NEWS ITEMS ON CAG/ AUDIT REPORTS (09.09.2022)

1. Bengaluru Floods: Nature's fury or manmade disaster? *(timesnownews.com)* Sep 08, 2022

Bengaluru: India's Silicon Valley Bengaluru is recognised around the globe for being the country's leading information technology (IT) exporter. The city has, over the past few days, become a buzz word and has been making headlines as parts of it get remain submerged under rainwater.

The heavy rains leading to massive flooding in the city, which affected the rich and the ordinary man alike, has exposed lacunae in the city's infrastructure, planning and enforcement. In the past 10 days, the east, southeast and northeast parts of the city have dealt with the highest impact.

Among the regions in the city that fell prey to nature's fury is the Mahadevapura zone comprising Hoodi, Garudacharpalya, Kadugodi, Doddanekkundi, Marathahalli, Varthur and Bellandur. The area together hosts dozens of info-tech parks from around the year 2000.

Not to mention that slums and workers' colonies are inundated with water but at the same time, upscale gated communities and tech parks are no exception as social media is filled with pictures and videos of city's posh localities filled with water and the rich being evacuated on trucks, tractors and boats.

Why is there so much flooding in Bengaluru?

Extensive rain
The most easily identifiable villain here is the unprecedented rainfall. While Bengaluru was expected to receive normal rainfall of around 3cm between September 1 and 6, the city was battered with a whopping 13cm rainfall in the six-day period. The extensive rain added to the already-overflowing lakes that could not accommodate any more water.

Shrinking Lakes and Drains
Another factor at play here is that lakes interconnected with canals and drains constitute basic storm water collection systems for any city. However, being India's tech hub, Bengaluru witnessed rapid urbanisation and increasing land demand have led to uncontrolled developmental activities in lakes' neighborhood. This only led to encroachment of lakes and storm water drains (SWDs).

The latest CAG audit, which examined storm water drain management, cites an IISc report to say, "From 1,452 waterbodies with a storage capacity of 35tmcft of water during the early 1800s, waterbodies in Bengaluru dipped to 194 with storage capacity of 5tmcft by 2016. The current storage capacity has further declined due to siltation and is 1. 2tmct."

BBMP had 210 lakes under its custody as of December 2020, out of which at least 18 lakes (spread over 254 acres) were disused, making them vulnerable to encroachments and future conversions. Apart from this, dumping of waste and debris in SWDs, and lake catchment also affect the city's ability to handle even a slight increase in rainfall.

Land Use

As per another IISc study, the built-up area in Bengaluru is estimated to have risen by over 1,000 per cent since the 1970s. It was nearly 8 per cent in 1973 and has now surged to 93. 3 per cent, according to a ToI report.

Who is to blame?

The current situation of Bengaluru is not a single person's fault but successive governments and citizens must share the blame for the city's water woes. Additionally, poor planning, lack of vision and enforcement point fingers at the government. However, citizens, too, are guilty of encroachments, pollution of waterbodies and SWDs, illegal constructions and more.

What can be done to clear the mess?

Need for the formulation of a comprehensive policy which identifies urban runoff as a potential source of water has never been felt more. A clear plan of action for conservation should be designed by the government.

BBMP must stop any further reduction in waterbodies and length of the natural drains and ensure inter-connectivity of waterbodies for proper conservation of the ecosystem.

A joint plan of action to prevent sewage flow into storm water drains should be framed by BBMP and BWSSB, the implementation of which should be monitored by the Karnataka government.

State government and Bangalore Development Authority should take urgent action to finalise and notify revised 'masterplan' to prevent encroachments of waterbodies and rectify the omissions with regard to SWDs. https://www.timesnownews.com/business-economy/industry/bengaluru-floods-bengaluru-rain-natures-fury-or-manmade-disaster-article-94071485

2. Bengaluru Floods: Why Blaming Migrants Is No Answer to the Problem of Urban Flooding *(outlookindia.com)* Sep 08, 2022

India's IT capital Bengaluru has been facing unprecedented flooding and waterlogging following an unusually heavy monsoon. The rain, which has led to hardships and displacement for thousands of city dwellers, has also revealed the feudal mindset and hypocrisy of the city's rich, many of whom have been blaming immigrants amd the poor for what many are calling a "man-made flood".

Photos and videos of the severe inundation in some parts of Bengaluru started going viral earlier in the week and many across the country sighed at the plight of tech billionaires being whisked out of the lofty Epsilon after rain flooded their multi-crore homes. On Tuesday, Unacademy CEO Gaurav Munjal was evacuated from his home along with his family and pet dog on a tractor. But while CEOs riding tractors to work make for good headlines, not many seem to care about the lesser privileged victims of the floods, the poor migrants, and the destitute of the city. In fact, they are the ones being blamed for the crisis. Hashtags like #MigrantsGoBack or #LeaveBengaluru have been trending on social media ever since some people complained about the flooding on platforms like Twitter. While the "local" vs "migrants battle on social media was fought between equals, the real struggles were being fought by the marginalised.

Is the Bengaluru flood a man-made disaster?

City residents as well as planning experts have blamed the rampant and unplanned construction in Bengaluru for the severe flooding, especially in East Bengaluru which sits lower than the central core parts of the city perched on the edge of a topographical ridge. Critics argue that several lakes and storm drains in the city have been filled up for the construction of skyscrapers and swanky corporate towers and housing structures.

As per the latest audit by the CAG, waterbodies with a storage capacity of 35tmcft dropped from 1,452 during the early 1800s to barely 194 with storage capacity of 5tmcft by 2016. Siltation in recent years has further affected storage quality.

In light of the drastic flooding, the Karnataka government has said that all encroaching buildings that block the flow of water or stormwater drains will be removed. The call seems to have fueled the anger against the city's immigrant population. However, reports note that some of the prominent tech parks and the second runway of the Bengaluru airport lie in such areas of the city and would be the first to be removed in case the government's order is implemented.

Record rainfall

Meanwhile, rain has been the first villain in Bengaluru. According to the IMD data, Bengaluru Rural gauged 752.3mm of rainfall against a normal of 303.5mm between September 1 and September 7, an excess of 148 percent. Bengaluru Urban received 168 percent surplus rainfall, 840.2mm of precipitation against a normal of 313.2mm during the period.

In August, Bengaluru received 370 mm of rainfall, a little short of the all-time record of 387.1 mm of rainfall in August 1998. While flood waters receded in some parts of the city on Wednesday, the worst is not over for city residents with the weather bureau predicting heavy rainfall over south interior Karnataka, including the city, for the next two days.

Can migrants alone be blamed?

While indiscriminate housing and illegal construction in violation of city planning rules is a problem, the poor and immigrants alone cannot be blamed for the crisis. The floods are the result of lack of proper city planning or vision for the city's future in the past present and past governments as well.

Instead of blaming migrants, Bengaluru needs a firm plan to tackle urban water run-offs and increase conservation efforts to preserve and forge lakes as well and water storage units. Even little steps like rainwater harvesting can go a long way in mitigating urban flooding.

As in most disasters, the poor and marginalised are the most affected. In colonies of migrant workers in the flooded parts of the city, residents report huge losses as water has left their tents and lodgings submerged.

Understanding factors that cause urban flooding - a phenomenon that has become common across major Indian cities like Delhi, Mumbai, Kolkata and others - such as unplanned waste dumping and continuous disregard for natural recharge structures like ponds, wetlands, and tanks. In fact, any city beset with unplanned development and mindless construction faces the same fate as Bengaluru. https://www.outlookindia.com/national/bengaluru-floods-why-blaming-migrants-is-no-answer-to-the-problem-of-urban-flooding-news-221991

3. Perfect storm *(thehindubusinessline.com)* Sep 08, 2022

Bengaluru floods are a reminder that consequences of chaotic urban growth cannot be ignored

The low lying and rather upscale office and residential areas of Bengaluru's south east have submerged by over 250 mm of rain in the last four days. To put this intensity of rainfall in perspective, the city has received a little under 600 mm since June. It has by now become a familiar story for this time of the year — Vadodara, Hyderabad, Kochi, Chennai (more in December) are periodically thrown into utter disarray, causing immense damage to property, infrastructure, economic output and lives. There could be worse to come. While the IMD has predicted above-normal rainfall this month, the APEC Climate Centre, South Korea, has predicted above-normal rain right till December in the five southern States. Bengaluru, Chennai and Kochi may see more disruption. To be sure, concentrated rain has turned even cities such as London and Berlin into large water bodies. It would be foolhardy now to dismiss such flooding as a one-off event, when it is well established that extreme weather events have become the norm. What is truly disappointing is that the right lessons are not being learnt and acted upon. The reasons for the disruption in large, rapidly growing cities are obvious: storm water drains have been blocked and lakes have been filled up to construct fancy residential and business complexes, without giving a thought to water flows. These complexes cannot be razed to the ground, but surely lakes and storm water drains can be de-clogged and new pathways created for water to flow. In some cases, the consequences of messy planning have to be endured, such as the location of the Kochi airport next to the Periyar river. But there is much that can be achieved by proper mapping of a city's topography so that its lakes and drains are precisely known.

In Bengaluru, there is no precise topographical information in the public domain, especially with respect to the affected areas which have mushroomed rapidly in the last two decades. With the city's Master Plan 2015 not having looked closely at the 'outer ring road region', it has grown without regard for the location of dormant rivers, streams and lakes. The Master Plan 2031 must reflect an improvement in this respect. The low-lying 'IT corridor' to the south-east is also flatter in gradient, which implies that water does not drain away easily if outlets are choked. Its large lakes lie at the end of an inter-connected stream of water bodies to the north and the west. But it is unfair for IT majors to lay the blame for the chaos entirely on the doorstep of governments past and present when they have been complicit. The National Green Tribunal has stayed construction of tech parks, some of them SEZs, in this region. Today, the task at hand is for corporates and the government to form a special purpose vehicle to integrate water management within a business and residential area with the larger region. This would go well with claims of being environmentally and socially responsible.

Corporates could fork out some investment in creating new water pathways, while earning CSR credits.

At the heart of urban chaos, which is leading to riskier living, is the absence of institutional capacity. A CAG performance audit report on Bengaluru, brought out last September, points to the lack of coordination between different municipal arms with respect to planning, data gathering and maintenance. Both capacity building and financial reforms of municipal bodies are called for, at a time when cities are turning economically inefficient by the day. https://www.thehindubusinessline.com/opinion/editorial/perfect-storm/article65867566.ece.

4. Tenements remain unoccupied after 7 years *(thehindu.com)* Sep 08, 2022

The construction of the block of 32 tenements completed in November 2015; project cost stood around ₹1.54 crore

In yet another instance of wasteful expenditure, a block of 32 tenements constructed at Kann Doctor Thottam in the heart of the town near Anna Salai, remains unused for several years.

The Board of Town and Country Planning Department in 2011 had conceived a project to construct an additional block as an extension of around 384 tenements that had come up in 10 blocks at Kann Doctor Thottam.

The construction of the new block of 32 tenements was completed in November 2015. The project cost stood around ₹1.54 crore. “Not a single house has been allotted till now. Since the tenements have remained idle for almost seven years, it was used by anti-social elements. Now, if we have to make allotments, repair works have to be carried out as glass panes, doors and electrical fittings have been damaged. It is an irony that a fully-constructed tenement remains unused, when there are hundreds of people living in unsafe surroundings. It is another instance of wasteful expenditure,” secretary of the Communist Party of India (Marxist) R. Rajangam said.

The idle investment of the government has found mention in the audit report of Comptroller and Auditor General for the year ending March 2020. The Town and Country Planning Department deviated from the practice of first identifying the beneficiaries before the commencement of the project, the CAG observed.

In reply to queries raised by the audit agency, the department said non-finalisation of rules conforming to the provisions of Slum Areas (Improvement and Clearance) Pondicherry Amendment Act, 1986, (Act) for allotment of tenements constructed under Slum Upgradation Programme was the reason for non-allotment of tenements to the beneficiaries.

“Non-identification of beneficiaries before the commencement of construction of tenements and non- framing of rules have resulted in non-allotment and unfruitful investment of ₹1.54 crore for more than five years besides deterioration of tenements and deprival of benefits to the targeted beneficiaries,” the report said.

The CAG has recommended to the government to frame rules to ensure transparency, criteria for identification of beneficiaries for allotment of tenements prior to construction.

Independent legislator G. Nehru alias Kuppusamy, representing Orleanpet, said construction was completed in 2015 and the previous Congress government completely ignored the project as it was done during his first stint as legislator.

“It was completely ignored because the project was conceived during my first stint as legislator of Orleanpet. Necessary administrative steps have been taken for handing over the flats. We have identified the beneficiaries and allotments will be done in two months,” Mr. Nehru said. https://www.thehindu.com/news/cities/puducherry/tenements-remain-unoccupied-after-7-years/article65866415.ece

5. गांधी सागर बांध की सुरक्षा SISF को देने की तैयारी:5 km क्षेत्र में ड्रोन पर प्रतिबंध, रहवासी लोगों का किया जाएगा वेरीफिकेशन *(bhaskar.com)* September 8, 2022

चंबल नदी पर बने गांधी सागर बांध पर सीएजी की रिपोर्ट के बाद मंदसौर जिला प्रशासन ने उन तमाम तकनीकी खामियों सहित अन्य सुझाव पर अमल करना शुरू कर दिया है। इनकी वजह से भविष्य में बांध को खतरा हो सकता है। कलेक्टर गौतम सिंह ने बताया कि बांध की तकनीकी खामियों को दूर करने के साथ ही क्षेत्र के ग्रामीण इलाकों में रहने वाले लोगों की जानकारी जुटाने के लिए सर्वे शुरू किया गया है। इसके लिए राजस्व विभाग को जिम्मेदारी सौंपी गई है। अगले 10 दिनों में गांधी सागर बांध के आसपास रहने वाले तमाम लोगों की जानकारी जुटाई ली जाएगी। इसके साथ ही बांध पर अन्य स्ट्रक्चर बनाने और तकनीकी कमियां दूर करने के लिए सरकार को 77 करोड़ का प्रस्ताव भेजा गया है।

हाई संसेटिव झोन में बांध की सुरक्षा

कलेक्टर गौतम सिंह के मुताबिक गांधीसागर बांध को हाई सिंसेटिव झोन में रखा गया है। बांध को किसी तरह का नुकसान न हो या कोई इसे नुकसान नहीं पहुंचा पाए इसके प्रबंध किए जा रहे है। डीएम ने बताया कि पिछले दिनों बैठक के दौरान गरोठ विधायक देवीलाल धाकड़ ने गांधी सागर क्षेत्र में लगातार बाहर से आकर अवैध रूप से रहने वाले संदिग्ध लोगों का मुद्दा उठाते हुए इससे बांध की सुरक्षा को खतरा बताया था। इसके बाद जिला प्रशासन ने राजस्व विभाग के साथ टीमें बनाकर गांधी सागर क्षेत्र के आसपास रहने वाले लोगों का सर्वे किया जा रहा है। वहीं, बांध के 5 किलोमीटर के क्षेत्र में ड्रोन उड़ाने पर प्रतिबंधित किया हैं।

बांध की सुरक्षा SISF के जिम्मे

गांधीसगर बांध पर पदस्थ कार्यपालन यंत्री एच के मालवीय ने बताया कि बांध की सुरक्षा अब SISF के हाथो में होगी। सुरक्षा एजेंसी से ईएमओयू साइन हो चुका है। राज्य औद्योगिक सुरक्षा बल के हाथों में बांध की सुरक्षा होने के बाद इन सिक्योरिटी ज्यादा हो जाएगी। वर्तमान में बांध की सुरक्षा विभाग के जिम्मे है। कलेक्टर ने बताया कि बांध पूरी तरह सुरक्षित है। कैग की रिपोर्ट के बाद जो तकनीकी कमियां बताई गई

थी। उसे पूरा किया जा रहा हैं। https://www.bhaskar.com/local/mp/mandsaur/news/drones-will-be-banned-in-5-km-area-residents-will-be-verified-130291061.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

6. Electricity Distribution in India: Sequencing of Reform Measures *(orfonline.org)* September 8, 2022

The Electricity (Amendment) Bill, 2022 (EA2022) was introduced in Lok Sabha (lower house of the Parliament) on 8 August 2022. The Bill amends the Electricity Act, 2003 (EA2003) which regulates the electricity sector in India. EA2022 was later referred to the parliamentary standing committee on energy after members of several opposition parties opposed its introduction in the Lok Sabha because it violated the federal principles of the constitution. EA2022 is also opposed by farmers as they fear that it will eliminate subsidised access to electricity and by some trade unions who fear job losses after a takeover by corporates favoured by the government.

Electricity Amendment Bill

The subject of electricity is placed under the concurrent list (responsibility shared between the Centre and states) of the Indian constitution and the distribution of electricity is completely under the state government through state electricity boards SEBs (State Electricity Boards are now recast as discoms). The concern expressed by opposition parties is that EA2022 seeks to amend the constitution through a statute that allows the central government to appropriate powers of the state government.

EA2022 is also opposed by farmers as they fear that it will eliminate subsidised access to electricity and by some trade unions who fear job losses after a takeover by corporates favoured by the government.

EA2022 seeks to amend Section 42 of EA2003 to facilitate non-discriminatory open access to the distribution network of a distribution licensee. Earlier, the government was hesitant to privatise distribution as it would have deprived them of a potent tool of patronage. Now, however, governments crave the patronage of corporates rather than the patronage of the poor as corporate money and media channels they control can achieve the same electoral outcomes.

In theory, open access would allow the entry of multiple companies to supply electricity to consumers as in the case of mobile telephone services. This amendment has caught the attention of the middle and affluent classes eager to replace state suppliers with efficient private suppliers. The concern over this provision from state governments is that it will allow the central government to grant multi-state entry of favoured corporates into the electricity distribution segment. The EA2022 achieves this by blurring the distinction between the distribution licensee and the distribution company. This means that any company will only require to register to trade in electricity to enter the distribution segment. In contrast, a distribution licensee will have to go through due diligence by the state electricity regulatory commission (SERC) to distribute electricity in a particular area. Multiple operators in areas where there are several categories of consumers with different tariff slabs will create complex administrative and economic challenges. EA2022 offers open access at the low-tension consumer level. In theory, this could mean that a distribution company can choose to supply electricity to urban areas concentrated with affluent households marginalising areas with poor and low-income households. This would effectively create two different market segments, one, high-cost good quality commercial power for the cities and another, low-cost, poor-quality social electricity for rural areas supplied by discoms.

As per EA2022, SERCs can fix the minimum and maximum ceiling of tariff for the sale or purchase of electricity in case of a shortage of supply. This will go against multiyear tariff orders that have been issued to limit volatility in electricity tariffs.

Harsh penalties are imposed by the EA2022 on discoms for non-compliance with renewable power purchase obligations (RPOs) as prescribed by the central government. This along with the “must-run” status for renewable power (RE) will ease the evacuation of power generated by large corporate solar plants even when there is no demand for additional electricity supply. This is equivalent to a “take-or-pay” contract arrangement that could add to the strain of financially challenged discoms.

Multiple operators in areas where there are several categories of consumers with different tariff slabs will create complex administrative and economic challenges.

EA2022 expects central electricity regulatory commissions (CERCs) to effectively carry out policies of the central government which can compromise the autonomous functioning of a regulatory body. It can also effectively make SERCs redundant. This presumably follows from a Niti Aayog report on distribution reforms that recommended the creation of regional electricity regulatory commissions with participation from the central government above state electricity regulatory authorities to limit political interference in regulatory functions.

Sequencing of reform initiatives

Electricity generation was open to the private sector after EA2003. The private sector now accounts for 39 percent of power generation capacity compared to 21 percent for the central sector and 24 percent for the state sector. The EA2022 provides for privatisation of distribution and to a lesser extent competition and regulation, but these must be introduced in a phased manner and more importantly in the right sequence. Most studies suggest that establishing regulatory infrastructure, and introducing competition should precede privatisation.

Electricity distribution is a network infrastructure industry that has traditionally been viewed as a strategically important activity with ‘natural monopoly’ characteristics. This justified state ownership through SEBs. Economic, institutional, and technological developments have reduced the benefits of economies of scale justifying introducing competition to SEBs. But SEBs are not inefficient commercial entities as often portrayed.

According to Ruet, SEBs are not inefficient enterprises but administrations whose nature was to pursue objectives that were heterogeneous and so, irreconcilable to judgement by sole economic criteria.

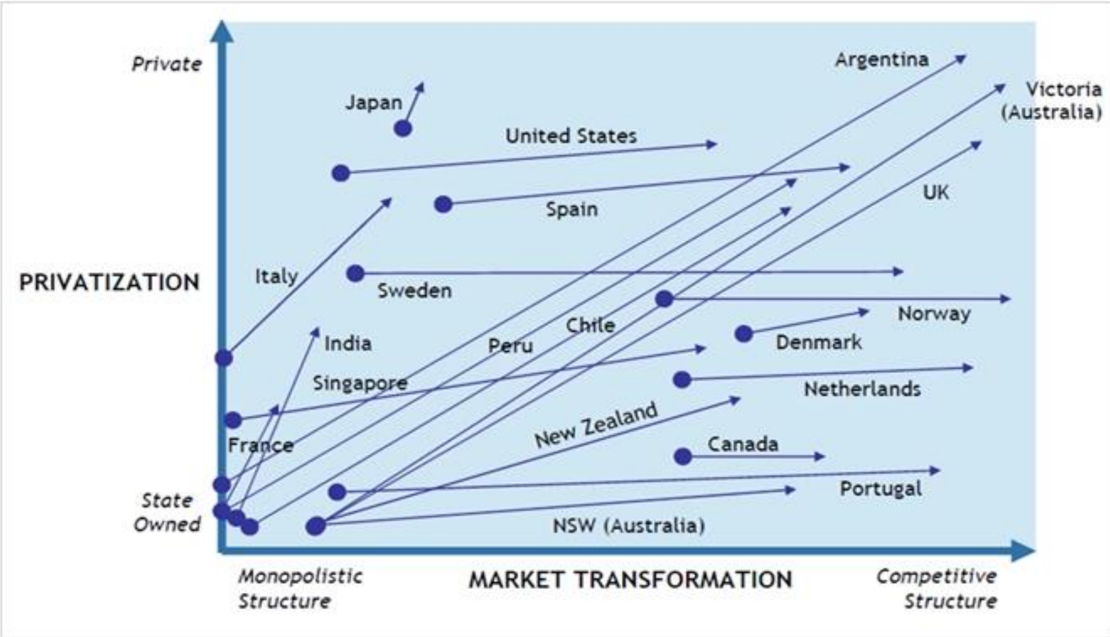
Joel Ruet, a French economist who studied the Indian power sector in the early 2000s observed that if socialism was “Soviets plus electricity”, according to Lenin, independent India was to a great extent “democracy plus state electricity boards”. According to Ruet, SEBs are not inefficient enterprises but administrations whose nature was to pursue objectives that were heterogeneous and so, irreconcilable to judgement by sole economic criteria. Ruet’s observation captures the important role SEBs played, in mediating the provision of electricity to consumers initially as an instrument of development policy (expansion of agricultural irrigation and later village electrification) but eventually as a lever to achieve political objectives (subsidised or free access to electricity offered before elections). India today has almost complete coverage of the electricity network that was achieved in most other countries only at higher income levels. The problem of the electricity distribution sector is, however, framed as one of SEB or discom inefficiency and this justifies privatisation of the distribution segment. SEBs, now unbundled and recast as discoms continue to be instruments to meet political ends. This has limited the ability of electricity tariffs to reflect the true cost of supplying electricity which is among the most important reasons for discom woes. The upside of tariff concessions announced by political parties accrues to the party in the form of electoral gains while the downside is passed on to discoms that grapple with mounting losses and a C rating.

Studies have shown that privatisation, competition, and regulation, though desirable, do not yield these results if they are implemented simultaneously. Both theoretical and empirical works have pointed to the importance of competition in raising economic efficiency when privatisation occurs. According to Joseph Stiglitz, a Nobel prize winning economist, successful economic programs require extreme care in sequencing the order in which reforms occur. Recent empirical research on reform in developing countries has concluded in favour of gradualism, which emphasised the importance of first establishing institutional infrastructures conducive to market forces, including setting up of competitive industrial structures and appropriate regulatory systems. A study based on a panel dataset covering 25 developing countries for the period 1981 to 2001 found that establishing an independent regulatory authority and introducing competition before privatisation was correlated with higher electricity generation, higher generation capacity and improved capital utilisation. An earlier study that used a larger data set involving 51 developing countries, over the period from 1985 to 2000, found that competition was more important than privatisation in raising economic performance in electricity generation. Evidence from industrialised Western economies, including the UK, shows that privatisation alone is insufficient to stimulate performance improvement, especially in public utilities with natural monopoly characteristics.

Recent empirical research on reform in developing countries has concluded in favour of gradualism, which emphasised the importance of first establishing institutional infrastructures conducive to market forces, including setting up of competitive industrial structures and appropriate regulatory systems.

Compared to the speed of privatisation in the electricity sector in India (in generation after EA2003) the process of establishing a strong autonomous regulatory regime has been slower. Though regulatory bodies have been established (CERC, SERC) they are “captured” by the government and by corporates through the government. Privatisation as reflected in EA2022 could mean more of the same as privatisation is framed as the end rather than the means for creating an efficient and affordable electricity network. For reform of the distribution sector to be transformative, fair, and equitable, the government should first ensure that tariff reform takes place with subsidies transferred directly to the beneficiary. Second, the government should ensure that regulatory bodies are truly autonomous. Third, the government should break up discoms and allow them to compete against each other to improve discom performance and introduce competition. Privatisation should follow only when these measures succeed.

Privatisation Versus Market Transformation in the Electricity Sector



Source: World Bank

https://www.orfonline.org/expert-speak/electricity-distribution-in-india-sequencing-of-reform-measures/

7. Draft electricity policy: Power sector should create long-term coal requirement plan *(thehindubusinessline.com)* September 9, 2022

The Central Electricity Authority has sought the comments of licensees, generating companies and the public to the first volume of the draft plan

The draft National Electricity Plan proposes that the power sector should prepare a long-term plan providing an estimate of its coal consumption requirements and inform the Coal Ministry, Railways and Ports of the same

The National Electricity Plan, which is prepared by the Central Electricity Authority (CEA) every five years, provides a short-term and long-term demand forecast related to fuel, power consumption, etc.

Timely availability of adequate coal is crucial for maximising generation. In addition to tapping fuel sources or organising its availability, it is also essential to create the infrastructure to ensure fuel reaches the intended destination. Therefore, development of mines/ ports and requisite transportation facilities commensurate with the completion of projects is necessary, the draft plan said.

"The gestation period in the development of mines and even transport facilities are in some cases longer than the gestation period for setting up of thermal power stations. It is, therefore, imperative for the power sector to make its prospective long-term coal requirement known to the Ministry of Coal, Railways and Port authorities to enable them to undertake co-ordinated development of coal mines and transport infrastructure," it added.

The authority has uploaded the first volume of the draft National Electricity Plan dealing with generation and it has asked the licensees, generating companies and the public to share their comments on the same by December 5, 2022

For FY23, a coal-based gross generation programme of 1,080 billion units (BU) has been estimated by the CEA. Based on the generation programme, coal requirement of 788.5 million tonnes (MT) has been estimated. https://www.thehindubusinessline.com/economy/draft-electricity-policy-power-sector-should-create-long-term-coal-requirement-plan/article65867321.ece

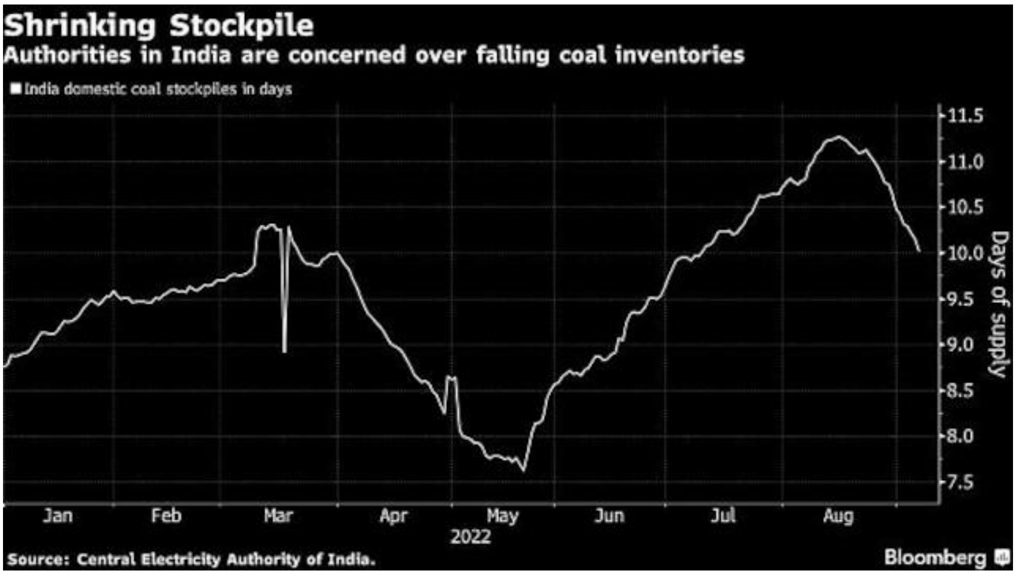
8. India considers further coal imports as concern over energy supply grows *(business-standard.com)* September 9, 2022

Energy officials in India are considering whether further coal imports may be needed to avoid any fresh squeeze on the nation's power supply.

Stockpiles of the fossil fuel at power plants have fallen about 11% since mid-August, meaning utilities have an average of 10 days supply, well below required levels of more than three weeks. Coal helps produce about 70% of India's electricity.

"We are watching the situation anxiously," Power and Renewable Energy Minister Raj Kumar Singh said in an interview. "Availability of power for the common man is non-negotiable."

Plants must maintain adequate stockpiles and import supply if needed, even though the nation's longer-term policy is to limit purchases from overseas, he said Thursday.



Coal India Ltd., the state-run supplier, issued a first-ever import tender in June and NTPC Ltd. also added more purchases from seaborne markets under Prime Minister Narendra Modi's government's efforts to bolster supplies.

India is seeking to avoid any repeat of 2021's coal crunch, the worst in years and triggered by a prolonged monsoon season which flooded mines and choked shipments. Coal-fired power generation jumped almost 16% in the first week of September from a year earlier, as warmer weather in several parts of the country lifted demand for cooling. https://www.business-standard.com/article/economy-policy/india-considers-further-coal-imports-as-concern-over-energy-supply-grows-122090900476_1.html

9. India's fast GDP growth doesn't mean it's ready for takeoff *(cfo.economictimes.indiatimes.com)* September 9, 2022

India's official statisticians reported 13.5% growth in the April to June quarter of this year. This meant that the country whooshed into top place as the world's fastest-growing large economy — and, incidentally, replaced Great Britain as the world's fifth-biggest economy.

Unfortunately, that's where the good news about India's growth prospects ends. Those GDP numbers were actually a disappointment, given that the same quarter last year saw India shut down amid its devastating Delta-driven Covid wave; a Bloomberg survey of economists expected growth in excess of 15%.

Over the past three years, in fact, GDP in India has grown just over 3% — and less than 4% since the last quarter before the pandemic. This financial year — which will end in March 2023 — is unlikely to break any records: Most now expect that real growth will not reach 7% even off a low base.

If you look for reasons to be optimistic, you can find them. For example, capacity utilization in Indian manufacturing recently hit 75%, the highest it has been for almost a decade. Some economists hope that this means that the problem plaguing the Indian macro-economy for the past decade — anemic private sector investment — will stop being a constraint on growth. Yet investment figures as a percentage of inflation-adjusted GDP continue to be under par, 2.5 percentage points below what they were prior to the pandemic.

Some Indian officials think that the return of high investment and growth is only a matter of time, and that positive policy changes over the past few years — from the reform of indirect taxes to new industrial policies that focus on domestic manufacturing — will bear fruit in the medium term. But we've heard that line before, multiple times.

If it hopes to return to a high-growth trajectory, India simply can't afford to give in to complacency. Something crucial is still missing in the country's policy mix: a proper understanding of what investors really need.

In a world of rising interest rates and risk-off sentiment, there still aren't enough investible projects available in India with the right risk-return profile. A lot of capital continues to flow into India but mainly from risk-tolerant sources such private equity, or toward companies believed capable of managing political risk such as Adani Enterprises Ltd.

The companies that support job increases and broader economic growth — smaller enterprises or those in the infrastructure sector, for example — don't get as much of a look. Even global portfolio investors have noted that, over the past 10 years, Indian equities haven't delivered better returns than the much more transparent US market.

Broadening the Indian private sector's access to capital by reducing environmental risk should be the government's No. 1 priority going forward. That requires the implementation of reforms that are well understood and have been advocated for years, but have been shifted to the back burner in comparison to more high-profile subsidies and interventionist policies.

Administrative and judicial reforms, for example, are overdue. Dispute resolution in India remains a nightmare. According to the World Bank's 2020 Ease of Doing Business report, India ranked 163rd in the world on contract enforcement. It took an average of 1,445 days to resolve commercial disputes through the court system.

The World Bank has since stopped publishing its independent evaluations of the business climate, and the Indian government maintains that these numbers have improved since then. But investors in India still have a justifiable fear of going to court. Even the government's landmark bankruptcy process has slowed to a crawl, with the National Company Law Tribunal saying last month that it would hear only "urgent" cases because 30 of its 63 judicial slots remain unfilled.

One way to make up for the lack of judicial and administrative reforms would be to allow greater space for arbitration, including international arbitration. But India shifted in the opposite direction over the past decade, unilaterally exiting bilateral investment treaties and moving to reinforce the primacy of domestic courts. Those policies were short-sighted and should be reversed.

The global mood has changed. India needs to show investors not only that they can achieve decent returns in the country but that their money is safe here. That requires an entirely different set of reforms than the government has so far been comfortable with. Unless policy makers get cracking on changing the overall risk profile for investment in India, there's little chance that they will get private investment up to the levels necessary for sustained and transformative high growth. https://cfo.economictimes.indiatimes.com/news/view-indias-fast-gdp-growth-doesnt-mean-its-ready-for-takeoff/94088072

10. Will be surprised if economy grows over 6.5% in next five years: Bibek Debroy, chairman, Economic Advisory Council to the Prime Minister *(financialexpress.com)* September 9, 2022

India's medium-term economic growth potential is 6.5%, as exports are no longer a major driver due to protectionism and global uncertainties, said Bibek Debroy, chairman of the Economic Advisory Council to the Prime Minister. The unemployment situation continues to be a cause of worry, Debroy told FE's Prasanta Sahu. Edited excerpts:

Capacity utilisation has reached over 75%. Does this indicate early signs of a robust revival of private investments?
There are different levels of government expenditure, a large part of which is of the Union government, particularly on roads, highways and railways. There has been quite a bit of Union government capex in the last two years. But, I don't think there has been sufficient capital expenditure by state governments, as many state governments are facing fiscal strains due to revenue expenditure. On consumption, signs are already there that it is reviving. If consumption revives, then the private investment has to revive, as capacity utilisation increases with a slight time lag. However, investment revival is sector-specific.

Which are the sectors seeing private investment revival?
We can see a revival very clearly in many service and manufacturing activities, such as steel, pharma, construction and IT. The problem area, where it is not happening or not happening adequately, is the conventional power sector. If the economy is growing, say by 7%, either employment or productivity must be increasing. At an anecdotal level, employment is not increasing fast enough. If that is the case, productivity increasing means that investments must be happening.

How long can consumption demand revival sustain, in the face of interest rate tightening and lower demand from developed counties? Will it affect private capex?
It is incorrect to say that it won't affect. We have not seen the end of the economic problems, whether it is in the United States or Europe. So, it is unreasonable to expect that exports will continue to do well. There are effects, particularly in sectors that are somewhat more dependent on exports.

Has the potential economic growth rate for India come down?
When we did 9-10% economic growth, the global economic environment was far kinder. There was not much protectionism. The export-to-GDP ratio was about 20%

at that time and exports grew by at least 15% in dollar terms. So, exports contributed about 3.5% to GDP growth. If I accept the potential benchmark of 10% GDP growth, and I take away 3.5%, the growth will be down to 6.5%. Exports growth will not become zero, which is why I'm saying 7% economic growth. So, the trajectory has come down because one of the drivers (exports) doesn't exist to the same degree. I would say that trend now for the next five years, or the aspiration for the next five years, is about 7%. Personally, I would be very surprised if we do more than about 6.5% in the next five years. Except for things like defence and railways, this is an aggregation of state rates of growth. If you look at the various states' rates of growth, there is nothing to suggest an upward movement of the trajectory from 6.5% to 8% during the period.

Many structural reforms have been done. What more needs to be done to boost growth?
At the Union government level, a lot of reforms have been done. A lot depends on states on subjects such as efficient land markets, which is their domain. States must have efficient labour markets, which is much more than labour laws. It is about skills, the educational system and vocational education. Efficient capital markets mean there must be exit also. The Union government has taken steps to better target subsidies. The government has been talking about fiscal consolidation. It needs to do something about revenues, which essentially boils down to direct tax reform, apart from asset monetisation. On the taxation side, the big thing left is reforming direct taxes by removal of various exemptions. The question is the timing of that.

The unemployment situation is still a cause of worry. What should the government do about it?
Based on the Periodic Labour Force Survey, we find that employment has begun to increase compared to three years ago. But, overall, we have a problem because the employment elasticity of growth has come down over the years. Partly, modern manufacturing is much more capital-intensive than it used to be. In labour, there is a complete mismatch between education and skills valued by the market. So there is a huge agenda for the governments on skill formation and addressing the mismatch between supply and demand of labour.

States complain that the Centre is taking away their fiscal powers, be it on centrally-sponsored schemes or borrowings.
My personal view is that centrally-sponsored schemes should not be there, certainly those that are in the state list under the Seventh Schedule of the Constitution. If something is important enough, it should be a Central sector scheme with 100% Union government funding. We need to relook at the Seventh Schedule. If we are talking about starting the template for the next 25 years (for the nation), I would say that we need to take a relook at the entire Constitution. https://www.financialexpress.com/economy/will-be-surprised-if-economy-grows-over-6-5-in-next-five-years-bibek-debroy-chairman-economic-advisory-council-to-the-prime-minister/2660260/

11. Recent 5G spectrum auctions- Post-tender developments erode the credibility of the auctions *(countercurrents.org)* September 8, 2022

To
Shri K Rajaraman
Secretary (Telecommunications)
Govt of India

Dear Shri Rajaraman,

I had earlier addressed the Comptroller & Auditor General of India (C&AG) to scrutinise the recent 5G spectrum auctions, keeping in view the absence of any worthwhile competition, which diluted its credibility, as also the post-tender relaxations allowed, that had the effect of vitiating the sanctity of the auction process. I had marked copies of my letters dated 13-8-2022, 15-8-2022 & 26-8-2022 to you, which are also readily accessible in the public domain at (https://countercurrents.org/2022/08/5g-spectrum-why-the-relaxation-of-security-conditions-in-border).

I have just come across a report (https://economictimes.indiatimes.com/news/india/finance-ministry-okays-vi-dues-conversion-to-govt-equity/articleshow/94061464.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)) that the Finance Ministry has cleared a proposal to convert Vodafone Idea's Rs 16,130-crore worth of accrued interest dues on deferred adjusted gross revenue (AGR) into equity, which in effect makes Government of India the single largest equity holder in the company, with an equity share of 33% in the company. This proposal had been with the Finance Ministry since January, 2022 and, as such, when the company submitted its bid in August, both the government and the company were fully aware of this.

On the other hand, in the Notice Inviting Applications vide communication No. 1000/5/2021-WF dated 15-6-2022, your Ministry had specifically incorporated the following condition in Annexure M (Format for Ownership Compliance Certificate):

"Promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the licensee company"

Conversion of equity, based on a proposal which was pending before the government at the time of the auctions and should therefore be deemed to have taken place by then, amounts to an alteration of the ownership pattern, not perhaps transparently disclosed in the bid documents. If this is true, it could be considered a change in the pattern of ownership that raises concerns about the sanctity of the auction process.

It is also a matter of concern that the bidding format should allow bidders with a heavy debt to bid for valuable spectrum.

I had already raised concerns about the lack of adequate preparation before the auctions, diminishing the role of the telecom CPSEs, conducting auctions in a hasty manner ignoring the potential use of the spectrum for defence and several other strategic applications, inadequate competition and the post-tender relaxations, which have collectively eroded the credibility of the auctions. This latest development of an altered ownership pattern raises similar questions.

I request the Department of Telecommunications to take the C&AG and the Parliament into confidence on these concerns.

Regards,
Yours sincerely,
E A S Sarma
Former Secretary to Government of India
Visakhapatnam
https://countercurrents.org/2022/09/recent-5g-spectrum-auctions-post-tender-developments-erode-the-credibility-of-the-auctions/

12. Railways expect ₹30,000 cr revenue from 300 Gati Shakti cargo terminals *(livemint.com)* Updated: 08 Sep 2022

The Union Cabinet had approved a policy on long-term leasing of Railways' land as well as a proposal to develop 300 Gati Shakti cargo terminals over the next five years on Wednesday. A senior official said on Thursday that the Railways expect an incremental revenue of at least ₹30,000 crore per annum from freight services when 300 Gati Shakti cargo terminals will be operational.

The 300 terminals planned by the Union Cabinet are expected to generate employment for 30,000 people directly and 90,000 indirect jobs.

The official said, "We will start getting incremental freight revenues as the terminals are developed... Once all 300 are completed, Railways will get additional revenues of at least ₹30,000 crore. This estimate is very conservative."

Union minister Ashwini Vaishnaw talking about the achievements of 'Gati Shakti Multi-Modal Cargo Terminal (GCT)' which was launched in December last year, said that the ministry has got a very good response while briefing reporters on the Cabinet decisions on Thursday.

The approved policy will help provide land leases for a longer period of up to 35 years as against five years at present. It is expected to generate about 1.25 lakh jobs.

Vaishnav added, "The target of 300 terminals is a very achievable target. We already have 150 firm proposals -- about 93 applications have been received to build terminals and about 65 entities have expressed their interest."

He also said that the policy will remain the same for existing terminal holders, including PSUs such as CONCUR, Food Corporation of India, Coal India Ltd and Steel Authority of India.

Talking about the bidding process for lease, the minister said, "For all PSUs, there was already a 30-year lease policy and we have consciously made a decision that we will not be changing the terms and conditions for existing cargo terminals. We don't want any favourable or unfavourable treatment. The new players will come through a transparent bidding process."

The minister said that the Railways will play an important role to make India a more competitive market, he added that, “once the lease ends, the existing players will have the option to switch to the new policy via the bidding process."

He also said that after decades of losing market share in logistics, last year Railways began to gain market share and once the 300 terminals are made, the Railways will get more cargo.

Distinguishing between the overhead costs involved in roadways and railways Vaishnav pointed out, “Hypothetically, if an economy is served only by roads, its logistics cost is 17-18% of GDP and if it is served 100% by railways the logistics cost is 6-7%. So the difference is huge."

Noting the benefits railways can provide in cargo, he said, "The railway is highly economical. If we want to reduce the logistics cost of the country, we need to move cargo away from roads and to railways. In India this cost is about 13-14% of GDP presently..." https://www.livemint.com/news/india/railways-expect-30-000-cr-revenue-from-300-gati-shakti-cargo-terminals-11662645053082.html

13. Leverage agroforestry for carbon markets *(financialexpress.com)* September 9, 2022

With no country spared the effects of climate change, we are left with no alternative other than reducing emissions of greenhouse gases (GHG). Though the large emitters of GHGs are known, many countries still remain reluctant to accept targets that meaningfully reduce emissions.

On the other hand, the immense opportunity to combat climate-change effects through investments in mitigation and adaptation continues to be undervalued. Nature-based Solutions (NbS) such as agroforestry plantations and climate-smart agriculture can play a pivotal role in mitigating and offering solutions to climate-change problems. India is well placed to tap this potential through carbon sequestration credits and biodiversity conservation credits.

Local communities in India have long been practicing NbS, not only against climate change but also for natural resource management through respective traditions and customs. But, without the support of incentives or investment, such systems are eroding fast.

There are more than 200,000 sacred groves in India. These ‘forests of faith’ have been conserved traditionally by local communities for centuries, in mountains as well as watershed catchments. These are also treasure troves of biodiversity. However, compounding demands on land for economic aspirations have threatened these traditions across India. Similarly, the barah anaja multi-cropping farming system in Uttarakhand, in which different kinds of grains are sown at the same time, offers an opportunity to adapt to climate change and ensure food security.

The country's agroforestry plantations play a key role in stabilising its forest and tree cover, estimated at about 24% of its area. Over 25 million hectares (mha) in the country are under the agroforestry system. Timber-growing agroforestry systems fulfil more than 80% of the domestic timber demand. India imports about 15-20% of its timber requirement, and that costs us more than Rs 40,000 crore annually.

Over 159 mha can be potentially developed under agroforestry. There are over 200 mha categorised as Culturable Non-forest Area (CNFA) by the Forest Survey of India, which can be potentially used to grow timber and satisfy domestic and global timber demand. There has been a growing acceptance of timber in the construction sector, considering its effectiveness in tackling the impacts of climate change. The cyclical agroforestry of growing clonal timber species sequesters carbon in a substantially higher proportion in comparison to conventionally grown seed-based timber farming. The timber from agroforestry further locks the sequestered carbon in the form of furniture for over 30 years. This makes agroforestry an NbS for carbon capture and storage, which otherwise happens at a cost of over $50 per tonne of CO2 equivalent.

The paper industry in India imports over Rs 20,000 crore worth of pulp and other paper products annually. Additional area under agroforestry can help the domestic paper industry and also add to the potential of carbon sequestration.

The international carbon markets' (mandated and voluntary) standards of certification of natural resources such as forests can efficiently link carbon emitters and sequesterers and offer incentives to farmers and local communities. Working on the "polluter pays" principle, carbon markets have become the instruments to reduce carbon and ecological footprints for corporates across the globe. The expiry of the Kyoto Protocol has provided many opportunities for the voluntary markets to evolve, and there are specialised standards and markets catering to Payment of Ecosystem Services (PES), carbon credits as well as biodiversity credits. These markets have been growing over the past 30 years, and in 2021, the overall global carbon market was valued at $851 billion. Similarly, the voluntary market's value soared to $1 billion, a clear indication of the general acceptance of these markets.

Despite the enthusiasm to recognise carbon sequestration and biodiversity conservation efforts by global corporates, biodiversity-rich India remains largely a non-participant and in denial when it comes to carbon markets and trade. The NbS such as sacred groves and other community-based biodiversity conservation, agroforestry plantations, and climate-smart agriculture are some of the potential areas where carbon and biodiversity credits can be generated and traded by incentivising local people.

Under the Paris Climate Agreement in 2015, India committed to sequester an additional 2.5-3 BtCO2e by 2030 as one of its NDCs (Nationally Determined Contributions). The Forest Survey of India has modelled scenarios till 2030 based on different baseline years, according to which, considering 2005 as the base year, India overachieves its forestry NDC by 1.25 BtCO2e (if the target is 2.5 BtCO2e) or by 0.75 BtCO2e (if the target is 3 BtCO2e) of carbon sequestration.

This fact needs to be strengthened with policy decisions, considering the overarching benefits to not only carbon and biodiversity credit markets but also keeping in mind the likely investments to happen in agroforestry sector and associated industries. Enhancing agroforestry plantations will only boost the government initiative of 'Doubling Farmer's Income'. Most of the Trees Outside Forest Areas considered in the State of Forests Report cover areas more than 1 hectare, whereas maximum agroforestry is practiced by small-holder farmers having landholding of less than 1 hectare in size.

Farmers and local communities should not be denied the opportunity to gain from the global trade of carbon and biodiversity credits. https://www.financialexpress.com/opinion/leverage-agroforestry-for-carbon-markets/2660290/

14. Wake up to the continuing distress in rural India *(livemint.com)* Updated: 09 Sep 2022

Last month, in a column in Mint, Chief Economic Advisor (CEA) V. Anantha Nageswaran along with Deeksha Bisht provided a reassessment of claims of rural distress in India. Their primary concern arose from the trends and patterns emerging from recently-released data on employment from the Periodic Labour Force Surveys (PLFS). A preliminary reading of the data of the last four years corroborates evidence from other sources of a deepening of rural distress. While overall employment has indeed increased, the sectors and population groups which have seen an increase in employment suggest that a large part of the employment growth may be distress-driven. Of the total increase in employment of 82 million between 2017-18 and 2020-21, more than 60% was among women workers, and more than half was in agriculture, reversing a trend seen since 2004-05. A break-up by age groups also indicates that a significant increase was recorded among younger age cohorts along with the elderly, who, like many women, were likely forced to move into the labour market to supplement household incomes during times of distress. Most of these indicators are showing trends and patterns which are similar to what was observed during the last period of severe distress in India's rural economy, between 1999-00 and 2004-05. Much of this increase can be traced to self-employment, with a decline in the share of regular and wage workers, a sign of distress that is also noted by Nageswaran and Bisht.

Further confirmation of rural distress is the steady increase in demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), a sure sign of economic distress. Nageswaran and Bisht are right in pointing out that a larger share of work is now undertaken on the private land of individuals, mostly from vulnerable groups. While it has certainly created assets and helped raise productivity, it is not as smart a choice for households as often portrayed to be. It is still employment of last resort for the majority of workers who are unable to find jobs elsewhere. The strongest evidence of this is the difference between MGNREGA payouts and private market wages. In almost every state, wages under MGNREGA are lower than the corresponding market pay, with MGNREGA wages in many states at two-thirds of the corresponding market wages. In some states, the scheme pays even less, relatively. Only in case of extreme distress, thus, do households opt for working at wages that are lower than market rates.

Perhaps the best indicator of rural distress are the wage estimates from the labour bureau. Wages have long been known as the strongest proxy for rural poverty. While they are strongly correlated with poverty, these are also overall indicators of rural productivity. The most recent data on wages available is for June 2022. These numbers suggest a real decline in wages in agricultural occupations in the last year by 0.7%. The decline compared to two years ago is 2.7% per annum. The situation on non-agricultural wages is worse, with real wages declining by 2.3% compared to last year, and a decline of 4.5% per annum during the last two years. In fact, real wages in non-farm occupations have declined at 1.1% per annum in the last five years. These are also confirmed by data on real incomes from employment available in PLFS surveys. Real income from employment between 2018-19 and 2020-21 has increased at only 2.7% per annum, despite an increase in number of days worked in rural areas, whereas it has declined in real terms at 4.2% per annum in urban areas.

While this distress has been a result of several factors, including the economy's slowdown since 2016-17 and the subsequent disruption in economic activity on account of the pandemic, it is also due to a continued neglect of the rural economy for almost a decade now.

The distress in India's rural economy is also the primary reason for the demand deficit in the economy, given the large size of the rural economy. No doubt, the past two years have seen enlarged central spending on MGNREGA, which has provided some relief. An increase in foodgrain entitlement through the Prime Minister Garib Kalyan Anna Yojana (PMGKAY) and Public Distribution System has also contributed to lessening distress in the rural economy. However, despite the increase in fund flows through employment and food schemes, the situation in rural areas continues to be distressful.

While a recovery in economic activity is likely to take longer than expected, given the estimates of GDP growth for the first quarter of 2022-23 released last month, more effort will be needed to strengthen existing mechanisms of alleviating rural distress. This will not only require enhancing the budget allocation for MGNREGA, which has been a lifeline for millions, but also increase wages under MGNREGA to bring them at par with market wages. At the same time, given the inflationary spell in food and overall price buoyancy, the government will also need to extend the PMGKAY beyond September. Rural distress is not just real, but also the biggest challenge for our economy. Apart from protecting our large population dependent on the rural economy from inflation and uncertain incomes, we need broad-based demand for an economic revival. A recognition of the gravity of rural distress is the first step in this direction. https://www.livemint.com/opinion/online-views/rural-distress-remains-a-real-and-pressing-challenge-11662655706269.html

15. States fail to use central funds for ROV project: Nitin Gadkari *(newindianexpress.com)* September 9, 2022

BENGALURU: Union Minister for Road Transport and Highways Nitin Gadkari on Thursday took strong exception to states not being proactive in utilising the Central Road Fund (CRF) as only six states had signed the Memorandum of Understanding (MoU) for the Rs 16,000-crore remotely operated vehicles (ROV) project.

“States have a stake in the funds, and the finance minister has given the nod for utilisation. States need to take ownership as it will ultimately benefit them,” he suggested, emphasising collaboration among all stakeholders for qualitative reforms.

Inaugurating the two-day national conference ‘Manthan -- Idea to Action’, he said, “We should overcome differences and not think in silos. All stakeholders should understand each other’s issues, and with mutual consent focus on planning futuristic policies so the country’s transport is run only on fuel made in India. Prime Minister Modi has two dreams for the country -- Atmanirbhar Bharat and $5 trillion economy -- and we have the responsibility to fulfil them.”

In a reference to heavy rainfall, Gadkari asked stakeholders to come out with innovative technology to check damages and reduce the maintenance cost of highways.

An integrated approach is essential to reduce logistics costs from 16 per cent to 10 per cent (China is at 10 per cent, Europe at 12 per cent). The concept of bus-ports as centres of growth is growing, and it is imperative to link different modes of transportation while improving road infrastructure with new technologies, he said. Gadkari informed that the ministry, along with the Ministry of Environment and Forests, has come up with a ‘Tree Bank’ project wherein NHAI will plant trees along highways, helping in the absorption of carbon dioxide.

Minister of State for Road Transport and Highways General Dr V K Singh, hinting at removing toll collection booths, said, “An intelligent and integrated system can read number plates, and the toll can be charged on a kilometre basis.”

NHAI Chairperson Alka Upadhyaya said, “Manthan is a platform that will deliberate and visualise the future of road transport, besides initiating collaboration between government and industry to develop infrastructure.” https://www.newindianexpress.com/states/karnataka/2022/sep/09/states-fail-to-use-central-funds-for-rov-project-2496350.html

16. How Punjab's economy is going the Sri Lanka way *(indiatoday.in)* September 9, 2022

The most surprising economic news of the Fiscal Year 2022, shocking for many economists and experts, was the financial crisis and bankruptcy of the Sri Lankan economy. This beautiful small island hit the headlines for being in an economic disaster wherein the Lankan government cannot pay off its sovereign debts and even interest thereon.

The economic downturn has led to unprecedented inflation, wiping out the savings of the public and shortages in essential supplies and a host of other effects like civil unrest, political instability, etc.

Experts on public finance and government expenditure presumed that the Sri Lankan economic disaster was bound to happen. Many experts had anticipated and predicted this disaster, though they never agreed on the exact timings of the occurrence of this economic crisis. It was a man-made disaster where the plans and policies followed by the ruling dispensation headed straight to the pitfall of sovereign bankruptcy.

If you ask for one reason for this crisis, the answer will be the excess government spending over its revenue. However, the prime reasons were debt-led growth leading to a debt crisis and investing in economically non-viable sectors. The other profound reason was reckless populist measures taken by the Sri Lankan government for political reasons. The crisis is colossal and the leaders of governments, both federal and state, must learn lessons from this avoidable crisis.

Ironically, instead of learning from this debt crisis, many Indian states are following a path which can be detrimental to the economic health of the states and may lead to the Sri Lankan way.

Let us analyse the state of Punjab, whose economy is in the doldrums, particularly after the spree of economic dolls and uneconomic populist decisions by the new political dispensation in March 2022.

Punjab, the bread-basket of India, has enjoyed the status of being the richest state of India in terms of per capita income for almost 2 decades, thanks to the Green Revolution. But in the last two decades, Punjab has seen its worst economic days, which have multiple causes with multiple and cascading effects. Ironically, instead of learning from the Sri Lankan crisis, Punjab is heading the Sri Lankan way.

In ideal conditions, government expenditure is generally more than its total income in a welfare state like India and its state constituents. But, the ratio of excess spending should not be more than a particular limit as it will force the government to borrow to meet its expenditure. This leads to a debt trap which is a situation where the government has to take loans to pay off even interest on these mounting loans.

As per the public statement of the Finance Minister of Punjab, the economy of Punjab is painting a state of classical debt trap where the state’s outstanding debt is projected to increase from 2.83 to 3.05 lakh crores in F.Y. 2022-2023. Punjab has a per capita debt of 1 lakh rupees, making it one of the worst managed economies among Indian states.

Some of the financial parameters of Punjab, a highly indebted state, for instance, are similar to Sri Lanka’s. Punjab’s debt-to-GDP ratio is now the highest in the country at 53.3%, in contrast to the ceiling of 20% as agreed by the Centre and states of India. It means the debt of Punjab is more than 50% of the total monetised value of production in Punjab in a year.

The major reason for the Lankan crisis was reckless expenditure on freebies. Punjab is treading the same path. Imagine a debt-ridden person borrowing just to pay the mounting interest is not only borrowing more but spending much more than its income and even waiving off its sources of income in terms of tax cuts!

This is exactly what is happening in Punjab. Despite the economy in a shambles, the AAP government is offering concessions and rate cuts. The total power subsidy in the current FY is Rs 24,886 crore which includes 15,845 crore as a freebie on account of

300 units of power per month for free from July this year. The government has borrowed Rs 8,000 crore in 2 months just to pay interest on old loans.

Punjab ranked first in GDP per capita amongst Indian states in 1981 which declined to fourth in 2001, but has experienced slower growth than the rest of India, having the second-slowest GDP per capita growth rate of all Indian states and UTs between 2000 and 2010, behind only Manipur. In 2019-20, Punjab, India's once most prosperous state, drifted down from its rank 17 to rank 19 in terms of per capita GDP.

In its spree of populism, Sri Lanka chooses not to increase tax revenue. The same is the case with Punjab. Ironically, no new tax has been announced in the budget 2022. Out of the total revenue receipts of 95,378 crore, 20,550 crore are estimated to come from GST, 6,250 crore from VAT and 9,647 crore from state excise. How can a government survive without increasing its revenue?

Let's look at the comparison of financial parameters of Sri Lanka and Punjab:

Sri Lanka	**Punjab**
Population 22 Crore(App)	30 crore(App)
High Debt 70.61% of GDP till 2020	One of the highest debt states of India, which is 53.6% of its GDP
Low Tax Revenue	No hike in tax Revenue in Budget 2022
Loans to pay even the interests	Rs 9000 Crores borrowed just to pay mounting Interests since March 2022
High per Capita Debt	High Per Capita debt Of Rs 1 Lakh per capita which is the highest among Indian states
Government Spending on Populist Measures	Freebies of Free Power and Rs 2000 to each woman
Low Capital expenditure	One of the lowest capital expenditures among Indian states
High Committed expenditure	Out of the total revenue expenditure, 61% is the committed expenditure on account of debts, salary, pension etc,.
Expenditure on non-economic activities	37 crores spent on just advertisement in 3 months.

The creation of state assets is one way to earn the state's income through capital expenditure. Punjab's investment in capital expenditure is one of the lowest in the country. With the bulk of the state's borrowings going into debt servicing, Punjab has one of the lowest capital expenditures. Payment of salaries, interest payments, pensions and retirement benefits all committed liabilities, continue to be a worry for the state government.

Of the revenue expenditure of 107,932 crore proposed in the budget, 66,440 crore, i.e. 61.56%, is the committed expenditure. The state's committed liabilities are among the highest in the country. Further, like in Sri Lanka, the AAP government is spending on uneconomic areas. Interestingly, in 2 months, the AAP government has spent Rs 37 crores on just advertisements.

The economy of Punjab is on a ventilator. It needs a miracle and not a whitewash. It is high time that the AAP-led government took drastic measures to reduce the fiscal deficit and contain its freebies to bring the economy of Punjab on the path of recovery. https://www.indiatoday.in/opinion-columns/story/aam-aadmi-party-punjab-economy-sri-lanka-economic-crisis-1998229-2022-09-09

17. With micro forests, how a district in Punjab expands its green cover *(indianexpress.com)* 9 September, 2022

Kuharianwali, a village in the Fazilka district of Punjab, has become a trendsetter in expanding forest cover. As of 2021, according to data from the Forest Research Institute, the district had just 1.34 per cent forest cover, one of the lowest in the state. The district administration knew it had to do something to drastically change the picture.

They launched a pilot project called “My village, my forest” in October last year. The idea was to target an unused one-acre plot of land in Kuharianwali village and develop a “forest” by applying the so-called Miyawaki method. In less than a year, the efforts have borne fruit with the area now full of firm plants such as kachnar, neem, arjun, ashok, jamun, guava and others.

Different stages of a micro forest’s growth in Kuharianwali village of Punjab’s Fazilka district. Express“The forest is now self-sustainable as plants have gained enough strength,” said Karanjeet Singh, the sarpanch of Kuharianwali. Singh said that in the initial few months, the trees needed to be cared for, but once they grew taller than an adult, they could be considered strong enough.

The Miyawaki method, which was devised by Japanese botanist Akira Miyawaki in the 1980s, is a technique to create micro forests over small plots of land. Achieving this goal requires planting a wide variety of plants in a fairly dense manner so that the plot of land has different layers of a forest such as shrubs and canopies and not just trees. Plants typically require anywhere between eight to nine months of care before reaching a point where the micro forest becomes self-sustaining.

The project was initiated by Sagar Setia, the then Additional Deputy Commissioner (Development) of Fazilka. He was transferred in July this year. But Dr Himanshu Aggarwal, Deputy Commissioner of Fazilka, said that since the project had worked well in Kuharianwali, more sarpanches were approached to replicate the success.

“It was decided that to celebrate 75 years of Indian Independence and Azadi ka Amrit Mahotsav, 75 such forests would be created by the end of 2022,” said Aggarwal.

Different stages of a micro forest’s growth in Kuharianwali village of Punjab’s Fazilka district. Express
As things stand, work for such micro forests has been completed in 12 villages. The process is underway in another 25 villages, and all 75 villages will see the project kick-off by the end of the calendar year. “Panchayats are being persuaded to give a chunk

of land for this purpose," said Aggarwal. He said the government is also constructing pathways inside these forests so that village residents can walk through them.

Last year itself, more than 11 lakh saplings of 23 different varieties were prepared in different nurseries of the villages — this was done with the help of workers under MGNREGA, the rural jobs guarantee scheme. A total of 6,200 plants can be grown in one acre of land, but many panchayats have planted as many as 8,000 as well.

The project cost of raising these 75 micro forests is around Rs 5.3 crore. In other words, the average cost per project is Rs 7 lakh. The exact expense in a particular village, however, depends on the size of the land being used. Some villages, for instance, have earmarked only about half an acre while some others have dedicated up to 5 acres.

The forests give residents of the villages a sense of belonging, said Raj Babbar, the sarpanch of Rana village. "As these forests are being raised by our villagers, it gives us a sense of belonging, a desire to protect and conserve them," he said. Babbar is certain that apart from providing a rich source of oxygen, the presence of a micro forest will also have a positive impact on rainfall. "It hardly rains in Fazilka; perhaps this can help in bringing more rains as well," said Babbar.

The other benefit of this project is already visible. The workforce required for making lakhs of saplings is coming from MGNREGA. Fazilka has always seen considerable demand for MGNREGA jobs, and this project has helped the district cope with this demand to a large extent.
https://indianexpress.com/article/governance/with-micro-forests-how-a-district-in-punjab-expands-its-green-cover-8139702/

18. NGT slaps penalty of 12,000 crores on Maharashtra for violation of environmental norms in state *(theprint.in)* 8 September, 2022

The National Green Tribunal (NGT) on Thursday imposed Environmental Compensation of Rs 12,000 crores on the state of Maharashtra for allegedly not managing solid as well as liquid waste management causing harm to the environment.

The fine on the state was imposed under section 15 of the NGT Act.

The bench of Justice Adarsh Kumar Goel while passing the direction said that award of above compensation had become necessary under section 15 of the NGT Act to remedy the continuing damage to the environment and to comply with directions of the Supreme Court requiring this Tribunal to monitor enforcement of norms for solid and liquid waste management.

Moreover, without fixing quantified liability necessary for restoration, mere passing of orders has not shown any tangible results in the last eight years (for solid waste management) and five years (for liquid waste management), even after expiry of statutory/laid down timelines, added Tribunal.

"Continuing damage is required to be prevented in future and past damage is to be restored", said the NGT.

The NGT said, “We determine compensation payable by the State of Maharashtra. In respect of gap in treatment of liquid waste and sewage i.e. 5420.33 MLD, compensation works out to Rs. 10840.66crores and compensation for un-remediated legacy waste to the extent of 3,94,19,287 works out roughly to about Rs. 1200 crores. We round off the compensation amount Rs. 12,000/- crores which may be deposited by the State of Maharashtra in a separate ring-fenced account within two months, to be operated as per directions of the Chief Secretary and utilised for restoration measures.”

The restoration measures with respect to sewage management would include setting up of sewage treatment and utilization systems, upgrading systems and operations to ensure utilization of their full capacities, ensuring compliance of standards, including those of faecal coliform and setting up proper faecal sewage and sludge management in rural areas. With regard to solid waste management, the action plan would include setting up of required waste processing plants and remediation of left out 84 sites, said the tribunal.

“Bio-remediation and bio-mining process need to be executed as per CPCB guidelines and the stabilized organic waste from bio-mining as well as from compost plants need to comply with laid down specifications. Other materials recovered during such processes are to be put to use through authorized dealers, handlers and users. This restoration plan needs to be planned and executed in a time-bound manner without further delay. If violations continue, liability to pay additional compensation may have to be considered. Compliance will be the responsibility of the Chief Secretary,” the bench said.

The issues of solid as well as liquid waste management are being monitored by the Tribunal as per orders of the Supreme Court order with regard to solid waste management and liquid waste management. Other related issues include pollution of 351 river stretches, 124 non-attainment cities in terms of air quality, 100 polluted industrial clusters, illegal sand mining etc. which have also been dealt with earlier but we propose to limit the proceedings in the present matter to two issues of solid waste and sewage management, said NGT. https://theprint.in/india/ngt-slaps-penalty-of-12000-crores-on-maharashtra-for-violation-of-environmental-norms-in-state/1121551/

19. Odisha: Rs 1.62 crore misappropriation charge against BDO and JE, cases booked *(newindianexpress.com)* 09th September 2022

JAGATSINGHPUR: Raghunathpur police on Monday registered a cheating and misappropriation case against three persons for embezzling Rs 1.62 crore from projects under the Ama Gaon Ama Bikash scheme.

The accused include a block development officer, junior engineer Saraswati Muduli and another person whose name was not revealed for investigation purposes.

The incident came to light after a social activist Gobind Ojha of Redhua village within Raghunathpur police limits sought details through RTI Act regarding the implementation of different projects. After receiving information and suspecting the authenticity of the bills, invoice and voucher copies that were submitted by the JE to the BDO, he came to know that the bills were issued in the name of one of Ranjan Kumar Sahoo's company Basanti suppliers, which were allegedly fake.

Apart from the misappropriation of funds, he also came to know that the trio had cheated on GST by submitting forged bills. Sahoo further claimed that his company had not issued any such bill and the trio had duped the GST department by submitting false bills which the BDO reportedly approved without verification.

Following the revelation, Ojha sought the intervention of the Project Director, DRDA and other higher authorities demanding legal action against the accused and also lodged FIR with Raghunathpur police, but to no avail. Counsel of the case, Dolagobinda Mohapatra informed that Ojha tried to draw the attention of the higher authorities to the incident but they reportedly paid no heed.

"He sat in front of the court requesting the judicial magistrate to direct the IIC Raghunathpur to register a case," he said. IIC Rajkishore Behera said, "On receiving complaint petition, a case was registered against the accused under relevant sections of the IPC. The investigation is underway." https://www.newindianexpress.com/states/odisha/2022/sep/09/odisha-rs-162-crore-misappropriation-charge-against-bdo-and-je-cases-booked-2496405.html

20. 60 years on, three stolen Tamil Nadu idols traced to the United States museums *(newindianexpress.com)* 09th September 2022

CHENNAI: Investigation into a stolen idol has led Tamil Nadu officials to three more idols stolen from a temple in Kumbakonam about 60 years ago. The idol wing has traced the idols to museums and auction houses in the United States.

In February, the idol of Thirumangai Alwar at Soundararajaperumal Temple was found to be fake and the original was traced to Ashmolean Museum in London. Over the past seven months, investigation officer Deputy Superintendent of Police P Chandrasekaran, who conducted field visits at the temple, suspected that the other idols in the temple could also be fake, and officers started checking them for their genuineness.

"With the help of pictures at the Indo-French Institute in Puducherry, we found that the three idols were replaced with fake ones," said K Jayanth Murali, DGP, Idol Wing. When we compared the pictures with the idols at the temple, the statues of Kalinganarthana Krishna, Vishnu and Sridevi looked different, the officer said, and added, "They were replicas and experts have confirmed that they were fake."

Authorities have now traced the Kalinganarthana Krishna idol to the Asian Art Museum in San Francisco, the Vishnu idol to the Kimbell Art Museum in Texas, and the Sridevi idol to the Hills Auction Gallery in Florida.

Kalinganarthana Krishna
Height: 26 inches (approx)
Year: 1400-1500
Material: Bronze image

Location: Asian Art Museum, San Francisco, USA

Vishnu
Height: 33 ½ inches
Year: 13th century
Material: Bronze image
Location: Kimbell Art Museum, Texas, USA

Sridevi
Height: Unknown, Year: 13th century, Material: Bronze Image, Location: Hills Auction Gallery, Florida, USA
https://www.newindianexpress.com/cities/chennai/2022/sep/09/60-years-on-three-stolen-tamil-nadu-idols-traced-to-the-united-statesmuseums-2496322.html