

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Apex Court to Examine Whether Close Relatives Of Executive Head Of A State Can Be Awarded Government Contracts, Seeks CAG's Response (*verdictum.in*) October 19, 2023

The Supreme Court has recently directed the Comptroller and Auditor General of India to provide its views regarding awarding of government contracts to individuals closely related to the Executive Head of a State and the norms for granting such contracts.

The Bench of Justice Aniruddha Bose and Justice Bela M. Trivedi were dealing with a batch of pleas that raised concerns about the alleged large-scale irregularities and corruption in the allocation of government tenders to family members and close associates of Arunachal Pradesh's Chief Minister, Pema Khandu, and the late former Chief Minister, Dorjee Khandu.

After deliberating on the matter during several hearings, the Bench had requested Additional Solicitor General, K M Nataraj to appear on behalf of the Comptroller and Auditor General (CAG). The Court then called for the views of the CAG on the issue.

The Bench ordered, "In course of hearing, this Court formulated the points on which it would require to be apprised of the view of the CAG. These points are: (i) Whether very close relative(s) to the Executive Head of the State can be awarded Government contracts; (ii) In the event this question is answered in the affirmative, what would be the norms for awarding contract to such persons."

Advocate on Record Prashant Bhushan, Neha Rathi and Ansar Ahmad Chaudhary appeared for the Petitioners while Solicitor General Tushar Mehta, Additional Solicitor General K M Nataraj, Senior Advocate Rajiv Dutta and AAG Anil Shrivastav appeared for the Respondents.

Terming the questions as 'hypothetical in nature', the State of Arunachal Pradesh and the counsel representing CM Khandu objected to the course adopted by the Court. However, the Court in its order stated, "If that is so, so be it. But we would like the views of the CAG on these two points." The Court accordingly ordered that the matter be listed on November 21, 2023.

Recently, the Supreme Court received a sealed cover report submitted by Arunachal Pradesh's Chief Minister, Pema Khandu, in response to the petitions that alleged corruption in the awarding of government tenders to family members and close associates.

The Special Leave Petition filed by the Voluntary Arunachal Senaa challenged the Gauhati High Court's decision, which dismissed the Writ Petition seeking a probe into the alleged corruption in Sampoorna Gramin Rojgar Yojna (SGRY) during the years 2003-2004. It was submitted that SGRY led to the issuance of false carriage bills amounting to approximately sixty crores, which were awarded without a competitive tendering process, to the nephew of the late Dorjee Khandu, who at that time held the

position of Minister for Relief, Rehabilitation, and Disaster Management and several other such similar instances.

Furthermore, an additional intervention application was submitted by an unregistered NGO situated in the Tawang district, the Save Mon Region Federation challenging the allocation of multiple relief works to firms owned by the family members of the current CM, Pema Khandu, or to firms closely associated with him politically.

The IA stated, "When there is evidence of government contract works being allotted only to the firms of family members of the chief Minister and his close associates, then it is reasonable to draw an inference that such favour for government contract works of vast magnitude could not have been possible without direct knowledge, consent, and active support of Sh. Pema Khanclu, Chief Minister himself."

The intervention application also alleged that the list of contract works assigned to family-owned firms was compiled in an arbitrary manner. This involved selectively choosing and manipulating the tender process, with the names of other firms serving merely as a cover for the family-owned businesses.

Emphasizing a significant surge in the assets and wealth declared in affidavits submitted to the Election Commission by the respondent family members, the intervention application asserts that infrastructure and construction projects under PWD, solely between the years 2003 and 2018, with a total worth of Rs. Eighty-eight crores were awarded to M/s Brand Eagle, a firm owned by the current CM, Pema Khandu, who also serves as the Minister-in-charge of the executing department.

The Respondents in the matter include Dorjee Khandu, Pema Khandu, Rinchin Drema (the wife of the late Dorjee Khandu), Jambey Tashi (MLA from Lumla constituency), nephew of Dorjee Khandu, and cousin and younger brother of the current CM Pema Khandu, as well as an MLA from Tawang. <https://www.verdictum.in/court-updates/supreme-court/arnachal-pradesh-comptroller-and-auditor-general-pema-khandu-1500311>

2. Disaster on the Teesta: Ignoring Warnings of Melting Glacier, Sikkim Hoped Large Dams Would Earn Money (*article-14.com*) October 20, 2023

Over 23 years, in 14 government reports, research papers and publications, independent and State scientists and auditors, warned of risks posed by melting glaciers to large dams in the unstable Eastern Himalayas; that India's laws were being ignored in clearing such dams; and that the Teesta river in Sikkim was at risk of being hit by catastrophic floods. A flood came on 3 October, smashing a concrete dam in one of the state's worst environmental disasters. Gangtok and Delhi ignored every warning, as Sikkim regards dams on its main river as a potential source of revenue. But the doomed dam was a financial black hole. Sikkim shows no sign of reviewing its policies

Kolkata: Over 40 years, as climate change accelerated and the glacier that supplied it began to melt, the South Lhonak lake at 5,200 m in the eastern Himalayas, 4 km from India's border with China, grew nearly 10 times in size, from the size of 33 football fields to nearly 300.

This change in size of the lake—from 17.54 hectares in 1977 to 160 hectares by 2017—drew the attention of many scientists because it was unusual in geological terms. A decade ago, a report in the journal *Current Science* warned of its “hazardous nature” and its potential for downstream devastation.

Then, on the night of 3 October—just as the planet had recorded its hottest-ever month of heat, wildfire and flood, since data was available—the swollen lake burst through its embankment of glacial debris, reducing overnight in size by nearly a third to about 60 hectares.

Torrents of water from South Lhonak barrelled through the valley of the Teesta river, which it feeds, devastating downstream areas, washing away people, villages, buildings and the sheer concrete spillways of the river's biggest dam, the 1,200 megawatt (MW), six-year-old Teesta Stage III hydroelectric project, just 62 km downstream of the lake.

The breach of the dam caused one of the worst disasters that the northeast Indian state of Sikkim has faced: more than 100 feared dead and a dozen missing after more than half a month.

About 50 km downstream, the wall of water overwhelmed the 510 MW, 15-year-old Teesta Stage V dam, flowing over its crest to devastate bridges, roads and homes. Another dam, the 500 MW Teesta VI, 70 xx km further downstream from Stage V, suffered major damage.

Over 23 years, in 14 reports, research papers and disaster-related government publications, a slew of experts, from independent scientists to State auditors, have repeatedly warned of the risks posed by glacial melting and large dams in the Eastern Himalayas; that India’s laws were being ignored in clearing such dams; and that the Teesta was at risk of being hit by catastrophic floods, such as the one that came along on 3 October.

One warning was delivered 16 years before the Stage III dam was completed, and the latest came in 2022. Apart from the three ravaged, there is one more dam, Stage VI, under construction on the Teesta, a major north bank tributary of the Brahmaputra river, and another one on Teesta’s tributary, Rangeet (Rangeet Stage IV). Besides, are stalled projects waiting for resumption of work.

These dams, violating norms, local opposition and ignoring warnings, were built because the Sikkim government hoped they would be revenue sources to compensate for falling union government funding, but the opposite appears to have happened.

The Rs 13,965 crore Teesta Stage III is the Sikkim government’s biggest public sector project, with the government owning a 61% share. It was marked by cost and time overruns: it was inaugurated in 2017, late by six years and more than double its budgeted Rs 5,706 crore.

On 31 August 2022, the project had a debt of Rs 8,008 crore.

Early Indications, Acknowledged & Ignored

Sikkim embarked on its hydropower push in the late 1990s, fully aware of the impacts that climatic changes were likely to cause: to the melting of Himalayan glaciers and creation of swollen glacial lakes.

“The water in the Teesta is flowing at an all time low,” said then chief minister (CM) Pawan Kumar Chamling in September 1999, who noted that the Zemu glacier, the largest in the eastern Himalayas, had receded by up to 4 km. “We have had the warmest winter in living memory. These are all indications of things going wrong.”

Chamling—who as India’s longest-serving CM ran the state for a quarter century—ignored his own warning. That year, the union government approved one of Chamling’s priority projects, the National Hydropower Corporation’s (NHPC) Teesta Stage V dam, one of six planned on the Teesta.

About two decades later, warnings of the risk posed by climatic changes for large projects in the Himalayan region had increased, worries reflected in the Fifteenth Finance Commission (FC)’s suggestions to Sikkim in 2019.

The government of Sikkim, among other things, informed the FC that the state was “susceptible to earthquakes and it is prone to flash floods and landslides during the monsoon,” and that “climate change is posing risk from potentially dangerous glacial lakes in Sikkim Himalaya”.

The FC’s response was to encourage Sikkim to “speed up the execution of the ongoing Hydel Projects so as to exploit the potential and to increase the revenue earnings”.

Same Policies Before & After The Great Flood

There has been no fundamental change to the build-despite-the-risk approach before or after the great flood of 3 October.

Three days later, on 6 October, while informing the media that the dam was “fully damaged... washed out”, chief minister Prem Singh Tamang blamed “sub-standard construction” by Chamling’s government. He gave no indication the state’s hydropower policy would be altered in the wake of the catastrophe of which he was repeatedly warned.

Chamling denied Tamang’s accusation and asked why Tamang’s government took no punitive action if construction was substandard.

Indigenous people have opposed Sikkim’s hydropower development since 2008, particularly resisting the Stage IV dam, said Gyatso Lepcha, general secretary of Affected Citizens of Teesta, an advocacy group. Tamang, he added, had not said about reviewing the hydropower policy because it wanted to build the Stage VI and Stage IV dams.

Two years after popular resistance began, Sikkim University’s founding-vice-chancellor, Mahendra P Lama, warned of potential devastation to the “fragile ecology”

of Sikkim, where “scores of hydel projects” had been “imposed on a calm and serene Teesta river”.

“The people of Sikkim and around face unprecedented vulnerability from both the large-scale, intensive and widespread destruction likely to be unfurled by these rampant projects, and also the deep livelihood and socio-cultural damages and dislocations triggered by any changes in the glacial geomorphology,” said Lama in his book, *Climate Change and Sustainability in Mountain Areas: Scope and Challenges for Regional Cooperation and Integration*.

These concerns unfolded among local communities, whose opposition to dams on the Teesta the state and union government ignored by violating Indian laws. Today, Lama said he was “upset” that all warnings issued over the years were ignored.

“People are not against hydel power projects as much as they are against the way these projects are done,” Lama told Article 14, “the casualness with which the environmental impact assessment is conducted and clearances are given and the way project developers are selected.”

Lepcha said large hydro projects should be “totally prohibited” in Sikkim. “Even though the gram panchayats on the right bank of Teesta have twice rejected the proposal for Stage IV, the government is continuing with its efforts,” said Lepcha, referring to the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, popularly called the Forest Rights Act or FRA., which says no project can be built with the consent of local communities.

“As per latest information with us, the administration initiated the process of land acquisition just a few days before the Teesta III mishap happened,” said Lepcha. “We will continue to resist Stage IV and demand decommissioning of existing large dams.”

The Sikkim-based Citizen Action Party has demanded that the Teesta Stage IV dam be cancelled.

On 18 October, the Sikkim cabinet constituted a technical committee. to “look into the causes of the recent disaster” and “suggest further course of action to the government,” including “a comprehensive plan of action” for the glacial lakes. There was no word on reviewing the policy of building dams in the Himalayan region.

There was no reply to Article 14 emails to chief secretary Vijay Bhushan Pathak, asking if the government had begun land acquisition for the Teesta Stage IV dam and if the government was considering a review of its large-dam policy in the wake of the 3 October disaster. We will update this story if there is a response.

Sikkim’s New Oil

“I personally feel that the water resources in Sikkim can be compared to the petroleum resources of the Arab countries,” Chamling had said in January 1997.

It was a time when the world was reconsidering large dams due to a range of adverse socio-economic and environmental impacts and resistance movements that had begun to dominate the dam discourse since the 1980s.

In 1997, the International Commission on Large Dams (ICOLD), a global nonprofit, released a ‘position paper’ pointing out that large-scale development demanded “integrated planning” for an entire river basin, not piecemeal construction.

“The larger the project, the greater the effects on the natural and social environment to be expected, and the wider the scope of the multidisciplinary, holistic studies which they require,” said the paper.

But Sikkim, encouraged by the government of India’s Mega Power Projects Policy of 1995, had already planned a cascade of six large dams on the Teesta, Sikkim’s main source of surface water.

In 1997, the International Union for Conservation of Nature (IUCN), a global nonprofit, and the World Bank released a report, Large Dams: Learning From the Past, Looking at the Future, which pointed out that large projects, such as dams, may have lesser relative risks than small projects because they were subject to more study.

But if such projects went wrong, they could exert a potentially disastrous effect on even a national economy.

“In many instances, it would be less risky to build a number of smaller schemes with equivalent total capacity, even if this would be achieved at a higher overall present value of cost, as this would spread the risk,” said the IUCN report. It added that a series of smaller projects had a lesser chance of ending up as an overall economic failure, which developing nations in particular could ill afford.

“The higher overall cost (of multiple smaller projects) can be seen as an insurance premium against disastrous economic performance,” said the report.

These suggestions were mirrored 13 years later in India.

In 2010, a task force constituted by the Planning Commission mentioned “congestion of hydropower projects & associated threats of mega projects” and “reduced (water) flow due to hydropower projects” as concerns in the Indian Himalayan Region and recommended setting up of “decentralised hydropower generation through network of small hydro-power units”.

All hydel projects, big or small, had environmental and social impacts, noted a 2014 report by experts constituted by the Supreme Court of India. But small projects had “less intense” impacts while “large projects often lead to massive impacts...and may result in permanent scarring of nature and society”.

“A combination of solar panels and micro hydel can be made, where during monsoons micro-hydel can be used to generate electricity and during winters when the flow of water is less, sunlight can be harnessed to generate electricity,” said the Supreme Court experts, referring to the Himalayas.

“There is every reason to suggest that the standard pattern for hydro power generation, distribution and consumption within the IHR should be decentralized and networked through small projects only,” said the Planning Commission report. “It also seems logical and essential to demarcate zones in the higher Himalayan region that are naturally unstable. In these areas, no hydropower projects should be allowed to be developed.”

To back its reasoning, the Planning Commission Task Force reported that 14 glacial lakes in Sikkim had been rated as “potentially unstable”, referring to a 2003 study that mentioned South Lhonak.

Clearances Without Surveys

In the 1990s, risks associated with melting glaciers were not yet part of global hydropower discussion, but they certainly were an issue of concern to the Himalayas.

But Sikkim was thinking of large dams.

In 1998, Chamling requested Prime Minister Atal Bihari Vajpayee for an “expeditious investment clearance” for the 510 MW Teesta stage V and clearances for Teesta stage III.

The Stage V project got forest and environment clearance—permissions to submerge forests and assurances that environmental impacts were acceptable—in May 1999, without a survey to determine the carrying capacity of Teesta river basin, as the ministry of environment and forests itself had said in its 11 January meeting earlier that year. In May, while approving the project without such study, it said that no other project should be allowed without such a study.

Carrying capacity refers to the maximum amount of water available naturally including stream flow and soil moisture, to meet ecological and social demands, such as domestic use and irrigation, in a river basin.

Two years later, in a 1 September 2001 speech at a meeting of the North East Development Council, Chamling explained how the share of central grants in the state’s revenue had fallen from 77% in 1983-84 to 58% in 1997-98 and how this increasing pressure on Sikkim to increase its own revenue earnings.

Chamling identified three sources of income: a service tax on tourism; a tax on infrastructure projects; and commercial exploitation of water resources. “The commercial exploitation of water resources mainly for export to neighbouring states can also be a crucial emerging source,” he said.

In 2001, the Sikkim government published its Human Development Report, launched by PM Vajpayee. It noted that Sikkim’s major glaciers, Zemu, Onglokthang and Rathong Chu were “receding rapidly” and cautioned that a surge of water and debris caused by sudden glacial lake outburst floods (GLOF) in the high mountains could change the course of rivers.

“This leads to a sudden rise in river flow by more than 10 feet and causes untold misery to all life forms in the Himalayan region,” the report said.

Scientific Warnings, Local Resentment

South Lhonak Lake had not yet come to public attention when the new century began, but it did in 2005, when it featured in a list of 14 “potentially dangerous glacial lakes” identified in a study by the International Centre for Integrated Mountain Development (ICIMOD), a think tank based in Kathmandu, Nepal.

“The area of Tista (sic) River basin is comparatively very small but the number of lakes and potential GLOF is very high compared to other study regions (Himachal Pradesh and Uttarakhand),” said the ICIMOD report.

Another warning came in October 2007, when the union government’s own carrying capacity report of the Teesta river basin was published. Commissioned by the ministry of environment, the report said that South Lhonak lake’s embankment, made of moraine or unconsolidated glacial debris, had evidently breached once in the past and could breach again.

“The study of recent aerial photographs and satellite images shows a very quick regaining of lake water volume,” said the environment ministry report. “At present it is refilled again with water and poses danger.” Apart from cloudbursts, “there are always chances of avalanches from mountain glaciers, which may break the damming material and cause GLOFs”, it added.

The report also said a meeting with the head of the local gram panchayat revealed that the people of the Chungthang area, where the Stage III dam was to be built, were “somewhat skeptical” about the project.

“Since the villages in the area already have electricity, they do not see any reason to have a mega hydel project in their area,” the report said.

The environment ministry report divided the state into four zones from the perspective of biological diversity and found that a “higher diversity of mammals, birds and reptiles were found in Zone-III”, where Chungthang is located. The scientists reported in the area the presence of endangered species, such as the red panda, the near-threatened marbled cat, the vulnerable serow and the Himalayan marmot.

“Zone-III is very sensitive, and if the development project (Stage-III) is executed in this zone (1,800m-2,800m, temperate broadleaved forest, near Chungthang), an irreversible ecological damage is expected with respect to biological environments,” said the environment ministry report.

Neither the Sikkim government nor the union government waited for this carrying capacity report before approving Stage III, as they should have according to the environment ministry’s May 1999 orders.

The Government's Auditor Flags Irregularities

In 2017, the government's auditor, the Comptroller and Auditor General (CAG) took note of union government's clearances to the Stage III dam in 2006 without waiting for the carrying capacity report.

The report pointed out that the environment ministry, while issuing environmental clearance (EC) to Teesta V, had stipulated that no other project in Sikkim would be considered for the EC till carrying capacity study of Teesta river basin in Sikkim was complete.

Yet, Teesta Stage III got environmental clearance in August 2006, more than a year before the carrying capacity report was published. Sikkim was evidently in a hurry.

As a 2016 CAG report pointed out, the Sikkim government in June 2004 set a target of producing 3,000 MW of additional power by the end of 2012 and, in February 2005, "allotted the project to a consortium of private developers without verifying the experience of the consortium leader".

The consortium leader, Athena India Ltd, was incorporated only in August 2004, said the CAG report, and "had no previous experiences in implementation of hydel projects". The company cited in its bid document the experience of its three partners, but they existed the consortium by 2006 without mandatory permission from the state government.

Construction of the Stage III dam started in 2008, with intermittent halts for months when money ran short and the private firms involved were embroiled in disputes.

As the dam was being built, warnings that it was on shaky ground increased.

As The Dam Rose, So Did Warnings

The Draft Sikkim Action Plan On Climate Change, published in March 2011, said that downstream in GLOF prone areas, "There should be monitoring systems prior to, during, and after construction of infrastructures and settlements in the downstream area."

The Plan said it was essential to install early warning systems and associated hardware and undertake remote real time monitoring with automatic data transmission.

South Lhonak Lake was growing faster than any other in Sikkim, said a 2012 report, Impacts Of Climate Change: Glacial Lake Outburst Floods, published by the Pune-based Centre for Development of Advanced Computing (C-DAC).

The risk of a glacial flood came from not just melting but from possible earthquakes, said the C-DAC report, noting two earthquakes in the vicinity: one of 4.9 magnitude in 1991 near the glacier feeding the lake; and the other of 6.9 magnitude in 2011, just about 70 km west of the lake.

All of Sikkim falls within seismic zone V and IV, India's two most-active seismic zones. A 2013 warning from scientists at the National Remote Sensing Centre (NRSC) was more elaborate. It said that the South Lhonak glacier receded 1.9 km between 1962 and 2008 and the lake's outburst probability "shows a very high value of 42%". Anything above 24% is categorised as "very high".

"The very high outburst probability shows that, if the lake increases its extent (it was then 136 hectare) in due course of time, it may cause a dangerous outburst flood," said the NRSC report, which recommended more field studies.

Yet another warning came in 2015, from the Central Water Commission (CWC). A GLOF at South Lhonak lake would send flood waters to Chungthang within two hours, with a 4.45 m increase in water level, said the CWD report. At Teesta V and Teesta VI sites, the water level was expected to increase by 7 m and 5.4 m, respectively.

For a comparison, the heights of waves in the 2004 tsunami that killed 10,000 in India varied on the east coast from 2.5 to 5.2 m.

On 4 October, CWC's monitoring station recorded that "the first surge of water was 19 m above the maximum water level at Sangkalang," a town 35 km downstream of Teesta Stage III.

Warnings kept coming even after the dam had been commissioned in February 2017.

Sikkim's State of Environment Report, published in 2017, noted that the situation developing in Sikkim was similar to a GLOF at Dig Tsho, a moraine-dammed glacial lake in the Khumbu area of eastern Nepal.

"The GLOF at Dig Tsho is an example that even small lakes may cause serious damage, especially if there are populated areas and infrastructure located near the hazard source," said the Sikkim environment report.

A 2018 research paper pointed out that the lake's length had increased by 1.6 km between 1976 and 2016 and that "it increased drastically since 2000." Another 2019 research paper warned that in case of a GLOF at South Lhonak, the flood would hit Chungthang town in about four hours.

In 2020, India's National Disaster Management Authority (NDMA) noted that the "threat to hydropower is the highest in Sikkim".

A 2021 research paper pointed out that the "enormous volume of water in a highly dynamic high-mountain environment" made South Lhonak lake "a priority for GLOF risk management." The presence of the Teesta Stage III dam at Chungthang had turned the "GLOF risk mitigation in relation to South Lhonak and other critical lakes in the basin" into a matter of "utmost importance," said the paper.

"Many settlements and assets located along the river channel at Chungthang are potentially exposed to future GLOFs, indicating the need to conduct a full environmental impact assessment and potentially undertake GLOF risk mitigation measures," said the 2021 paper.

A 2022 research paper identified South Lohnak as “one of the fastest-growing glacial lakes in Sikkim” and pointed out that “many settlements at Chungthang are potentially exposed to the future GLOF”.

If the only justification, then, for the Teesta’s dams is that they bring in revenue, there is no indication that is happening.

What Revenue is Sikkim Earning?

The Sikkim government took over the Teesta Stage III in August 2015 after the private consortium building it could not finish the project.

In 2020-21, Sikkim’s revenue earned from hydropower projects was Rs 341.19 crore. The projects include Teesta Stage III, Stage V, the NHPC’s 60 MW Rangeet dam on the Rangeet, and four private projects, of a combined 399 MW on the Teesta and the Rangeet.

The same year, the power department spent Rs 207 crore to buy power from other states during the winter, when water flowing into dams reduces as it freezes in the high reaches of the Himalayas. The government also repaid Rs 198.33 crore in Teesta Stage III loans.

Article 14’s analysis of the dam’s finances indicated it was more liability than asset.

In 2020-21, Sikkim Urja Ltd needed Rs 198.33 crore to repay loans, but the royalty it earned from operations was Rs 173 crore. The government used royalty earned from another hydel project and borrowed Rs 20 crore from the State Bank of Sikkim to repay loans.

On 31 March 2021, the Teesta III project had accumulated losses of Rs 1,498 crore. The next year, losses fell, as the project posted a profit for the first time: Rs 230 crore.

Before the dam broke, Sikkim’s power minister acknowledged that the state was “not earning anything from the project as our share of free power is directly sold to companies to repay the loans and interest”.

“This is manageable during the monsoon period when the project runs to its full capability,” power minister Mingma Norbu Sherpa told journalists in Gangtok in July. “During the lean months, the power generated is not enough to repay the loans and interest.”

Himanshu Thakkar, coordinator of the South Asia Network on Dams, Rivers and People (SANDRP), an advocacy group, said that large hydro projects were “unfit” for the fragile Himalayan region and were financially unviable, as reporting has borne out (here, here and here).

“That large hydro projects are becoming economically unviable can be seen from the trend that private players are pulling out of large hydro projects and public sector units are taking them over,” said Thakkar. “In Sikkim, both Teesta Stage III and Stage VI

were to be developed by private players but public sector units subsequently took them over to rescue the projects.”

Three other hydel projects being in Sikkim by private companies, the 51-MW Bhamsey, the 66-MW Rangeet Stage II and 300-MW Panam, have stalled for more than six years, for reasons that include a lack of financing and natural disasters.

This situation is evident in Arunachal Pradesh as well. In June, Arunachal Pradesh deputy chief minister Chowna Mein said the state had cancelled memoranda of understanding with 44 private companies and would handover hydel projects to public-sector enterprises.

Delays and cost overruns typically plague all Himalayan hydel projects. The result is higher tariffs.

“The viability of the scheme depends largely on the execution period since the cost and benefits vary considerably with period of completion and even good projects can be rendered unprofitable due to large time overruns and cost overruns,” says the Central Electricity Authority on its website.

Meanwhile, the dam bandwagon rolled on, said experts.

“Government agencies did not learn from the 2021 Chamoli disaster in Uttarakhand,” said Thakkar. “The NDMA is speaking of installing an early warning system only after the disaster has happened. Teesta Stage III should not have been allowed without adequate spillway capacity, proper dam safety mechanism and an early warning system put in place.”

If the dam was unviable, it should never have been built in the first place, he said.

The NDMA’s 4 October press release said that to mitigate the impact of a GLOF, an NDMA-led expedition in the first week of September 2023 had surveyed two at-risk lakes in Sikkim “in order to eventually deploy early warning systems for real-time alerts”.

“At the next stage, NDMA has planned to install early warning systems for real-time alerts at most of 56 at-risk glacial lakes in India,” said the NDMA release.

Article 14 emailed questions to NHPC and the Teesta Stage III project developer, Sikkim Urja Ltd, asking if any early warning system was in place, what benefits Sikkim received from their project and if they had learnt any lessons from the 4 October disaster. There was no response when this story was published. We will update it if there is.

If global warming were to exacerbate extreme weather events, dams would further disturb the fragility of the Himalayan ecosystem, said Anjal Prakash, professor and research director at the Bharti Institute of Public Policy at the Indian School of Business.

“Both the frequency and severity of such events are going to increase exponentially in the future,” said Prakash, an author of Intergovernmental Panel on Climate Change reports. “The Himalayan ecosystem is the most fragile in the world and any disruption will have a problematic outcome for the people of the region.” <https://article-14.com/post/disaster-on-the-teesta-ignoring-warnings-of-melting-glacier-sikkim-hoped-large-dams-would-earn-money--6531e7e374f75>

3. CAG report confirms over Rs 10cr loss in Kerala's medical purchases during Covid period (*onmanorama.com*) October 20, 2023

The report of the Comptroller and Auditor General of India (CAG) has said that crores of rupees were lost due to irregular purchases made by the Kerala Medical Services Corporation Limited (KMSCL) during the COVID period.

The report says that Rs 10.23 crore was spent in excess by purchasing Personal Protection Equipment (PPE) kits at up to 300% over the rates fixed by the government and that Rs 1.02 crore is yet to be recovered from a company that is unrecognised for providing such service and which supplied hand gloves at an inflated rate.

The findings of the CAG fully confirm the dubious transactions during the COVID period that Manorama exposed. The CAG had sought clarifications from the KMSCL in the draft report, and the draft of the final report was sent to the Principal Secretary to the Health Department with the remark that the explanation tendered by the agency was not satisfactory. The CAG had also said that if the authorities had any more explanations, they could be submitted before August 29.

APM Mohammed Hanish, the Principal Secretary to the Health Department, has said that detailed responses to the questions that had been raised during the CAG’s scrutiny of different issues related to the Health Department and the Kerala Medical Services Corporation Limited were being prepared.

The chief findings of the CAG

PPE kits at inflated rates: The PPE kits were bought at Rs 1,550 apiece even after the government fixed Rs 545 as the price. The order to buy the kits at 300% of the price was placed when four suppliers, including three usual ones, were ready to provide the kits at rates lower than the ones fixed by the government. An additional expenditure of Rs 10.23 crore was incurred when 2,56,000 kits were bought from San Pharma (Rs 1,550), Innov (Rs 1,550), A and A Trading Ventures (Rs 1,185), BNS Healthcare (Rs 1,295), and Kitex Garments (Rs 800-830).

Import of gloves: An order for supply of 1 crore gloves at a cost of Rs 12.16 crore placed with Agratha Avion Company, which had come forward with the promise to import and supply nitrile gloves, was against the norms. This is a company that has admitted that it has no prior experience in the field. The establishment could supply only 41.60 lakh gloves. An amount of Rs 1.02 crore (the price of 8.40 lakh gloves) out of the Rs 6.08 crore, equaling 50% of the total cost, that was paid to the company upfront is yet to be recovered. <https://www.onmanorama.com/news/kerala/2023/10/20/cag-finding-confirms-10-cr-rupee-lost-in-purchase-during-covid-period.html>

4. Himachal Scholarship Scam: हिमाचल के 2.38 लाख स्टूडेंट्स का हक डकार गए प्राइवेट शिक्षण संस्थान, विस्तार से समझें क्या है ये घोटाला (etvbharat.com) Updated 19, 2023

शिमला: हिमाचल में 250 करोड़ रुपये के स्कॉलरशिप स्कैम में 2 अन्य आरोपी केसी गुप पंडोगा के उपाध्यक्ष हितेश गांधी और शिक्षा विभाग में तत्कालीन अधीक्षक अरविंद राजटा की आय से ज्यादा संपत्ति को जब्त करने की तैयारी में है.

ED ने पिछले कल ही मंगलवार को मोहाली और शिमला में दबिश देकर दो अन्य आरोपी राजदीप और कृष्ण कुमार की 5 अचल संपत्ति और 14 बैंक खातों में पड़ी 6.25 करोड़ की शेष राशि को जब्त किया है. आखिर ये स्कॉलरशिप स्कैम कैसे हुआ आइए विस्तार से जानते हैं. बता दें कि हिमाचल के स्कॉलरशिप स्कैम में घोटालेबाजों ने छात्रों का हक मार कर करोड़ों की संपत्ति बनाई थी. CBI के बाद ED ने भी मामला दर्ज किया और जांच शुरू की. मनी ट्रेल के सहारे ED ने बड़ा एक्शन लिया और 6 करोड़ से ज्यादा की संपत्ति अटैच की है. हिमाचल के इतिहास के सबसे बड़े घोटाले में दलालों ने कागजों में हेराफेरी कर 2.38 लाख छात्रों का हक हड़प लिया गया था.

266 करोड़ रुपये का है घोटाला: दलाल हॉटलों में बैठकर सेटिंग करते थे. शातिरों को अपने ऊपर इतना भरोसा था कि उन्होंने 19,915 छात्रों को सिर्फ 4 मोबाइल नंबर से जुड़े बैंक खातों में राशि जारी कर दी. गौरतलब है कि ये सब मोबाइल नंबर फर्जी थे और 19 हजार से ज्यादा छात्रों के हक की सारी रकम दलाल हड़प गए थे. कुल फर्जीवाड़ा 266 करोड़ रुपए का है. इसमें से 256 करोड़ रुपए निजी संस्थानों को जारी किए गए और दस करोड़ रुपए सरकारी संस्थानों को दिए गए थे.

किन्हीं मिलती है स्कॉलरशिप: सबसे पहले स्कॉलरशिप प्रोसेस को जानते हैं. केंद्र व राज्य सरकार मेधावी छात्रों को पोस्ट मैट्रिक स्कॉलरशिप देती है. ये स्कॉलरशिप SC, ST, OBC, माइनोंरिटी वर्ग के छात्र-छात्राओं के लिए होती है. स्कॉलरशिप की ये राशि छात्रों को सीधे तौर पर नहीं दी जाती है, बल्कि पात्र स्टूडेंट जिन सरकारी अथवा निजी संस्थानों में विभिन्न कोर्स की पढ़ाई करने जाते हैं, उस संस्थान के खाते में ये रकम जाती है. जिसके बाद वो संस्थान छात्र अथवा छात्रा को कोर्स विशेष की पढ़ाई करवाता है.

उदाहरण के लिए हिमाचल सरकार की मेधा प्रोत्साहन योजना को लेते हैं. इस योजना में राज्य सरकार निजी कोचिंग संस्थानों को प्रति छात्र 1 लाख रुपए देती है. ये पैसा स्टूडेंट को नहीं मिलता, बल्कि संस्थान के खाते में जाता है और संस्थान उस पैसे से छात्र को प्रतियोगी परीक्षाओं जैसे UPSC आदि की कोचिंग प्रदान करता है. राज्य सरकार इसके लिए संस्थानों की सूची जारी करती है. वहीं, शर्तें पूरी करने वाले संस्थानों को कोचिंग के लिए अधिकृत किया जाता है. इसी तरह केंद्र और राज्य सरकार की विभिन्न वर्ग के स्टूडेंट्स के लिए पोस्ट मैट्रिक स्कॉलरशिप देती है. इसकी राशि अलग-अलग कोर्स के लिए अलग-अलग होती है. पोस्ट मैट्रिक स्कॉलरशिप के तहत छात्र हिमाचल प्रदेश के अलावा देश के किसी भी अधिकृत शैक्षणिक संस्थान में अपनी पसंद के कोर्स की पढ़ाई कर सकते हैं.

कब शुरू हुआ फर्जीवाड़ा और कैसे आया पकड़ में: हिमाचल में स्कॉलरशिप घोटाला 2013 से चल रहा है. वहीं, आशंका तो ये भी है कि फर्जीवाड़ा इससे भी पहले 2009 से चल रहा था, लेकिन इसका खुलासा 2013 में चला. हुआ यूं कि IAS अफसर अरुण शर्मा जब शिक्षा सचिव थे तो उन्होंने घोटाला सामने आनेके बाद पुलिस में मामला दर्ज करवाया. शिक्षा विभाग की संबंधित ब्रांच के एक अफसर को शक हुआ कि स्कॉलरशिप में कुछ गड़बड़ी हो रही है. उन्होंने इस बारे में शिक्षा सचिव अरुण शर्मा से बात की. उन्होंने अपने स्तर पर जांच की और पाया कि फर्जीवाड़ा हो रहा है. शिक्षा विभाग के कुछ अफसर व कर्मचारी संस्थानों के दलालों से मिलकर कागजों में ही रकम हड़प रहे हैं. पहले मामला पुलिस के पास गया और फिर जयराम सरकार ने 2019 में CBI जांच की सिफारिश की. CBI के साथ ही ED ने भी अपने स्तर पर जांच शुरू कर दी, क्योंकि जहां भी एक निश्चित रकम से अधिक का मामला हो, ईडी स्वतः जांच शुरू कर सकती है. अब ED ने इस मामले में चार लोगों को गिरफ्तार किया है.

बैंक में खोले थे छात्र-छात्राओं के नाम पर फर्जी खाते: बता दें कि बैंक ने अपनी 2014 की रिपोर्ट में संकेत किया था कि स्कॉलरशिप में फर्जीवाड़ा हुआ है, लेकिन किसी के कान पर जूं नहीं रेंगी. दरअसल, पहले ऑनलाइन ट्रांजेक्शन नहीं होती थी तो दलाल फर्जी विडॉल फॉर्मसाइन करवा कर रकम हड़प लेते थे. बैंक में पात्र स्टूडेंट्स के नाम पर फर्जी खाते खोलकर स्कॉलरशिप हड़प ली गई. 38 हजार से ज्यादा स्टूडेंट्स के फर्जी खाते खोले गए थे. रिकार्ड के अनुसार 2016- 2017 के शैक्षणिक सत्र तक कुल 924 निजी संस्थानों में कोर्स की पढ़ाई कर रहे छात्रों को 210.05 करोड़ रुपये और 1868 सरकारी संस्थानों के छात्रों को महज 56.35 करोड़ रुपये स्कॉलरशिप के दिए गए. इससे पता चलता है कि घोटाला 266 करोड़ रुपये से ज्यादा का था. हैरानी की बात है कि हिमाचल के Tribal Area के छात्रों को तो इसका लाभ मिला ही नहीं. उनके हिस्से की छात्रवृत्ति तो फर्जी खातों के जरिए प्राइवेट शिक्षण संस्थान ही खा गए. इस तरह घोटाले का जाल हिमाचल सहित देश के अन्य राज्यों तक फैला था.

सबमें कमीशन बंटता था: निजी शिक्षण संस्थानों के प्रबंधकों से पूछताछ में भी सामने आया कि वो शिक्षा विभाग के अफसरों को कमीशन देते थे. कमीशन की ये रकम दस फीसदी तय थी. यानी यदि किसी संस्थान को 1 करोड़ रुपये ट्रांजेक्ट किए गए तो अफसरों की रिश्वत 10 लाख होती थी. इसके बाद ही शिक्षा विभाग के अधीक्षक अरविंद राज्टा CBI की राडार पर आए थे और उन्हें गिरफ्तार किया गया था. बाद में उन्हें जमानत मिली, लेकिन अभी ED ने उन्हें फिर से पकड़ लिया है. CBI की जांच में यह भी पता चला है कि स्कॉलरशिप की स्वीकृति से संबंधित फाइलों को शिक्षा विभाग टॉप मोस्ट अफसरों तक पहुंचने नहीं दिया जाता था. निचले स्तर के अधिकारी-कर्मचारी फाइलों को अपने स्तर पर ही मार्क कर देते थे. जांच में यह भी पता चला कि नियमों के खिलाफ निजी ई-मेल आईडी से फर्जीवाड़े को अंजाम दिया जाता था.

<https://www.etvbharat.com/hindi/himachal-pradesh/state/shimla/himachal-scholarship-scam-himachal-pradesh-news/hp20231019160146232232579>

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. Govt weighs mine reforms: clearance before auctions (*livemint.com*) 19 Oct 2023

The Centre is now looking at auctioning select mineral blocks under an ‘on-tap’ arrangement with prior clearances to ensure faster development and extraction of mineral resources.

NEW DELHI : The government may look at the next set of reforms in the mining sector to ensure projects awarded in auctions start producing within the stipulated timeframe, without facing uncertainty because of delayed clearances.

According to two people aware of the development, the Centre is now looking at auctioning select mineral blocks under an ‘on-tap’ arrangement with prior clearances to ensure faster development and extraction of mineral resources.

It is also consulting on whether some support could be extended to companies after the auction to finalize the mining plan and arrange for clearances and financing to provide ease of doing business to winning bidders.

The fresh move to reform the current auction mechanism follows delays being witnessed in development of mineral blocks post their auction, with a lot of time consumed in acquiring land for mining and in taking statutory clearances, including those for the environment and forests.

As per official data, out of the 108 iron ore blocks auctioned so far, only 32 (30%) have commenced production.

For other minerals, the proportion is even lower at 10%. In the coal segment, of the 118 captive coal blocks auctioned and allotted, only 51 have begun production.

The record is even worse in the case of commercial coal mining blocks—out of 93 blocks, only four are operational. The ministry of coal has allocated 171 coal mines in total. But only 55 (32%) are currently operational, with the remainder at various stages of development.

“The appetite for taking mineral blocks, particularly coal blocks, among captive users has fallen as most already have one and are busy developing it. The plan to bring “on-tap” mineral blocks that could be brought under production quickly is being discussed and may be considered in future rounds of auctions after finalization,” said one of the two people cited above, a senior government official, on condition of anonymity.

Queries sent to the ministry of mines remained unanswered at press time.

According to a report from ratings agency Crisil, out of about 850 blocks for iron ore, limestone and bauxite launched since the onset of the auction regime in 2015, only 300 blocks have been successfully auctioned so far.

A total of 775 coal blocks were tendered as captive and commercial coal blocks, of which 118 were successfully auctioned and allotted up to September 2023. Further, 53 blocks were allotted to state-owned companies. All these have a cumulative peak rate capacity of over 550 million tonnes.

The government has been keen to ensure that coal as well as non-coal blocks operate as per agreed time schedules, without delay. But with projects still facing delays, it is exploring new way of implementation that will make participation in mining attractive for investors.

The government has already enacted amendments to key laws, such as the Mines and Minerals (Development and Regulation) Act and Coal Mines (Special Provisions) Act, to introduce reforms including ushering in an auction system for allocation of mineral blocks, thus bringing transparency to the process.

Certain other coal sector reforms have also been instrumental in increasing coal production. These include allowing the private sector to mine and sell coal without end-use restrictions, allowing auctioned captive coal blocks to sell up to 50% of their output in the open market, a coal logistics policy, and the Gati Shakti plan to improve coal transportation. <https://www.livemint.com/news/india/govt-weighs-mine-reforms-clearance-before-auctions-11697732505860.html>

6. Indian Army bolsters defence capabilities through cutting-edge ISAT-S acquisition (*republicworld.com*) Oct 19, 2023

Indian Army has approved the acquisition of 118 Integrated Surveillance and Targeting Systems (ISAT-S), a cutting-edge solution revolutionizing surveillance.

The Indian Army on granted an Acceptance of Necessity (AoN) for the acquisition of 118 Integrated Surveillance and Targeting Systems (ISAT-S) on October 17. This cutting-edge system is poised to revolutionise surveillance operations in the Army's mechanised divisions, providing both defensive and offensive capabilities with integrated kamikaze drones.

The ISAT-S is designed to significantly enhance the surveillance and targeting capabilities of Indian Army's mechanised forces. The system comprises a range of components, including a Surveillance Drone, Operator Control Unit (OCU), Remote Video Terminal (RVT), and Tube-launched Loitering Munitions. It is set to be a game-changer in modern warfare.

Integration with existing arsenal

As per the AoN, the ISAT-S can be launched from altitudes of up to 4500 meters and operate efficiently in temperatures ranging from minus 20°C to 45°C. The surveillance drone, equipped with colour day video and monochromatic night thermal cameras, boasts the ability to detect human targets up to 4,000 meters away, with recognition capabilities extending to 2,500 meters.

The ISAT-S must seamlessly integrate with the Indian Army's current Armoured Fighting Vehicles (AFVs), including T-72, T-90, and MBT Arjun tanks. The system will include four loitering munitions ready for launch from within the tank, offering

minimal impact on the vehicle's silhouette. Moreover, it can neutralize enemy tanks by attacking from the top angle and targeting the adversary's turret.

Secure communication and operation

The system's operations will occur in the unlicensed ISM band, and it will employ robust 256-bit Advanced Encryption Standard (AES) encryption standards to ensure secure communication between components. Anti-jamming and anti-spoofing measures will be incorporated into both hardware and software, guaranteeing uninterrupted and secure operation.

A sophisticated training simulator will be developed to facilitate seamless operation. It will feature separate instructor and student consoles, enabling mission planning, scenario setting, and performance assessment. The simulator will align with Defence Series Map standards to create realistic training scenarios.

Stringent standards

The ISAT-S will adhere to stringent environmental and operational standards and comply with Optoelectronic equipment standards. It will undergo verification and validation processes to ensure it meets electromagnetic compatibility standards.

The procurement of ISAT-S is part of the Defence Acquisition Council's larger plan, involving nine capital acquisition proposals, with an approximate value of Rs 45,000 crore. This significant investment is expected to bolster India's defence capabilities and modernize its mechanized forces. <https://www.republicworld.com/defence/defence-technology/indian-army-acquires-isat-s-for-mech-divisions.news>

7. MGNREGA Sees Record Job Card Deletions in 2022-23 Due to 'Violation in Procedure', Finds Report (*thewire.in*) Oct 19, 2023

Various state governments deleted over 5 crore job cards from the MGNREGA database in the last financial year, far higher than the yearly average of 1 crore to 1.5 crore deletions.

A research organisation has noted a record increase in the deletion of job cards for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) database last financial year of 2022-23.

According to the Telegraph, various state governments deleted over 5 crore job cards from the MGNREGA database in 2022-23, suggesting a violation of the due procedure. This, per LibTech India, is far higher than the yearly average of 1 crore to 1.5 crore deletions.

LibTech India focuses on various aspects of improving transparency, accountability, and democratic engagement in rural public services delivery.

LibTech India conducted a field verification by interviewing, between October 2022 and June 2023, 600 workers in Andhra Pradesh, Gujarat, Telangana, Odisha and Jharkhand whose cards had been deleted.

It found that rules were flouted in all 600 deletions and that the reasons cited were incorrect in 380 instances.

The governments, however, claimed this was routine updation, citing reasons such as duplicate or fake cards, deaths, and cardholders' unwillingness to work under the scheme any more.

Laavanya Tamang, a LibTech India researcher, cited the huge jump in deletions in 2022-23 to suggest a deliberate paring of numbers by state governments, which faced pressure from the Union government to ensure that MGNREGA wage payments were made through the Aadhaar Based Payment System (ABPS). She said ensuring ABPS compliance would have meant a lot of work for the states.

“It seems the states accelerated the deletion of job cards as the Union rural development ministry insisted on 100 per cent ABPS compliance,” Tamang told the daily.

To achieve ABPS compliance, a worker's Aadhaar number must be linked to their job card and bank account, which is facilitated by the state government and linked to the bank's institutional identification number. States might have found deletion the easiest option to avoid this cumbersome process.

The annual master circulars (AMCs) issued under the MGNREGA allow job card cancellations on 13 specific grounds. However, any addition or deletion of job cards must be presented before the gram sabha concerned.

Tamang told the Telegraph that the field verification exercise had found that the gram sabhas were not consulted in any of the 600 deletions.

Job cards can be cancelled if the holder applies for deletion. The panchayat-level MGNREGA official can also do so after informing the gram sabha.

“They (states) mentioned reasons like not willing to work or not present in the panchayat in most of the cases. After verification, we found the reasons cited in the official documents were not true in the case of 380 of the 600 workers interviewed,” Tamang said.

The daily sent an email to rural development secretary Shailesh Kumar Singh on October 5, asking whether the charges of wrongful deletion were true and, if so, what the Union government had done about it. His response is awaited.

In January 2023, the Ministry of Rural Development (MoRD) mandated the use of ABPS for processing all wage payments in MGNREGA, starting from February 1, 2023. However, at the time of the mandate, only 43% of MGNREGA workers were eligible for ABPS payments.

The pressure from MoRD to achieve 100% Aadhaar seeding (the process of workers submitting their Aadhaar details to be linked to their job cards) and authentication in a short period led to a significant increase in worker deletions from the MGNREGA database.

Rural development minister Giriraj Singh, in a written reply in the Lok Sabha on July 25, 2023, had said the total deletion of MGNREGA job cards stood at 5.18 crore in 2022-23 against 1.5 crore in 2021-22. In 2022-23, Bengal topped the list with the deletion of 83 lakh job cards.

“The various reasons for the deletion of job cards are given below: i. fake job card (incorrect job card) ii. duplicate job card iii. now, not willing to work iv. family shifted from Gram Panchayat permanently v. single person in job card and the person is expired,” Singh said in the reply. <https://thewire.in/government/mgnrega-sees-record-job-card-deletions-in-2022-23-due-to-violation-in-procedure-finds-report>

8. Indian Tax Authorities Are Losing ₹ 2 Lakh Crore Annually, Claims Report (*ndtv.com*) Oct 20, 2023

As Cricket World Cup 2023 is gaining momentum, illegal betting activities are also picking up steam with crores of rupees invested through informal routes leading to a loss of about ₹ 2 lakh crore to tax authorities, a report said.

The illegal sports betting market receives an estimated inflow of ₹ 8,20,000 crore (USD 100 billion) per annum from India, according to Think Change Forum (TCF) report.

Factors such as digital infrastructure growth, smartphone usage, and the expansion of athletic events have contributed to this kind of inflow, it said.

Despite regulatory restrictions, India's illegal betting and gambling market has shown remarkable growth, it said.

According to the report at a baseline estimated deposits of ₹ 8,20,000 crore being for betting at current GST rate of 28 per cent, India is losing ₹ 2,29,600 crore per annum.

To restrict such activities, the report suggested strict implementation of the new GST regime by establishing a task force to monitor illegal offshore betting activities and forcing offshore operators to register in India to protect the outflow from legal gaming platforms to offshore platforms.

Without such stringent measures, the new regime could lead to the diversion of growth from legal gaming companies to illegal betting platforms and offshore operators, resulting in substantial tax losses for the government, it said.

In India, it said, cricket dominates, with the Indian Premier League (IPL) being a significant driver of betting activity. As per estimates, more than 140 million people in India participate in betting and gambling regularly and this number shoots up to 370 million during the IPL.

The report highlighted that a ban on betting and gambling transactions under India's exchange control regulations drives offshore gambling firms to employ covert methods for moving money both within and outside the country, it said.

Funds are funnelled through mechanisms like hawala, cryptocurrencies, and other illicit channels, posing a threat to the nation's financial stability. These diverted funds may fund illegal activities, undermining public order and national security.

According to the report, there are more than 75 betting and gambling sites that specifically target the Indian population, many of which persist in their operations despite legal bans.

To further attract Indian users, it said, they have secured the endorsement of popular Bollywood actors and sports figures as their brand ambassadors.

Delay in forming of Self-Regulatory Organizations (SROs) will allow illegal offshore betting sites to mushroom, as without these regulators will have no authoritative instrument to classify legal and illegal operators, it added. <https://www.ndtv.com/india-news/indian-tax-authorities-are-losing-rs-2-lakh-crore-annually-claims-report-4496303>

9. India spent more than Rs 3.85 lakh crore on coal imports last year (*energy.economictimes.indiatimes.com*) Oct 20, 2023

The country spent more than Rs 3.85 lakh crore on coal imports last year, the government said on Thursday. Though the share of coal import in total consumption came down from 26 per cent to 21 per cent in the last five years, India is importing more than 200 million tonnes (MT) of dry fuel every year, incurring huge foreign exchange outflow.

"The goal of coal ministry is to enhance coal production to ensure adequate availability of coal for fast growing economy of the country. As a result of efforts of the ministry, the share of imports in total consumption reduced from 26 per cent to to 21 per cent during last 5 years," it said.

Meanwhile, the ministry said it is deeply concerned about protecting forests and no coal mine has been auctioned by ignoring suggestions of the environment ministry.

For example, it said, the plea of Chhattisgarh to de-notify coal mines falling under Lemru Elephant Corridor has been accepted.

Areas beyond Lemru Elephant Corridor have also been considered for exemption on the request of the state government.

"Over 40 new coal blocks having about 10 per cent of reserve of Chhattisgarh has been decided to be kept out of coal mining," it said.

Nine coal mines falling in dense Hasdeo-Arand coal field have also been kept out for further round of auctions of coal blocks.

Similarly, the request of Tamil Nadu to exclude three lignite mines from further auction process has also been accepted. These decisions of Ministry of Coal clearly indicate our responsibility to protect forest areas despite industry demands to put them under auction, the ministry added.

<https://energy.economictimes.indiatimes.com/news/coal/india-spent-more-than-rs-3-85-lakh-crore-on-coal-imports-last-year/104574135>

10. Fault lines over Loss and Damage fund deepen at key climate meet (*hindustantimes.com*) Oct 20, 2023

Major disagreements have cropped up between rich and developing countries on the Loss and Damage fund at the fourth meeting of the Transitional Committee on the operationalization of the new funding arrangements for responding to loss and damage being held in Aswan, Egypt.

The agenda of the meeting is to finalise several issues related to how the fund will operate including the location of the fund, funding arrangements, who will contribute to the fund among others. One of the major contentions is that the rich countries led by the US are seeking to locate the fund under the World Bank and are not supportive of the proposal that the Fund be a “body under international law possessing international legal personality.”

Operationalising the Loss and Damage fund is among the key deliverables at the upcoming UN Climate Conference (COP28) to be held in Dubai this December. The fourth and final transitional committee meeting is being held from October 17 to 20. But as on Thursday there was a logjam on the location of the fund, whether the fund would have an “independent legal personality”, and who would benefit from the fund.

“A complete standstill halfway through the 4th Transitional Committee on #LossAndDamage (#TC4) meeting in Aswan. 1. Rich nations seem uninterested in operationalising the new Fund to respond to the #ClimateEmergency, for which they are most responsible. Developing nations are outraged by the proposals of developed countries. These proposals shift away from their #ClimateFinance obligations...Developed countries are adamant on the @WorldBank hosting the #LossAndDamage fund. Yet, sources reveal that yesterday, the #WorldBank couldn't assure that its policies would address concerns of access, independence, and accountability,” tweeted Harjeet Singh, Head, Global Political Strategy, Climate Action Network International.

“Rich countries, particularly the US, promoting the World Bank – which shares blame for the global climate crisis and inequality – as the host for the Loss and Damage Fund is absolutely unacceptable. This arrangement won't provide the new Fund with true independence, will obstruct direct access to vulnerable communities, and will lack full accountability to governments and those most affected by climate change,” Singh explained.

During the plenary in Aswan several developing country negotiators explained that if the Loss and Damage Fund is located in the World Bank, it will not have a legal personality and hence will not enjoy as much independence in operating the fund.

Another contention is that developed countries want only the least developed countries and small island developing states to be beneficiaries of the fund. “The rich countries are interpreting the language in a way that it limits the beneficiaries to only these two

country groupings and not other vulnerable regions,” said Liane Schalatek, Associate Director of the Heinrich-Böll-Stiftung Washington who is also in Aswan.

“Developed nations also seek to open the donors to all member parties who are in a position to contribute to the fund. But this does away with the mandate that developed countries contribute for impacts and mitigation as stipulated by the United Nations Framework Convention on Climate Change and also does away with the principle of differentiation as captured in the Paris Agreement,” Schalatek added.

“Developing countries are keen to host the Fund within the United Nations Framework Convention on Climate Change where the principle of equity will be mandatorily upheld. The World Bank’s funding is primarily focused on loans, while loss and damage funding must necessarily be grant-based and easy to access. Developed countries are proposing a new set of checks and balances for the Fund to be hosted within the World Bank, but if that is the case, why do we need the World Bank -- why not develop a new entity altogether, under the UNFCCC?” said Tamanna Sengupta, Programme Officer, Climate Change, CSE. <https://www.hindustantimes.com/india-news/fault-lines-over-loss-and-damage-fund-deepen-at-key-climate-meet-101697741989655.html>

11. Air pollution missing from India’s climate plans: Study (*timesofindia.indiatimes.com*) Oct 19, 2023

Nagpur: India scored 2 out of 15 points when it comes to integrating clean air in its national climate plan. A new scorecard by Global Climate and Health Alliance also highlighted the strong link between air pollution and mortality in the country, with 119.9 deaths reported per 100,000 population from toxic air.

The ‘Clean Air NDC Scorecard’, a brainchild of over 150 health professionals and civil societies, revealed that the world’s largest economies – the G20 nations—are falling short of ensuring clean air in their climate goals. The methodology used for calculating the score was a deep dive analysis of Nationally Determined Contributions (NDCs) of 169 countries. NDCs are the national climate plans submitted by governments as part of their commitment to the Paris Agreement.

The countries were broadly scored on five categories, including health impacts of air pollution, source sectors, major pollutants, economical aspect of pollution, and bonus points for additional efforts. India scored ‘zero’ in quantifying health impacts of pollution, discussing the cost of the crisis, and failing to take other mitigation measures.

The scorecard comes ahead of the United Nations’ 28th Conference of the Parties (COP 28) which will be hosted by UAE this year. For the first time, an entire day will be dedicated to health in the annual climate conference.

Though experts believe that the scorecard is a big eyeopener ahead of the meet, they pointed out that India’s analysis did not factor in some domestic efforts while calculating the rating. “It is a valuable tool for fostering global awareness and collaboration in tackling these challenges. The findings highlight a global picture where many nations, particularly lower and middle-income countries, have demonstrated a strong commitment to clean air, climate, and health in their NDCs. While India's current

score may not reflect domestic initiatives like the National Clean Air Program (NCAP), it is a reminder of the urgent need to strengthen policies and actions to improve air quality,” said Bhavreen Kandhari, founder of Warrior Moms.

She added, “We cannot ignore to address the interconnected challenges of air pollution, climate change and public health, and the importance of translating these commitments into tangible actions.”

Stressing on the importance of connecting global climate change and local air pollution sources, analyst at Centre for Research on Energy and Clean Air (CREA) Sunil Dahiya said, “The absence of linkage of air pollution and climate change as well as national and global commitments can lead to divergent pathways at different levels. India is a good example of that; while it seems to be doing great on NDC compliance pathway, it is simultaneously expanding the fossil fuel infrastructure and production, possibly paving the way for future stranded assets, and shrinking finances for efficient energy transition.”

Infographics:

Air Pollution Death rate: 120 deaths per 1 lakh population are due to air pollution

India’s Score Card:

Parameter-----	Score
Health Impacts-----	0
Air Pollutants-----	1
Sources Sectors-----	1
Economics & Finance-----	0
Bonus Points-----	0
Total Score -----	2/10

Global Findings: -

- 14 of 15 top-scoring countries are low or middle-income countries
- Among G20 countries, Canada and China leading way in integrating air quality in climate plans - Lowest scorers are Australia, Brazil, the European Union, India
- 7 million premature deaths occur every year due to air pollution globally
- Results demonstrate vast room for improvement

<https://timesofindia.indiatimes.com/city/nagpur/air-pollution-missing-from-indias-climate-plans-study/articleshow/104562626.cms>

12. Do cities become smart by hiding the poor? (*theleaflet.in*) Oct 19, 2023

The developmental model of building settlements for low-income communities at the peripheries of urban centres is almost considered self-evident by authorities in India, but does it really work?

ABOUT 35 percent Indians live in urban areas and this number is estimated to rise to around 60 percent by 2050. In 2022, the urban population of India was reported to be about 51 crore.

According to another report, urbanisation, that is, the rate at which people move to urban areas to find work, has increased by almost 4 percent in the last decade in India.

The National Institute of Urban Affairs estimates that the urban population will grow from the current 31.16 percent to 40.76 percent of the total population by 2030.

Quoting a World Bank report, the institute reports that the “urban sprawl” or the expansion of development on undeveloped land near a city, accounts for 55.3 percent of India’s total population.

The World Bank has termed India’s urbanisation “messy and hidden”, pointing to the “relative lack of livability” in Indian cities.

Right to housing

While the Constitution of India does not provide for a specific right to housing, the rights of the underprivileged, which would include the right to housing, are affirmed under Articles 14, 15, 19(1)(d), 19(1)(e) and 21.

The National Institute of Urban Affairs estimates that the urban population will grow from the current 31.16 percent to 40.76 percent of the total population by 2030.

The Constitution also binds the State to ensure such basic rights are not denied in the form of the Directive Principles of State Policy under various provisions such as Articles 38, 39, 41, 42 and 47.

Article 11(1) of the International Covenant on Economic, Social and Cultural Rights, 1966 (ICESCR), which India ratified in 1976, recognises the right of everyone to an adequate standard of living for himself and his family including adequate food, clothing and housing, and to the continuous improvement of living conditions.

Government’s cognisance

The Union government has acknowledged the need for the development of infrastructure as well as for improving the quality of life in urban areas.

In pursuit of this acknowledgement, the government introduced the Smart Cities Mission in 2015 “to promote cities that provide core infrastructure and give a decent quality of life to their citizens”.

The mission’s strategy recognises the core infrastructure elements such as adequate water supply; assured electricity supply; sanitation; efficient urban mobility and public transport; affordable housing; robust IT connectivity and digitalisation; good governance; a sustainable environment; and safety, security, health and education of citizens.

According to the Union Minister for Housing and Urban Affairs Hardeep S. Puri, smart cities represent the next generation of Indian cities.

The government introduced the Smart Cities Mission in 2015 “to promote cities that provide core infrastructure and give a decent quality of life to their citizens”.

Reportedly, the director of the G20 unit of the Union Housing and Urban Affairs Department M.B. Singh has stressed on the need for building new cities and said, “Haphazard expansion on the outskirts of existing cities is affecting the basic planning of these cities”.

Furthermore, various affordable housing initiatives have been introduced in recent times to address the housing crisis of the urban poor.

Among the recent ones, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in December 2005 for planned development of urban areas.

Its sub-missions of the Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Programme aimed at providing basic amenities and services to urban poor and slum dwellers such as security of tenure at affordable prices, improved housing, water supply, sanitation, education, health and social security.

In September 2009, the Ministry of Housing and Urban Poverty Alleviation issued guidelines, which included provisions such as: “Care should be taken to see that the urban poor are provided housing near their place of occupation”.

Rajiv Awas Yojana (RAY) was launched in 2011 to scale up BSUP. It was replaced by Pradhan Mantri Awas Yojana-Urban (PMAY-U) in 2015.

The housing scheme of PMAY-U was launched to provide houses to “eligible families or beneficiaries”, who belong to the economically weaker sections and low-income groups, by 2022. PMAY-U seeks to make home loans affordable for the urban poor through four programme verticals.

However, two of its programmes, ‘beneficiary-led individual house construction or enhancement’ and ‘credit-linked subsidy’ mandate land ownership certificates and identity documents to obtain loans.

Reportedly, this prerequisite excludes a majority of urban slum dwellers from availing subsidised housing loans.

Peripheralisation of the poor

Housing complexes for slum dwellers built under the JNNURM are, however, widely criticised for being far away from city centres and avenues of work and for poor-quality of the construction.

According to a study by CEPT University, urban beautification and infrastructure projects in Ahmedabad have displaced thousands of poor households and vendors in the city.

The effectiveness of the third vertical of PMAY-U— affordable housing in partnership— is also questioned since affordable housing projects in major cities can be allocated primarily in outskirt areas and satellite towns.

In *Ajay Maken versus Union of India* (2019), the Delhi High Court identifies that many low-income service providers travel long distances for work in Delhi, live in deplorable conditions and suffer indignities.

On account of the expansion of its peripheries, Delhi is referred to as a “border-less city”.

According to a report by the Centre for Science and Environment (CSE), the present state of urban planning is pushing low-income groups to the peripheries of cities, disrupting livelihoods and increasing travel distances and costs for jobs, education, sanitation facilities and other essential services.

The CSE’s report titled *How accessible are low-income settlements? The Case of Delhi* highlights that planned low-income settlements in Delhi, particularly the older resettlement areas such as Savda Ghevra, Baprola, Bawana, Holambi Kalan, Papan Kalan, Rohini and Narela have been relocated to the peripheries of the city.

For instance, the report points out that in Savda Ghevra, the residents have endured a lack of bus connectivity, water supply, sewage network or other physical infrastructure provisions. “Affordable homes are not closer to affordable transport,” the report adds.

According to a study by CEPT University, urban beautification and infrastructure projects in Ahmedabad have displaced thousands of poor households and vendors in the city.

The study states that under the Basic Services to the Urban Poor Programme of the Union government, the Ahmedabad Municipal Corporation built housing in Vatwa, a south-eastern periphery of Ahmedabad between 2010 and 2014.

A 2018 article in *The Quint* explains the plight of slum dwellers allotted housing quarters at Sadaramangala and Bheemanakuppe in Bengaluru by the Karnataka Slum Development Board.

Although around seven years had passed since the reallocation, the article explains that hundreds of residents continue to suffer the consequences of long-distance travel in the form of unemployment and lack of easy access to necessities including grocery stores and hospitals.

The goal of providing affordable housing under the Smart Cities Mission is termed “slum clearance” on account of the lack of specific policies to ensure the development of slums.

Furthermore, the article highlights that the residents are facing issues with essential services such as inadequate water supply, absence of electricity, incomplete housing infrastructure and lack of quality education.

Reportedly, over the last two decades, 55,000 families of slum dwellers in Chennai have been forcibly relocated to “ghettos” that are at a considerable distance from the city. The resettled families in the peripheries have been facing problems in terms of access to basic needs of water, health and sanitation.

In several of the resettlement areas built by the Tamil Nadu Slum Clearance Board, schools and health centres were set up years after the resettlement.

Madras Institute of Development Studies studied 200 relocated households in the peripheries of Ahmedabad and Chennai in 2018.

It was found that in the case of resettlement houses in Perumbakkam and Gudapakkam in Chennai, the residents had to travel 25–35 km each way.

Whereas, while the distance to travel was relatively shorter— 6 to 12 km— for resettlement areas of SKV Nagar and Umang Lambha in Ahmedabad, the transport arrangements were found to be inadequate, infrequent and scarce.

As a consequence of the spatial dislocation, the report noted several shortcomings including poor housing infrastructure; high travel costs for jobs, healthcare and education; lack of safety for women; and lack of access to urban amenities such as the cinema, internet centres and markets.

Under the PMAY-U, BSUP and RAY, “states and private builders alike seek out the cheapest available land for construction” of low-income housing units, causing their peripheralisation.

The goal of providing affordable housing under the Smart Cities Mission is termed “slum clearance” on account of the lack of specific policies to ensure the development of slums.

For instance, slums in Bhubaneswar and Pune, falling under Smart City development projects, are to be relocated to the peripheries of the city in order to use the land for commercial purposes.

In *Ajay Maken*, the Delhi High Court referred to the South African Constitutional Court in acknowledging the right of “meaningful engagement” of a person who is being evicted from informal settlements, with any relocation plans.

The Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971 aims to make better provision for improvement, clearance and redevelopment of slum areas in Maharashtra. The Act also makes provisions for protection of occupiers from eviction and distress warrants.

On September 26, the Bombay High Court heard two public interest litigations highlighting the issue of non-payment of transit rent by developers to slum dwellers.

Transit rent is the rent paid by a developer to those vacating their houses for redevelopment or rehabilitation until permanent accommodation is provided.

Reportedly, the court observed that despite a mechanism in place under the Act, the Slum Rehabilitation Authority has failed to ensure that the interest of the slum dwellers are protected.

Mobility

While low-income groups are active users of public transport, cycling and walking, the peripheralisation of the poor is bound to make travel to earn a livelihood in cities expensive and inconvenient.

CSE's study finds that the share of public transport is bound to drop by around 31 percent by 2030–31.

The report notes that policies such as the Smart Cities Mission fail to address the transport needs of those living on the outskirts of cities since considerable investment is seen in road-building (50 percent of the funds allocated for 15 percent of users) as compared to affordable transport (24 of the funds for 85 percent of users).

CEPT University's study says, "Distant relocation along with lack of appropriate and affordable transport options negatively impact the mobility, work and livelihoods of a vast majority."

The Charter of the Right to the City was introduced under the New Urban Agenda during the United Nations Conference on Housing and Sustainability Development (Habitat III) in 2016.

The study details the consequences of the distant reallocation in Ahmedabad on livelihoods such as high motorised travel expenses, dropping out of women from the workforce, underemployment and lack of casual work.

The study also points out hardships in accessing amenities, including private schools, public healthcare, colleges and recreational open spaces.

Absence of choice

According to recommendations submitted by a civil society memorandum to the ministry, people's participation in making an informed choice related to housing, including the design and size of the house, is vital.

Also read: Eviction drive in Tughlakabad: 1,000 families sent notices to vacate their houses

According to a study by the Indian Institute of Management, Bangalore, unlike choices available for usual residential relocation, slum-dwellers do not generally have multiple destination options.

"Their [slum-dwellers'] destination site is generally determined by urban authorities based on land availability in different parts of the city, and they are rarely in a position to make a choice about it," the study adds.

In *Ajay Maken*, the Delhi High Court referred to the South African Constitutional Court in acknowledging the right of "meaningful engagement" of a person who is being evicted from informal settlements, with any relocation plans.

The high court observed that under the Constitutional Court’s concept of “meaningful engagement”, the State is mandated to consider the needs of the affected persons and take them into confidence on the proposed schemes of rehabilitation.

The State must be prepared to review the schemes based on the inputs from such affected groups, the high court adds.

The right to the city

The Charter of the Right to the City (RTTC) was introduced under the New Urban Agenda during the United Nations Conference on Housing and Sustainability Development (Habitat III) in 2016. The RTTC is an instrument that aims to ensure equitable enjoyment of the cities while respecting the principles of sustainability, democracy and social justice.

The RTTC primarily promotes the equal use and enjoyment of cities and human settlements, seeking to promote inclusivity and ensure that all inhabitants, of present and future generations, without discrimination of any kind, are able to inhabit and produce just, safe, healthy, accessible, affordable, resilient and sustainable cities and human settlements to foster prosperity and quality of life for all.

The RTTC is considered a collective international human right of all city inhabitants, especially the vulnerable and the disfavoured.

In *Ajay Maken*, the Delhi High Court pointed to the “increasing recognition in the international sphere” of the RTTC. It considered the RTTC an essential element in the policy for the rehabilitation of slum dwellers.

Notably, the high court indicated that the principle of RTTC acknowledges that those living in jhuggis or slums contribute to the economic and social life of a city, including sanitation workers, garbage collectors, domestic help, rickshaw pullers and labourers.

Reportedly, several countries in the global South, including Brazil, Ecuador and Mexico have acknowledged the RTTC model in their legal frameworks.

It is, therefore, vital that in the interest of social equity, the poor are not pushed to the peripheries of the city by ensuring affordable and reliable housing and transport in the core city areas. <https://theleaflet.in/do-cities-become-smart-by-hiding-the-poor/>

13. Amid its financial struggle, MC sits on Swachh Bharat grants (*timesofindia.indiatimes.com*) Oct 20, 2023

Ludhiana: Always quick to cite scarcity of funds for its inability to carry out development works in the city, the Ludhiana municipal corporation has failed to utilise all the funds under the Swachh Bharat Mission (SBM), thus holding up several important projects in the process.

The Government of India has asked civic officials to state reasons for not utilising the funds completely. The officials claimed that delay in allotment of tenders and execution of projects slowed down the use of funds, but most of the selected works have now been allotted and will be completed soon.

Under the Swachh Bharat Mission, the MC officials have completed purchase of 350 e-rickshaws, ditch machines, shredder for horticulture waste, backhoe loader for construction and demolition waste and horticulture waste fitted with GPS. But important projects like GPS installation on e-rickshaws; construction of C&D waste plant, waste to wonder park and centralised MRF plants; purchase of sanitary waste incinerators, 54 portable compactors and 18 hook loaders, mechanised vehicles are hanging fire.

Sources said while Rs 60 crore (approximately) has been received under the mission in 2023, around 30% of money could be used so far.

The officials claimed that they have already issued work orders for all types of works except for the centralised MRF plant, whose detailed project report is being readied.

MC commissioner Sandeep Rishi admitted that they could not utilise the funds properly, but it was the case before he took charge. He said he has asked the officials concerned to increase the pace of works and complete them as soon as possible. He said, “The government is ready to give more funds, but how can we ask for more unless we use money already available with us. We do not want to waste public funds, so we will spend money on important projects only.”

One of the officials claimed that grants allocated under a particular scheme can be used for the designated purpose only. He said moreover, the tenders allotment process is tedious, and companies do not come forward in the first attempt. He claimed that if authorities want to speed up the use of funds, then agencies executing the work should also be decided at the government level, so as to avoid wastage of time. <https://timesofindia.indiatimes.com/city/ludhiana/amid-its-financial-struggle-mc-sits-on-swachh-bharat-grants/articleshow/104569809.cms>

14. BJP accuses AAP of Rs 18,500-cr discom fraud in name of free power — ‘people of Delhi will have to pay’ (*theprint.in*) 19 October, 2023

The BJP has alleged that ‘regulatory assets’ or unrecoverable amounts of over Rs 18,000 crore are pending in the balance sheets of three power discoms in Delhi because of the Aam Aadmi Party (AAP) government’s free electricity scheme.

At a press conference held at the BJP headquarters Thursday, party spokesperson Gopal Krishna Agarwal said that the regulatory assets will additionally have an interest rate of minimum 8 percent, amounting to close to Rs 1,500 crore which will be recovered from the people of Delhi annually in the future.

Regulatory assets, prohibited under the law except under ‘exceptional circumstances’, are created when state regulators defer costs incurred by them to be recovered through future hikes in electricity tariffs. Last year, the Ministry of Power had pulled up State Electricity Regulatory Commissions (SERCs) for creating such assets. SERCs periodically recognise that there are certain costs run up by discoms that may not be made up for by the tariffs charged to consumers. Accumulation of regulatory assets thus can put the burden of recovering such amounts from the public on future governments.

“The three power discoms in Delhi supply electricity at a pre-fixed rate. If the cost is more than the rate, the difference in the amount is added to the balance sheet of the discoms. If the government pays that amount to the companies, it can be recovered through subsidies. But the government has not paid the amount to these companies,” BJP’s Gopal Krishna Agarwal alleged Thursday.

According to the BJP, the 2021-22 balance sheet of discom BSES Rajdhani has Rs 8,191 crore in regulatory assets, BSES Yamuna’s amount is Rs 5,362 crore and Tata Power’s is Rs 5,021 crore. Agarwal said the BJP does not have access to the balance sheets for 2022-23.

“The total regulatory assets amount to Rs 18,578 crore with a minimum interest rate of 8 percent, which will amount to Rs 1,500 crore. There is also an amount of Rs 3,500 crore which is under recovery. In total, over Rs 5,000 crore additional burden will be borne by the people of Delhi in future,” Agarwal said, adding that the Delhi government’s statement that power discoms are giving free power is “utterly dishonest”.

“They are creating regulatory assets and these assets are ballooning over the years. This should be audited through CAG, but Delhi government is not agreeing for the audit,” he further alleged.

Row over discoms audit

In April, the Delhi government had directed the Delhi Electricity Regulatory Commission (DERC) to conduct a special audit, through CAG-empanelled auditors, of discoms over power subsidies from 2016 to 2022 to identify any irregularities and ensure transparency.

Delhi Lieutenant Governor V K Saxena approved the audit. A week before that, he had said that an audit by CAG-empanelled auditors cannot and should not be considered as a substitute to a Comptroller and Auditor General of India (CAG) audit.

The Delhi BJP denounced the audit and demanded a CAG investigation. Opposition leader Ramvir Singh Bidhuri called for the CAG to investigate the matter. “Delhi government’s decision of audit through empanelled auditors is a big hoax and the people of Delhi and BJP will not accept it,” he said at the time.

Last year, Delhi Chief Minister Arvind Kejriwal had announced a change in the free electricity scheme, saying the power subsidy will be provided to only those who opt for it. According to the Delhi government, over 48 lakh people have applied to the discoms for subsidies, out of the 58 lakh domestic consumers.

In June, the city’s power purchase adjustment cost (PPAC) was increased by 8 percent. The AAP government had alleged that the tariff was increasing because of the “mismanagement of the central government”. Power Minister Atishi had said that despite no coal shortage, power generating companies were being forced to buy coal at a higher rate. <https://theprint.in/india/governance/bjp-accuses-aap-of-rs-18500-cr-discom-fraud-in-name-of-free-power-people-of-delhi-will-have-to-pay/1811291/>