ‘European’ giants like Boeing Aerospace have a huge chunk of US investment. Smaller countries moreover, are unlikely to benefit much from the jump in defence spending and will look to the European Defence Fund, pegged recently at 7.9 billion euros, for aid. This has two lines of funds, one for collaborative defence research (up to €2.6 billion), and the other for those collaborations complementing national contributions (up to €5.3 billion).

The fund will subsidise projects carried out by at least three operators from three different Member States. That sounds good, but first, the amount is not a lot. For a relative understanding, consider that the US budget for this year is 764.2 billion euros and its allocation for the European Deterrence Initiative—which aims to shore up its capabilities here—is $4 billion. In addition, as even the most optimistic analysts note, apart from the sheer bureaucracy involved, competing national priorities, sovereignty issues, and, most of all, differing perceptions of threat, make successful defence planning, let alone coordinated production, an extremely difficult task. Simply put, it hasn’t happened so far, and it does not look that great for the future.

Existing capabilities

Ahead lies the task of shoring up the EU national armies, now in a state of virtual inertness. The Bundeswehr, for instance, has been chronically underfunded with experts noting “lack of tents, body armour and winter clothing…as well as units having to use unsecured mobile phones to communicate during a NATO exercise due to a lack of radios”. The Luftwaffe suffers not just from a shortage of guided missiles, but low pilot training of only 140 hours per year—40 below the NATO standard—due to funding issues. Then the Germans also need to change their rules of engagement as do the others. Germany is honed only for defence, with its version of the Eurofighter planes, for instance, only configured for air-to-air operations. Others have similar problems. An exhaustive report observes severe fragmentation and protectionism resulting in a “patchwork” of national forces of low readiness. When European nations have gone to war—and that includes France in the Sahel—it is the US that often provides critical support. This low state of readiness is now sought to be remedied, which means that European defence output will be largely reserved for Europe itself. Rheinmetall, for instance, has been tasked with quickly providing whatever it has in stock for German defence.

The sum of all this is probably seen in the various joint statements signed during the Modi visit. All—barring that of France—has a preponderance of green initiatives, energy and other topics, but relatively little on defence. Certainly, both Germany and France have committed to co-production and R&D. Hopefully, the dismal case of both countries pulling out of the long-awaited Project 75, due in a large part to flawed Request for Proposals parameters, will lead to a honing of the Indian Ministry of Defence procedures, and a directed effort to bring in Armed Forces expertise into this process. Consider a Comptroller and Auditor General report that no technology transfer took place despite contractual clauses, at least till 2020.

Clearly, a lot needs to change. Apart from urgently needed domestic reform, this seems a good time for India to engage in co-production with European countries, even as they expand their industry. Keep in mind, however, that production lines will be primarily aimed first at Europe's own dire needs, assuming that they do follow all their declared 'roadmap'. On the other hand, if it does not, any expectation of Europe rising as a 'third pole' is doomed to failure.

As of now, the threat has led to Europe once again leaning on the broad shoulders of the US, which, in turn, means that the world in terms of technology sharing and joint production remains within existing parameters as laid down by the US. In such a situation, one might just ask, Vodka anyone? https://theprint.in/opinion/europe-dreams-of-military-power-but-natos-still-in-charge-india-must-engage-with-caution/948252/

3. Will speeds of Indian trains ever increase? *(dailypioneer.com)* 7 May, 2022

IR has only a small stretch of track and allied infrastructure between Delhi and Agra which is fit for trains to run at 160 km/h.

Development of Train 18 — Vande Bharat Express — the first semi-high-speed trainof Indian Railways (IR), and subsequent announcement of its large-scale proliferationwith 400 rakes in three years, raised the hope that India would soon have a sizeable sector of such trains. The semi-high-speed sector is ill-defined but in the Indian context, stuck as we are in the mail/express train speed range of 110 to 130 km/h for decades, it would mean passenger train operation in the speed range of 160 to 200 km/h.

The reality, however, is far-removed from the hope. IR has only a small stretch of track and allied infrastructure between Delhi and Agra which is fit for trains to run at 160 km/h.IR has been talking about running coaching trains at 160km/h speed for more than five decades since 1960s and the timeline for achieving the number of times has been revised, embarrassingly, on several occasions. IR's flagship trains, Rajdhanis and Shatabdis continue to ply at the same maximum speeds up to 130 km/h since their induction.

Another important aspect which is perhaps as important, if not more, than the maximum speed of operation is the average speed of trains. It calibrates the capacity of IR to run passenger trains consistently at a good speed. Comptroller and Auditor General of India recently tabled a report in parliament, berating IR for not making any perceptible improvement in the running speed of mail/express trains despite spending a significant amount of `2.5 lakh crore on track infrastructure between 2008 and 2019. The report stated that the average speed of such trains in 2019-20 was only 50.6 km, which is less than per cent higher than what was registered a decade back. IR has talked about 'Mission Raftaar' since 2016-17, which envisaged raising the average speed of these trains from 50 kmph to 75 kmph by 2021-22. While the target has been missed by a mile, there appears to be no hope of achieving an average speed of even 60 Km/h in near future.

A project to increase the maximum speed of operation to 160 km/h on Delhi-Howrah and Delhi-Mumbai section is in hand for some years. While the declared target date of completion is March 2023, the project is not likely to see completion by then, or even by 2024. IR must look at its strategy closely as such default indicates some gaps in planning, financing and execution.

Let us see this in global perspective. There are more than 20 countries where passenger trains run at a speed of 200 kmph or more; there aremany countries which have achieved this by upgrading their existing track, allied infrastructure and rolling stock, including tilting, to raise average and maximum speeds to the range of 150 and 225 kmph respectively; but after the fiasco of the Talgo train trial drama, this may be a distant dream for IR. This is evident since so far as IR has not even formulated the guidelines for construction and maintenance of assets for speed beyond 160 kmph, although R & D arm of IR, RDSO was assigned the task more than three years ago.

A glance at the time table published by the IR (for period July 2019-June2020) shows that even for train like Vande Bharat, Tejas & Shatabdi expresses on different routes, there is a vast difference in actual average speeds. While the highest average speed is only 96 Kmph for Varanasi-New Delhi Vande Bharat, it is as low as 53 Kmph for Dehradun and Kathgodam Shatabdis. This is mainly on account of various permanent and temporaryspeed restrictions and operational factors like number of halts & time allowances provided in the time table for planned maintenance works and unforeseen incidents. Unless these impediments are removed in a time-bound manner, merely increasing the maximum speed will provide only limited advantage in terms of overall reduction in travel timein spite of prohibitive capital expenditure.

The average speeds remain low even with induction of more powerful locomotives also because of differential speeds of various trains as all of them, including freight trains, share the same track with curves on which speeds are regulated and the maximum speeds are achieved only for a small time in a run. The impact of laying flatter horizontal curvatureonaverage speeds is evident from the experience of Mumbai and Madgaon section of Konkan Railway which was originally built for 160 kmph speed potential with flatter curves and hardly any permanent speed restrictions;on this section, Tejas express is able to achieve an average speed of 85 kmph in spite it being non-electrified single line.

With multiple objectives of speed and capacity, IR sanctioned the project to increase the speed to 160 kmph on New Delhi-Howrah and New Delhi-Mumbai Central routes, to be completed by March 2023, at a cost of about 17000 cr. The scope of the project includes fencing, Automatic Train Protection System, Mobile Train Radio Communication and automated and mechanised diagnostic systems. Major portion of 17000 cr is planned thorough institutional financing (about `16000 cr) and till March 2020, no expenditure has been incurred. In addition, the cost of removal of all level crossings, is funded separately. Under the circumstance, completion of these two works by end of this fiscal looks too far-fetched and there is a high risk of severe cost and time overruns.

It is conceivable that once this infrastructure is put in place, the maximum speed capability of Train 18 type rolling stock can be increased to 200 kmph with minor inputs from IR engineers themselves. As for increase in average speeds, IR should try out tilting in some Train 18s to assess its reliability in the Indian environment.

With the fillip given in recent years to construction of expressways, improvements in designs and comfortable speeds of cars, affordability of modern tourist taxis and higher penetration of air travel, IR will find it difficult to even retain its present share of passenger traffic. If the travel time of inter-city Shatabdi type day trains is not reduced by increasing the average as well as maximum speed, rail travel may no longer offer a significant journey time advantage over road, beset as it is already with an extra travel time to and from the station. Readers would recall that Mumbai-Pune Shatabdi express had to be discontinued because of poor patronage after the commissioning of Mumbai-Pune expressway. Similarly, unless the travel time of Rajdhanis is reduced drastically, making services like New Delhi to Mumbai and Howrah truly overnight, similar scenario may emerge after completion of new expressways.

It is obvious that irrespective of the road quality, a Ferrari will run only with the speed of an auto-rickshaw in Chandni Chowk; for the same reason, if IR is genuinely serious to run semi-high-speed trains on existing tracks, with a decent average speed, say around 120 km/h, then the whole eco-system needs a relook; improvements in rolling stock, particularly on reducing the gap between freight and passenger train speed, time-tabled running of goods trains, reliability of assets and completing the two projects of 160 kmph, without many permanent speed restriction, expeditiously.

With a young and dynamic minister in charge of Railways, the time to act is now. https://www.dailypioneer.com/2022/columnists/will-speeds-of-indian-trains-ever-increase-.html

4. Wrong trees in wrong places wastes tree plantation budget, finds study *(india.mongabay.com)* May 6, 2022

-Nature-based solutions, such as large-scale forest restoration, to mitigate climate change, can fail if the wrong trees are planted in the wrong places, leading to financial losses.

-In Himachal Pradesh, nearly 40% of afforestation spending was going to places that already had moderate or high tree density, whereas only 14.1% of spending was targeted at areas with low tree-density likely to be degraded forests having high reforestation potential.

-With India’s climate mitigation strategy pivoted on the land and forest sector, critics have suggested a forest rights-centric strategy for a just climate change action plan that doesn’t burden forest-based communities.

-To know more about the study analysing expenditure in tree plantations in Himachal Pradesh, explore the map below.

For every dollar that goes into tree plantation programmes, at least half is wasted, according to an analysis of tree planting data in India’s Himachal Pradesh. The study sheds light on the trend of planting the wrong trees in the wrong places. Researchers say that for India to achieve climate goals through forest restoration, “substantial changes” in the design and implementation of forest restoration programmes are needed.

“Many of the tree plantings we studied in this paper in Himachal are poorly designed for meeting India’s climate mitigation goals. Our analysis also indicates that in Himachal, the forest department is not able to locate favourable sites for tree planting,” US-based study co-author Forrest Fleischman, Department of Forest Resources, University of Minnesota, told Mongabay-India.

“While there may be a number of reasons for this, one important reason may simply be that land that is not currently forested is often not suitable for the kinds of forest restoration envisioned when large-scale tree planting programmes are designed. Put in other words, there may not be space in Himachal for all the trees that the government wants to plant there,” adds Fleischman.

The projections are based on a machine learning model that factors in location data and detailed budgetary records of 2024 plantations for 2016–2019 in the Himalayan state. The projections also estimate that in the next 10 years, Himachal in a business-as-usual scenario, will spend $100 million (approximately Rs. 75 crores) on trees that are unlikely to survive, said Fleischman.

A closer look by study co-authors reveals the gaps in afforestation programmes that need to be plugged in India to make them cost-effective and sustainable: sites that are not suited to growing more trees, lack of engagement with forest-dependent communities, and a programme design that isn’t amenable to local biophysical (living and non-living components in the surroundings) and social contexts.

Tree plantations in Himachal Pradesh and why they could go waste.
Tree planting is widely promoted as a natural solution to restore forests and absorb carbon from the atmosphere. India places heavy emphasis and budgets on tree planting in its global climate change goals. But how effective will tree plantations be?

“On the ground, you find several such examples of wasteful expenditures and ghost plantations. There are several documented instances of wasteful expenditures and low survival rates of plantations in compensatory afforestation, including the 2013 report by the Indian government’s Comptroller and Auditor General which strongly said plantations do not survive in unsuitable sites (example: teak plantations in Chhattisgarh’s Hardi),” explained forests rights activist and researcher Tushar Dash, who was not associated with the Himachal Pradesh study.

The CAG report also mentions “substandard plantations” in Bihar’s Jamui division, where the survival rate of the plantation was 50% compared to the desired 80% rate in the first year, which was mainly attributed to insurgency-related challenges and bushes covering the new plants in the site, leading to a futile exercise carried out at an expense of Rs. 2.3 million.

An assessment of carbon claims of two forest carbon projects in Himachal (financially supported by the World Bank) and Haryana (jointly funded by the European Union and the state forest department) by Ashish Aggarwal, an associate professor of business sustainability at the Indian Institute of Management (IIM), finds that both projects had sequestered only 37% (Haryana) and 3% (Himachal) of the estimated amounts of carbon. Only the Himachal project could earn 38% of the projected credits.

Costs related to the projects were very high as well, indicating that forest carbon projects give mixed results and a nuanced understanding is needed as opposed to the 'big and cheap' narrative. Poor survival and growth of plantations contribute to the mixed results. "There are many reasons for poor survival and growth such as wrong selection of land parcels (using community pastures for plantations) and species (pine being the species of choice which local people don't like as it does not let grass grow), lack of community participation, poor management etc.," Aggarwal told Mongabay-India.

"Forest carbon projects in their current form are not socially and economically viable as these have high transaction costs and adversely impact the livelihood of local people. These need to be reconsidered and redesigned," Aggarwal added.

Where does the money go?

In Himachal's case, as the study points out, currently nearly 40% of afforestation spending ($2.6 million) of the total $5.67 million of tree plantation budget, was going to places that already had moderate or high tree density, such as Chargati. "This would have made sense if the goal was to enhance biodiversity and you would need more tree species but most of the plantations had trees of a few species," said study co-author and a serving Indian Forest Service officer Pushpendra Rana.

About 48% of spending to plant trees ($2.7 million), focused on non-forest unproductive areas such as Killar on the gorge of the Chenab river. "In the Himalayan context, these areas are snow mountains and desert areas where the environmental conditions act as natural barriers to growing trees," said Rana.

Another chunk of the tree plantation budget (33% or $1.86 million) was dedicated to forests with extensive southern exposure, such as in Behnota, where dryness is likely to limit growth. "These areas receive direct sun through most of the year and these areas are dry. The shadow area in contrast has moisture for trees to grow," he adds.

As much as 28.9% of spending ($1.64 million) was directed at undemarcated forests where land tenure is particularly contested. Contested land tenure is likely to lead to conflicts with local communities that may lead to tree cover loss. "It is not clear if there is community buy-in, by contrast, only about 1% of spending went to established community-managed forests." In contrast, only 14.1% of spending is likely to yield results because these were in areas of low-density forest (density between 10 and 40%), which are likely to be degraded forests having high reforestation potential.

India's Nationally Determined Contribution to the Paris Agreement targets creating an additional carbon sink of 2.5-3 billion tonnes of carbon dioxide equivalent by boosting forest and tree cover. India aims to bring 33% of its geographical area under forest cover by 2030 to fulfill its international commitments.

However, there is skepticism about the pathways to the targets. For example, a recent study said that climate mitigation, by creating additional carbon sinks through forest restoration and agroforestry, would meet less than a quarter of India's Paris Agreement 2015 goals in the land-use, land-use change and forestry category (LULUCF).

"The target which is the sole claim now for climate mitigation is not based on science. The so-called nature-based solutions which inform the NDCs and on the basis of which India has made commitments at the Glasgow conference and even the Paris Agreement, have no scientific basis. And the massive plantations that are going on now are leading to wasteful spending and introducing socio-economic and rights-related conflicts in tribal and forest dwellers," Dash explained, citing his research with colleagues which proposes a Forests Rights Act-based climate action plan with the recognition of rights of forest-dwelling communities and community-led governance as an integral part of action plans and strategies to address climate change.

Noting the Indian government's increased reliance on the LULUCF category for climate mitigation (15% of overall mitigation action), Dash pointed out that this indicates that the government doesn't want to mitigate in the coal and other mining sectors but it is trying to shift the entire climate mitigation model to land and forest sector using the approach of tree plantations which is flawed and this model creates problems for the indigenous and forest-based communities.

IFS officer Mohan Chandra Pargaien, who was not associated with the studies, told Mongabay-India that though all tree planting programmes help to meet the challenges of carbon sequestration and climate change, any massive programme needs careful analysis of local ecological and social aspects and formulation of suitable strategies accordingly for its successful implementation.

"In case any programme is lacking in these essential prerequisites we need to take corrective actions duly incorporating desired interventions," Pargaien said.

Verifying afforestation potential

Asked about a checklist on tree plantations that forest managers could use to verify afforestation potential, Fleischman says, if a plot of land is not currently forested, or if the forest quality is poor or inappropriate, the first thing the forest manager needs to ask is what is the reason why there is no forest here.

"Once the reason for the lack of forest is identified, the second question to ask is whether this condition leading to a site not being a forest can be addressed without causing undue harm. Some sites lack forests because they are ecologically inappropriate (for example, natural grasslands) and should not be planted. Other sites lack forests because people are using the land as farmland or grazing land, or simply harvesting wood products intensively," he observed.

On these sites, it is likely necessary to first understand how these demands for land use can be decreased (for example, by providing alternative grazing land) in order to ensure that the site can be reforested.

"Once the social and ecological drivers of a lack of forest are understood, we need to ask what the goal or desired future condition of the site is. Is there a desire to produce commercial or subsistence-oriented forest products or restore natural vegetation? Is the objective to improve hydrologic functions or provide wildlife habitat?"

Once the goal is identified, forest managers should identify the lowest cost way to achieve this goal.

“Oftentimes tree planting will be necessary, for example, if a specific species of tree is needed, or if seeds aren’t present in the area. However, just as often it may turn out that local seeds are present on the site, and what is needed to achieve the goal is not tree planting but protecting those seedlings from grazing or fire through fencing or other means of protection. Since tree planting is expensive, it should be avoided whenever the expense is not necessary to achieve the desired future,” said Fleischman.

Apart from factors like quality seedlings and selection of planting site, selection of species, time of planting and post-planting care are equally important. In the Indian context having people depend on forests for their various needs and necessities; the active involvement of forest-dependent communities with adequate incentivisation is an additional aspect that helps to ensure the success of a plantation, added Pargaien.

There are robust systems of monitoring tree planting that exist in almost all state forest departments ranging from detailed documentation through plantation journals to locally modified technology-based systems followed by frequent field inspections by various officers. These mechanisms not only provide full data on expenditure but also provide insight into the growth of plantations,” Pargaien said. https://india.mongabay.com/2022/05/wrong-trees-in-wrong-places-wastes-tree-plantation-budget-finds-study/

5. कैग ने शिक्षा विभाग में पकड़े घपले तो घोटाले दबा रहे हैं अफसर, जानें मामले *(livehindustan.com)* 09 May 2022

देहरादून। महालेखाकार (कैग) की आडिट रिपोर्ट में पकड़ी गई लापरवाहियां, धांधली और वित्तीय अनियमितता के मामलों में शिक्षा विभाग के अफसरों से जवाब देते नहीं बन रहा। ऑडिट रिपोर्ट में पाई गई 443 विभिन्न मामलों में अधिकार आधों का भी जवाब दाखिल नहीं कर पाए। समग्र शिक्षा अभियान में तो हालत और भी बुरी है।

चार महीनों के बाद भी 173 विभिन्न मामलों में केवल 96 मामलों में ही कार्रवाई की रिपोर्ट मिल पाई है। चमोली, चंपावत, देहरादून, रुद्रप्रयाग और उत्तरकाशी के जिला परियोजना अधिकारियों ने एक भी मामले में अनुपालन रिपोर्ट अब तक नहीं दी। डीजी-शिक्षा/ एसपीडी-समग्र शिक्षा अभियान बंशीधर तिवारी ने एक बार फिर से अधिकारियों को कड़ा पत्र भेजते हुए कार्रवाई के लिए चेताया है।

महालेखाकार की ऑडिट रिपोर्ट शिक्षा विभाग के लिए गले की फांस बन चुकी है। जहां महालेखाकार ने ऑडिट आपत्तियां का जवाब न दिए जाने पर नाराजगी जताई है। वहीं, सचिव, महानिदेशक और निदेशक के तमाम निर्देशों के बावजूद जिलास्तरीय शिक्षा अधिकारी आपत्तियां का जवाब देने में रुचि नहीं ले रहे।

यह है मामला

पिछले पांच साल में महालेखाकार ने शिक्षा विभाग में 443 ऐसे मामले पाए हैं, जिसमें अफसरों ने विभाग को आर्थिक चूना लगाया है या लापरवाही के कारण शिक्षा की गुणवत्ता प्रभावित हुई है। महालेखाकार के निर्देश के बावजूद शिक्षा विभाग ने मामले में कार्रवाई नहीं की। माध्यमिक शिक्षा निदेशक और डीजी ने महालेखाकार की नाराजगी को देखते हुए जिला स्तरीय अधिकारियों से सभी मामलों में तत्काल रिपोर्ट देने के निर्देश दिए हैं। दिसंबर 2021 से लगातार जांच रिपोर्ट मांगी जा रही है, लेकिन कार्यवाही की रफ्तार बेहद धीमी है।

अधिकारियों को 18 मई तो सभी रिपोर्ट देनी होंगी। रिपोर्ट देने में विलंब होने पर यदि शासन और महालेखाकार के स्तर से कोई कार्रवाई होती है तो उसके लिए संबंधित जिला परियोजना अधिकारी खुद जिम्मेदार होंगे। बंशीधर तिवारी, डीजी-शिक्षा/एसपीडी-एसएसए https://www.livehindustan.com/uttarakhand/story-cag-caught-scams-in-education-department-officers-are-suppressing-scams-6462140.html

6. जानिए नोएडा-गाजियाबाद की जमीन कैसे कुछ अफसरों के लिए सोना उगलती गई *(navbharattimes.indiatimes.com)* 7 May 2022

गाजियाबाद: दिल्ली-मेरठ एक्सप्रेसवे (Delhi Meerut Expressway) के जमीन अधिग्रहण मुआवजे में घोटाला के मामले ने एक बार फिर प्रशासनिक अधिकारियों के स्तर पर होने वाले खेल को उजागर किया गया है। आईएएस निधि केसरवानी (IAS Nidhi Kesarwani) के इस मामले में यूपी सरकार की ओर से निलंबन का आदेश जारी किए जाने के बाद से माहौल गरमा गया है। गाजियाबाद के पूर्व डीएम विमल शर्मा भी इस मामले में फंसते हुए दिख रहे हैं। इन तमाम मामलों ने एनसीआर में चलने वाले खेल को सामने ला दिया है। गाजियाबाद और नोएडा अथॉरिटी (Noida Authority) में जिस प्रकार से नए क्षेत्रों में शहरीकरण की रफ्तार बढ़ी, उसने प्रशासनिक पदाधिकारियों के सामने कमाई के रास्ते खोले। जमीन सबसे बड़ा कमाई का जरिया बना। गाजियाबाद (Ghaziabad) और नोएडा में जमीन अधिग्रहण और उसके आवंटन का खेल ऐसे खेला गया कि एनसीआर के इस इलाके को नोटों की फैक्ट्री माना जाने लगा। इस फैक्ट्री के लाभुकों की सूची लंबी होती जा रही है। निधि केसरवाली से लेकर यादव सिंह (Yadav Singh) तक मामला एक सूत्र में जुड़ता दिखता है।

निधि केसरवानी पर अधिक मुआवजा भुगतान का आरोप

निधि केसरवानी पर आरोप है कि उन्होंने दिल्ली मेरठ एक्सप्रेसवे के तय किए गए अवॉर्ड राशि से छह गुना अधिक मुआवजा का भुगतान किया । जबकि तत्कालीन डीएम विमल कुमार शर्मा ने अवॉर्ड राशि से दस गुना तक अधिक मुआवजा दिया। भूमि अधिग्रहण में मुआवजे के भुगतान में अधिकारियों ने 20 करोड़ रुपये से अधिक का भ्रष्टाचार का खेल खेला गया। अधिकारियों का कहना है कि एक्सप्रेसवे के भूमि अधिग्रहण में नाहल, कुशलिया, डासना और रसूलपुर सिकरोड़ क्षेत्र की जमीन अधिग्रहण में भ्रष्टाचार का खेल हुआ था। वर्ष 2011-12 में 71.14 हेक्टेयर जमीन का अधिग्रहण किया गया था। 2013 में यहां अवॉर्ड घोषित किया गया था।

2016 में क्षेत्र के 23 किसानों ने मंडलायुक्त से शिकायत की थी। उनका कहना था कि उनकी जमीन एक्सप्रेसवे में अधिग्रहित की गई है, लेकिन उन्हें मुआवजा नहीं मिला है। तत्कालीन मंडलायुक्त प्रभात कुमार ने अपने स्तर पर जांच कराई। जांच में इस खेल का पता चला। तत्कालीन मंडलायुक्त ने सितंबर 2017 में जांच रिपोर्ट शासन को भेज दी। रिपोर्ट में दो आईएएस अधिकारी और एक पीसीएस अधिकारी के शामिल होने की बात कही गई। अब उस पर कार्रवाई हुई है। जमीन अधिग्रहण में करोड़ों के खेल का मामला नया नहीं है।

जांच के बाद अड़ंगा लग जाने से दिल्ली-मेरठ एक्सप्रेसवे का करीब छह किलोमीटर का निर्माण अटक गया था। डासना, कुशलिया, नाहल और रसूल

पुर सिकरोड गांव में करीब 19 हेक्टेयर जमीन का अधिग्रहण मामला अटकने से प्रशासन को काफी फजीहत झेलनी पड़ी। इसमें से छह एकड़ जमीन दिल्ली-
मेरठ एक्सप्रेसवे में जानी थी। प्रोजेक्ट में छह माह की देरी को अधिकारियों के स्तर पर किए गए भ्रष्टाचार से जोड़कर देखा गया।

एडीएम की पत्नी पर भी लगे हैं आरोप

दिल्ली मेरठ एक्सप्रेसवे और ईस्टर्न पेरिफेरल एक्सप्रेसवे के भूमि अधिग्रहण मामले में दो पूर्व डीएम के साथ-
साथ निचले स्तर के पदाधिकारियों पर भी भ्रष्टाचार के आरोप लगे हैं। पूर्व एडीएम लैंड एक्विजिशन घनश्याम सिंह और अमीन संतोष कुमार के खिलाफ निलंबन की कार्रवाई हो चुकी है। उन पर आरोप है कि धारा 3डी की अधिसूचना जारी होने के बाद एडीएम के बेटे और अमीन की पत्नी ने किसानों की जमीन की खरीद कराई। कुछ माह इस जमीन को चार से पांच गुना अधिक जाम पर बेचा गया। घनश्याम सिंह के बेटे शिवांग राठौर ने 30 सितंबर 2013 को 1582.18 रुपये प्रति वर्ग मीटर की दर से नाहल और कुशलिया गांव में किसानों से जमीन खरीदी। इसी जमीन को उन्होंने गाजियाबाद के डीएम विमल कुमार शर्मा की मध्यस्थता में 5577 रुपये प्रति वर्गमीटर कर दी।

शिवांग ने 1.78 करोड़ का निवेश कर 9.36 करोड़ रुपये एनएचएआई से वसूले। अमीन की पत्नी लोकेश बेनीवाल के माध्यम से 3.54 करोड़ रुपये का निवेश किया और उस जमीन को 14.91 करोड़ रुपये में बेचा। इस पूरे खेल में अधिकारियों की शह होने से इंकार नहीं किया जा रहा है।

नोएडा अथॉरिटी में 58 हजार करोड़ का घोटाला

नोएडा अथॉरिटी को लेकर वर्ष 2021 में आई सीएजी रिपोर्ट में 58 हजार करोड़ रुपये के घोटाले का खुलासा हुआ। सीएजी ने यूपी विधानसभा में वर्ष 2005 से 2017 के बीच की रिपोर्ट कोर्ट में पेश की थी। इसमें साफ कहा गया कि नोएडा में जमीन आवंटन में बड़े स्तर पर गड़बड़ी की गई। रिपोर्ट के मुताबिक, 67 हाउसिंग ग्रुप के लिए नोएडा अथॉरिटी ने जमीन आवंटित की। इसमें 113 प्रोजेक्ट शामिल किए गए। सीएजी ने हैरानी जताई थी कि इसमें से 71 प्रोजेक्ट या तो अब तक अधूरे हैं या फिर बने ही नहीं।

प्रोजेक्ट के तहत 1.30 लाख फ्लैट का निर्माण होना है। इनमें 44 फीसदी फ्लैट के पजेशन पेपर ही नहीं हैं। इस कारण प्रोजेक्ट में हजारों परिवारों की जमा पूंजी फंसी हुई है। सीएजी रिपोर्ट में जिक्र किया गया है कि 2005 से 2017 के बीच नोएडा में आवंटित जमीन का 79.83 फीसदी केवल तीन कंपनियों को आवंटित किया गया है। वेव, थ्री सी और लॉजिक्स ग्रुप पर 14,958 करोड़ का बकाया होने के बाद भी नई जमीनों का आवंटन किया गया। इसमें नोएडा अथॉरिटी के अधिकारियों की संलिप्तता का पता चलता है।

सीएजी रिपोर्ट में बताया गया कि अधिकारियों ने बिल्डर को लाभ पहुंचाने के लिए राजस्व विभाग को करीब 13,000 करोड़ रुपये का नुकसान पहुंचाया है। बड़े बिल्डरों ने अथॉरिटी से भूखंड खरीद कर उसे छोटे बिल्डरों को बेचा और जमकर मुनाफा काटा। जमीन के आवंटन में आरक्षित मूल्य के विकास मानदंडों को नजर किया। इस कारण 13,967 करोड़ की वसूली लटक गई।

नीरा यादव को भी हो चुकी है सजा

यूपी की पूर्व मुख्य सचिव नीरा यादव और पूर्व आईएएस राजीव कुमार को भी नोएडा के बहुचर्चित भूमि आवंटन घोटाले में दोषी पाया गया था। 1995 के नोएडा प्लॉट आवंटन घोटाले के दौरान नीरा यादव नोएडा

अथॉरिटी में सीईओ थीं। राजीव कुमार उस समय अथॉरिटी में डिप्टी सीईओ के पद पर तैनात थे। दोनों प र प्लॉट आवंटन में अनियमितता बरतने और खुद एवं परिजनों को लाभ पहुंचाने का आरोप लगा। 1971 बै च की आईएएस नीरा यादव को लगे आरोपों पर सीबीआई कोर्ट ने तीन साल की सजा सुनाई थी। राजीव कुमार को भी इतनी ही सजा मिली। तीन साल की कैद और एक लाख रुपये जुर्माना की सजा को उन्होंने सुप्रीम कोर्ट में चुनौती दी थी। उन दोनों की सजा घटाकर सुप्रीम कोर्ट ने दो साल कर दी थी।

अजनारा सोसाइटी के मामले ने माहौल गरमाया

नोएडा के सेक्टर 74 स्थित ग्रैंड अजनारा हेरिटेज सोसाइटी का मामला सामने आया है। वर्ष 2020 में बिल्डर की मनमानी की शिकायत लोगों ने की। इसके बाद भी नोएडा अथॉरिटी की ओर से कार्रवाई नहीं की गई । पूरे मामले से लोगों ने यूपी सरकार को अवगत कराया। इसके बाद डीएम सुहास एलवाई ने सरकार के आदेश के बाद नोएडा अथॉरिटी को पत्र भेजा। इस पर कार्रवाई शुरू हुई। अभी अजनारा बिल्डर को आवं टित 25 एकड़ जमीन के आवंटन रद्द करने का मामला गरमाया हुआ है। आवंटित जमीन के बदले जमीन या पैसे नहीं चुकाने के मामले में कार्रवाई हुई है। इस मामले में भी अथॉरिटी के पदाधिकारी दोषी माने जा रहे हैं।

यादव सिंह का मामला भी खासा रहा है चर्चित

नोएडा अथॉरिटी के चीफ इंजीनियर रहे यादव सिंह का मामला खासा चर्चित रहा है। यूपी में चाहे किसी की सत्ता रहे, यादव सिंह का सिक्का चलता था। लेकिन, यादव सिंह पर इनकम टैक्स का शिकंजा कसता ग या। नोएडा अथॉरिटी और अखिलेश यादव सरकार ने उस समय कोई कदम नहीं उठाया था। बाद में जांच सीबीआई को सौंपी गई। सीबीआई ने उन्हें 3 फरवरी 2016 को गिरफ्तार किया तो पूरा मामला खुलकर सामने आया। यादव सिंह 900 करोड़ की संपत्ति के मालिक बताए गए थे। छापेमारी में 2 किलो सोना, 100 करोड़ के हीरे,
10 करोड़ रुपये नकद और अन्य दस्तावेज उनके यहां से बरामद किए गए थे। महज 12 लाख रुपये साला ना की सैलरी पाने वाले यादव सिंह और उनका परिवार 323 करोड़ की चल-
अचल संपत्ति का मालिक कैसे बना, तो इसका सीधा जवाब था नोएडा अथॉरिटी के भ्रष्टाचार के खेल से।

नोएडा और यादव सिंह दोनों एक साथ आगे बढ़े थे। वर्ष 1976 में नोएडा अथॉरिटी का गठन हुआ और न या शहर बसाने के लिए भर्ती प्रक्रिया शुरू हुई। डिप्लोमा धारी इंजीनियर यादव सिंह की यहां नौकरी लग गई। वर्ष 1995 तक यादव सिंह ने दो प्रमोशन हासिल किए। जूनियर इंजीनियर से असिस्टेंट इंजीनियर और फिर प्रोजेक्ट इंजीनियर बन गया। डिप्लोमा धारी को प्रोजेक्ट इंजीनियर बनाने का मामला कोर्ट पहुंच गया। वहां से उसे तीन साल में इंजीनियरिंग डिग्री हासिल करने की हिदायत मिली। राजनीतिक सरपरस्ती में या दव सिंह का बाल बांका नहीं हुआ।

आयकर विभाग ने यादव सिंह के खिलाफ आय से अधिक संपत्ति के मामले में गाजियाबाद और दिल्ली के 20 ठिकानों पर छापा मारे थे। आयकर विभाग ने खुलासा किया था कि यादव सिंह ने मायावती सरकार के दौरान अपनी पत्नी कुसुमलता, दोस्त राजेन्द्र मिनोचा और नम्रता मिनोचा को डायरेक्टर बनाकर करीब 40 कंपनी बना डाली। कोलकाता से बोगस शेयर बनाकर नोएडा अथॉरिर्टी से सैकडों बड़े भूखंड खरीदे। बाद में उन्हें दूसरी कंपनियों को फर्जी तरीके से बेच दियया। मायावती राज में यादव सिंह पर 954 करोड़ रुपये के जमीन घोटाले के आरोप लगे थे। फिर भी 60 कंपनियां बनाने वाले यादव सिंह का कुछ नहीं हुआ।

सुपरटेक का खेल, अब ट्विन टावर तोड़ने की तैयारी

नोएडा अथॉरिटी के अधिकारियों का खेल खूब चला। सुपरटेक ट्विन टॉवर इसका उदाहरण है। सुप्रीम कोर्ट के आदेश पर नोएडा विकास अथॉरिटी की दोनों एसीईओ की कमेटी ने सुपरटेक मामले में तीन बिंदुओं पर जांच की। पहले बिंदु के रूप में वर्ष 2009 में मानचित्र में बदलाव पर पूछताछ हुई। दूसरे बिंदु के रूप में वर्ष 2012 में मानचित्र में हुआ बदलाव और तीसरे बिंदु में इस परियोजना से जुड़ी जानकारी आरटीआई के जरिए न देने की जांच हुई। इन तीनों बिंदुओं पर प्राधिककरण जिन आठ अधिकारियों ने लापरवाही बरती, उनको प्रारंभिक जांच में दोषी माना गया। उनके खिलाफ कार्रवाई की गई। वहीं, ट्विन टॉवर को सुप्रीम कोर्ट के आदेश के तहत ढहाने की प्रक्रिया शुरू की गई है।

...और सस्पेंड कर दी गई थीं दुर्गा शक्ति नागपाल

दुर्गा शक्ति नागपाल को उनके करियर के शुरुआती दिनों से ही कड़क प्रशासनिक पदाधिकारी माना जाता था। पंजाब कैडर की 2009 बैच की आईएएस दुर्गा ने आईएएस अभिषेक सिंह के साथ शादी के बाद यूपी में ट्रांसफर ले लिया था। नोएडा के एसडीएम के पद पर तैनात की गईं दुर्गा ने यमुना नदी के खादर में रेत से भरी 300 ट्रॉलियों को अपने कब्जे में ले लिया था। खनन माफियाओं पर शिकंजा कसा तो हड़कंप मचा। उन्हें निलंबित कर दिया गया। इसके बाद यूपी में जमकर बवाल मचा। आईएएस एसोसिएशन दुर्गा के पक्ष में खड़ा हो गया। तत्कालीन मुख्यमंत्री अखिलेश यादव ने 22 सितंबर 2013 को ही कुछ घंटे के भीतर उनका निलंबन आदेश वापस ले लिया था। https://navbharattimes.indiatimes.com/state/uttar-pradesh/ghaziabad/how-ghaziabad-and-noida-authority-has-become-a-factory-of-notes-for-officials/articleshow/91392803.cms

7. Tamil Nadu govt to decide soon on pension scheme *(timesofindia.indiatimes.com)* May 8, 2022

CHENNAI: Finance minister Palanivel Thiaga Rajan told the assembly on Saturday that the government spends 3,205 crore annually under the new contributory pension scheme, and pays 24,000 crore annually towards pension and family pension under the old scheme.

Except Tamil Nadu and West Bengal, all states had shifted to the new pension scheme. About 6.02 lakh employees recruited on or after April 1, 2003, have been enrolled under the contributory pension scheme (CPS). Under it, 10% of basic pay, dearness pay, and allowance is recovered from the employees with an equal matching contribution from the government. A sum of 50,265 crore has been accumulated as of January 31 this year, as contribution and interest and kept in Public Account.

A policy note tabled in the assembly said a decision would be taken soon on the pension issue. This followed criticism by the CAG of the delay in deciding on the pension scheme for state government employees.

The CAG said the state faced additional financial cost of 1,200 crore annually in terms of negative interest carry. It had also not designated a fund manager. https://timesofindia.indiatimes.com/city/chennai/state-to-decide-soon-on-pension-scheme/articleshow/91408158.cms

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Fault lines expand over GST cess *(telegraphindia.com)* May 9, 2022

With the GST compensation cess to end in its present form by June, a confrontation between the Centre and the states is looming on reimbursements for anticipated revenue shortfalls.

Although the cess will continue, it will be used to pay the sum borrowed by the Centre on behalf of the states during the pandemic. But the states are expected to insist on compensation beyond June 2022 at the GST Council meeting later this month.

The Centre, on its part, is likely to dangle the carrot of subsuming the cess as part of the GST after 2026.

The states had accepted the GST in 2017 on an assurance by the Centre that they would be given full compensation in the first five years of its introduction, assuming a revenue growth rate of 14 per cent over the base year 2015-16. The compensation is in the form of cess on luxury items and sin goods.

The states are demanding the Centre to continue to compensate them as the revenue buoyancy has not been as promised, while Covid-19 had a huge impact on revenue collection.

The compensation cess is levied on luxury and sin items such as aerated drinks, pan masala, cigarettes and automobiles over the peak GST rate of 28 per cent. The cess on cars goes up to 22 per cent and is 12 per cent for aerated drinks.

Sources have indicated that the Centre is considering a proposal to subsume the cess into the GST after 2026 to provide for greater revenue to the states.

Analysts said the states are unlikely to buy the argument that shortfalls will be met as tax collections have increased on account of the recovery from the pandemic as is evident from the impressive collections made in April.

The total GST collected in 2021-22, the last financial year, was Rs 14.9 lakh crore, up 31 per cent from 2020-21 and 22 per cent from 2019-20. In fact, collections in the month of April 2022 stood at an all-time high of Rs 1.68 lakh crore.

Apart from inflation, a huge surge in goods imports is a factor behind the massive rise in GST. Goods imports in 2021-22 jumped around 56 per cent to $612 billion. Under GST, imports are deemed inter-state supplies and subject to integrated GST.

Integrated GST from imports stood at Rs 3.8 lakh crore in 2021-22, around 41 per cent higher than 2019-20. The overall GST in 2021-22 was 22 per cent higher than 2019-20 — a sign that higher imports have pushed up GST collections.

Subsuming the cess into the GST will mean the states will get half of the proceeds as state GST, in addition to getting 41 per cent of the Centre's revenue as part of the Finance Commission recommendations.

Analysts said industry would oppose any attempt to subsume cess within GST as they were banking on an end to cess after 2026 that will make their products competitive. Citing judicial announcements, the analysts said courts have held that what cannot be levied directly cannot be levied indirectly: if the cess has served its purpose, it should go.

They said compensation cess is a vexed issue and a long-term solution needs to be found which would be a middle path to meeting the revenue needs of the states, while not significantly hurting industries. https://www.telegraphindia.com/business/fault-lines-expand-over-gst-cess/cid/1864194

9. Panels suggest steps to reverse falling Fasal Bima cover *(financialexpress.com)* May 9, 2022

Two working groups, set up by the ministry of agriculture and farmers' welfare to review the Pradhan Mantri Fasal Bima Yojana (PMFBY), has recommended targeted premium subsidy for small farmers, empowering the Centre to levy penalty on states for any delay in subsidy settlements and extensive use of remote sensing data for crop yield assessment.

The last two years saw a steep fall in the number of farmers and crop area covered under the government's flagship crop insurance scheme (see chart). While the claims to premium ratio has come down in recent years, improving the viability of the scheme from the insurers' point of view, many states have of late developed cold feet on it.

"Targeted subsidies for weaker sections of the farming community can increase penetration, ensure uniform coverage and bring down the average premium rates," a sub-committee on 'actuarial aspects' under the working group constituted to examine 'alternate risk management mechanisms' under PMFBY, has said.

Last year, the government constituted the working groups comprising officials from the Centre, key crop-producing states and senior officials of the state-owned insurance companies to suggest 'sustainable, financial and operational models,' for PMFBY.

The scheme is currently being implemented in 20 states/union territories.

The Punjab government hasn't adopted PMFBY since its 2016 launch, while states like Gujarat, Andhra Pradesh, Telangana, Jharkhand, West Bengal and Bihar exited the scheme, because of "higher cost of premium subsidy" to be borne by them. Many states have asked for capping of premium subsidies under PMFBY.

The group has also stated that farmers enrolled under various schemes like PM Kisan Samman Nidhi, where Rs 6,000 is annually transferred to around 9 crore farmers, may be provided coverage as per the eligibility criterion.

According to the agriculture ministry estimates, there are around 140 million farmer families in the country. Enrolment under PMFBY has not crossed 20 million in the last three years.

According to analysis by the working group, since its launch in 2016, PMFBY premium has increased by more than six-fold which has led to an increase in subsidy liability of the government. In February 2020, the government made PMFBY voluntary for farmers while previously it was mandatory for the farmers to take insurance cover under the scheme.

Under the heavily subsidised PMFBY, the premium to be paid by farmers is fixed at just 1.5% of the sum insured for rabi crops and 2% for kharif crops, while it is 5% for cash crops. The balance premium is equally shared amongst the Centre and states and in case of North-Eastern states, the premium is split between the Centre and states in a 9:1 ratio.

Citing the delays in release of subsidy by states and resultant delayed claim settlements in many states, the group has called for empowering the Centre to levy penal charges on the state or adjust such subsidies against other liabilities of the central government in case state government fail to pay in stipulated times.

A parliamentary panel last year had stated that the delays in settlement of claims are mainly due to reasons like delayed transmission of yield data, late release of states' share in premium subsidy and yield data, yield related disputes between insurance companies and states, non-receipt of account details of some farmers for transfer of claims.

Earlier, the government had identified hardening of the premium market, lack of sufficient participation in tenders, inadequate underwriting capacity of insurers among factors preventing adoption of PMFBY on a large scale.

The sub-committee on 'adoption of technologies for yield estimation under PMFBY has recommended remote sensing satellite and weather data for faster yield assessment so the delay in settlements could be addressed.

For taking farmers in confidence in the case of remote sensing technology, the sub-group has stated that unlike crop cutting experiments-based yield estimation, analysis using satellite data cannot be physically observed by farmers, thus lead to discontent or litigation. https://www.financialexpress.com/economy/panels-suggest-steps-to-reverse-falling-fasal-bima-cover/2516835/

10. Does India really need a sovereign wealth fund? *(timesofindia.indiatimes.com)* May 7, 2022

India's foreign-exchange reserves have dropped to below $600 billion, a 7% fall in just the past six months. The reason for the fall is either that people (both Indians and foreigners) are taking dollars out of India, or that the Reserve Bank of India (RBI) has been selling dollars to "decrease" the pressure on a declining rupee.

Sharp rupee depreciation is bad news since it makes our imports expensive. Crude oil imports alone were $120 billion during last fiscal year. If the rupee slides, crude oil becomes expensive, which affects domestic price of petrol and diesel, contributing to inflation. On the other hand, the rupee cannot be allowed to get too strong, because it will hurt our exports. The optimal level of the exchange rate is managed by the RBI. This dollar-rupee rate is the most important "price" which is managed in the economy. To manage the exchange rate the RBI needs to have some stock of foreign exchange, which is currently just below $600 billion.

Is that too much? Strangely this question has been recurring for almost 15 years. Even when India's forex stock reached $100 billion some people started asking whether it was excessive. One of the benchmarks used to measure whether forex is adequate or not is how many months of imports it can support. This past year our import bill was around $620 billion. So, our current forex stock can pay for 12 months of imports. That seems like a safe stock.

Hence, some people have suggested that India should have its own sovereign wealth fund just like Abu Dhabi, Saudi Arabia, Norway, Singapore or China. All these countries have a very large stock of foreign exchange. But the first three of them are large oil exporters and have windfall gains from high oil prices, and their own domestic consumption of oil is very low. The last two, Singapore and China, are also major exporters and consistently have a current-account surplus, ie exports always exceed imports. India's case is very different. It does not have any windfall gains from oil or any other commodity exports. Secondly, it consistently has a current-account deficit, sometimes as high as 2% or 3% of GDP. So, India is constantly running short of dollars on its trade account. The reason that India has ample supply of dollars is because its trade deficit is financed by foreign investors via the capital account. This includes money flowing into the stock market, via foreign loans and by non-resident Indians keeping fixed deposits in Indian banks. And of course through foreign-direct investment (FDI) in projects, companies and start-ups.

However, everything except FDI is hot money. It can easily be reversed. There can be sudden stops to stock market inflows. It's a great testament to the confidence of foreign investors in India's prospects that for past more than three decades they have poured investment dollars, which has taken our forex stock from barely $1 billion in 1991 to $600 billion in 2022. The call for using some of India's forex stock to form an SWF is also because RBI earns barely 1% or 2% returns on its forex stock, which is mainly invested in the US and other sovereign bonds. By its charter, the RBI is not allowed to invest in any other asset, since it has to park the foreign exchange in only safe assets. On the other hand, other countries with large forex carve out a big fund into an SWF, which in turn is allowed to invest in more risky assets and earn a higher return.

There have been calls for India too to have its own SWF to use some of its own forex more productively. In a way we already have a SWF which is called The National Investment and Infrastructure Fund (NIIF), set up in 2016 and managed by a government-appointed team to leverage foreign investment into India. So far, its size is about $4 billion and its investments, mainly in the form of equity, are across sectors including infrastructure, e-commerce and perhaps future unicorns. But, $4 billion is but a drop out of $600 billion. The main thing to realise is that India needs a largish pile of forex as insurance against sudden flight of foreign capital, which can leave us in the lurch. It happened in 1997 to East Asian countries like Thailand. Ever since then many developing countries started having their own dollar pile as self-insurance. Since Sri Lanka did not have adequate forex stock it has defaulted and is facing bankruptcy in foreign obligations. India does not have the luxury of being an oil exporter like Abu Dhabi nor does it have a current-account surplus like Singapore or China. If it wants to secure higher returns for its forex, it can diversify away from dollar assets to euro or other currencies.

But as of now the dollar is king and our forex stock, safely managed by RBI is our insurance. In this coming year of high oil prices and inflation and slowing growth, it makes sense to conserve our forex. https://timesofindia.indiatimes.com/blogs/voices/does-india-really-need-a-sovereign-wealth-fund/

11. PMJJBY subscription increases to 128 mn, PMSBY at 284 mn in 7 years *(business-standard.com)* May 09, 2022

The Centre's flagship life insurance scheme — Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and accidental insurance scheme, Pradhan Mantri Suraksha Bima Yojana

(PMSBY) — have seen enrollments rise to 128 million and 284 million, respectively, in seven years of inception.

Atal Pension scheme, that provides a subscriber aged 18-40 years with a guaranteed pension of Rs 1,000 to Rs 5,000 per month after attaining the age of 60 years, depending on the contribution, has seen its subscribers increase to 40 million in the last seven years. All three social security schemes were launched by the government on May 9, 2015.

PMJJBY, provides life insurance cover worth Rs 2 lakh at Rs 330 per annum to all account holders aged between 18 and 50 years, and has provided claims for Rs 11,522 crore to families of 576,121 persons. Nearly 50 per cent of claims were paid out for Covid-19 deaths, the Ministry of Finance said in a statement.

Changes introduced by the government in the claim settlement process have led to quicker and easier settlement of claims during the pandemic, said Finance Minister Nirmala Sitharaman. Since the beginning of the pandemic, or April 1, 2020 till February 23, 2022, about 210,000 claims amounting to Rs 4,194 crore were paid with a settlement rate of 99.72 per cent.

For PMSBY, that provides accident cover of Rs 2 lakh at Rs 12 per annum to account holders aged 18 to 70 years, about Rs 1,930 crore has been paid towards 97,227 claims in seven years, the ministry added.

"The three Jan Suraksha schemes have brought the insurance and pension within the reach of the common man...These low-cost insurance schemes and the guaranteed pension scheme are ensuring that financial security, which was available to a select few earlier, is now reaching the last person of the society," Sitharaman added. https://www.business-standard.com/article/economy-policy/pmjjby-subscription-increases-to-128-mn-pmsby-at-284-mn-in-7-years-122050900395_1.html

12. Sagarmala Mission Expanded to 1,537 Projects, To Be Completed with Rs 6.5 Lakh Crore *(swarajyamag.com)* May 07, 2022

The Union government has increased the number of projects under the Sagarmala mission to 1,537 from the earlier 802 projects.

These port and coastal area development projects will be developed with Rs 6.5 lakh crore.

Out of these, 202 projects worth Rs 99,281 crore have been completed. Further, more than 200 projects worth Rs 2.12 lakh crore are under construction and expected to be completed in two years.

"A total of 29 projects worth Rs 45,000 crore have been successfully implemented under PPP model, thus, reducing the financial burden on the exchequer. Additional 32 PPP projects worth Rs 51,000 Crore are currently being implemented," the Ministry of Ports, Shipping and Waterways (MoPSW) said.

Also, in line with PM Gati Shakti initiatives and the port connectivity pillar of Sagarmala, MoPSW carried out an intensive exercise to find the connectivity gaps.

Based on the consultation with Major Ports and State Maritime Boards, a list of 52 last mile road connectivity projects has been identified and shared with the Ministry of Road Transport and Highways (MoRTH) for assessment and development. Similarly, 28 last-mile rail connectivity projects have been identified and conveyed to MoRTH for assessment and development.

The increase of projects under the Sagarmala mission was announced in the National Sagarmala Apex Committee (NSAC) meeting chaired by Sarbananda Sonowal, Union Minister for Ports, Shipping and Waterways and Ayush, held on Friday (6 May).

The NSAC is the apex body providing policy directions and guidance for port-led development under Sagarmala projects and reviews its implementation.

The NSAC was constituted in May 2015 by the Union Cabinet. It is chaired by the Union Minister for Ports, Shipping and Waterways with Cabinet Ministers from stakeholder central Ministries and Chief Ministers and Administrators of Maritime States and Union territories as members. https://swarajyamag.com/infrastructure/port-led-development-sagarmala-mission-expanded-to-1537-projects-with-an-investment-of-rs-65-lakh-crore

13. Railways on the right track on train manufacture *(thehindubusinessline.com)* Updated On: May 08, 2022

After botched efforts earlier, the Railways seems to be seriously moving towards a judicious mix of government and private play

The biggest news related to Indian Railways in the latest Budget was the announcement of 400 new-generation Vande Bharat trains to be built in three years. The common reaction in the Railways and industrial circles was that the government had overreached. This was because not even one train was made after the success of the first two in 2018-19, and the financial performance of the Railways is so poor that such a massive investment in passenger trains, which are largely losing propositions, seemed bizarre.

The massive jump in investments in railway projects reflects the government's resolve to invest in key sectors of the economy and the lack of commensurate increase in revenue was not a hinderance as long as the investments serve the economy well in the long term.

It is clear that the government is betting strongly on Vande Bharat trains. While 104 rakes would be manufactured mainly at the Integral Coach factory (ICF) and its other factories, there is speculation that the 400 trains announced were in addition to them, to be manufactured by rolling stock majors of the world and their associates in India. These associates are in the private sector, barring BEML, which is on the block for disinvestment.

Industry watchers remained sceptical in the backdrop of the government not following up on its recent radical projects like operation of private trains and corporatisation of the Railways' production units (PUs) into a corporation called Indian Railways Rolling Stock Company.

Earlier too, efforts by the Railways to engage major rolling stock manufacturers through a tender for modern train sets or setting up a train manufacturing unit under PPP at Kancharapara had ended with a whimper.

Big move

In quick succession of the Budget announcements this year, came the news of tendering for a massive 90,000 freight wagons at a cost of ₹30,000 crore, which the Railways has navigated quickly and smoothly, with ordering well on its way. This was followed by the notice to manufacture 1,200 locomotives at its Dahod factory in PPP mode.

It has become increasingly clear that the government means business and it would next pursue its vision to order 400 trains from the private sector at a cost of ₹52,000 crore, thereby indicating a gradual shift in manufacturing of rolling stock to the private sector and downsizing its PUs.

It was argued earlier in these columns that the government would move cautiously ahead with this strategy without declaring its intention explicitly, given the sentiments and politics involved in depriving a thriving, albeit not very efficient, government sector.

The Railways has floated a large tender of around ₹26,000 crore for the procurement of 200 upgraded equivalents of Vande Bharat trains to be built by a contractor in ICF and at Latur, a factory set up recently by the government. It may look like a half-measure but it would help upgrade the Vande Bharat trains to truly world-class levelsl.

Close on the heels of this tender, it is expected that bids would be called for another lot of 200 aluminium Vande Bharat trains; aluminium trains are lighter, aesthetically-superior and more energy-efficient. It would be better if the project envisages that these be built in private factories in India.

That would signal a determined move to leverage the non-Railway manufacturing capacities in the country, what with four such factories in place and at least two under construction. It is expected that these trains should be designed to be good for 160-200 km/h speed range and, therefore, be future-ready for the tracks being upgraded on select routes.

It is not good that train building for Railways on one side and Metros/RRTs on the other are exclusive domains. The Railways' initiatives would pave the way for exploiting possible synergies among all the factories.

Unlike its previous botched efforts, if the Railways successfully moves to get modern trains manufactured through private builders, it would be nothing short of a watershed. Why? Because the Railways' PUs have functioned for long on assured orders, with no competition to contend with. They do have core competence but it has not been exploited, depending as they are exclusively on orders handed out by the Railway Board as part of their Annual Production Programme.

A judicious mix of government and private play for manufacture of trains is necessary. Exciting times seem to be on the horizon for passengers. https://www.thehindubusinessline.com/opinion/railways-on-the-right-track-on-train-manufacture/article65388007.ece

14. Amid Ukraine-Russia war, IAF's Rs 35,000 crore plan to upgrade Su-30 fighter fleet put on backburner *(timesofindia.indiatimes.com)* Updated: 08 May 2022

NEW DELHI: Amid the ongoing conflict between Russia and Ukraine, the Indian Air Force's plans to upgrade the fleet of its Su-30 MKI fighter aircraft has been put on the backburner for now.

The deal for the 12 most advanced Su-30MKI aircraft worth over Rs 20,000 crore would also be delayed slightly as the stakeholders will now have to add more Made-in-India content in the planes as per the current policy of the government to promote Indian defence products over imports, government sources said.

The Indian Air Force was planning to upgrade 85 of their planes up to the latest standards in collaboration with the Russians and Hindustan Aeronautics Limited. The plan has been put on the backburner for now in view of the present situation, the sources said.

The plan was to equip the Su-30 aircraft with more powerful radars and the latest electronic warfare capabilities to make it more powerful as per the latest standards, the sources said.

The Su-30 MKIs form the mainstay of the Indian Air Force as 272 of them have been ordered by IAF the in different batches as every time shortage of fighter jets in service was highlighted, the Russian manufacturers would receive an order of 30 to 40 of these planes.

The aircraft are supplied by the Russian manufacturers to the Hindustan Aeronautics Limited in semi and complete knocked-down kits and then they are assembled in the Nasik facility.

The ongoing conflict in Russia and Ukraine has also resulted in delays in the supply of spares for the fighter aircraft fleet.

Sources said even though the spares situation is manageable at the moment and expected to remain so in the near future as India had stocked them up in a considerable amount post the Uri surgical strikes and the ongoing China conflict.

However, it is expected that the supply of these spares and other equipment may become an issue in near future and that is why, the force has gone on an indigo ration spree of its imported equipment**.** https://timesofindia.indiatimes.com/india/amid-ukraine-russia-war-iafs-rs-35000-crore-plan-to-upgrade-su-30-fighter-fleet-put-on-backburner/articleshow/91417758.cms

15. Power crisis pushes discoms' outstanding dues to Rs1.21 trillion in May *(livemint.com)* Updated: 08 May 2022

In a clear indication that the current power crisis is also the making of electricity distribution companies, the outstanding dues of discoms to power producers have risen again in May this year both sequentially and year-on-year basis.

During the current spate of power crisis triggered by sudden increase in demand for power and bottlenecks in fuel supplies, several discoms have also reduced purchase of expensive power based on blended imported coal from gencos and resorted to load sheddings.

The financially distressed discoms have also slowed clearing dues outstanding to gencos resulting in lower supplies.

As per portal PRAAPTI (Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators), total outstanding dues of electricity distribution companies to power producers rose by 4.04 per cent year-on-year to ₹1,21,765 crore in May 2022, as against dues of ₹1,17,026 crore in May 2021. Even on month-on-month basis, total dues of discoms to gencos in May 2022 increased from ₹1,20,954 crore in April

2022. In May 2022, the total overdue amount, which was not cleared even after 45 days of a grace period offered by generators, stood at ₹1,06,902 crore as against ₹94,354 crore in the same month a year ago. The overdue amount stood at ₹1,06,071 crore in April 2022.

As per norm, discoms get a 45-day window from gencos to clear their dues for electricity supplied by them. After this period, outstanding dues become overdue and generators charge interest on the total amount that is left to be paid. The increase in discoms dues is also on account of a rise in power demand in the country that has pushed them to buy more power at expensive rates to meet the requirements. The maximum power demand met on Saturday stood at 199.7 GW, increasing a bit from 191 GW a few days earlier on the back of rising temperatures again in the country as predicted by the IMD. This has also increase peak shortage in the country from below 1GW to around 1.7 GW on Saturday. In May 2020, the government had announced a ₹90,000-crore liquidity infusion for discoms whereby they got loans at economical rate from Power Finance Corporation (PFC) and REC Ltd. to clear their dues to gencos. This liquidity infusion package was increased to ₹1.2 lakh crore and further to ₹1.35 lakh crore.

According to the portal, discoms in Rajasthan, Uttar Pradesh, Jammu and Kashmir, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Jharkhand and Tamil Nadu are the biggest culprits in terms of delaying payments to gencos. Overdues of independent power producers amounted to 55.86 per cent of the total overdue of ₹1,06,902 crore of discoms. The proportion of central PSU gencos in the overdue was 22.35 per cent.

Among the central public sector gencos, NTPC alone has an overdue amount of ₹5,072.82 crore, followed by NPCIL - Kundankulam Nuclear Power Plant at ₹3,419.78 crore and DVC at ₹3,398.57 crore in May 2022. Among private generators, discoms owe the highest overdue amount of ₹25,284.67 crore to Adani Power, followed by KSK Mahanadi Power Company Ltd at ₹5,324.32 crore and Bajaj Group-owned Lalitpur Power Generation Company at ₹5,308.29 crore. The overdue of renewable energy producers stood at ₹20,127.16 crore in May 2022. https://www.livemint.com/industry/energy/power-crisis-pushes-discoms-outstanding-dues-to-rs1-21-trillion-in-may-11652017493931.html

16. How the govt almost killed the wind industry *(thehindubusinessline.com)* May 07, 2022

The 'lowest tariff wins the project' system of awarding projects has not worked and a course correction is of urgent need

An apocryphal piece of wisdom attributed to Chanakya, the famous Indian politico-economist of yore, has it that in business "if the person whom you deal with does not lose, you shall not lose." However, in the 'lowest bidder' culture of the present-day tenders, this commonsensical principle has been given a go-by. Nowhere is this clearer than in the case of the Indian wind industry.

Until 2017, the tariffs at which wind energy companies would be paid for their electricity used to be fixed by the respective State electricity regulatory commission — a system that was fraught because the energy companies argued their way to plump tariffs, to the detriment of the buyer, the electricity distribution companies (discoms). The lowest tariff among any state back then was ₹4.16, paid in Tamil Nadu. This writer was present at a meeting when the industry demanded a tariff of ₹6, in Andhra Pradesh.

The Centre was understandably unhappy with this situation. In 2016, the then Energy Minister, Piyush Goyal, brought in something that the industry had been fearing the most: competitive bidding. Under this system, the Centre would procure wind power at prices determined in capacity auctions; the company that offered to sell at the least price, got to sign a long-term power purchase agreement with the government of India undertaking, SECI. SECI in turn would sell the power to those States that had no wind resources.

The logic appeared to be sound. Prices would come down due to competitive pressures, but the wind energy companies would be richly compensated in terms of higher volumes, longer lead times to put up their projects and, more importantly, assured payments (as opposed to hugely delayed payments by the State-owned discoms.) Till then, India was adding about 2,500-3,000 MW of wind capacity every year; the government sold the idea that volumes would increase to 5,000 MW and above, over time.

The faultlines

On the other hand, the wind industry cautioned that competitive bidding would bring in a culture of 'bid low to win, and think of putting up the projects later'. Few, including this writer, believed the industry's captains — after all, they were known to bat for themselves.

In the first bid, which was opened in February 2017, the discovered tariff was ₹3.46 a kWhr — a price that rattled the industry. In successive auctions, the tariffs fell to below ₹2.50. An exultant government declared victory.

However, all this had an unintended, deleterious consequence — which should have been foreseen by a smart government. All the winning companies rushed to Gujarat, the State with the best wind resources (after Tamil Nadu, where windiest sites had been taken up). An overwhelmed Gujarat government saw its best sites being taken up by projects whose low-cost electricity would go not to Gujarat, but to some other States — and baulked from allotting lands for the projects, leaving the developers stranded.

Up to this point, nobody could have really faulted the Centre. Leaving prices to be determined by market forces had a zeitgeist appeal and 'high volumes, low margins' was the way to go. However, at this point, the government committed a cardinal sin — not changing tack, when it realised things were not working out as planned.

When fresh capacity additions fell from 5,510 MW in 2016-17 to 1,776 MW in 2017-18 and 1,479 MW in 2018-19, it should have set alarm bells ringing. The industry had one simple suggestion: instead of a pan-India bid, please do State-wise bids, so that bidders would quote sensibly for projects in less windy States and the development would be widespread.

In October 2018, Anand Kumar, the then Secretary, Ministry of New and Renewable Energy (MNRE), told this writer that the government had planned to do "sub-station-wise bidding", which is even more local than State-wise. BusinessLine published a news report on October 8, 2018, titled 'Sub-station-wise bidding for wind projects in the offing'. Almost four years down the line, on April 27, at the Windergy 2022 conference in New Delhi, the current MNRE Secretary, Indu Shekar Chaturvedi, again said that the government is "working on" State-wise bidding.

The government has also turned a deaf ear to several other suggestions of the industry. One was for bringing in a 'floor price' for auctions below which bidders could not quote. The government, having tasted low tariffs earlier, refused. The industry has been asking for two-part tariff, as for coal power, but this has not been agreed to. This suggestion has the backing of power grid experts such as Sushil Kumar Soonee, former CEO of the power systems operator, POSOCO.

Unremunerative tariffs

Of course, implementing ideas such as State-wise bidding, floor price and two-part tariff would have raised the tariffs — but unremunerative tariffs would not help either. This is clear from the poor installation record. The capacity that has actually been built from 11 rounds of auctions amounts to a paltry 3,196 MW, compared with 16,300 MW tendered and 12,740 MW awarded. Those who won projects are surrendering them, realising their economic unviability.

India aims to have 500 GW of renewable energy installed capacity by 2030, of which wind would be 140 GW. At present, the country has 40 GW, but between now and 2030, some 20 GW would have completed their useful life and would need to be scrapped. This means that 120 GW would need to be built in eight years, or 15 GW a year.

If the current system of 'lowest tariff wins the project' continues, then energy companies will continue to flock to Gujarat and nothing will get built.

The country would be trundling along with 1,000-1,500 MW a year and nobody would ever take India's targets seriously. Already, India has kind of become a laughing stock by asking for Expression of Interest for offshore wind projects and offering peanuts to the 30-odd companies that responded. Four years on, India is yet to make the first move for offshore. If the country does not get on to a trajectory of meeting the 500 GW target, its credibility would suffer.

Worse, the low tariffs have benefited no one. The common man has not got a paise; the benefits to the discoms have been negligible. In the meantime, a promising industry is now looking like — to borrow from PG Wodehouse — a stuffed parrot from which the sawdust has been leaked out. https://www.thehindubusinessline.com/opinion/how-the-govt-almost-killed-the-wind-industry/article65389418.ece

17. Shipping Corporation's real estate assets kept out of proposed privatisation *(moneycontrol.com)* May 07, 2022

The government is expected to invite financial bids for Shipping Corporation of India (SCI) by September, after the process of demerger of non-core assets is done.

And, as part of the strategic-sale process, the government plans to segregate the real estate assets of the SCI - Shipping House, the training institute, and certain other non-core assets. The government will transfer these assets to a separate entity, to keep them away from the proposed privatisation.

Last week, the board of Shipping Corp met and approved an updated demerger scheme for hiving off the non-core assets of SCI to Shipping Corporation of India Land and Assets Ltd (SCILAL), including Shipping House in Mumbai and MTI (Maritime Training Institute) in Powai, to complete the process of de-merging all non-core assets to the new company SCILAL.

The SCI board of directors authorised a demerger scheme in August of last year, with SCILAL being formed in November 2021 to hold such assets of the firm, which is under the Ministry of Ports, Shipping, and Waterways. In April 2022, the Ministry asked SCI to hasten the process of demerger of non-core assets of SCI to SCILAL, as well as asking that the Board of SCI evaluate the demerger scheme for selling non-core assets such as Shipping House in Mumbai and MTI in Powai.

In December 2020, the Department of Investment and Public Asset Management (DIPAM) requested expressions of interest (EoI) for the strategic disinvestment of its whole 63.75 percent stake in Shipping Corp of India, as well as management transfer.

The Cabinet gave in-principle agreement to the planned disposal of Shipping Corp in November 2020. The privatisation of SCI is expected to be completed this fiscal year. CPSE disinvestment is expected to bring approximately $65,000 crore in the current fiscal year 2022-23. https://www.moneycontrol.com/news/business/shipping-corporations-real-estate-assets-kept-out-of-the-proposed-privatisation-8473911.html

18. State-run general insurers may get capital infusion of Rs 3,000-5,000 cr *(business-standard.com)* May 09, 2022

The capital infusion would help improve the financial health of the general insurance firms -- National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company

The government may infuse Rs 3,000-5,000 crore additional capital in the three public sector general insurance companies based on their performance and requirement during the year, sources said.

The capital infusion would help improve the financial health of the general insurance firms -- National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company.

In the last financial year, the government made capital infusion of Rs 5,000 crore in these three insurance companies.

During 2020-21, Rs 9,950 crore was infused in three PSU general insurers by the government out of which Rs 3,605 crore was infused in United India Insurance, Rs 3,175 crore in National Insurance and Rs 3,170 crore in Oriental Insurance.

Fund support was given to the weak general insurance companies last financial year, some more fund requirement is there to bring them back on profitability path, sources said.

Capital infusion of Rs 3,000-5,000 crore may be done in these companies based on their performance, sources said, adding, the government has already enhanced their authorised capital keeping further fund infusion in mind.

The three public sector general insurers are short of solvency margin and to improve operational efficiencies an external consultant will be appointed soon.

Four public sector firms through General Insurers' Public Sector Association of India or GIPSA have issued a request for proposal (RFP) to reorganise the insurers, and achieve profitability and employee development.

"There is a proposal for restructuring the organisation to bring in profitable growth and employee development through performance management and capability management, in alignment with the Key performance indicators (KPIs) devised by the Public Sector General Insurance Companies (PSGICs)," the RFP said.

The last date for submission of bids is June 2, 2022.

Of the four state-run general insurance companies only New India Assurance Company is listed on the stock exchanges; the remaining three are wholly owned by the government.

It is to be noted that the government has already announced intention to privatise one general insurance company. To facilitate privatisation, Parliament has already approved amendments to the General Insurance Business (Nationalisation) Act (GIBNA).

Finance Minister Nirmala Sitharaman in the Budget 2021-22 had announced a big-ticket privatisation agenda which included two public sector banks and one general insurance company.

"We propose to take up privatisation of two Public Sector Banks and one General Insurance company in the year 2021-22. This would require legislative amendments," she had said at the time. https://www.business-standard.com/article/finance/state-run-general-insurers-may-get-capital-infusion-of-rs-3-000-5-000-cr-122050800294_1.html

19. 17-time cost overrun in dam project *(orissapost.com)* May 07, 2022

Berhampur: Tardy pace of the Ghatkeswar multipurpose irrigation project work in Ganjam district has escalated its cost by over 17 times, a report said.

According to sources, the then Chief Minister Janaki Ballabh Patnaik had laid the foundation stone for the project in tribal-dominated Kankia-Tamana area under Berhampur sub-division in 1987. Though 35 years have passed, the project is yet to see light of the day. Its initial cost was estimated at Rs 10 crore, but it has now escalated to Rs 172 crore – over 17 times of the original estimate.

Notably, Chief Secretary Suresh Chandra Mahapatra, 5T Secretary VK Pandian, additional chief secretary of the Water Resources department Anu Garg visited the spot and took stock of the progress of the project about a week ago. The review revealed the whopping cost overrun.

The delay in the construction work is attributed to the delay in granting of environmental clearance by the Union Forest and Environment Ministry.

Chief Minister Naveen Patnaik laid the foundation stone of the project again during his the third term. Initially, displacement posed a setback for the project. People of Sarakote and other tribal villages faced issues of displacement and rehabilitation. The government resolved the issues in a phase manner.

The work gathered pace since 2020 and the government has set a target to complete the project by December, 2022. The Chief Secretary had directed the construction agency to expedite the work. The dam is being constructed across Ghadaka creek near Kankia-Tamana under Kukudakhandi block of Digapahandi assembly constituency. After completion of the project, it would irrigate 500 acres of land in Kukudakhandi and Rangeilunda blocks, apart from providing drinking water to 75,000 people of Gosaninuagaon area. The Water Resources department is executing the project.

It was in the first week of July 2019 when the project was reviewed for the first time at a meeting presided over by then revenue divisional commissioner (southern range) Chandrasekhar Kumar in the presence of then Ganjam Collector VK Pandian, and MLAs of Khallikote, Chhatrapur, Gopalpur and Berhampur. A decision was taken to adequately compensate the land losers and the displaced along with their proper rehabilitation.

Several other projects like Baghua, Baghalati and others have remained incomplete with their costs escalating over the years. https://www.orissapost.com/17-time-cost-overrun-in-dam-project/

20. Farm loan waivers – No longer the need *(timesofindia.indiatimes.com)* May 8, 2022

From corporates to individuals, irrespective of activity, all want their loans to be waived. Who wants to live in debt? But can the economy giving such waivers live without debt? Simply put, a firm 'No'. The rising public debt of the sovereign puts not just the present but the future citizen in debt for it is the next generation that has the responsibility to repay. Farm sector is not just exception, but the future is not just generation away but only a crop season away. This should clear the way for the argument against the loan waivers of any kind save very serious exceptions.

Politicians and farmers are good friends close to the elections and bad enemies to farm economics. Rahul Gandhi stirred the hornet's nest at Warangal on the 6th May while announcing that if Congress is elected to power in Telangana, it would waive off Rs.2lakhs for each farmer from his debt portfolio. Such slogans pre-elections are not new to the farmers, ever since V.P. Singh/Charan Singh duo indulged in crop loan write-off in 1990s. The scheme received the ire of Comptroller and Auditor General for its bad implementation. RBI repeatedly advised the political parties not to indulge in this luxury as the states do not have that much resource apart from encouraging bad borrower behaviour. But do all farmers look for such write-off? What exactly they need?

Doubling farm income remained a far-cry leading scores of farmers to double-up to Delhi to fight against what they considered as bad farm laws. The much-needed farm reforms that were bypassed during the first phase of reforms in the 1990s could have been triggered had there been political sagacity and cooperative federalism. Be that as it may, it has become difficult for governments to do what the farmers want, save the exception of government of Telangana, that I would explain latter. There are good number of farmers who took to mixed farming, organic farming, natural farming, and use of technologies intensely.

Farmer is generally short of cash at the beginning of the crop season. This leads him/her to go to the money lender who is wont to give credit on his own terms. The revenue from his previous crop would not be to hand at that moment as it would have been up for sale but not sold. If he had no dairy or poultry or allied activity to come to his rescue, even family would be on the brink of starvation despite his four or five acres of land! Government of Telangana is the first government to think of giving Rs.10000 at the beginning of the season in cash. It also arranged for insurance against untoward calamity in the family while working on the farm – may be a snakebite or an accident or loss in family up to Rs.5lakhs. Both these schemes are monitored by the Chief Minister to ensure that there is no slip up in the releases. The result is that farmer does not have to wait at the banker's gate for a loan! On top, all the 789 Primary Agricultural Cooperative Societies in Telangana have been digitized and linked to core banking solutions of around 298 DCCB -branches and State Cooperative Bank. This opened a reliable credit window for the farmers when credit is needed.

Illustratively, Saritha, a commerce postgraduate from Rapakapalle village in Hanumakonda district took to zero budget natural farming on her four-acre land. She collected rainwater to farm a fishpond; honeybee-keeping, polyhouse for vegetable cultivation and an acre of paddy cultivation. She established two retail outlets for her farm produce and multiplied her farm income. She is proud to say that she could hedge the risks of farming through mixed farming as one or the other agricultural activity gets her sustainable income year-long. She also influenced two thousand farmers in and around her village. There are many more of her ilk in Telangana.

Credit for farming is a necessary but not sufficient condition for sustainability because farmer's liquidity is always locked up either in soil or silo. As long as farmer's credit requirement is viewed in exclusion for production purposes alone, the empty valet of farmer stares at the banker. In spite of nearly five decades of engagement of banks with farmers, bankers have no trust in them. Similarly, farmers also lack confidence in banks that they would meet their genuine requirements in time. It will be interesting to see from the RBI data that the banks lent to farming mostly in irrigated tracts – nearly 83% of lending took place in just twelve states. National Bank for Agriculture and Rural Development (NABARD) took up watershed programme on a mission mode that helped many water-starved tracts could get crop-relevant water using latest technologies. Kisan Credit Card has become a fancy instrument that did not give credit comfort to the farmer. Revisiting this instrument and modifying its delivery mechanism is more imminent now than ever.

The banks' concerns are equity and discipline while the farmers' concerns are adequacy, timeliness, and multipurpose credit – production, consumption, and marketing. Farming unlike any other activity is prone to risks arising from natural calamities and each calamity is different in nature and dimension.

Chanakya in his magnum opus Artha Sastra clearly mentions that if a natural calamity like cyclone, holocaust, continuous drought for over two years, repeated floods, tsunami etc., it is the responsibility of the state to bail out the farmers by relieving him from all the debt and give cash to him for sustenance. He never advocated loan write-off as it would debilitate the farmer of his own capacities and creates trust-deficit with his lender. Strengthen the insurance mechanism for farming sector. Make available lending to farmer at no more than four percent per annum. Announce the produce price well ahead of the season. Interest reimbursement is a budget game and put an end to it.

It has become a fashion for all the political parties to announce loan write-off from the state exchequer. It is difficult to imagine that they are ignorant of the consequences. But they indulge in this political ploy. A responsible democracy like ours shall refrain from such sloganeering and Election Commission should impose a ban on such announcements. https://timesofindia.indiatimes.com/blogs/fincorp/farm-loan-waivers-no-longer-the-need/

21. Can we afford freebies? *(dailyexcelsior.com)* 7 May 2022

A trend has been set in India by some political parties to offer tonnes of freebies before the elections. This trend has become fashion now to lure gullible voters. This can prove dangerous as long-term consequences for state and central Govt finances may lead the nation to economic instability.

When more and more people of any country prefer freebies to good governance, then the country in due course of time, virtually become a fertile ground for cruel and oppressive rulers. Eventually, the nation gets ruined. This is happening around the world. Sri Lanka and Greece are facing the brunt of spending economically unsustainable largesse. And many more countries may face such a situation soon.

"Don't give anything free to the public; Only education, justice, and medical treatment should be made available to them. Freebies make them lazy and the country weak". This was the opinion of former Indian Prime Minister Bharat Ratna A. B. Vajpayee on the freebies being doled out by the Governments in India.

During electioneering, the political parties do not leave any stone unturned to ensnare their voters and promise anything on the earth to stay or come into power. Some parties project themselves as mythological Divine tree-KalpataruVriksha- a wish-fulfilling tree. "Stand in its shade, and it will give you anything you ask of it. But ensure you vote for it to enjoy its shade". But remember the ground upon which the tree stands, is paramount to both (the divine tree and the voters).

Trendsetters of Free schemes.
Several political parties like the Aam Aadmi Party and the All India Trinamool Congress offered tonnes of freebies before the elections whenever they are held. They also reaped the benefits to stay in power at the cost of the economic instability of the country. It is one of the easiest ways to enjoy dividends till national resources are choked and the economy is ruined. This trend is growing as many other political parties are imitating this action in search of power. In fact, after coming to power on promises of freebies claiming that they have the calculations to fund freebies sorted, the AAP government in Punjab asked the Centre for Rs 50,000 crore aid for two years as the state's financial situation is very bad.

Freebies are the best gainful methods adopted by political parties to lure voters. The origin of freebie culture in the country can be traced to Tamil Nadu's politics. Thereafter, political parties across the nation adopted this as one of the means to woo voters.

Political parties promise to offer free electricity, free water supply, monthly allowance to unemployed, daily wage workers, and women as well as gadgets like laptops, smartphones, bicycles, scooties, etc. to secure the vote of the people in their favour.

Assembly elections of 5 states held in 2022, witnessed the political parties announcing various schemes where they promised free electricity for households and free money to all women. However, these schemes are not feasible for society whether it is the social sector or the economic sector. These promises were made even when the states (were)are in dire financial straits.

India's power distribution companies are suffering badly. In such circumstances, when past dues are already unpaid, offering free electricity and increasing the burden on the power industry is hardly something to be celebrated. Electricity needs are rising daily, and the need of the hour is to generate more power and provide electricity 24×7.

Why the alarming bells now?

In a prelude to the developments in the neighbouring country, Sri Lanka, a marathon meeting was held on April 2, 2022, wherein several top bureaucrats briefed Prime Minister Narendra Modi that the announcements of freebies in several states are financially unsustainable and that they needed to be persuaded to make a balanced decision that aligned political imperatives with economic stability.

Grave concern was expressed over populist initiatives and freebies promised by political parties during elections. They cautioned that if the trends persisted, some states may end up in the same situation as cash-strapped Sri Lanka or Greece.

It was pointed out that the pronouncements made by state governments like Punjab, Delhi, Telangana, Andhra Pradesh, and West Bengal are unsustainable and a remedy is needed now. Several political parties are providing free electricity, putting a strain on the state budget. Thus, it restricts their capacity to commit more finances to critical social sectors like health and education. Officials cautioned the Govt. that providing freebies before every election would have major long-term consequences for state and central government finances. They even warned that numerous states were in dire financial straits and would have gone bankrupt if they had not been a member of the Union.

States get a percentage of national taxes and GST, while their own revenue streams are restricted to alcohol excise and petroleum VAT, as well as property and motor vehicle registration fees. In such a position, efforts to mobilize resources are constrained, depriving them a foundation from which to spend that money on appeasements.

Freebies under the scrutiny of law

A petition was filed by advocate Ashwini Kumar Upadhyay and sought direction for the Centre to enact a law in this regard. On January 25, 2022, the Supreme Court issued a notice to the Election Commission of India (ECI) and the Centre on the issue of political parties wooing voters with the promise of freebies ahead of the assembly elections in five states. The Supreme Court said the promise of freebies was a 'serious issue'.

Freebies of 2022 assembly elections and their implications.

Let us have a glimpse over the promises made by parties for the elections in UP and Punjab in 2022. In UP, SP has promised 300 units of free electricity to households, free power for irrigation, pension of Rs 1500 to poor and elderly women, which will cost Rs 25500 crore. The AAP has promised waiver of farm loans amounting to Rs 30000 crore, unemployment allowance of Rs 5000 a month for 25 lakh youth, Rs 1000 allowance per month to every woman voter (18+ age), besides 300 units of free domestic power – all of which will cost the exchequer Rs 55780 crore. BJP, which has faced the farmers' agitation and subsequently repealed three farm laws, has promised free electricity for irrigation, two crore smartphones and tablets for students, and two free cylinders to Ujjwala beneficiaries for Holi and Diwali every year. Only Rs 26000 crore will be needed for all these.

Congress has promised smartphones and e-scooters to girls passing class 12, a monthly pension to 25 lakh elderly women and an increased honorarium to Asha workers, which will cost Rs 817 crore, a miniscule amount compared to others, perhaps in keeping with its prospect for winning.

As per 2021-22 BE, UP had a fiscal deficit of Rs 90130 crore and outstanding liabilities of Rs 6.53 lakh crore or 34 percent of GSDP. It paid Rs 41430 crore as interest during the last fiscal. The cost of these promises will have to be financed by borrowing, whose fiscal consequences would severely limit the state's development and economic growth.

Punjab is one of the most heavily indebted states of India with debt: GSDP ratio exceeding 53 percent- its economy had contracted by 1.85 percent in the last fiscal. With fiscal deficit of over Rs 24000 crore in 2021-22 (BE) and outstanding liability of Rs 2.83 lakh crore -its annual interest burden alone is over Rs 20000 crore – it is fiscally sliding down a slippery slope. Despite knowing this, AAP has still promised 300 units of free electricity which will take the state's power subsidy bill, already at Rs 10668 crore, past Rs 25000 crore, the ripple effect of which will be felt everywhere.

Tamil Nadu is considered the origin of largesse and has fined tuned freebies to a fine art. It always put some innovative ideas about freebies. In 2011 election, AIDMK had promised and delivered goats, gold as well as colour TV, blenders, and fans – despite some recipients not having electricity connections. It was worth Rs 1 lakh crore, many times more than the state's total expenditure on education and health.

Let us discourage freebies culture:
That in a mature democracy like India, a political party only owes good and corruption-free governance and nothing else to the voters. The task of delivering good governance is difficult, fulfilling promises on freebies is simple and easy. The relief offered by freebies is only temporary and creates a vicious cycle of perpetuation in the society. It works like a pain killer but not a remedy to the underlying problems. Longer use of pain killer is detrimental to the health, eventually the patient loses hopes of survival.

The political class will resist any interference and the EC seems to have acquiesced. Only the SC can put a stop on this vicious practice and save the nation.

Doling out freebies is not a good practice and Governments should focus on long-term policymaking. These short-term measures show a myopic vision, and this type of vision is detrimental to the health of the nation. There is, simply, no justification for free rides; this is pure populism. There is no such thing as a freebie in economics because ultimately somebody has to bear the cost of the supposedly free giveaways. The concept is popularly known as "There's No Such Thing as a Free Lunch", which is the name of a book by Nobel Prize-winning economist Milton Friedman, who showed that everything has to be paid for by taxes if not today or tomorrow, then the day after. https://www.dailyexcelsior.com/can-we-afford-freebies/