NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Economic Greed Over Environmental Concerns: Root Cause of Natural Disasters *(etvbharat.com)* 27 March 2024

The nonviolent Chipko movement, also known as the hugging the tree movement, was started in 1973 in the Himalayan state of Uttarakhand by rural residents, especially women. The growing devastation of forests for trade and industry sparked the movement, writes Dr. NVR Jyoti Kumar, Professor of Commerce, Mizoram Central University.

The Chipko movement (hugging the tree movement), a non-violent social and ecological movement by rural people, particularly women in India was originated in 1973, fifty years ago, in the Himalayan region of Uttarakhand (then part of Uttar Pradesh). The movement began in response to the increasing destruction of forests for commerce and industry.

When the government-induced exploitation of natural resources started to increasingly threaten the livelihoods of indigenous people in the Himalayan region in India, they sought to stop the destruction using Mahatma Gandhi's method of satyagraha or non-violent resistance. Soon, it began to spread throughout the country, becoming an organized campaign known as Chipko Movement. The movement's major success came in 1980 when the then Prime Minister Indira Gandhi's intervention resulted in a 15-year ban on commercial felling of trees in the Uttarakhand Himalayas. Cut to 2023, the Uttarakhand tunnel collapse occurred on the Diwali day of November 12, when a portion of an under- construction 4.5 km-long tunnel shrunken in the district of Uttarkashi.

It took over two weeks for the National Disaster Response Force (NDRF), the State Disaster Response Force (SDRF), and the police for rescuing 41 workers who were trapped inside the tunnel. The larger question that one needs to realise is why such incidents across the country are happening quite often in the recent past? Are we destroying Mother Nature to such an extent that it is unleashing its fury? Have our Union and State governments not serious enough in the enactment of appropriate laws and their proper execution in safeguarding the ecological order?

In fact, the Uttarakhand tunnel collapse issue reminds us some of the top deadly natural disasters that happened in recent times in different regions in the country, including a fragile Himalayan region. They are: Super Cyclone in Odisha in 1999 (over 15,000 people killed); Gujarat Earthquake in 2001 (20,000 deaths); the Indian Ocean Tsunami in 2004 (2.30 lakh deaths); Bihar Flood Disaster in 2007 (1287 deaths); Uttarakhand Flash Floods in 2013 (5700 deaths); and Kashmir Floods in 2014 (550 deaths). Chennai Floods in 2015, Kerala Floods (2018), Himachal Pradesh Floods (2023) and Assam Floods (almost every year) are some of the natural disasters that caused a large-scale loss to the public and private properties, in addition to the loss of many lives of humans and livestock in recent times.

Natural disasters triggered about 25 lakh (2.5 million) internal displacements in India in 2022, according to a report by the Geneva-based Internal Displacement Monitoring Centre. South Asia witnessed 1.25 core (12.5 million) internal displacements due to disasters in 2022.

The Char Dham Project: An Example of Unsustainable Development Model

The ongoing Char Dham Project (CDP) in Uttarakhand which involves the construction of all- weather roads by the National Highway Authority of India (NHAI) linking the four religious pilgrimages of Gangotri, Yamunotri, Badrinath, and Kedarnath has raised some major issues in respect of India's approach to protect the ecology, and to combat climate change and its impacts.

Fearful Global Challenges behind the Beautiful Himalayas

Behind the beautiful mountain range of Himalayas lies the fearful challenges! Himalayas are the youngest range of mountains and still in the formative stages. Geological scientists and geo-technical experts clarified that the CDP is a dangerous project and fatality-induced. The region is extremely sensitive to earthquakes and frictional shear rocks are also exist.

Preserving the Himalayan Region that consists of some of the Earth's highest peaks like the Mount Everest is very important global imperative as the Himalayas cross four more countries, in addition to India, viz. Nepal, China, Pakistan, and Bhutan. Therefore, the geologists and environmentalists have been posing at least two fundamental questions since the beginning: First, when the Indian Himalayan Region (IHR) has been facing a wave of devastation due to the impacts of climate change leading to glacial melt and altered weather patterns, and rampant urbanisation, how a very limited carrying capacity of the region could withstand the burden of heavy infrastructure projects such as the Char Dham Project? How much tourism, how many roads, how much cutting of mountains and dumping of the debris into the rivers is good? Second, has the governments considered the Environment Impact Assessment (EIA) with all seriousness such projects deserve without exhibiting habitual monumental callousness and slumber of the bureaucracy? The basic idea of Char Dham Project has been heavily criticised by the geologists and experts on the ground that instead of having a single EIA for around 900 km long project, it was broken into 53 sections so that EIA is prepared for a lesser region. In the process, the impact exhibited for a large ecosystem of 900 km was compromised intentionally and irrationally.

Irresponsible Tourism Causing Pollution

The IHR consists of ten States, of which Uttarakhand and Himachal Pradesh bear the biggest brunt of irresponsible tourism. Though tourism has brought economic prosperity to the Himalayan region to some extent, the environmental cost has been disastrous. Tourism causes about 80 lakhs (eight million) tons of waste every year, in addition to ten lakh (one million) tons of annual waste produced by the urban population.

By 2025, it is projected that 24 crore (240 million) tourists will visit the hill States every year. In fact, it was 10 crore (100 million) in 2018. A study conducted by the Council of Scientific and Industrial Research (CSIR) found that 55% of waste in IHR is biodegradable and comes largely from homes and restaurants; and 21% is inert such as construction material; and 8% is plastic. If the problem of solid waste disposal is not addressed scientifically, the fragile ecosystem of the Himalayas will pay a price the country can ill-afford. Given that all our major ice-cold rivers originate in the mountains, it may not be difficult to envisage the calamitous implications. Dumping of biodegradable waste in open places in Himalayan region is unscientific as in the sub-zero conditions, cold prevents decomposition. That could release harmful gases such as methane and carbon monoxide.

In particular, the release of toxic chemicals into soil (caused by open waste) pollutes river waters when such soil (the leachate) reaches rivers and streams due to rains. Due to air pollution (caused by many factors, including open burning of waste and plastic), pollutants, carbon and other light-absorbing impurities darken glacial snow and trigger melting. In 2016, the Union government issued new rules for handling solid waste; however, like in other regions, the key lies in enforcement.

Comprehensive Action Plan to Check Ecological Destruction

The Parliamentary Standing Committee on Science and Technology, Environment, Forests and Climate Change (headed by Jairam Ramesh) in its report submitted in March 2023 recommended that the Union environment ministry should prepare a practical and implementable action plan with clear timelines to put a check on ecologically destructive activities in the Himalayan region. The ministry should also formulate a Standard Operating Procedure (SOP) to be followed in the event of any natural disasters. The House Panel expressed its anguish over the "tremendous increase" of tourist activities in these areas leading to "over-exploitation of natural resources and illegal construction of home stays, guest houses, resorts, hotels, restaurants and other encroachments."

A more meticulous approach with the only aim of furthering the environmental interests rather than economic interest; Strict actions against illegal constructions; and Need for detailed procedure to be followed by the ministry before giving clearances to construction and infrastructure projects to achieve a proper ecological balance are some important recommendations of the House Panel.

The Standing Committee Chairman, Jairam Ramesh, expressed his dissatisfaction for deliberately not referring the three very important Bills to the Committee. Two of such Bills were intended to radically amend the landmark Biological Diversity Act, 2002 and the Forest Conservation Act, 1980. Legal experts and environmentalists warned these Bills passed by the Parliament in last August, without required debate, could magnify commercial exploitation of the country's ecosystems consisting of trees, plants and other biological resources as well as traditional knowledge, and harm the communities that depend on them.

The legislation also decriminalises violations of the Act. The amendment to the Forest Conservation Act 1980 triggered nationwide protests on the ground that in the name of the "development" forests will be open for commercial exploitation thereby leading to harming of biodiversity, and weakening the rights of indigenous peoples. Analysts estimate that nearly 2, 00,000 sq. km. of forest will lose legal protection under the amendment. The reports of the Comptroller and Auditor General of India (CAG) pointed out that the projects were not taken up in an integrated manner and blamed NDMA for institutional failures for poor flood management. Capacity building for preparedness, robust early warning systems and mitigation are the need of the hour.

India should learn from the best practices of countries such as Hong Kong, China, Japan and South Korea.

India Ranked the Last in the world!

Environment Performance Index (EPI) measures the environmental health of countries and ranks them accordingly. Started by the World Economic Forum in 2002, EPI aims to encourage countries around the world to make sustainable development a priority. The top countries on the EPI in 2022 were Denmark, the UK, Finland, Malta and Sweden. Ironically, Bharat which is a birthplace of four important religions in the world, and the country where different elements of the Nature such as the trees and rivers are worshipped by the people, is also a country that ranked the last out of 180 countries! Sunita Narain, a committed environmentalist, way back in 2013 had advocated a pan-Himalayan development strategy which is based on the region's natural resources, culture and traditional knowledge. The development strategy also included the voices and concerns of local communities, dependent on forests for their agriculture and basic needs. Are our governments ready to listen to the advocacy of such scientists and environmentalists? https://www.etvbharat.com/en/!opinion/economic-greed-over-the-environmental-concerns-root-cause-of-natural-disasters-enn24032607328

2. Why Centre won't 'protect' these 18 'lost' monuments *(indiatoday.in)* Mar 27, 2024

The exercise, the first in several decades, will see 18 'untraceable' monuments be excluded from the ASI's list of centrally protected monuments. Here is why

In Delhi, if one searches for Barakhamba Cemetery, a centrally protected site, it will lead to Ghalib Park in Nizamuddin area. The park has been built over the cemetery premises. A couple of dilapidated graves at the back of a tomb-like structure is all that is left. From the Copper Temple in Arunachal Pradesh to Kos Minar in Haryana, the Archaeological Survey of India (ASI) has decided to delist 18 protected monuments as they have ceased to be of "national importance".

The exercise, the first in several decades, will see these 18 "untraceable" monuments be excluded from the ASI's list of 3,693 centrally protected monuments.

The missing monuments include nine in Uttar Pradesh, and two each in Delhi, Rajasthan and Haryana. The list also includes monuments in Arunachal Pradesh, Madhya Pradesh and Uttarakhand.

The Centre issued the list of monuments in a gazette notification earlier this month, and invited "objections or suggestions" from the public within two months.

How did these monuments become 'lost' or 'untraceable'? What is the process to delist monuments? We decode the issues in our explainer.

HOW DID THE MONUMENTS BECOME 'LOST'?

Presently, there are 3,693 monuments of national importance (MNI). Their protection and upkeep is the responsibility of the Archaeological Survey of India, under the Ministry of Culture.

Last year, the Culture Ministry said 50 protected monuments had gone missing, including 11 in Uttar Pradesh.

Interestingly, neither the Culture Ministry nor the ASI has clearly defined what exactly 'missing' or 'untraceable' means, even though such cases come to the limelight every year.

The Centre has said over the years, several monuments have become "untraceable" due to rapid urbanisation, or get submerged due to reservoirs and dams. This means houses, shops or roads have been built over them.

Difficulties in tracing the monuments due to remote locations and dense forests, and non-availability of their proper location are some of the reasons provided by the Centre to Parliament last year.

In its report to a Parliamentary Standing Committee, the ministry said 26 were "lost to urbanisation or have been submerged by reservoirs", while 24 were "untraceable". The present list of 18 monuments has been identified from these 24 "untraceable" structures.

The Centre also cited manpower shortages to physically man all the big and small monuments. "Out of the total requirement of 7,000 personnel for the protection of monuments, the government could provide only 2,578 security personnel at 248 locations due to budgetary constraints," the committee noted.

WHAT DOES IT MEAN TO DELIST A MONUMENT?

Under the Ancient Monuments and Archaeological Sites and Remains Act, 1958, the ASI is mandated to preserve monuments that have cultural and historical significance.

Construction activities are banned around 100 metres within the sites where the monuments are located. Moreover, prior permission is required for any repairs or modifications within 200 meters.

The ASI also has the power to delist monuments it deems to "have ceased to be of national importance" under Section 35 of the Act.

Once a monument is delisted, the ASI becomes no longer responsible for protecting these monuments.

WHY IS THE 'DELISTING' EXERCISE BEING DONE?

The need to update the list of national monuments was first raised by the Economic Advisory Council (EAC) to the Prime Minister (EAC-PM) in a working paper in January 2023. It called for delisting of "missing" and minor monuments.

The report also mentioned that around 10 years ago, in 2013, the Comptroller and Auditor General (CAG) declared 92 monuments as "missing" in its performance audit.

Later, the ASI said it managed to identify 42 of the monuments while suggesting that they be categorised on the basis of their national significance and architectural value.

In its report, the EAC-PM flagged that a grave erected in the memory of Lieutenant H Forbes, a British officer who died during a clash with Naga villagers at Suchima in 1879, had no architectural significance or cultural value and the individual was of no historical consequence.

"Yet, this structure gets the same level of protection as our most cherished monuments, like Ellora Caves or Taj Mahal," the report said.

WHICH MONUMENTS HAVE BEEN 'DELISTED'?

The 18 structures to be delisted are the Copper Temple in Arunachal Pradesh, Kos Minars in Haryana, Bara Khamba Cemetery and Inchla Wali Gumti in Delhi, inscription in the fort of Bachhaun in Madhya Pradesh.

A 12th century temple in Rajasthan's Baran, an inscription in Fort in Jaipur, Kutumbari area 13/16 nalis in Uttarakhand are also on the list.

The maximum 'lost' monuments are from Uttar Pradesh. They include a banyan grove in Ghazipur, Katra Naka closed cemetery, Gunner Burkitt Tomb at Rangoon, Gaughat Cemetery, cemeteries at mile 6 and 8 on Jahraila Road, tombs in miles 3, 4 and 5 on Lucknow-Fyzabad road, remains of three small Linga temples, Telia Nala Buddhist ruins, and a tablet on the Treasury Building. https://www.indiatoday.in/india/story/archaeological-survey-protect-delist-lost-monuments-here-is-why-2519567-2024-03-26
https://hindi.nativeplanet.com/feature/18-monuments-will-be-delisted-from-asi-list-which-are-those-monuments-and-why-006791.html

3. ASI की लिस्ट से हटा दिये जाएंगे 18 'लापता' स्मारकों के नाम, क्यों और कौन से हैं वो स्मारक? ASI की लिस्ट से हटा दिये जाएंगे 18 'लापता' स्मारकों के नाम, क्यों और कौन से हैं वो स्मारक? *(hindi.nativeplanet.com)*

March 27, 2024

आर्कियोलॉजीकल सर्वे ऑफ इंडिया (ASI) ने एक बड़ा फैसला लेते हुए 18 स्मारकों के नाम अपने रजिस्टर्ड लिस्ट से हटाने का फैसला लिया है। इन नामों को लिस्ट से हटाने से पहले आम लोगों से सुझाव और आपत्तियां भी मांगी गयी है जिसके लिए उन्हें 2 महीने का समय भी दिया गया है।

जिन 18 स्मारकों को लिस्ट से हटाने का फैसला लिया गया है, उनमें सबसे अधिक स्मारक उत्तर प्रदेश में मौजूद हैं। पर अचानक ऐसा फैसला क्यों लिया गया? कौन से वो स्मारक हैं, जिन्हें पहले ASI के महत्वपूर्ण स्मारकों की लिस्ट में शामिल तो किया गया था लेकिन अब उन्हें हटाने का फैसला लिया गया है।

मीडिया रिपोर्ट्स की मानें को CAG ने साल 2013 में अपनी एक रिपोर्ट केंद्र सरकार को सौंपी थी, जिसमें कई ऐसे स्मारक थे, जो लापता हो चुके हैं। CAG ने ऐसे 92 लापता स्मारकों की सूची ASI को सौंपी थी, जिसमें से 74 स्मारकों का पता तो लगा लिया गया लेकिन बाकी 18 स्मारकों का कुछ पता नहीं चल पाया। इसलिए इन गायब या यूं कहें लापता स्मारकों के नाम ASI की रजिस्टर्ड लिस्ट से हटाने का फैसला लिया गया है।

स्मारक कैसे हो सकते हैं लापता?
आपके मन में यह सवाल जरूर आ रहा होगा कि आखिर एक पूरा का पूरा स्मारक कैसे लापता हो सकता है। इसके बारे में बताने के लिए थोड़ा Flashback में चलते हैं। साल 1861 में जब ASI का गठन हुआ तब से लेकर अब तक बड़ी संख्या में स्मारकों को ASI के अधीन किया गया है जिस पर इनके देखभाल की जिम्मेदारी रही है। दावा किया जाता है कि आजादी के बाद से केंद्र सरकार का ध्यान शिक्षा, स्वास्थ्य और विकासात्मक निर्माणों की तरफ अधिक और स्मारकों की तरफ कम ही गया था।

नतीजा हुआ कि तेजी से होते शहरीकरण और अतिक्रमण की चपेट में आकर स्मारक अपना अस्तित्व खोने लगे। काफी संख्या में स्मारक शहरीकरण, कुछ बांध और जलाशयों में विलुप्त हो गये और कुछ के गायब होने की सटिक वजह ही पता नहीं चल सकी।

कौन से स्मारक हुए लापता
जिन स्मारकों के लापता होने की बात CAG ने अपनी रिपोर्ट में कही है, उनमें दिल्ली, हरियाणा, उत्तर प्रदेश, उत्तराखंड, राजस्थान, मध्य प्रदेश, अरुणाचल प्रदेश के स्मारक शामिल हैं। जिन 18 स्मारकों को ASI की लिस्ट से हटाने का प्रस्ताव दिया गया है, उनके नाम निम्न हैं -

-कोस मीनार संख्या 13, हरियाणा।
-दिल्ली का बाराखंभा कब्रिस्तान।
-मिर्जापुर जिले के अहुगी में 1000 ईसीवीं के 3 छोटे लिंग मंदिर परिधि के अवशेष।
-वाराणसी का तेलिया नाला बौद्ध खंडहर।
-निर्जन गांव का हिस्सा, वाराणसी।
-कोषागार भवन में तख्ती पट्ट, वाराणसी।
-लखनऊ के जहरीला रोड पर 6 और 8 मील पर कब्रिस्तान।
-लखनऊ-फैजाबाद रोड पर 3,4 और 5 मील पर मकबरें।
-गौघाट, लखनऊ का कब्रिस्तान।
-झांसी के रंगून का बंदूकची बुर्किल की कब्र।
-बांदा दक्षिण-पश्चिम शहर का बंद कब्रिस्तान।
-बांदा कटरा नाका। गाजीपुर के भारंली गंगा तिर में वट वृक्ष स्थित स्मारक के अवशेष।
-अल्मोड़ा के द्वाराहाट का कुटुम्बरी क्षेत्र नालिस।
-जयपुर (राजस्थान) जिले के शिलालेख।
-कोटा जिले के बारन में स्थित 12वीं सदी का मंदिर।
https://hindi.nativeplanet.com/feature/18-monuments-will-be-delisted-from-asi-list-which-are-those-monuments-and-why-006791.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

4. GST evasion: Fake credit claims worth Rs 19,690 crore in FY24 till January; Haryana, Delhi lead *(indianexpress.com)* March 27, 2024

The amount involved in fake ITC claims in FY24 (till January) is 49 per cent higher than Rs 13,175 crore detected in 1,940 cases in FY23

Wrongful availment of input tax credit (ITC) or fake ITC claims has emerged as a major cause of concern for Goods and Services Tax (GST) authorities amid continuing action against frauds, evasion and registration of bogus entities under the indirect tax regime.

A total of 1,999 cases have been booked for fake input tax credit (ITC) claims in India in the ongoing financial year 2023-24 (till January), involving amount of Rs 19,690 crore. The highest number of cases were registered in Gujarat, West Bengal, Haryana, Assam, Rajasthan, Maharashtra, Karnataka and Delhi, as per data viewed by The Indian Express. The amount involved in fake ITC claims in FY24 (till January) is 49 per cent higher than Rs 13,175 crore detected in 1,940 cases in FY23.

Even though the number of fake ITC cases of GST have been the highest in Gujarat and West Bengal among 34 states/ union territories, in terms of value detected, Haryana and Delhi stood at the top with an amount of Rs 10,851 crore, the data showed. Haryana and Delhi together account for 55 per cent of the total amount of Rs 19,690 crore detected in the fake ITC claims under GST in the current financial year, even though their share in number of cases is much less at 14.5 per cent.

Incidentally, the number of fake ITC cases booked have been lower than previous year in 10 states/union territories (UT), including Gujarat and Haryana, while the number of fake ITC cases booked have doubled in 2023-24 from the previous year in seven states/UTs including Delhi (an increase of 150 per cent), West Bengal (134 per cent) and Telangana (228 per cent).

Fake credit claims worth Rs 19,690 crore in FY24 till January; Haryana, Delhi lead

The total fake ITC cases of GST this year involved detection of an amount of Rs 19,690 crore in 2023-24 (till January), nearly 50 per cent higher than Rs 13,175 crore detected in the previous financial year 2022-23. This data pertains to the cases booked by Directorate General of GST Intelligence (DGGI) and does not include cases of central GST (CGST) and state GST (SGST) authorities. In 2022-23, about 1,940 cases of fake ITC were booked by DGGI, involving detection of an amount of Rs 13,175 crore.

“We are better performing than last year in terms of catching evaders. But whatever we are catching is still miniscule because this problem of fake ITC is quite severe. In the initial phase of the GST implementation, there wasn’t much action taken by enforcement agencies and it was more about facilitation. Many people entered into this fake ITC during that period.

On the registration front, many changes such as bank and address validation have been made to ensure that the registration route for bogus entities gets tightened. The cycle of fraud has also reduced with firms not being able to continue taking fake ITC with sequential filing of returns. But, fake ITC is the main agenda. We are specially targeting masterminds,” a senior government official told The Indian Express.

The GST fraud cases involving the use of fake invoices for wrong availment of ITC usually involve fake invoices that are raised by an entity without actual supply of goods or services or payment of GST.

Another modus operandi of GST fraud has been seen through routing of invoices through a series of shell companies/dummy companies and transfer of input tax credit from one company to another in a circular fashion to increase the turnover.

"Most number of cases of the fake ITC availment are being seen in Delhi, Haryana, Rajasthan and Uttar Pradesh. Several sectors especially construction, metals, tiles, marbles have seen such cases of fake ITC along with cases of services sectors including insurance and pharma sectors, or manpower supply services to many sectors. It is being detected everywhere including big businesses involved with industry chambers. We are using various analytical tools, and if somebody is gaming the system, then we catch them," the official cited above said.

The recovery rate is slow as cases take some time to be fully probed and in many cases, the evaders and masterminds of such fake ITC claims are tough to be traced, officials said. In those cases, then, the aim is to curb the cycle of the fraud, they said.

In 2023-24, out of the total Rs 19,690 crore detected in fake ITC cases, 105 persons were anrrested and Rs 2,504 crore has been recovered. Out of the total Rs 13,175 crore detected in fake ITC cases in 2022-23, 68 arrests were made and Rs 1,597 crore was recovered by the DGGI.

Separately, Central GST zones had recorded 6,303 cases of fake ITC in 2022-23, involving detection of Rs 10,965 crore, for which 85 persons were arrested and Rs 887 crore was recovered. https://indianexpress.com/article/business/fake-credit-claims-worth-rs-19690-crore-in-fy24-till-january-haryana-delhi-lead-9235100/

5. Demonetisation: A stress test for the economy *(thehindubusinessline.com)* Updated - March 27, 2024

Though growth was affected, the aam aadmi displayed stoicism in the face of adversity and moved on

In a fateful speech on November 8, 2016, Prime Minister Modi announced that the two largest denomination currency notes — ₹500 and ₹1,000 — would cease to be legal tender overnight. Citizens were given 50 days' time to deposit their old notes with banks. The promise was that the short-term pain inflicted on citizens would be made up by cracking down on black money, terror financing and counterfeit currency.

Eight years on, it is clear that demonetisation didn't really deliver on its original objectives of throwing the black economy into disarray. It did, however, result in unexpected wins on digital adoption and tax compliance.

Speed breaker
Some likened demonetisation to shooting at the tyres of a speeding car. That was an apt description because when the announcement came, India's real GDP growth was racing along at 8-9 per cent. Cancelling 86 per cent of the currency in circulation in one fell swoop was unprecedented, especially with no gameplan in place for quick remonetisation.

Immediately after the note ban, transactions in farm produce, MSMEs, retail and real estate where cash was in vogue, all but froze up. Informal entities bore the brunt of the cash shortage, while formal ones that accepted cards or bank transfers gained.

Official GDP data today, after revisions, show that India's real GDP growth which ranged 8.6-9.7 per cent between Q4 FY16 and Q3FY17, skidded to 6.3 per cent in Q4 FY17. Growth stayed sub-par for three more quarters before normalising. Both the consumption and investment legs of the economy took a knock. GST implementation which followed close on the heels of demonetisation in July 2017, proved disruptive too. This ensured that Indian consumers and businesses were back to even keel only by Q4 FY18.

That demonetisation did not leave a lasting mark on consumer confidence or faith in paper currency, is testimony to the stoicism of the aam aadmi in India who is willing to quickly move on from adversity — a quality that was evident after Covid too.

The note ban did not transform India into a cashless economy though. A recent RBI paper noted that, despite the big take-off in digital payments since FY18, currency in circulation has expanded from 8.7 per cent of GDP in FY17 to 12.7 per cent by FY23.

It was expected that demonetisation would force those engaged in illicit activities to destroy their old notes. But this was underestimating the Jugaad capabilities of the black economy. By June 30 2017, of the ₹15.45 lakh crore worth of notes that were demonetised, ₹15.28 lakh crore or 99 per cent, had returned to banks.

News reports spotlighted many methods which hoarders of black money used to recycle their notes. Some fabricated back-dated receipts, others used newly opened Jan Dhan accounts as mules. Bags of notes were smuggled via banks' back doors to be laundered, with the help of friendly staff.

In 2017, the Finance Ministry said that 18 lakh bank accounts had come under tax scrutiny due to mismatches between reported incomes and deposits.

But it is doubtful if this exercise netted big fish. The rising number of Enforcement Directorate and income tax raids in recent years that have unearthed roomfuls of cash, show that the black economy continues to thrive.

On counterfeiting, RBI annual reports show that the number of counterfeit notes detected have fallen from 7.62 lakh pieces in FY17 to about 2.25 lakh pieces in FY23. But new currency has not halted counterfeiting, as over 91,000 fake 500 rupee notes and over 9,800 fake 2,000 rupee notes were detected in FY23.

There's no real way of verifying if the note ban hurt terror funding, but the horrifying Pulwama massacre of 2019 and terror acts after it, suggest that the impact was temporary.

Long-term wins

Disruptive events, however, do spark behavioural changes in citizens. This helped demonetisation deliver some unintended long-term wins for the economy.

Financialisation of savings: With property transactions frozen and a forced influx of cash into bank accounts, demonetisation provided the initial trigger for households to switch from physical to financial assets. RBI data show investments in shares and mutual funds jumping from under ₹30,000 crore in FY16 to ₹1.74 lakh crore in FY17, never to look back. Along with financial savings though, demonetisation also seems to have forced households to rely more on borrowings. Financial liabilities, which were at less than ₹4 lakh crore in the five years to FY16, rose to ₹7.5 lakh crore by FY18 and have risen further since. This suggests that the rebound in consumer confidence after disruptive events may not have been matched by reviving income.

Digital adoption: Rapid digital adoption has been one of India's success stories this past decade. Demonetisation probably sowed the seeds of this success, with transfers via NEFT and IMPS shooting up by 117 and 43 per cent respectively in FY18. UPI transactions recorded their first significant volumes of about ₹1 lakh crore in FY18.

Tax compliance: It is not clear whether demonetisation did the trick. But the note ban certainly put the Tax Department into overdrive on issuing demand notices on high-value transactions. This, coupled with the requirement of PAN-Aadhar linking and cross-matching of GST data, has worked to make tax avoidance a complicated affair for ordinary folk. This has led to a consistent rise in IT return filings and contributed to buoyant personal tax collections. https://www.thehindubusinessline.com/economy/demonetisation-a-stress-test-for-the-economy/article67994558.ece

6. Only 20% fund has been utilised for air quality projects in Delhi NCR: CPCB *(groundreport.in)* MARCH 26, 2024

The Central Pollution Control Board (CPCB) has submitted a detailed report to the National Green Tribunal (NGT), which sheds light on the current status of environmental fund utilization for air pollution control measures in the Delhi-NCR region. The report reveals that they have only used a mere 20% of the earmarked funds, amounting to approximately Rs 156 crore out of Rs 777 crore.

The report states that the Environmental Protection Charge (EPC) account has accumulated Rs 383.89 crore, but it has only disbursed Rs 95.4 crore, leaving a substantial balance for future environmental endeavours.

The order, a copy of which Ground Report possesses, shows a disbursement breakdown by the CPCB highlighting the allocation of Rs 6.68 crore to the Ghaziabad Municipal Corporation for road construction and repairs. Upon project completion, they will release further funds. Moreover, the funds have supported an array of activities such as scientific studies, inspection drives, Clean Air Campaigns, procurement of laboratory equipment, and the setting up of Continuous Ambient Air Quality Monitoring Stations.

The Supreme Court orders the receipt of the EPC, which is utilized for air quality improvement and related work in Delhi-NCR such as research and development activities and vehicular pollution control. It is also used for health impact studies and specific projects to control pollution in Delhi-NCR and Punjab.

The authority has earmarked significant funds for the procurement of Mechanical Road Sweeping Machines, Anti-smog guns, and roadworks, amounting to Rs 22.8 crore and Rs 10.6 crore, respectively. Meanwhile, proposals worth Rs 69.4 crore are awaiting approval, pending regulatory compliance.

The report emphasizes the critical role of regulatory frameworks in the effective utilization and recovery of funds. It notes the directive for State Pollution Control Boards to contribute 25% of recovered amounts to the CPCB, facilitating the work of NGT-appointed committees for environmental regulation.

Regarding the NGT Environmental Compensation (EC) accounts, the report details deposits of Rs 126.64 crore in the NGT EC 25% account and Rs 267.16 crore in the NGT EC 75% account, inclusive of bank interest till November 30, 2023. The disbursement status indicates that Rs 45.39 crore from the NGT EC 25% account and Rs 15.54 crore from the NGT EC 75% account have been released, leaving significant balances for future disbursements aligned with environmental protection directives.

Expenditures have been directed towards strengthening laboratories, expanding monitoring networks, and fulfilling NGT mandates, highlighting a comprehensive approach to environmental management. https://groundreport.in/only-20-fund-has-been-utilised-for-air-quality-projects-in-delhi-ncr-cpcb/

7. A Bridge Too Far? As Work on Bengaluru's Long-delayed Ejipura Flyover Begins Again, News18 Examines the 'Speed Bumps' En Route *(news18.com)* MARCH 27, 2024

The much-awaited three-kilometre-long Ejipura elevated corridor project in Bengaluru, which would now cost close to Rs 307.96 crore, may finally see the light of day, at least according to government officials. The project saw a cost escalation of over Rs 104 crore due to inordinate delays in construction.

The work on this incomplete Link Road, which is to be used only by private vehicles, passes through one of Bengaluru’s premium localities of Koramangala into the Inner Ring Road, entering into Indiranagar, considered the IT city’s High Street.

The work, which began mid-March, is expected to be completed in 15 months, said a senior official in charge of infrastructure projects in the city.

“We have given the company which the Bruhat Bengaluru Mahanagara Palike had entered an agreement with to start work immediately and deliver the project or face immediate cancellation of the contract,” said the senior government official from the urban development department, Karnataka.

Originally meant to ease traffic congestion from Madiwala to Ejipura and bridge the two points enhancing connectivity, the project now seems only to be a half-done reality, causing more inconvenience due to the debris and construction material that has piled up over the years.

The Ejipura flyover has been jinxed, many feel, as the work on the project begins and then, due to some hurdle, it comes to a standstill, leaving commuters on the route in the lurch.

FLYOVER VS METRO

Civic evangelist V. Ravichandar points out, yet again, that the fundamental flaw was in the decision to go for a flyover. He said it should have been the Metro train service going through that area.

"My opinion even today would be to give up on this project and see how we could connect the area with the other Metro lines in the vicinity. Bringing Koramangala, IRR in the metro network would considerably reduce the overall private vehicle use" he explained.

He added that the original sin in this case is that people including the resident association pushed for the flyover project.

"It's almost like poetic justice that a wrong choice of a flyover to ease the traffic issue there has got inordinately delayed," Ravichandar told News18.

The BBMP has not been releasing any money to contractors and that has caused severe delays on infrastructure projects across the city, added Revathy Ashok, managing trustee and CEO of Bangalore Political Action Committee (B.PAC).

"Nobody wants the flyover anymore, it seems. We must move people from thinking of using personal vehicles to using public transport. What hurts more is that there is zero plan to connect this stretch to the Metro lines, be it from Silk Board side or Indiranagar," Ashok said.

She added that even the smooth flow of buses or vehicles is hampered due to the construction debris dumped around.

"Why can't the contractors be told that they should complete the work and not dump any more debris, which adds to the traffic congestion as people are restricted to using a small passage of road? This place needs urgent attention.

Commuters have been facing this intense misery for over seven years and there is total apathy from successive governments and will to complete the project in a time bound manner," Revathy said.

Let's look at the developments one by one to understand the delays, hurdles, and targets.

The Ejipura flyover had first been commissioned in 2014 and has since faced several hurdles and inordinate delays.

WHAT IS THE FLYOVER EXPECTED TO DO?

The road connecting Madiwala, Koramangala, Ejipura, and finally linking the Inner Ring Road which leads into Indiranagar in Bengaluru is expected to bring down the travel time to just 20 minutes on this road with high traffic density.

Severe traffic congestion causes inordinate delays, so much so that people spend close to an hour to cover a 6-km stretch of which the flyover is a part. This flyover was expected to help avoid jam-packed traffic junctions like Srinivagilu-Ejipura, Sony World Junction, Koramangala BDA Complex Junction, Madiwala-Sarjapur Water

Tank Junction, Kendriya Sadan Junction, and later connect southeast Bengaluru to the western and eastern parts of the city.

The project officially commenced construction in 2017 and, at that time, the Congress was in power in alliance with the Janata Dal (Secular). Simplex Infrastructure Limited was awarded the contract and it managed to complete just 30 per cent of the work when the Congress-JD(S) coalition government collapsed two years later in 2019. This caused the work to slow down, and in 2021 Simplex abandoned the project.

Owing to public pressure and the need to ease traffic, a public interest litigation was filed in the Karnataka high court in 2021, instructing the BBMP to float a fresh tender. The body did so in August 2022, but the tender was recalled citing technical issues. Once again in January 2023, the BBMP floated another tender, which this time passed and got the necessary technical approval.

Several tenders were called later by the city civic body BBMP after Simplex withdrew. A single bidder, BSCPL Infrastructure Limited, quoted Rs 204 crore to complete the project. This was around 50 per cent more than BBMP's estimation for the completion of the work and so the party did not get approval on financial grounds.

Hyderabad-based contractor B Seenaiah & Company (Projects) Limited (BSCPL) finally won the tender for the remaining work and it is said that now the BBMP will require close to Rs 142 crore to bring the project to complete fruition.

Simplex Infrastructure, the first company that decided to leave the project due to non-payment of dues, asked the BBMP to pay an outstanding amount of Rs 15 crore.

Karnataka minister Ramalinga Reddy, who is also the MLA representing the BTM Layout assembly seat, in which this project falls, is optimistic that the flyover will be completed at the earliest. He said that now that the Congress government is back in power and this was its dream project, it will be expedited.

"The project faced delays as in the previous BJP government, they did not show interest in completing the work and instead decided to divert funds for such infrastructure work to constituencies which were ruled by BJP MLAs," Reddy said.

In November 2023, the project ran into another hurdle as eight trees were to be uprooted to make way for the flyover, but residents and environmentalists raised severe objections. Once again this brought the project to a halt.

The proposal was to remove 67 trees to make way for the structure and the BBMP removed nine trees on December 1, 2023. Following protests from environmentalists, a special order was issued by the deputy conservator of forest (DCF), BBMP, bringing the work to a grinding halt. Namma Bengaluru Foundation was one of the main groups claiming that the 50-plus-year-old trees need not be felled as they were part of sidewalks and were not obstructing construction.

The DCF added that since some of the city-based environment associations had taken the legal route, the BBMP would have to wait until a direction from the court was issued to resume work. https://www.news18.com/india/a-bridge-too-far-as-work-onbengalurus-long-delayed-ejipura-flyover-begins-again-news18-examines-the-speed-bumps-en-route-8829191.html

8. Food and fertilizer subsidies should be climate-adapted and aimed better *(livemint.com)* Amar Patnaik| 26 Mar 2024

Retain the budget outlay on these subsidies but redirect them towards organic fertilizers and millets. That will favour the planet and our people.

The allocation of about one-ninth of India's total budget spending on food and fertilizer subsidies in 2023-24 and similar amounts in preceding years underscores a need to examine this expenditure. While acknowledging the welfare benefits of these two subsidies, we should explore if these benefits could be better targeted, and with fewer environmental consequences, without reducing the annual outlay.

Promote organic fertilizers: India's budget data indicates a consistent upward trajectory in its fertilizer subsidies since 2017. While these have boosted fertilizer consumption, crop yields have fallen over this period, a decline that can be attributed to farmers' excessive application of nitrogen fertilizers, driven largely by subsidy-induced price distortions. A worsening imbalance in nutrient use has led to depletion in soil fertility. Urea consumption has outpaced other essential nutrients like PKS complexes and SSP to such an extent that NPK use ratio reached 11.8:4.6:1 in 2022-23, as against the ideal use-ratio of 4:2:1. Farms must move towards organic fertilizers, bio-fertilizers and phosphate-rich organic manure.

The country needs comprehensive structural reforms in fertilizer management and a sustainable transition plan that extends beyond expressions of intent and aligns with our net-zero emission goal. Rather than abruptly reducing the use of conventional chemical fertilizers, an effective strategy could be to subsidize nano fertilizers (both inorganic and organic), which are cost-effective, conducive to reducing carbon intensity and offer benefits such as higher average yields, alongside improved soil health. This can be an intermediate step to reduce over-use of chemical fertilizers before shifting entirely to farm production based on organic fertilizers. Additionally, promoting natural farming methods is vital.

As a starting point, we should consolidate the oversight of fertilizers under the agriculture ministry by shifting its department from the chemicals and fertilizers ministry. This could ensure a more strategic, focused and coherent approach. Currently, these ministries work at cross-purposes insofar as deepening of organic farming is concerned, as they have disparate objectives and conflicting mandates. While the department of fertilizers fixes annual targets for increasing the use of conventional chemical fertilizers, the agriculture ministry pushes for organic alternatives. The recent classification of nano urea as a 'nano fertilizer' by the ministry of agriculture (and not ministry of chemicals and fertilizers) points to turf overlaps. Similarly, the National Plan for Organic Productions, which also speaks of shifting to organic and bio-fertilizers, was published by the ministry of commerce and industry. This carries the risk of a policy gridlock. Moreover, lack of clarity on definitions and the absence of a robust certification system for organic fertilizers makes their adoption by farmers that much harder. A unified policy-making entity could do better in crafting and executing a roadmap that offers clear policy guidance on transitioning from conventional chemical to organic fertilizers, expanding domestic manufacturing capacities to achieve self-sufficiency in the latter, and educating our farmers on their proper use.

Odisha has made progress in organic farming. Through initiatives like the Odisha organic farming policy of 2018, the state has provided significant support, including financial assistance of ₹10 lakh for a 50-acre plot. It has spurred crop diversification via a rice-fallow management approach, wherein farmers cultivate short-duration pulses or nitrogen-fixing crops after their rice harvest. This approach has proven both eco-friendly and economically viable.

Channel food subsidies to millets: India's food subsidy bill, at roughly 1% of GDP, has been around ₹2 trillion, a trend seen since 2020 . A significant portion of this subsidy bill stems from the variance between the minimum support prices (MSPs) and the central issue prices (CIPs) of grains procured and distributed. MSPs for wheat and rice have historically witnessed steady increases. With CIPs remaining relatively stagnant, this variance has contributed to cost escalation. Our ever-increasing food subsidy bill was even raised as a concern by the Standing Committee on Food, Consumer Affairs and Public Distribution in 2017. The government's disproportionate emphasis on promoting wheat and rice through high MSPs has incentivized farmers to opt for environmentally unsustainable farming practices like mono-cropping.

In 2023, designated as the International Year of Millets, the spotlight was on the exceptional nutritional properties and unique agronomic characteristics of millets. We have an opportunity to direct our food subsidies to this more nutritious and less carbon-intensive alternative. Moreover, promoting millets promises to foster social equity, as Tribal communities and women farmers are likely to be key beneficiaries. Additionally, it can catalyse a transition towards a circular economy. Hence, we should explore a high-MSP regime for millets instead of rice and wheat.

In conclusion: While the government grapples with the challenge of striking a delicate balance between welfare, fiscal prudence and mitigating climate change, redirecting subsidies towards low-carbon alternatives such as organic fertilizers and millets while retaining their outlay levels would create a win-win for all sides. https://www.livemint.com/opinion/online-views/food-and-fertilizer-subsidies-should-be-climate-adapted-and-aimed-better-11711465140279.html

9. How much should developed countries pay for climate action?

(indianexpress.com) Updated: March 27, 2024

In 2009, developed countries committed to paying $100 bn every year. They have not done so — and with the climate bomb ticking, negotiators are working on a new global climate finance budget ahead of COP29 in Baku this November

The 2022 climate change conference in Sharm el-Sheikh decided to set up a Loss and Damage Fund to help developing countries recover from climate disasters.

The Dubai conference last year was all about Global Stocktake, or GST, a review of ongoing climate action, which resulted in the first ever explicit acknowledgment of the need to "transition away" from fossil fuels, and a promise to triple global renewable energy capacity by 2030.

This year, the focus is on finance. The expression that is likely to be heard most frequently in climate conversations and at COP29, scheduled for November 11-24 in Baku, Azerbaijan, is NCQG — or New Collective Quantitative Goal (on finance).

What is the New Collective Quantitative Goal?

NCQG is a convoluted way to describe the new amount that must be mobilised by developed countries every year from 2025 onward to finance climate action in developing countries. This new amount has to be higher than the $100 billion that developed countries, collectively, had promised to raise every year from 2020, but had failed to deliver.

NCQG is extremely important for developing countries, and discussions on this new amount have been ongoing for a couple of years at least. At a two-day meeting that concluded in Copenhagen, Denmark, on March 22 — the first minister-level climate meeting for this year — some technical work to arrive at the NCQG was finalised.

How much money is required to ensure effective climate action?

It has been clear for some time now that the biggest hurdle to a significant scale-up in global climate action is the unavailability of adequate finance, especially in developing countries.

The scale of annual climate finance flows has always been considerably less than the $100 billion that the developed countries had promised to mobilise every year from 2020 onward. But even if that amount were being made available, it would be only a small fraction of the money that is required to enable actions that would keep the world on the 1.5 degree Celsius pathway at least until 2030.

Assessments of current financial requirements run into several trillions of dollars every year.

In 2021, UN Climate Change, the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), said in a report that developing countries would require a total of about $6 trillion annually between then and 2030 just to implement their climate action plans.

An updated version of that report is supposed to come out later this year, and is expected to raise this figure much higher.

The final agreement at Sharm el-Sheikh included some estimates of the scale of financial requirements. It said that a global transition to a low-carbon economy would likely require about $4-6 trillion every year until 2050. Ensuring a tripling of renewable energy capacity, as agreed in Dubai, is estimated to cost $30 trillion until 2030, according to the International Renewable Energy Association (IRENA).

Of course, these are not mutually exclusive sets of requirements. There could be considerable overlaps. But $5-7 trillion every year would mean deploying about 5-7% of the global GDP to climate action. A few years ago, the estimated requirements used to add up to just about 1-1.5% of global GDP. This shows the rapidly rising cost of inaction.

What are the prospects for a realistic new annual climate finance target?
At this point, even the possible amounts under discussion are not in the public domain. But it would probably be too much to expect that the developed countries, which have been unable to mobilise even $100 billion a year until now, would commit to raising an amount that is even remotely close to the assessed requirements.

In a recent submission made to UN Climate Change, India called upon developed countries to ensure that the NCQG was "at least US$1 trillion per year, composed primarily of grants and concessional finance". India's submission was one of several inputs that will feed into the ongoing discussions on the NCQG.

At the Copenhagen ministerial meeting last week, Simon Stiell, Executive Secretary of UN Climate Change, urged the developed countries to make climate finance "bigger and better".

"We are talking trillions, not billions. That is going to require more from all sources and serious conversations about making new innovative sources real, rather than just words on a page," he said.

Ironically, Stiell's own organisation is facing a severe shortage of funds. "In this talk of climate finance and transparency, I do need to mention that our organisation, the UNFCCC, now faces severe financial challenges… Our budget is currently less than half funded. We are attempting to meet an ever-growing mandate… Our job is to make your job easier, to carry out the tasks you have all agreed we should do, but we can only do this if we have the funding support," he said.

UN Climate Change, which organises dozens of climate meetings every year and facilitates the implementation of various decisions and agreements, depends heavily on contributions from countries and voluntary organisations for carrying out its work.

How will this money be used?
The new amount, even if far from sufficient for the climate challenge the world faces, will be higher than the current commitment of $100 billion, since that is the mandate of the NCQG.

However, the delivery of that amount will be critical. Even $100 billion was considered a decent sum when it was promised back in 2009 — and it could have made a substantial difference if it had been delivered in full in time (from 2020 onward).

The developing countries would like to make sure that a transparent and inclusive process is instituted to monitor and measure whatever amount is finally agreed upon. Unlike the $100 billion figure, which was offered without any consultations, the NCQG will be the result of negotiations, and countries will have better control over compliance.

The way the new sum is distributed across different kinds of needs — mitigation, adaptation, loss and damage, and several others — will also be important. Climate finance flows are currently heavily skewed in favour of mitigation actions, while developing countries have been demanding that more money be made available for adaptation and other activities. https://indianexpress.com/article/explained/explained-climate/climate-finance-developed-countries-9234185/

10. Morgan Stanley raises India's GDP growth forecast to 6.8% for FY25 *(businessinsider.in)* 27 March 2024

After S&P Global, Morgan Stanley has revised its GDP growth forecast upwards for the financial year 2024-25 (FY25) to 6.8 per cent, up from its previous estimate of 6.5 per cent. The firm also revised its growth forecast for the ongoing financial year, FY24, to 7.9 per cent.

The revised projections come in the wake of an optimistic outlook on India's economic trajectory, with Morgan Stanley highlighting the country's strength and stability as hallmarks of the current cycle.

The firm anticipates a shallow easing cycle in monetary policy, driven by continued traction in industrial and capital expenditure activities.

According to Morgan Stanley, the outlook for India's GDP growth remains robust, with the expectation that growth will track around 7 per cent in the fourth quarter of the financial year 2023-24 (QE Mar-24).

This growth momentum is expected to be broad-based, with the gaps between rural-urban consumption and private-public capital expenditure narrowing in FY25.

The firm also anticipates a favourable inflation trajectory, with recent trends indicating a softening in headline inflation. Food inflation, which carries significant weight in the CPI basket, has moderated, providing relief from supply-side shocks.

Furthermore, core inflation has seen meaningful moderation, driven by easing in supply chains and subdued price pressures.

Looking ahead, Morgan Stanley expects headline inflation to average 4.5 per cent in FY25, down from 5.4 per cent in FY24, while core inflation is projected to remain muted at 4.1 per cent.

The firm anticipates a continuation of supply-chain normalisation along with easing commodity price pressures, contributing to the disinflation trend.

Despite the positive economic outlook, Morgan Stanley highlights potential risks stemming from global factors and domestic uncertainties.

Slower-than-expected global growth, higher commodity prices, and tighter global financial conditions pose risks to India's growth and macroeconomic stability.

Domestically, factors such as central elections and changes in policy mix warrant close monitoring. https://www.businessinsider.in/finance/news/morgan-stanley-raises-indias-gdp-growth-forecast-to-6-8-for-fy25/articleshow/108816040.cms

11. Centre to Link Rooftop Solar Power Scheme with Gati Shakti Initiative *(swarajyamag.com)* Mar 26, 2024

The rooftop solar scheme, which aims to 'solarise' 10 million households, is poised for a potential boost as the government mulls incorporating it into the Gati Shakti programme.

PM Surya Ghar Muft Bijlee Yojana aims to provide free electricity to one crore households in India, who opt to install rooftop solar electricity unit. The households will be able to get 300 units of electricity free every month. It was approved by the Union Cabinet on 29 February.

According to a government official, the Ministry of New and Renewable Energy (MNRE) is exploring ways to align the new rooftop solar scheme with the overarching Gati Shakti plan. The Gati Shakti initiative aims to streamline and accelerate infrastructure projects through a unified approach.

"The rooftop solar systems' data from the national portal on rooftop solar could be integrated into Gati Shakti," the official informed Economic Times. Efforts are underway to finalise the implementation details of this plan, the official added.

PM Gati Shakti Initiative

PM Gati Shakti will incorporate the infrastructure schemes of various ministries and state governments like Bharatmala, Sagarmala dry/land ports, UDAN etc.

Economic zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, and agri zones will be covered to improve connectivity and make Indian businesses more competitive.

It will also leverage technology extensively including spatial planning tools with ISRO (Indian Space Research Organisation) imagery developed by BiSAG-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics).

By integrating the solar rooftop programme into Gati Shakti, stakeholders such as power distribution companies (DISCOMs) can enhance their infrastructure planning and capacity addition strategies.

This alignment will facilitate comprehensive mapping of the solar rooftop programme, including details of localities and households where rooftop installations are planned or already completed. "The advantage is that the DISCOMs can assess the need for transformer capacity in specific areas where clusters of rooftop installations are concentrated," the official elaborated.

The integration of the rooftop solar scheme into the Gati Shakti programme represents a significant step towards achieving India's renewable energy goals while also enhancing infrastructure development. Overall, the synergy between the two programmes holds promise for accelerating progress towards a sustainable and resilient future for India. https://swarajyamag.com/infrastructure/centre-to-link-rooftop-solar-power-scheme-with-gati-shakti-initiative

12. Govt's wheat stocks fall to 16-year low, 30-32 MT of procurement target for the season *(financialexpress.com)* March 27, 2024

Wheat stocks in the central pool fell to a 16-year low of 7.73 million tonne (MT) due to low procurement for the last two years, and aggressive sale of grains in the open market by Food Corporation of India (FCI) this fiscal.

Sources told FE that the stocks are likely to be precariously close to the buffer of 7.46 MT for April 1. The last time wheat stocks were below the current levels was way back in 2008. It had then dropped to 5.8 MT on April in that year.

After achieving a record procurement 43.3 MT in 2021-22 season (April-June), the purchase by the government agencies under the minimum support price (MSP) operations fell to record low of 18.8 MT in 2022-23 season. However, it rose by around 40% to 26.2 MT in 2023-24 in the rabi marketing season.

"Lower production and robust domestic demand pushed up prices above MSP thus leading to reduction in purchase under MSP operations by the government agencies in the last two seasons," an official said.

Earlier this month, the government had stopped open market sale of wheat which was carried out since June last year through weekly e-auction with a record ever sales of 9.4 MT to bulk buyers aimed at reducing the retail prices.

Meanwhile, thee government's wheat procurement drive by agencies for 2024-25 rabi marketing season (April-June) has commenced early in Rajasthan and Madhya Pradesh. So far 24,338 tonne of wheat has been purchased from farmers in these two states.

Although the wheat purchase usually commences from April 1 for the next marketing season, this year the government had urged states to MSPs operations of wheat early.

Sources said that the agencies are likely to purchase around 30 – 32 MT of wheat from the farmers in the 2024-25 season.

Madhya Pradesh, the second biggest contributor to the central pool wheat stock after Punjab, is aiming to procure 8.2 MT of grain in the 2024-25 rabi marketing season. Madhya Pradesh and Rajasthan have declared a bonus of Rs 125/quintal over the MSP of Rs 2275/quintal for the season.

Punjab and Haryana will start MSP purchase operation from April 1. Punjab is likely to contribute 13 MT of wheat to central pool stock while in Haryana MSP purchase in 2024-25 season is likely to be 5 MT.

Uttar Pradesh has already announced procurement of wheat from farmers at MSP. Punjab is aiming to purchase 13 MT of wheat in the new season.

The agriculture ministry in its second advance estimate of foodgrain productions for 2023-24 crop year (July-June) has projected wheat output at 112 MT, which is marginally higher from the previous crop year.

FCI annually requires around 18 MT of wheat annually for distribution of grain under the free ration scheme – Pradhan Mantri Garib Kalyana Anna Yojana. “We need sufficient stock to carry out open market sale of grain to the bulk buyers next year,” an official said.

Inflation in wheat declined further to only 2% in February from 12% in July,2023 on year because of improvement in supplies due to open market sale being carried out by the FCI. https://www.financialexpress.com/policy/economy-govts-wheat-stocks-fall-to-16-year-low-30-32-mt-of-procurement-target-for-the-season-3437424/

13. India needs EV success even if it increases exposure to Chinese value chains *(livemint.com)* 27 Mar 2024

Greater reliance on Chinese input suppliers might be inescapable, but then the prospect of India emerging as an EV-making hub would outweigh the potential downside of that.

India’s policy focus on making the country a hub for EV-making will have a side effect. As electric vehicles (EVs) roll off assembly lines, our dependence on Chinese imports will rise, even though we’ve been trying to reduce it. That’s because China, with a head-start of a decade or so, is the global leader of clean-tech in general and this segment of the auto industry in particular. A report by Global Trade Research Initiative (GTRI) highlights this trade-off. Our latest EV thrust, led by a policy carve-out that envisions a competitive EV industry behind low tariff barriers, is likely to result in greater shipments from China, which dominates the global value chain (GVC) of EV batteries, going all the way back to lithium, a key mineral. In the next few years, according to the report, “every third EV and many passenger and commercial vehicles on [Indian] roads could be those made by Chinese firms." This isn’t a scenario New Delhi will be comfortable with as ties with Beijing fray amid geopolitical tension, territorial disputes and economic competition. We don’t have much choice, though. China embarked on an EV drive before others and is well ahead on cost compression. While India has a lot of catching up to do, the race has only just begun and so we can still hope to vie for global leadership. Auto-making in India has always been done behind high tariffs, but with EVs, a new story could possibly be scripted.

Currently, about 70% of the materials used to make EVs in India are imported from China and other countries, according to the GTRI report. The People’s Republic is home to an estimated three-fourths of the world’s battery capacity, an input that typically accounts for between a third and 40% of an EV’s cost. Separately, in a recent study to assess the exposure of our factories to overseas GVCs, chief economic advisor V. Anantha Nageswaran and his team found that between 2000 and 2022, China’s share of foreign inputs purchased by Indian manufacturers shot up from 5% to 23%, with America’s share as our next major source-country far lower, at only 6%. This is a significant dependency, overall. If GTRI’s forecasts pan out without equivalent reductions in other industries, an adversarial country could exceed a quarter of India’s GVC exposure. Although this is a sign of how interlinked today’s globalized world is, the US-led West has blatantly flouted free-trade ideals in trying to squeeze Chinese exports and Indian interests can be argued to lie in adopting a similar stance. After the Galwan border clash in 2020, New Delhi sought to dissuade Chinese participation in our economy. Now with a new EV policy that’s likely to draw shiploads of cargo from China, should we worry about the disruption risks this would entail?

Much of what goes into cars is already made locally. We have yet-to-be-exploited lithium deposits in Jammu and Kashmir and Rajasthan. Given time, self-sufficiency is conceivable. But for now, Chinese inputs seem inevitable, so we must weigh what could go wrong against the gains of India emerging as an EV hub, an aim that would be hobbled without access to the world's cheapest usable components. Today's emphasis should be on making headway as an EV-making country to rival China in markets abroad. If a step-up in Chinese participation—say, via joint ventures with Indian firms—serves this purpose, we should accept it without flinching. To mitigate risk, we could zoom out and work out plans for other industries with easier paths to exposure reduction. But let this anxiety not get in the way of India's EV bet. https://www.livemint.com/opinion/online-views/india-needs-ev-success-even-if-it-increases-exposure-to-chinese-value-chains-11711464962135.html

14. Silent digital transformation of farmer collectives *(thehindubusinessline.com)* Updated - March 26, 2024

ONDC is a crucial platform that brings together several FPOs to help sell their products

India has proven that digital inclusion can unlock unprecedented opportunities for value creation in the entire economy. This is made possible by the foundations of access to the internet and telecom and digital identity as Digital Public Infrastructure over the last decade, laying the groundwork for financial inclusion and market integration.

India's Digital Public Infrastructure is thus emerging as a critical factor of production and the latest addition in this family, Open Network for Digital Commerce (ONDC) is expected to transform every domain of the economy by democratizing digital commercial transactions in products and services.

The fundamental principles of unbundling and interoperability in the ONDC's solution architecture enable innovators to build solutions and services that will empower large and small business enterprises to have equal opportunity to participate and compete in digital commerce on the merits of their products and services.

Government-backed Farmer Producer Organizations (FPO) have taken the lead in attempting to leverage this network.

As of date, around 5,000 FPOs — each representing approximately 500 farmer members — have been onboarded onto the ONDC Network making them visible to all consumer apps on ONDC across India.

The customer orders for products at prices fixed by the farmer with supporting services of logistics are available from the network at cost transparently visible to both consumers and sellers.

Thus, with the power moving to the end nodes, benefits are accrued closest to where the value is created or consumed (the farmer and consumers), and not intermediaries.

The FPOs that onboarded ONDC have started investing in local value addition.

Aryahi Fed Farmer Producer Co from Saharanpur, Uttar Pradesh, started with packaged honey, went on to make honey gift kits, and when these got a good response during Diwali, the FPO has invested in baked products using their honey, jam made with honey, bee wax candles, pollen, infused honey varieties and even pickles.

Digital inclusion is thus enabling market-led innovation providing a new avenue and definition of what D2C brands and companies of new India can look like, while also providing for village-level entrepreneurs and the younger generation to make the most of a New Digital Rural India.

Product diversity

FPOs on ONDC offer over 250 rice varieties, both raw and parboiled, some GI tagged too, each with its unique local folklore, taste, and aroma or over 50 varieties of pure honey from beekeeper FPO farmers, in a spectrum of colours, aroma and degree of sweetness.

It's a similar array of local products in all food sections — pulses, dry fruits, oils, beverages, fruits, vegetables, and even dry and fresh fish, opening the opportunity for these varieties to develop their brands and identities as Indian consumers experiment and try both traditional and modern recipes with diverse varieties.

Digital market integration of farmers collectives will have a multiplier effect on rural economies, unlocking opportunities for employment and income generation in India's villages. An early example of this is the New Agriverse Farmer Producer Co from Jalpaiguri, West Bengal. The FPO's primary crop is paddy.

However, the FPO is now growing a variety of mushrooms, from ordinary oyster mushrooms to exotic lion's mane and selling them on the ONDC network. As more and more people are sampling the products online, the FPO has both expanded its offerings like mushroom noodles and dried mushrooms, and started receiving bulk orders for its products. Bringing FPOs to e-commerce is also a win-win for the network partners and the customers. Food and grocery are repeat orders. If the price, taste and quality click, there is customer stickiness and loyalty.

Virtuous cycle

Thus, slowly each transaction creates capacity, skills and jobs for processing, packing and logistics, starting a virtuous cycle which enables closer integration of farm economies, towards the vision of a truly unified Indian market.

ONDC is thus bridging the digital divide to harness the unlimited potential of Indian entrepreneurship and innovation in every village.

While we may associate business strategies such as cross-selling and product sampling as being limited to large FMCG brands or e-commerce companies, India's Farmer Collectives are being empowered for products being sold online more than before, comparing ingredients of processed products, and offering competitive pricing.

And yet, these are still early pilots. As ONDC expands, there is an immense opportunity for optimising costs for farmers, such as enabling farmer collectives to buy farm inputs through the same network, be it seeds or renting agricultural implements.

At the same time, foundations are being laid for expanded financial inclusion for farmer collectives using verifiable digital transactions as the basis for credit and insurance, and building solutions such as crop planning, demand forecasting, and input advisory depending on soil topography, weather, etc. to become available for farmers in their own languages.

As Indian consumers rediscover the rich tapestry and variety of India’s farm products with the growing momentum of Vocal for Local and Atmanirbhar Bharat, the ONDC network can make the farm-to-fork model a reality.

For consumers, this unlocks the opportunity to discover the rich variety of farm products, which, be it in terms of their price, purity, variety or traceability are unprecedented anywhere else.

As the initial pilots in assisted e-commerce through the ONDC network by both government-backed organisations like Citizen Service Centres (CSCs) as well as private sector enterprises and the recent announcement of Prasar Bharti’s initiative to empower rural commerce through BharatNet are underway, there’s growing excitement around digitalisation turning Indian farms and villages into growth engines for the entire economy.

This is an initiative that can achieve its objectives with every citizen in the country playing an active role. https://www.thehindubusinessline.com/opinion/silent-digital-transformation-of-farmer-collectives/article67995278.ece