NEWS ITEMS ON CAG/ AUDIT REPORTS

1. CAG of India inks pact with SAI Bulgaria to enhance audit expertise *(bhaskarlive.in)* Apr 19 2024

The Comptroller and Auditor General of India (CAG) in a step towards fostering international cooperation signed a Memorandum of Understanding (MoU) with SAI Bulgaria, the Bulgarian National Audit Office.

The agreement, inked by the two Supreme audit institutions, aims to enhance collaboration and the exchange of expertise in the field of auditing between the two nations.

A platform will be established for the exchange of knowledge and experience amongst auditing professionals and technical teams through collaboration in training programs, and mutual assistance in conducting audits.

Girish Chandra Murmu, the CAG of India said: "I am confident that signing of the MoU between our SAIs will further strengthen our bilateral cooperation. We look forward to working closely with you and assure you of our support and commitment to energize our capacity development initiatives and exchange of knowledge and information between our SAIs."

The MoU signing ceremony was attended by Ms. Goritsa Grancharova–Kozhareva, Acting President of the Bulgarian National Audit Office, who emphasised the importance of the agreement in developing and strengthening the professional capacity and audit methodologies of both institutions.

Murmu further highlighted the broader implications of the MoU, stating: "This memorandum of understanding will also help cement the ties that already exist between our two nations. I am positive that the MoU will also yield many opportunities for greater exchange of knowledge and experience between members of our SAIs and will also foster the spirit of cooperation and friendship between our SAIs." https://bhaskarlive.in/cag-of-india-inks-pact-with-sai-bulgaria-to-enhance-audit-expertise/

2. CAG of India inks pact with SAI Bulgaria to enhance audit expertise *(daijiworld.com)* April 19, 2024

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3. Supreme Audit Institutions of Bulgaria and India to Cooperate in Performance Audits and Data Analysis *(bta.bg)* 18 April 2024

A delegation of India's supreme audit institution, led by Comptroller and Auditor General (CAG) Shri Girish Chandra Murmu, is visiting the Bulgarian National Audit Office (BNAO), its press office said on Thursday.

BNAO acting President Goritsa Grancharova-Kozhareva and CAG Shri Girish Chandra Murmu signed a cooperation agreement. The two institution will exchange experience and information on performance audit and data analysis; discuss new developments, challenges and best practices in external audit; and exchange methodological developments.

The BNAO leadership was represented by Grancharova-Kozhareva, Vice President Toshko Todorov, members Emil Evlogiev and Georgi Ivanov, Toma Donchev, Head of the Development of Audit Activity Directorate, Nadezhda Nikolova, Head of Department at the Performance Audit Directorate, and Enita Enikova, Head of the PR, International Relations and Protocol Directorate. CAG Shri Girish Chandra Murmu was accompanied by Additional Deputy Comptroller and Auditor General Geeta Menon, India's Ambassador Sanjay Rana, and Gaurav Kumar, Director at CAG's International Relations Division.

Grancharova-Kozhareva thanked for the assistance provided under the Indian Technical and Economic Cooperation Programme, through which many Bulgarian auditors have taken trainings in audit in general and performance audit in particular. The BNAO acting President singled out the contribution of Shri Girish Chandra Murmu and India's supreme audit institution as a member of the Governing Board of the International

Organisation of Supreme Audit Institutions (INTOSAI) to the development of external audit in the public sector and the dissemination of good audit practices.

Murmu said the CAG supports the UN Sustainable Development Goals and is aware of the great responsibility of audit institutions for their implementation. He praised BNAO's participation in the INTOSAI structures. https://www.bta.bg/en/news/economy/655692-supreme-audit-institutions-of-bulgaria-and-india-to-cooperate-in-performance-aud

4. CAG Of India Inks Pact with SAI Bulgaria To Enhance Audit Expertise *(menafn.com)* April 19, 2024

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5. CAG of India inks pact with SAI Bulgaria to enhance audit expertise *(in.investing.com)* April 19, 2024

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STATES NEWS ITEMS

6. As India's smallest state votes, a broken hydro plant takes centerstage *(aljazeera.com progresnews.com)* 18 April 2024

Sikkim's hydropower dream of huge revenues has turned into a nightmare due to irregularities and poor planning, say critics.

Gangtok, India — When a glacial lake burst through a major dam in India's northeastern state of Sikkim last October, it destroyed the region's largest hydro-electric project, the Teesta III.

It also unleashed a torrent of political criticism around the 1200-megawatt (MW) power plant that its proponents had insisted would transform Sikkim's economy, but for many has instead become emblematic of opacity and alleged corruption around the state's infrastructure development.

As India's smallest state — with a population of less than 700,000 people — prepares to vote in national elections on April 19, the now-defunct Teesta III is at the heart of Sikkim's political campaigns. The state also holds elections for its legislative assembly on Friday.

The flood last October left Sikkim with crippling losses, killed at least 40 people and destroyed property and infrastructure. The state government of the Sikkim Krantikari Morcha (SKM) party has since quietly agreed to sell its majority stake in Teesta III to its minority partner, the Andhra Pradesh-based Greenko Group – pending approval by India's competition regulator.

But the questions around the project are simmering — and aren't going anywhere. "If voted to power, or whether we remain in the opposition, the Bharatiya Janata Party [BJP] will initiate a central bureau of investigation [CBI] probe into the Teesta III project, right from the signing of the MoU [memorandum of understanding], to the eventual dam burst to the present sale to a private company, the probe will investigate the corruption aspects," BJP state spokesperson Pasang G Sherpa told Al Jazeera.

The BJP, under Prime Minister Narendra Modi, rules nationally and is hoping to win a third term in power in the Indian elections that stretch over a month and a half, with results to be declared on June 4.

Greenko has set aside $1.5bn, including taking on an existing $1bn loan, to pay for the purchase. It plans to buy the Teesta III project at par even though a chunk of the power plant has been washed away by floodwaters.

Ganesh Rai, chief minister-aspirant from the newly formed Citizen Action Party (CAP), added that his party had demanded a white paper from the present SKM government on the entire dam burst and eventual sale of Teesta III.

"We suspect huge corruption in the project", right from the allocation of the project by the previous Sikkim Democratic Front (SDF) to the present SKM government's tenure, Rai said, adding that corruption in the hydropower sector reached its peak during the SDF era.

Greenko Group, which counts sovereign wealth funds GIC and ADIA as investors, did not respond to multiple requests for information from Al Jazeera.

The controversy dates back to the year 2004 when the small Himalayan state took a bold and ambitious decision. Instead of relying solely on tourism, arguably its largest revenue-generating sector, and allied sectors, it decided to harness its vast water resources through hydropower projects. It did this in tandem with the federal government's liberalised new hydropower policy for the Himalayan states.

The genesis

The biggest hydropower project, and arguably the costliest, in Sikkim, is the Teesta III. It was developed by a consortium led by the Athena Group through a special purpose vehicle – a separate legal entity created by an organisation – called Teesta Urja Limited (TUL).

The MoU for it was deemed as a model that could be used for other projects. It was the cornerstone in then-Chief Minister Pawan Chamling's hydro dream for Sikkim.

The initial cost was pegged at 57 billion rupees ($683.43m) but time and cost overruns more than doubled that to 139.65 billion rupees ($1.69bn). It was finally completed five years late in 2017.

Four proposals were received for the development of Teesta III from Cosmos Electric Power Supply Limited, NHPC, Reliance and Sutlej Jal Nigam Vidyut Limited.

A government-established high-powered committee (HPC) had recommended the proposal of the consortium led by Cosmos twice in 2004 to the Sikkim cabinet.

The cabinet first declined the recommendation in October 2004 and on the second occasion, a month later, deferred “for reasons not on record”, the Comptroller and Auditor General, India’s main audit institution, noted.

That same October, Sikkim brought in a new hydropower policy. A new call for proposals in line with the policy received five proposals from the NHPC, National Thermal Power Corporation, SJVNL, Cosmos and a consortium led by Athena Projects Pvt Ltd, India.

Athena India’s proposal met all conditions and its bid was approved by the cabinet a few months later in February. Its consortium included the Andhra Pradesh Power Generating Company, Larsen & Toubro, the Power Trading Corporation of India Limited and the Infrastructure Leasing & Financial Services group.

However, Athena India was incorporated only in August 2004, a few months before it signed the MoU, the CAG report pointed out, and “had no previous experience in implementation of hydel [hydro] projects”. The government “allotted the project to a consortium of private developers without verifying the experience of the consortium leader”, the report said.

TUL, Athena India’s special-purpose vehicle for the project, signed the agreement with the state government. As per that, Athena India was to contribute 74 percent equity in TUL’s capital with the remaining 26 percent coming from the state government. It was to have the finances in place within 12 months and the project completed within five years after that.

The MoU and its violations

As per the MoU, Athena India could not dilute its stake in the project to a third party without the approval of the state government.

However, TUL violated two aspects of the contract. It did not give the state its 26 percent stake, and in 2008, it sold part of the project to Asian Genco Pte Ltd Singapore without the state’s approval. (The state finally got that 26 percent stake in June 2013 after a seven-year delay and had to borrow nearly 3 billion rupees [about $36m] to put in its equity.)

In 2008, TUL took a 45 billion rupees ($539.55m) loan from a consortium of Indian banks. Within a couple of years, Athena reportedly sold close to a 51-percent stake to Asian Genco, making it the majority shareholder. The Singapore-based firm owned by Andhra Pradesh entrepreneur T V Vijaykumar has been linked to Jagan Mohan Reddy, the current chief minister of Andhra Pradesh, who is also the son of its former Chief Minister YS Rajasekhara Reddy.

Enter foreign private equity

In 2010, big-ticket international private equity investors – including Morgan Stanley, Goldman Sachs Investment Management, Everstone Capital, General Atlantic and Norwest Venture Partners – put $425m for a 44 percent stake in Asian Genco, arguably the biggest such deal at the time.

Mauritius-based Varuna Investments Private Limited holds 100 percent preference shares of Singapore-based Asian Genco. (It is not clear who are the beneficiaries of Varuna Investments.)

Those investors soon turned sour and beginning in November 2014, Morgan Stanley Infrastructure Partners and Goldman Sachs Asset Management began complaining about delays at Teesta III as well as another power project investment in a different part of the country.

Teesta III's holding company, Varuna Investments, appealed to Piyush Goyal, the federal power minister in the newly-inaugurated Narendra Modi-led government, over the constant delays and cost overruns. Chamling's government bought out their stake in the dam, increasing its share from 26 percent to 51 percent. (That stake was eventually raised to 60.08 percent.)

To facilitate that purchase, the shareholders agreement of TUL was revised three times in 2016 – on January 29, June 30 and on October 6 – according to legal documents submitted by TUL to the federal government and in possession of Al Jazeera.

The revised share agreement, however, lays out a strange situation. As per that document, Asian Genco said that it was formerly called Athena Projects Pte Ltd. However, Athena signed the MoU with the Sikkim government in August 2005 and Asian Genco was formed and registered in Singapore on January 25, 2007, raising the question if the two firms were the same.

However, there was no follow-up action on this either from the Comptroller and Auditor General or the Sikkim government.

According to the Comptroller and Auditor General, Sikkim paid the foreign investors 8.53 rupees ($0.10) per share for a total of 2.66 billion rupees ($30m). The state government accepted the price cited in a valuation report "prepared by TUL [Teesta Urja] through M/s Ernst & Young Merchant Banking Services Private Limited [EY] for internal management analysis purposes" instead of doing an independent valuation.

M N Sherpa, Sikkim's current power minister, said that the then-state government inexplicably bought the shares at vastly inflated prices by taking a loan of more than 27 billion rupees (nearly $323m). Besides this huge loan, it also had to take on the role of guarantor for a 110 billion rupees ($1.3bn) loan that had been taken by TUL, adding to its loan burden, Sherpa pointed out.

By the time Teesta III was commissioned in February 2017 – at more than three times the original cost – its cost of power now stood at about 6 rupees ($0.07) per unit instead of the original 1.92 rupees ($0.02) per unit. After several states refused to buy power at that jacked-up price, it was forced to sell the power at less than 3 rupees ($0.03) per unit.

Even after TUL was commissioned, it incurred losses for a year – roughly 60 million rupees ($717,000) per day – because it did not have in place all the power evacuation and transmission lines it needed. The All India Power Engineers Federation (AIPEF), an umbrella body of engineers in state-run utilities, submitted the relevant data and documents in this regard to the Ministry of Power.

"The loss was sustained since TUL illegally commissioned the project in 2017, without ensuring the power transmission lines and evacuation system. As a result, it sustained lesser capacity utilisation and spillage losses," Padamjit Singh, the AIPEF chief patron, told Al Jazeera.

As per guidelines from India's Central Electricity Authority, which draws up plans for the development of electricity systems, a project can be commercially commissioned only when the related transmission and evacuation infrastructure is in place, he added.

The terribly flawed hydro economics
As per his 2004 plans, former Chief Minister Chamling expected the state to earn 9 billion rupees ($107.9m) every year from 2015 as his state's share of the revenue from the 21 hydroelectric projects, which would have a combined installed capacity of 4,114 MW and were slated for completion by 2012.

This handout photograph released by the Indian Army and taken on October 4, 2023, shows a house amid flood waters after the Teesta River overflowed in India's Sikkim state following a flash flood caused by intense rainfall. - The Indian army said October 4 that 23 soldiers were missing after a powerful flash flood caused by intense rainfall tore through a valley in the mountainous northeast Sikkim state.

The state had a stake in six projects – between 11 and 26 percent, mostly bought with loans – and was eligible for 12 percent free electricity from all 21 hydropower plants.

But out of the 21 projects, just seven have been completed, with a total of 2,169 MW capacity. Sikkim's share of power from the projects came in at 144.13 MW, well below the 786.15 MW it needed to meet its original revenue goals.

On October 3 last year, the glacial Lhonak Lake in north Sikkim breached its banks, causing a devastating flood, which wrecked the Teesta III project, located 60km (37 miles) downstream. The power output of the state was reduced to a meagre 266 MW from its 2072 MW capacity. (The flood damaged two other power plants, several roads, bridges and villages, killed at least 40 people and more than 70 went missing.)

A government agency estimated losses at about 2.33 billion rupees ($28m) for the NHPC-run Teesta V project, which is a further 40km (25 miles) down from Teesta III. But there is no official estimate on the actual losses of Teesta III. Sikkim has filed an insurance claim for 114 billion rupees (1.36bn) for damage to the Teesta III project, which is equivalent to the total insured value of the project but is unlikely to receive more than 5 billion rupees ($60m) because of a cap in the contract.

“Once Greenko acquires a 60 percent stake from the government of Sikkim, it becomes the majority owner of the project; it then is entitled to the insurance settlement claim,” Girish Madan, the director at Fitch Rating’s Asia Pacific corporate team which tracks the firm, told Al Jazeera.

Had Greenko opted to wait for a distressed asset sale of Teesta III instead of making its bid of $1.5bn (which includes restoration costs and a takeover of existing debt on Teesta’s balance sheet), it would have had to compete with other potential buyers, “and it would be uncertain how long it would have taken to complete the process”, Madan pointed out.

Since the firm has been a minority partner in the project, it is familiar with the cash generation ability of the project and sees value in this long-term asset, Madan added.

There is no information in the public domain as of now on how much the insurer IFFCO-Tokyo has said it will pay, or whether it has done so already.

The flood also wrecked other math for the state. Its share of free power from the projects was drastically reduced with their output cut back. The state had been bartering that electricity to offset its loan, a process that was severely curtailed now.

Emails from Al Jazeera to Chief Minister Prem Singh Tamang and the power minister’s office remain unanswered.

However, the SKM party has officially denied any wrongdoing in the decision to sell off the project and refuted allegations of corruption, according to local media reports.

Political backlash

Opposition political parties have criticised the deal, saying the government skipped the mandatory statutory board approvals required for the sale of a state asset.

With campaigning season on, the opposition SDF party has filed a public interest litigation in the state High Court against the current SKM government for the disinvestment of the Teesta III dam.

“The present state government did not adhere to Sikkim’s finance rules, general disinvestment policy, or the 2005 implementation agreement between the Sikkim government and TUL,” said Mani Kumar Subba, an SDF spokesperson and the petitioner in the case. The disinvestment goes against the shareholders’ agreement and Sikkim’s hydroelectricity policy, the SDF has alleged in the petition.

The SDF has also filed a public interest litigation in the country’s top court, the Supreme Court of India, regarding the destruction of the Teesta basin from Lhonak Lake to West Bengal. It has blamed the SKM government for criminal negligence and lack of dam safety monitoring.

"Pawan Chamling and his government looted the public exchequer, ruining the state by making it debt-ridden and promoting unviable hydro projects by dubious companies. He should be held accountable," Y T Lepcha, the BJP legislator of Gangtok and its state vice president, told Al Jazeera. Lepcha, too, filed an FIR against Chamling after the Teesta III dam burst.

Renewed push

The Narendra Modi-led government has not offered any incentives or grant-in-aid to help revive the Teesta III project after the dam break, although a high-level team visited the dam site and took stock of the damages.

The Modi government is, instead, trying to renew two separate and also contentious projects in the state – Teesta Stage IV 520 MW and the Panan 300 MW project. Part of this push is to see through stranded projects and ensure sufficient electricity supply from Sikkim.

The state-run NHPC is developing the Teesta IV, which, according to government data, is scheduled to be completed in 2031-32.

Panan, on the other hand, is being developed by yet another newly-created firm – Himagiri Hydropower Pvt Ltd, a subsidiary of Nagarjuna Fertilisers and Chemicals Ltd. Nagarjuna is a fertiliser and agricultural products manufacturer and Himagiri is the special purpose vehicle it set up to bid on Panan, a contract it won in 2004. Neither firm has any prior experience in hydropower development.

For the past several months, Nagarjuna has been mired in its own debt troubles and its chairman KS Raju, as well as a director in the firm, were previously arrested for allegedly defaulting on payments to depositors at a non-banking financial unit promoted by the group.

Both these projects are in the core zone of the primitive Lepcha tribe habitat of Dzongu as well as the Khangchendzonga Biosphere Reserve, a UNESCO heritage site. The projects have faced about a decade of time and cost overruns primarily due to vehement protests by the Lepchas.

The delay in the Panan project has been aggravated due to the financial crunch faced by the parent company, arrests and legal issues faced by the promoters, and delayed clearances. For now, the project continues to be stalled.

Government data also shows that not only Panan but several other private hydropower projects in Sikkim are stalled, without ascribing reasons, leading to revenue shortfalls for the state.

"As I have said earlier, Teesta III is perhaps the biggest example of a failed private-public partnership project," said AIPEF's Singh. "It bent all norms enshrined in the MoU and after culpable negligence, lack of due diligence, corrupt practices unnecessarily increased the project cost, thereby burdening the public exchequer.

Ultimately, look at the fate of the project and the Sikkim government. What have they earned? Just a debt burden.” https://www.aljazeera.com/economy/2024/4/18/a-flash-flood-and-a-quiet-sale-highlight-indias-sikkims-hydro-problems

7. Upholding road safety: Addressing violations in driving tests *(keralakaumudi.com)* 19 April, 2024

The government has various departments responsible for enforcing rules and regulations, including the Department of Motor Vehicles, which impose highest fines for violations. However, it's unjust to exempt them from adhering to these laws. The Principal Accountant General's audit revealed nume violations during driving tests conducted by the Motor Vehicles Department in Kerala. This marks the first time the AG conducted a field inspection rel road safety in the state, covering 37 testing grounds in Kozhikode, Palakkad, Ernakulam, Pathanamthitta and Thiruvananthapuram districts.

Despite regulations mandating the presence of parking and H tracks at all testing grounds, 34 out of 37 lacked these basic facilities. Moreover, while a Rs 500 is imposed for driving without a seatbelt, officials conducting driving tests were found not wearing seat belts during H track tests in 31 grounds hypocrisy among law enforcers undermines road safety efforts amidst a rising number of accidents.

The report also highlights discrepancies such as the absence of helmets during two-wheeler tests at 20 grounds, 15 vehicles lacking insurance, and sev vehicles without smoke test certificates. Furthermore, 16 instances involved driving school instructors aiding test takers, contrary to regulations.

To address these issues, the Motor Vehicle Department must upgrade testing grounds with modern facilities akin to those in foreign countries, even if collaboration with private entities. Ensuring compliance with regulations by those responsible for enforcing them is crucial for upholding road safety standards. https://keralakaumudi.com/en/news/news.php?id=1289427

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. More incomes in the tax net *(financialexpress.com)* April 19, 2024

More Indians now assessed to tax, they have higher incomes; tax net is cast wide.

The fiscal choice for any country is whether it gets more incomes to tax or taxes incomes more. On the back of novel analyses on tax data, we note that the fiscal contract of Indians with their country has changed meaningfully over the last decade.

Last year, we converted the vast data sets emerging from digital tolling on India’s highways to create heat maps to get a perspective on India’s economy (bit.ly/3xJBkW7). In this article, we look at the changing base and rates in direct taxes.

A look at the filers
Over time, incomes of individual direct tax filers show a move to higher brackets, even as more filers are falling into the tax net (see graphic). A part of this can rightly be

attributed to higher nominal incomes. However, as we detail later, there is a large real growth in tax collections.

We note a similar steepening of the curve for other direct tax filers, too. Their number in case of direct taxes has more than doubled from 31.3 million in FY12 to 67.6 million in FY21.

Rising tax base and falling effective rates of direct taxes

We work with annual data on (a) cumulative gross total income (GTI); (b) “returned” income (RI, i.e. the incomes offered to tax in the income tax return); and (c) the total tax collected. Aggregate disclosure of GTI and RI on various heads (salary, house property, business, capital gains, and income from other sources) for various types of assessees is also available. Trend lines and proportions of these incomes against overall GDP and tax collected offer insights on how India’s income composition has changed. This data is available only till FY21.

The proportion of GTI-to-GDP has increased from 24.2% in FY12 to 35.1% in FY21. The ratio of RI to GTI has remained roughly constant at ~90%: We can hence say that the deductions as a proportion of income have not materially changed. India’s per-capita income of

~` 1.46 lakh in FY21 is significantly lower than the minimum income chargeable to tax. It is, hence, heartening to see that more than a third of the incomes are now offered to tax, up from less than a quarter a decade ago.

The ratio of tax collected to RI has fallen from 18.7% in FY12 to 15.6% in FY21, by more than 310 basis points. Lower effective tax rates are mainly driven by a fall in corporate tax rates which, in 2019, were reduced for existing domestic companies and new domestic manufacturing units. The effective corporate tax rate, basis the tax computed to be paid to RI, ranged between 30% and 35% from FY12 to FY19 but fell to 24.3% in FY21. For individuals, average effective tax rates did not change by a lot, staying between 10.4% and 10.8% over FY12-21.

Deaveraging direct taxes

Overall direct tax-to-GDP ratio has gone up from 4.1% of GDP to 4.9% over FY12-21. This includes taxes from various “persons”. In the graphic, we detail the direct tax collected as a percentage of GDP across individuals and businesses over time, juxtaposed with the average effective tax rate.

Tax refers to the tax payable as computed as per returns filed by assessees of these two categories. There are seven categories of “persons” including firms, association of persons, and Hindu Undivided Family.

Salary incomes (of individuals) constitute 55.1% of total GTI in FY21, up from 51.6% in FY12 while business income is down from 33.4% to 29.2% — a roughly 400 basis point interchange in the two largest income categories, which between them account for ~85% of overall incomes.

The numbers used in this analysis may not fully tie in with the direct tax-to-GDP ratio as detailed by the financy ministry in its annual budget documents due to many factors including changes in tax due after assessments, penalties, refunds, etc. The government's actual collections are higher than the numbers noted here, though the trend is broadly similar.

For individuals, tax computed as due, as a proportion of GDP, increased by ~80 basis points to 2.1% of GDP in FY21 from 1.3% of GDP in FY12. This is driven both by (a) the increase in number of tax returns as noted earlier; and (b) an increase in incomes: More than four-fifths of all individual tax filers earned gross incomes of less than `5.5 lakh in FY12, this proportion was three-fifths by FY21. We note the relative stability of the effective tax rate between 10.4% and 10.8%.

For businesses, tax computed as due changed marginally by 10 basis points to 2.6% of GDP in FY21 from 2.7% of GDP in FY12. The cut in tax rates in FY20 shows up clearly in the tax-to-GDP collected from business incomes since that year.

Other caveats
We know from Budget documents that over the last three years till FY24, direct tax-to-GDP ratio has continued to rise. As data is released, it will be instructive to see if this is due to lower taxes on business incomes leading to higher tax collections, or the individual income taxes continue to contribute more.

The nature of the fiscal contract in a $10 trillion economy will be very different from the current one. https://www.financialexpress.com/opinion/more-incomes-in-the-tax-net/3461409/

9. In $375 million defence deal, India to deliver BrahMos missiles to Philippines *(indiatoday.in)* April 19, 2024

The BrahMos missiles will be delivered to the Philippines by sending Indian Air Force's C-17 Globemaster transport aircraft.

India is all set to complete its first major defence equipment export order on Friday by delivering the first batch of BrahMos supersonic cruise missiles to the Philippines.

An Indian Air Force C-17 Globemaster jet will be taking off carrying the cruise missiles from India to the Philippines on Friday, defence officials said.

With this, India would be finally completing the storage-building space on one of the Philippines' islands as part of the $375-million deal signed in January 2022.

The defence deal, which was the first major international export order for the Indian defence sector, is for a shore-based variant of an anti-ship cruise missile, with a range of 290 km.

While India now has longer-range missiles in its arsenal, the one being delivered to the Philippines is that of the original shorter version.

In March 2022, India signed a key pact with the Philippines, which paved the way for government-to-government deals on BrahMos and other defence collaborations.

https://www.indiatoday.in/india/story/in-375-million-defence-deal-india-to-deliver-brahmos-missiles-to-philippines-2528972-2024-04-19

10. Exceeding target: Oil PSUs made a capex of ₹1.28 lakh cr in FY24 *(economictimes.indiatimes.com)* April 19, 2024

State-run oil companies made a combined capital spending of ₹1,28,000 crore in 2023-24, a fifth more than the capex target they had set at the beginning of the year and 12% more than the amount they spent the previous year.

ONGC, IndianOil, BPCL, HPCL, GAIL and Oil India all exceeded their initial annual capex target for 2023-24, according to the oil ministry data.

Indian Oil Corp, the nation's top refiner and fossil fuel retailer, was the largest spender among state oil firms. Its expenditure of ₹38,660 crore in 2023-24 was higher than the initial outlay of ₹30,395 crore and the previous year's spending of ₹35,205 crore. IndianOil is building a greenfield refinery in Tamil Nadu in a joint venture with Chennai Petroleum. Last month, Indian Oil said it would now take a 75% stake in the Tamil Nadu refinery project whose cost had escalated. Earlier it had agreed to take only 50%. IndianOil's investments have flown into refining, petrochemicals, pipelines, gas infrastructure and biofuel production facilities.

ONGC, the nation's top producer of oil and gas, was the second-largest spender. It spent ₹34,551 crore, 14% higher than ₹29,209 crore in the previous year and 15% more than the original capex target of ₹30,125 crore for 2023-24. The company has drilled a record number of 541 wells during the year, said Manish Patil, director (finance) at ONGC. "ONGC has plans to maintain this enhanced level of capex of around ₹33-35,000 crore in the next three fiscals for newer energy prospects and to monetise the discovered reserves on fast-track," said Patil.

Hindustan Petroleum made an expenditure of ₹13,842 crore in 2023-24, the third highest among state oil firms. This was similar to the amount HPCL spent in 2022-23 but higher than the initial target of ₹10,210 crore set for 2023-24. HPCL is building a greenfield refinery-cum-petrochemical complex in Barmer, Rajasthan. The project has seen massive cost escalation. The company has also been investing in expanding its natural gas, biofuel and transportation infrastructure.

Bharat Petroleum, another refiner and fossil fuel retailer, spent ₹11,000 crore, higher than the ₹10,000 crore it had budgeted for this year originally but marginally lower than its previous year's spending of ₹11,527 crore.

GAIL, the nation's top transporter and marketer of natural gas, spent ₹10,388 crore in 2023-24, higher than the budgeted ₹7,750 crore for the year and ₹8,313 crore used in the previous fiscal.

Oil India's expenditure of ₹5,390 crore was higher than the target of ₹4,896 crore and the previous year's spending of ₹5,057 crore. https://economictimes.indiatimes.com/industry/energy/oil-gas/exceeding-target-oil-psus-aade-a-capex-of-1-28-lakh-cr-in-fy24/articleshow/109411710.cms?from=mdr

11. Repaved BOT-Toll can accelerate highway drive *(economictimes.indiatimes.com)* Apr 19, 2024

Contract reforms, healthier stakeholder ecosystem and improved bankability of projects should win back private-sector developers through this route

The build-operate-transfer (BOT)-Toll model, once the beloved of the roads and highways sector that later lost its way, is making a comeback as the government seeks to rekindle private sector participation in road building.

The National Highways Authority of India (NHAI) is expected to offer a strong pipeline of 53 projects covering more than 5,200 km through this route.

Thirteen such projects, covering more than 430 km, are already in the bidding process (see table below), a significant increase versus fiscals 2021-24, when only four were awarded, covering approximately 290 km.

Table 1: BOT toll projects under bidding as on April 17, 2024

Sno	Project	Length (km)
1	Karmala-Tembhurni	60
2	Sangli – Kolhapur	33.8
3	Development of Pagote to Chowk	29
4	Nashik Phata to Alandi Phata (Package 1)	16.7
5	Alandi Phata to Khed (Package 1)	13.2
6	6 L elevated section (including provision for metro) Pune to Shirur (Package 1)	15.1
7	6 L elevated section Pune to Shirur (Package 2)	21.3
8	6 L elevated section Pune to Shirur (Package 3)	25.9
9	Talegaon to Chakan Package 1	25
10	Talegaon to Chakan Package 2	28.2
11	Chenani - Nashri Tunnel	9
12	Guwahati Ring road, including Brahmaputra Bridge	65
13	Agra Gwalior Greenfield	88.4
	TOTAL	**430.6**

Conceptually, the BOT-Toll model is attractive to developers with relatively high-risk appetite and strong financial health. From the government’s perspective, it brings in private sector efficiencies to construction and operations and maintenance, and has lower financial outflows, allowing a greater number of projects to be awarded and built.

To recall, expectations of higher returns had drawn developers to the BOT-Toll model during its heydays in fiscals 2008-2012. However, construction delays, lower-than-estimated revenue and aggressive bidding, along with weak developer balance sheets and lender aversion adversely impacted these projects.

The government has sought to address some of these key issues with contract reforms. Cleaned-up developer and lender balance sheets, coupled with the promise of a list of projects with healthy traffic potential, may well have set the stage for unlocking private sector interest.

Contractual reforms provide clarity and address some key issues In the under-construction stage, contract reforms over the years have sought to address execution delays by providing access to 90% of the construction zone on the appointed date.

Early intervention by the authority to correct incipient issues by keeping a close eye on the escrow account, new-form monthly reports to better track progress, and lender protection through termination payments in the event of concessionaire default during the construction phase should help alleviate concerns about construction risk. The fresh changes in the Model Concession Agreement seek to provide safeguards against downside traffic deviation due to competing roads.

Strengthened provisions for an incremental 10% increase in concession period against the original 20%, should there be lower than expected traffic, are helpful, too.

These could offer revenue protection at a time of unprecedented network expansion, the risk of competing roads and additional tollways, and traffic at risk from competing multimodal development.

However, a key market requirement to better define competing roads remains to be addressed. The new clause mandating buyback by the authority if the designed capacity is breached in any two of three consecutive years provides safeguards against any one-off traffic spike.

The mandatory buyback in the event of a designed capacity breach attempts to avoid ambiguity and delays in timely capacity augmentation, while limiting potential upside.

Some issues responsible for projects getting embroiled in disputes and dampening investor sentiment have also been addressed.

Clarity has been provided on the compensation amount to be paid by the authority in the event of authority default and/or force majeure events during construction period and operation period. Clarity has also been provided on the calculation of costs in relation to changes in the scope of work.

Well-elucidated methodologies on calculation of debt due help remove ambiguity. Here, a mechanism to reconcile NHAI and the lenders' total project cost (TPC) estimates would be welcome. Widening the definition of senior lenders to include non-banking financial companies is a positive.

Healthier stakeholder ecosystem may reignite private sector interest The developers themselves are in a healthier place, with improved operating cash flows, completion of crucial project milestones, and unlocked capital aided by monetisation of their projects leading to stronger balance sheets. Combined with improved developer credit profiles, the lender-friendly measures should lead to a healthy financing appetite among lenders.

Although the past few BOT-Toll bids have seen interest from a pool of 7- 9 bidders, the advent of toll-operate-transfer (TOT) has led to a widening of the potential bidder pool. Over the past five years, the total pool has expanded to almost 19-20 bidders in TOT.

Armed with the experience of operating toll assets, some of these players may well venture into additionally taking on construction risk, but only in projects with a healthy return potential and in a sound contract framework.

The bankability imperative
This brings us to the final point of offering bankable projects to unlock the flow of private risk capital into BOT-Toll projects.

Such projects should have robust traffic potential, a runway for secular traffic growth, and a moderated risk of competing alignments. Unlocking the power of data and analytics is essential, given the availability of FASTag and e-way bill data. This can be leveraged to choose optimal alignments with the best traffic profile to offer in the BOT-Toll model.

Projects will also need to be funded through a prudent capital structure to truly reap the benefits of a revamped BOT-Toll contract framework.

As the NHAI veers towards a rejigged financing mix with a revamped BOT-Toll to complement its EPC-HAM strategy, we remain cautiously optimistic that the private sector interest will be reignited. https://infra.economictimes.indiatimes.com/news/roads-highways/revival-of-bot-toll-model-in-indian-highways-sector/109427000

12. Global Warming Of 3 Degrees May Cost World 10% Of GDP: Study *(ndtv.com)* Updated: April 18, 2024

Warming of the planet by 3 degrees Celsius may cost the world up to 10 per cent of its GDP, new research has found.

It also found that poorer, tropical countries could see the worst effects - up to 17% GDP loss.

The study - led by ETH Zurich, Switzerland, and published in the Nature Climate Change journal - suggested that roughly half of the predicted global economic damage could be related to extreme heat, with heat waves being the most impactful among the extreme events analysed.

"Impacts are more severe in the Global South and highest in Africa and the Middle East, where higher initial temperatures make countries particularly vulnerable to additional warming," the authors wrote.

The researchers further found that the cost of climate change increased around the world after accounting for changes in rainfall and temperatures occurring within a short span at a location.

"If we take into account that warmer years also come with changes in rainfall and temperature variability, it turns out that the estimated impact of spiking temperatures is worse than previously thought," said doctoral researcher and economist Paul Waidelich from ETH Zurich and lead author of the study.

Limiting the rise of global temperatures to 1.5 degrees Celsius could cut the projected economic damage by two-thirds, the researchers found.

"Some people still say that the world cannot afford rapid decarbonisation but the global economy will also suffer from the impacts of climate change," said Sonia Seneviratne, co-author of the study and a vice-chair of the Intergovernmental Panel on Climate Change's Working Group I.

For the study, the researchers used 33 global climate models and analysed climate indicators related to both greenhouse gas emissions and income growth for the 1850-2100 period. The indicators included yearly average temperature, yearly precipitation and extreme precipitation.

The authors acknowledged that substantial uncertainties remain while projecting the cost impacts of climate change.

They said uncertainties are primarily "socio-economic" -- how long the impacts persist and how well society can adapt.

They added that the total cost of climate change is likely "considerably higher" as the study did not include non-economic impacts, droughts, sea-level rise, and climate tipping points. https://www.ndtv.com/world-news/global-warming-of-3-degrees-may-cost-world-10-of-gdp-study-5470453

13. AIGF estimates USD 2.5 bn GST loss from offshore illegal, betting firms *(economictimes.indiatimes.com)* 19 April, 2024

New Delhi: The gaming industry body AIGF estimates that offshore illegal betting and gambling entities are causing a national exchequer loss of USD 2.5 billion per annum and demanded immediate action from the government to curb such platforms. All India Gaming Federation (AIGF) CEO, Roland Landers said the offshore entities club various games along with illegal betting and gambling due to which users fail to differentiate between legitimate gaming and illegal games.

He said that illegal offshore entities lead to user harm and those experiences can in turn harm the legitimate industry in India.

"Offshore illegal betting and gambling platforms are collecting deposits worth USD 12 billion in a year which implies loss of at least USD 2.5 billion in GST revenues to the government," Landers said.

He said offshore entities have increased advertisements during the ongoing IPL season to lure users and some of them have gone to the extent of boldly advertising that there is no GST or TDS levied on their platforms.

"Offshore entities often harm users and users get confused between illegal and legal games. There should be a strict curb on the menace of illegal offshore betting and gambling platforms," Landers said.

He said that models like the Self Regulatory Organisation (SRO) should be expedited by the government to help curb the menace of illegal platforms.

"Offshore entities don't have any official in India. They claim to be illegal but scrutiny by SRO like body can help in differentiating between legitimate and illegitimate platforms," Landers added.

The government has proposed to bring SRO but could not do so within define time limits of 90 days.

Some industry players had applied for setting up SRO. Landers said that AIGF has not received any update from the players on the application submitted by them. https://economictimes.indiatimes.com/news/india/aigf-estimates-usd-2-5-bn-gst-loss-from-offshore-illegal-betting-firms/articleshow/109402214.cms?from=mdr

14. Delhi Police initiates vigilance probe over alleged multi crore financial irregularities *(millenniumpost.in)* April 19, 2024

The Delhi Police Department is under scrutiny for alleged financial irregularities amounting to crores of rupees under the guise of minor works. A special team has recently been formed to verify these works and the expenditures incurred by the Delhi Police. This team will now verify all such works in every district and unit. It has been reported that Additional CP Vigilance Aslam Khan has been appointed as the chairperson of the committee.

Other members of the committee include Additional CP (General Administration) Pramod Kumar Mishra, DCP General Manager (Operations) of Delhi Police Housing Corporation Limited (DPHCL) Alap Patel, and Executive Engineer of DPHCL. They will verify the work carried out in police stations, DCP offices, battalions, and other units. For instance, if any work is being undertaken, photographs will be required both before and after the completion of the work. Additionally, solid bills will also need to be provided for the works. The committee members will conduct thorough inspections too.

Until now, there had been no record of the expenditures incurred for these minor works at various locations. This lack of oversight led to bureaucrats arbitrarily generating bills and forwarding them to the Police Headquarters. A senior police officer stated that the formation of this committee is aimed at curbing corruption within the department.

According to police sources, the current outstanding dues on the Delhi Police amount to over Rs 125 crore. For example, each of the 15 districts of Delhi Police has an outstanding debt of approximately Rs 7 to 8 crore. The outstanding debts for other units and battalions vary. This gives an estimate of the outstanding debts across the department. Highlighting an example of a district, another source revealed that a few years ago, around two crores were spent on the renovation of the DCP office rooms and other chambers. However, the police still owe for that expenditure. When another DCP took charge, they made changes according to their preferences, resulting in further expenses. This cycle repeats across almost every district, where officers spend money on renovations or furniture whenever they are transferred. A senior police officer mentioned that until a few years ago, a DCP could only spend up to Rs 15 thousand for any work. However, this limit was increased to Rs 1.5 lakh. Now, if a DCP needs to spend more than Rs 2.5 lakh, special approval from CP is required. If the expenses exceed Rs 2.5 lakh, approval must be obtained from the Police Headquarters.

Now, it can be understood how the expenditure reached millions when a DCP could not spend more than Rs 1.5 lakh. It has been revealed that a workaround has been devised. To avoid seeking approval, DCPs would inflate bills up to Rs 1.49 lakh, ensuring compliance with the rules while also getting the work done according to their preferences. Moreover, in each district, there are HAA and HAG branches where staff members are allegedly involved in corrupt practices. Despite the standing order of Delhi Police that no officer can be posted in these branches for more than two years, some staff has been stationed there for eight years. District-level officers cannot remove them, as their transfer is decided by officers at the Police Headquarters. These officers also allegedly tamper with records related to expenses.

Furthermore, vendors who secure contracts for minor works have formed their own lobbies. This lobby reportedly encompasses both casteism and socialism. Officers allegedly assign contracts to individuals from their communities or areas. These vendors are distributed across different areas, and disputes among officers have arisen over awarding contracts to them. Additionally, these vendors are reportedly influencing the postings of additional district-level officers according to their preferences. Cases of corruption amounting to crores of rupees have surfaced in the Delhi Police Academy. Nearly Rs 150 crore were spent on meals in one battalion. Fake bills worth crores were discovered in the outer districts, prompting an additional DCP to raise concerns against the DCP. Investigations were conducted into these cases, but ultimately, they were suppressed.

In one district, an additional DCP asked a vendor for the cost of a particular task, to which the vendor quoted Rs 10 lakhs. However, the officer arranged for the task to be completed online for Rs 25 thousand.

Later, the vendor revealed that the work could have been done for the initial quoted amount, but the money had to be distributed among various parties. The revelations have raised serious concerns about the financial management and transparency within the Delhi Police Department. Authorities are expected to take swift action to address these issues and restore public trust. https://www.millenniumpost.in/delhi/delhi-police-initiates-vigilance-probe-over-alleged-multi-crore-financial-irregularities-560625

15. Hyacinths cast a shadow over lakes developed under smart city project *(timesofindia.indiatimes.com)* April 19, 2024

Coimbatore: While the city corporation has developed Valankulam, Periyakulam and Singanallur lakes under the smart city mission by spending crores of rupees, these water bodies are now filled with hyacinths. The civic body has allocated ₹50 lakh in the current fiscal for renting the vehicle used for clearing hyacinths.

A corporation officer said they were working out a longterm solution.

“The existing hyacinth removal process, which has been followed for almost two decades, is unsustainable. It doesn’t offer a permanent solution. For now, we will procure a weed harvester machinery. A tender will be floated for the same soon.”

S Bharathidasan, an environmentalist, said hyacinths were brought in as an ornamental plant in Kolkata. “They were let into water bodies during the British period. These plants are capable of absorbing heavy metals, including suspended solids. Hence, they could be used in biogas plants and treatments as a catalyst. However, they multiply very fast and spread across water bodies in a short span of time.”

According to Dr R Ilangovan, former chief engineer, public works department, phosphorus and nitrogen contribute to the growth of hyacinths. Chemicals used for agriculture purposes also aid their growth, he said. “Hyacinths control pollution and subdues odour and colour of the sewage water. On the negative side, the evaporation process in the presence of hyacinths is double than the normal process. They also cease penetration of sunlight within water bodies and restrict the momentum of dissolved oxygen levels in the water. This affects the growth of microorganisms like phytoplankton and damages aquatic species, especially fishes.”

Hyacinths, he said, obstruct water flow in the lakes, especially when it rains. “Luckily, the lakes in Coimbatore are built with a surplus weir, where clogging hardly occurs. But in other places, the situation is worrisome.”

Ilangovan said there were manual and mechanical methods to manage hyacinths. “They include use of machinery like evacuators and boats, etc. However, they are temporary solutions,” he said while suggesting a twostep bioremediation process for a permanent solution. “Firstly, only treated water has to be let into the lakes. This will hit the availability of nutrients for hyacinths. Then, a biological liquid called AGW11 has to be sprayed on the hyacinths. In the next 15 days, they will dry up.”

He said the use of nualgi liquid could also arrest the growth of hyacinths. “This liquid enables the growth of diatom, an algae, that feed on micronutrients like zinc, copper and magnesium in the water. They are capable of nullifying phosphorus and nitrogen, thereby curbing the growth of hyacinths. About one litre of this liquid has to be sprayed across an acre. This method was successfully tested at the Ooty lake.”

Ilangovan said while the bioremediation process was costeffective, not many states or cities in the country have adopted the same. https://timesofindia.indiatimes.com/city/coimbatore/hyacinths-cast-a-shadow-over-lakes-developed-under-smart-city-project/articleshow/109415965.cms

16. CLUJ’s Unutilized Assets *(dailyexcelsior.com)* April 19, 2024

The unutilised assets worth crores of rupees in the Constituent Colleges of the Cluster University of Jammu (CLUJ) under the Rashtriya Uchchatar Shiksha Abhiyan (RUSA) are not just concerning; they’re a glaring example of administrative negligence. This negligence has deprived students of the intended benefits of a centrally sponsored scheme aimed at enhancing the educational infrastructure. The essence of any educational initiative lies in its implementation, ensuring that the resources allocated are effectively utilised for the betterment of students’ learning experiences. However, in the case of CLUJ, this fundamental principle seems to have been overlooked, leading to the creation of assets that remain idle for years. It's distressing to learn that canteen blocks and hostel facilities constructed with substantial funds have not been put to use. While the blame game ensues among various authorities, the ultimate sufferers are the students deprived of essential amenities that could enhance their educational journey.

The respective principals, concerned authorities within the university, and the Higher Education Department must be held accountable for their lack of diligence in overseeing the utilisation of these assets. It's not just a matter of delayed action; it's a failure to fulfil their responsibilities towards the educational welfare of students. The excuse of administrative complexities is unacceptable. DPRs should be meticulously examined, and necessary steps should have been taken to ensure the smooth transition of assets from the Roads and Buildings Department to the university authorities. The fact that such crucial procedures were overlooked reflects a systemic failure that needs urgent rectification. Concrete actions need to follow swiftly. There must be a concerted effort to expedite the handover process, ensuring that these assets are utilised for their intended purpose without further delay. The Higher Education Department must collaborate closely with the university authorities to streamline the process and address any bureaucratic hurdles promptly. Proactive measures should be put in place to prevent similar occurrences in the future. https://www.dailyexcelsior.com/clujs-unutilized-assets/#google_vignette

17. Plugging the leakages *(millenniumpost.in)* April 18, 2024

Alongside greywater management, water supply must be linked to the system of sanitation and wastewater generation for a secure future

Without access to clean water, life is unhealthy and unbearable. Successive governments, both at the Centre and in states, have worked, over the years, to provide clean water to rural communities. But experience shows that even as water supply has "reached" villages, the number of villages that has again fallen into the "unreached" category has grown. This zero-sum game is because water supply is not only about building pipes but also about ensuring the sustainability of the source of the supply system. Meaning, even if water supply has "reached" the village, the built and delivered infrastructure breaks down if the source dries up or gets contaminated.

The key challenge then is to ensure sustainability of the water supply system, particularly the source of water supply. The Government of India's ambitious and much needed Jal Jeevan Mission (JJM) recognises this fundamental flaw and stresses that its objective is sustainability so that water continues to flow through the pipes to the taps. In this way, JJM's most important objective is to provide a "functional" tap in every home, and not just the provision of the tap.

This requires focus on improving the durability of water assets—by ensuring that the pond or lake or tank is not encroached upon and that the watershed, so critical for the drainage to be secured, is not destroyed. This also requires source sustainability by ensuring that the water source—be it river, lake or well—is recharged and is not polluted either by the excreta dumped on the land or by wastewater from households that now have toilets and taps.

The fact is, 80 per cent of the water supplied to households is discharged as wastewater. In rural households, sanitation programmes focus on building toilets which use minimal water. Most of the wastewater is in the form of greywater—defined as wastewater from all human uses like bathing, washing clothes and washing utensils, other than toilets—which is discharged into the open. This greywater creates pools of water and breeding grounds for vectors and other diseases and becomes another source of contamination for groundwater and surface water. This is why greywater management—to reuse that used water for cultivation or for recharging groundwater—is key to source sustainability. This is water to water, not water to waste.

At the same time, water supply has to be linked to the system of sanitation and wastewater generation. We need to understand that when we pollute water, we waste it. The fact is, the toilet building programme is incomplete unless the wastewater—the faecal sludge that is contained in the receptacle of the single- or double-pit or unlined, linked or honey-comb individual toilet—is safely disposed of. This means the faecal sludge must be either treated within the toilet—in situ treatment—so that when it is emptied, the sludge can be reused as manure without polluting water or land. Or, there are systems to collect the faecal matter and to take it to treatment plants before it is reused on the land.

We know that the faecal matter—what we excrete after eating food that takes the nitrogen and phosphorous from the soil—is full of nutrients. This matter must be put back on the land and not disposed of in waterways. But it must be done after treatment so that the waste does not add to our health burden.

But the most important learning is that unless communities are involved, water supply programmes will remain dysfunctional and indeed broken. The problem lies in the fact that land and water bureaucracies are fractured—somebody owns the pond; another agency the drain; and yet another the catchment. Water security requires this to change. This means giving much greater control over the water structures to the local community—by deepening democracy and through devolution of powers—is then the answer to water management. This has to be the next game changer in our quest to supply clean water to all.

This is even more important in today's climate-risked world. In this decade we will see the revenge of nature. We need then to scale up our work to invest in water systems and to make them durable—not just to withstand another rain but another deluge. We need to speed up our work, because climate change will make sure that we have more rain but in fewer rainy days. This means doing much more to capture the rain, when and where it falls, so that the groundwater is recharged.

Our water future is about our water wisdom and in this, we must recognise that water and culture go together. Water shortage is not about mere failure of rain. It is about the failure of society to live and share its water endowment. https://www.millenniumpost.in/opinion/plugging-the-leakages-560526

18. Storage in 5/6th of Indian reservoirs below 50% of capacity *(thehindubusinessline.com)* Updated: April 18, 2024

7 water bodies go dry as the level in the major 150 reservoirs declines to 31% of capacity

Only one out of every six reservoirs in India has a storage level higher than 50 per cent of the capacity this week, data from the Central Water Commission (CWC) showed.

At least seven reservoirs – six of them in the South – have gone dry even as the storage level in the 150 major reservoirs in the country dropped to 31 per cent of the capacity with the situation in the southern region turning bad from worse.

India's water storage has been primarily been affected by El Nino, which emerged in June 2023 resulting in deficient rainfall in at least 50 per cent of the country. On Tuesday, Australia's Bureau of Meteorology announced the end of El Nino, which causes drought and prolonged dry periods in Asia.

AP situation worsens
According to CWC's weekly bulletin on live storage status of the 150 reservoirs, the level was 56.085 billion cubic metres (BCM) of the 178.784 capacity. The level in 126 or five-sixths of these was below 50 per cent.

The situation further aggravated in Andhra Pradesh, where the storage dropped to seven per cent of capacity, while in the reservoirs it shares with Telangana the level was eight per cent.

The Yeluru reservoir has gone dry as also the Nagarjuna Sagar, from where water is shared with Telangana. The level in Somasila in Andhra Pradesh is a critical 1 per cent of the capacity.

In Telangana, the Priyadarshini Jurala and Kaddam reservoirs have gone dry, while the Tattihalla in Karnataka and Aliyar in Tamil Nadu are down to zero.

The lower storage has been compounded by ground water level dropping in Andhra Pradesh and Telangana, affecting rabi paddy, pulses and coarse cereals. It also portends ill for the zaid or summer crop, while kharif sowing could be delayed without any improvement in the storage.

Hope round the corner
There is, however, hope with the Australian weather agency predicting La Nina from July and the India Meteorological Department forecasting a higher than normal south-west monsoon this year.

In Andhra Pradesh, the storage is 81 per cent below normal, while in reservoirs that jointly irrigate Telangana and Andhra Pradesh, it was 37 per cent lower than usual. Tamil Nadu is another State where the storage is 44 per cent below normal, while it is 22 lower than usual in Karnataka.

Overall, the level in the 42 reservoirs in the South was 17 per cent of the 53.334 BCM capacity at 9.316 BCM.

Among other States facing problems, the level in Bihar is 88 per cent lower than usual, while it is 26 per cent below normal in Uttar Pradesh. Among the 32 reservoirs of Maharashtra, the Bhima (Ujjani) has gone dry, while overall the State reservoirs' capacity is 15 per cent below normal.

Among other regions, the storage in the 10 reservoirs of the northern region was 32.5 per cent of the 19.663 BCM at 6.396 BCM. In the 23 reservoirs of the eastern region, the level was 40.6 per cent of 20.430 BCM at 8.292 BCM. The storage in West Bengal was 28 per cent lower than normal.

In the western region, the level was 33.9 per cent of the capacity and in the central region, the storage was 40 per cent. https://www.thehindubusinessline.com/economy/agri-business/storage-in-56th-of-indian-reservoirs-below-50-of-capacity/article68080526.ece