NEWS ITEMS ON CAG/ AUDIT REPORTS

1. झारखंड में कब बनेगा पी-पेसा रूल्स ? आदिवासी बुद्धिजीवी मंच का आरोप, हाईकोर्ट के आदेश की हो रही है अनदेखी, राज्यपाल और सीएजी से जांच की मांग *(etvbharat.com)* 27 April 2024

रांची: झारखंड बनने के बाद पंचायती राज विभाग ने 2010, 2015 और 2022 में असंवैधानिक तरीके से अनुसूचित क्षेत्रों में पंचायत चुनाव कराया है. इसकी आड़ में गैर कानूनी ढंग से भारत सरकार के वित्त आयोग से मिली निधि का भी इस्तेमाल किया जा रहा है. आदिवासी बुद्धिजीवी मंच ने आरोप लगाया है कि पी-पेसा रुल्स को लेकर झारखंड हाईकोर्ट के आदेश की भी अनदेखी की जा रही है.

मंच की ओर से प्रस्तुत आपत्ति और सुझाव पर विचार करते हुए तीन निवेदन के बाद भी तर्कपूर्ण आदेश उपलब्ध नहीं कराया गया है. साथ ही मीडिया को गलत सूचना देकर अनुसूचित क्षेत्र के निवासियों को दिग्भ्रमित और गुमराह किया जा रहा है. लिहाजा, झारखंड के राज्यपाल और सीएजी से पूरे मामले की जांच कराने का आग्रह किया गया है.

कोर्ट को किया जा रहा है गुमराह

आदिवासी बुद्धिजीवी मंच के राष्ट्रीय संयोजक विक्टर मालटो ने मीडिया को बताया कि संसदीय अधिनियम पी-पेसा, 1996 के तहत नियमावली बनाने के लिए झारखंड हाईकोर्ट में याचिका संख्या WP(PIL) 1589/2021 दाखिल किया गया है, जिसपर सुनवाई भी चल रही है. इसमें पंचायती राज विभाग, झारखंड द्वारा प्रकाशित प्रारुप नियमावली 2022 की संवैधानिकता को अनुसूचित क्षेत्रों के लिए चुनौती दी गई है.

मंच का कहना है कि पंचायती राज विभाग ने 26 जुलाई 2023 को आपत्ति और सुझाव मांगा था. हाईकोर्ट के आदेशानुसार आदिवासी बुद्धिजीवी मंच ने पंचायती राज विभाग द्वारा तैयार प्रारुप नियमावली को संसदीय अधिनियम की धारा 3, 4, 4(d), 4 (o), 4(m), 5 और अनुच्छेद 243 (ZC) के तहत असंगत है. इसे खारिज करते हुए हाईकोर्ट को अवगत कराया गया है.

संसद ने शिड्यूल एरिया के लिए बनाया था कानून

मंच की दलील है कि संविधान के अनुसार अनुसूचित क्षेत्रों (शिड्यूल एरिया) में अनुसूचित जानजातियों की भाषा, सांस्कृतिक, शैक्षणिक, आर्थिक विकास की रक्षा सुनिश्चित करने के लिए संसद ने शिड्यूल एरिया में प्रशासन और नियंत्र के लिए पी-पेसा नाम से विशेष अधिनियम को साल 1996 में ही पारित किया था. जिसपर 24 दिसंबर 1996 राष्ट्रपति की सहमति भी मिल चुकी है.

शिड्यूल एरिया का विकास हो रहा है प्रभावित

मंच के मुताबिक पी-पेसा, 1996 में कुल 23 प्रावधानों को अनुसूचित क्षेत्रों पर अपवादों और उपांतरणों के तहत विस्तार किया गया है. धारा 4 में स्पष्ट किया गया है कि इन 23 प्रावधानों के विपरित राज्य विधायिका कोई भी कानून नहीं बनाएगी. धार 4 (ओ) और धारा 4 (एम) के तहत अनुसूचित क्षेत्रों में जिले के स्तर पर स्वशासी जिला परिषद और निचले स्तर पर पारंपरिक आदिवासी ग्राम सभा की स्थापना का आदेश है, जिन्हें कुल 7 शक्तियां प्राप्त हैं. इसके तहत जनजातियों को जल, जंगल, जमीन, जनजातीय उपयोजना और डीएमएफटी निधि का लाभ मिलना है.

गौर करने वाली बात यह है कि संसद ने आजतक अनुच्छेद 243 (ZC)(3) के तहत नगरपालिकाओं के प्रावधानों को अनुसूचित क्षेत्रों पर विस्तारित नहीं किया है. लिहाजा, झारखंड के कुल 15 अनुसूचित क्षेत्रों में नगर निगम, नगर पंचायत, नगर परिषद, वार्ड जैसे सभी ईकाईयां असंवैधानिक रुप से कार्य कर रही है. इससे सीएनटी एक्ट, एसपीटी एक्ट और विलकिंसन रूल्स का भी उल्लंघन कर आदिवासियों की जमीन छीनी जा रही है. फिर भी महाधिवक्ता चुप हैं. https://www.etvbharat.com/hi/!state/panchayti-raj-deptt-misguiding-hc-on-p-pesa-rules-demand-for-enquiry-jhs24042703447

2. Chennai floods and the real estate conundrum: Need for sustainable solutions *(citizenmatters.in)* April 29, 2024

A major cause of repeated inundation during monsoons in Chennai is the encroachment of water bodies by private and government entities.

It's summer, and did we forget about the yearly floods again? Last December's disastrous tryst with monsoons and flooding is not new to the city but often washed away with the city's other priorities.

Throughout its history, Chennai has faced a range of disasters, both related to climate and other factors. Over time, the incidence of such calamities, particularly floods and droughts, has escalated, significantly impacting the city and its people, economy, and infrastructure.

What the city needs is strategic urban planning, efficient water management and collaborative governance to mitigate flooding. Chennai must also be prepared to effectively respond to disasters as they occur. It is crucial to prioritise the needs of vulnerable communities and small enterprises, which are often the hardest hit by such events.

The wrath of floods

Cyclone Michaung, which hit Chennai in December 2023 is yet another reminder of the systemic failure of the city's resource management. Beyond health camps organised in the aftermath of floods and the provision of relief resources to citizens, there remains ambiguity regarding the government's long-term strategies for effective disaster management.

Unless it's about broken roads, broken water pipes or about broken governance. At Citizen Matters we report about issues that matter to our everyday quality of life. We need your support to keep us going. Please donate now!

What do civic authorities mean when they say they are focussed on 'preparedness'? How disaster-prepared must the metropolitan be and on what scale? In its quest for resilience, Chennai often neglects to address the root causes of the disaster.

One of the main reasons for flooding is the encroachment of wetlands. Real estate companies are being allowed to violate regulations and encroach upon lakes and marshlands, while the authorities are hypocritical when they evacuate marginalised communities from near these water bodies. Rather than merely preparing Chennai for recurring disasters, let's focus on understanding why these crises intensify annually and where our year-round practices fall short.

The pervading presence of land mafia

In December last year, the Datajam organised by OpenCity.in in collaboration with the Information and Resource Centre for Deprived Urban Communities (IRCDUC) and the Citizen consumer and civic Action Group (CAG), analysed available data, including crowd-sourced and government data on floods, stormwater drains and elevation, and came out with critical information.

The goal of this exercise was to pinpoint systemic issues and propose potential remedies. The participants highlighted Chennai's rapid urbanisation over the past two decades. They observed that as more buildings emerge, they become increasingly susceptible to flooding, particularly those situated near existing lakes and wetlands.

One of the teams also emphasised the encroachment on water bodies due to plotted development, citing instances of blocked transit canals, silted canals and government-led encroachments. These include the ELCOT and NIOT projects in Sholinganallur, which have encroached on significant portions of the Pallikaranai Marshland.

The Datajam participants underscored the need to regulate land usage and examine revenue records transparently to prevent more such encroachments. They suggested demarcating of existing water bodies, establishing flood zones, and halting the resettlement of flood-prone individuals into similar areas.

A flood management audit report by the Comptroller and Auditor General of India (CAG) highlighted the escalating numbers of elite wetland encroachments since the 2015 floods and revealed the discriminatory nature of eviction and resettlement practices. This increased inundation and adversely affected living conditions of vulnerable communities, the report said.

The data revealed a worrying trend, where marginalised communities are forcibly relocated to inadequate housing within wetlands. Meanwhile, upscale apartment complexes and buildings housing tech companies, remain largely untouched. The report recommended the removal of real estate developments.

Instances from past experiences

There aren't clear zones marked for floods in the State Master Plan's Development Regulations and the Tamil Nadu District Municipalities Building Rules (1972). However, rule 7 of the building rules states that if a construction site is within 15 metres of a water body, necessary measures must be taken to protect it as directed by the executive authority.

In June 2012, a committee led by the Vice-Chairman of CMDA suggested a buffer zone of 15 metres between the river and any proposed building, with plans to issue an office order to enforce this rule.

Despite the guidelines, CMDA continued to grant planning permissions for buildings within the 15-metre buffer zone, without implementing any measures to prevent harm to these water bodies.

The following table published in the audit report, shows numerous instances where buildings approved by CMDA were located within 15 metres of waterways. During the floods of 2015, these buildings got submerged

Why are marginalised settlements called ‘encroachments’, while upscale real estate developments are labelled as ‘lake-view apartments’? A report by the IRCDUC says — “Placing people in the paths of floods and ecologically sensitive areas in the guise of restoring waterways has only multiplied the vulnerabilities of communities that were already struggling because of the resettlements.”

To prepare? Or to partially prevent?
There is a need to examine the challenges of flood management, identifying the true stakeholders and those burdened by its costs.
Some points to ponder:

-Policy frameworks solely geared towards crisis management have consistently proven ineffective and short-lived. Long term planning is necessary.

-Marginalised communities, MSMEs, and other vulnerable groups bear the brunt of disasters. Yet the government repeats the same errors post-crisis, and aggravates the situation.

-There must be a clear mandate to regulate real estate ventures in eco-sensitive areas, while proper measures are taken to rehabilitate marginalised communities, instead of housing within wetlands.

-Rather than solely focusing on post-disaster management plans, it is equally, if not more, crucial to identify the ongoing shortcomings in land use dynamics and their impact on the environment. https://citizenmatters.in/chennai-floods-real-estate-wetland-encroachment-buildings-solutions/

3. Under fire from AAP, BJP targets Punjab govt on Smart City scam *(tribuneindia.com)* Apr 29, 2024

Amidst the campaign for LS polls, the BJP has stepped up its attacks on AAP over the ‘smart city’ scam in Jalandhar.

With BJP candidate Sushil Rinku’s party hopping invited scathing attacks from CM Bhagwant Mann during his road show in Jalandhar on Friday, the BJP has taken up the issue of the alleged over Rs 600 crore Jalandhar Smart City scam ahead of the Lok Sabha polls. The BJP leaders on Friday wrote to the state Governor alleging corruption in the Smart City Project seeking a CBI probe based on a CAG audit report.

While BJP candidate Sushil Rinku who was with AAP until a month ago, has himself come under question by the Aam Admi Party over the lack of development during his year long tenure as MP, Rinku has in turn begun targeting his former party repeatedly on the lack of development and infrastructure.

The Bharatiya Janata Party (BJP) Jalandhar leaders, including Manoranajn Kalia and KD Bhandari, on Friday submitted a memorandum to the District Election Officer-cum-

DC Himanshu Aggarwal, addressed to state Governor, seeking an investigation by the CBI/Enforcement Directorate into alleged financial mismanagement in utilisation of Rs 638 crore worth of funds given by the Modi-led Central government for the Smart City Project in Jalandhar.

The BJP complaint alleged that as per CAG audit report, an amount of Rs 693 crore (dedicated by Centre) was received under the Smart City Project and amount of Rs 618.13 crore had been shown already spent on the project, but ground reality of development works in Jalandhar city denotes nil visibility of the usage of the said money.

Meanwhile, after CM Bhagwant Mann addressed him as a 'traitor' during his road show speech, Sushil Rinku took to an FB live on the same evening in Jalandhar, to show a lack of streetlights on the highway. A day earlier, he also did another FB live showing dirty, garbage-strewn streets in Jalandhar and traffic jams. Also facing protests from farmers, the BJP candidate has been taking up the MC Jalandhar inaction prominently during these live sessions. Rinku's jibes have been in keeping with the BJP's repeated claims that culprits of smart city scam won't be spared.

In January this year, BJP leaders wrote to Union Minister for Law and Justice Arjun Ram Meghwal on the issue. Meghwal further sought inquiry and action against guilty in the smart city scam, writing to Union Housing and Urban Affairs Minister Hardeep Puri.

Union Minister Anurag Thakur, during his recent visit to Jalandhar also said the matter was under probe and the guilty in Jalandhar Smart City funds' alleged embezzlement with face action soon.

Rs 618 crore scam in Jalandhar
In their complaint to the Governor, Bharatiya Janata Party alleged that as per Comptroller and Auditor General's audit report, an amount of Rs 693 crore (allocated by BJP-led Central Government) was received under the Smart City Project and amount of Rs 618.13 crore had been shown as spent on the project, but ground reality of development works in Jalandhar city denotes nil visibility of the usage of the said money. https://www.tribuneindia.com/news/punjab/under-fire-from-aap-bjp-targets-punjab-govt-on-smart-city-scam-615893

SELECTED NEWS ITEMS/ARTICLES FOR READING

4. India needs a reliable database to aim its welfare schemes better

(livemint.com) 29 Apr 2024

We need a clear picture of India's have-nots. Without an up-to-date database that's accurate, governments will find it hard to reach households in need of state support.

Of every rupee spent in the name of the poor, only 15 paise goes to poor households, former Prime Minister Rajiv Gandhi once observed, drawing attention to widespread leakages in India's welfare programmes. The Indian state's welfare delivery apparatus has improved a lot since then, much of it over the past decade. Even critics of Prime

Minister Narendra Modi acknowledge his government's ability to aim welfare spending towards the deserving.

How did the government learn to identify deserving beneficiaries better? The answer lies in a caste census conducted by the Manmohan Singh government. Almost all of the Modi government's flagship welfare schemes derive their list of beneficiaries from the Socio-Economic Caste Census (SECC) conducted in 2011. Beyond caste, the SECC contains a vast trove of data on household earnings, assets and amenities. So, depending on the state of your house in 2011 (for instance, whether it had a kuchcha or pucca wall), your occupational category, or your caste (Scheduled Caste or general category), your family may be automatically included or excluded from certain schemes.

In the pre-SECC era, welfare schemes were run on the basis of below-poverty-line (BPL) lists compiled by local authorities. Inclusion or exclusion from these lists was often influenced by local political activists who could get you enlisted if you paid the right price (a bribe). Hence, both inclusion errors (non-deserving households that became beneficiaries) and exclusion errors (poor households that could not become beneficiaries) were very high. While the Planning Commission would compute state-level poverty numbers using a nationally representative survey conducted by the ministry of statistics and programme implementation (Mospi), the actual identification of beneficiaries in each state was based on controversial BPL lists.

The SECC was conducted jointly by the Union and state governments, and the rural data was published online during the early phase of the exercise. Greater transparency and a more vigilant set of officials ensured that the database was robust in comparison with the old BPL lists. To be sure, the SECC had its share of problems. But everyone in the policy ecosystem—politicians, bureaucrats and policy wonks—agreed that the SECC database was a huge improvement over the old system based on problematic BPL lists. No wonder then that SECC-based welfare schemes have been more popular than their leaky predecessors.

However, the very success of the SECC has created hurdles in updating the database. Any attempt at updating it might lead respondents to overstate their deprivation levels now. Government officials are not sure they will be able to collect accurate data on the same parameters as before. This is one reason (apart from the postponement of the 2021 census) why the government has continued to use out-of-date SECC numbers even in 2024.

Even in 2011, the SECC may have overstated deprivation levels to some extent. A Mint analysis ('The targeting challenge in India's welfare programs', 8 May 2019) showed that the 2011 census and SECC produced very different rankings of districts based on asset deprivation. The census-based deprivation rankings were far closer to deprivation rankings based on the National Family Health Survey (NFHS) 2015-16, even though the NFHS and census were conducted five years apart. Government officials fear that SECC 2.0 could end up being much less accurate than SECC 1.0.

While the Union government has dragged its feet on updating its main welfare database, state governments have gone ahead with their own socio-economic (and caste) surveys. They are facing their own share of problems. Within a few years, their databases become unreliable, and it gets difficult to identify deserving beneficiaries solely on the basis of their surveys. Attempts at using administrative data-sets to update the beneficiary databases haven't been successful, according to a policy consultant advising state governments.

Some state governments have turned to party activists to help fill the gaps in their beneficiary database. These booth-level workers run quick-and-dirty surveys to update the official database. This 'jugaad' or workaround brings back the same problems that afflicted BPL lists: political biases and corruption in beneficiary selection. Others have tried to hide behind 'algorithms.' These run on flawed and incomplete data-sets, and also end up with biased results.

India's welfare delivery model stands at a crossroads today. The public debate on poverty tends to centre on the poverty line and ways to measure it accurately. But we need to start paying more attention to how poor beneficiaries get identified. Even with a universally-agreed definition of poverty, governments will still need granular data on household characteristics to be able to reach poor households. They will also need to find a way to update such data regularly, so that a household that escapes poverty is eased out of the social security net, while one that becomes poor is included.

Without a reliable and dynamic database, governments will find it hard to reach the poorest of households in need of state support. They will have to either rely on extra-official agents to help identify the poorest lot, or devise quasi-universal schemes to cut down exclusion errors. After a decade of rapid progress in welfare delivery, India may be headed back to the pre-SECC era. https://www.livemint.com/opinion/online-views/india-needs-a-reliable-database-to-aim-its-welfare-schemes-better-11714371495765.html

5. 448 infra projects affected by cost overrun of Rs 5.55 lakh crore, says QPISR *(financialexpress.com)* April 28, 2024

Out of 1,897 projects, 56 projects were ahead of schedule, 632 projects were on schedule, and 902 projects were delayed

During the December quarter of 2023, 448 infrastructure projects with an investment of Rs 150 crore or more were affected by cost overruns of more than Rs 5.55 lakh crore, as per the Quarterly Project Implementation Status Report (QPISR) on Central Sector Projects. The report has detailed information on the 1,897 infrastructure projects.

Out of 1,897 projects, 56 projects were ahead of schedule, 632 projects were on schedule, and 902 projects were delayed with respect to the original schedule of completion. The report further stated that for 307 projects, either original or the anticipated date of completion was not reported or had lapsed.

The report stated that the total expenditure on December 31, 2023 was reported Rs 16,89,400.92 crore, that is 53.22% of the total anticipated completion cost and 63.9% of the original cost.

What is QPISR report?

The Ministry of Statistics and Programme Implementation prepares the QPISR report and the report has detailed information on the 1,897 infrastructure projects. For these 1,897 projects, a total outlay of Rs 3,70,983.54 crore has been allocated for 2023-24.

Out of these 1,897 projects, 448 projects have a cost overrun of Rs 5,55,352.41 crore, which means 65.2% of their sanctioned cost. While 292 projects have reported an overrun of Rs 2,89,699.46 crore, with regard to the latest approved cost. Further, 276 projects are having both time and cost overruns.

The anticipated completion cost of these 1,897 projects is reported to be Rs 31,74,489.91 crore.

Moreover, the percentage of delayed projects in the quarter ending December 2022 was 56.70% while it declined to 47.55% in the third quarter of FY24. Similarly, the percentage of cost overrun also reduced from 21.42% to 20.1%. While the cost overruns due to general price escalation could not be avoided, the cost escalation on account of delay could be minimised, the report stated.

Reasons for time overrun:
As per the reports by various project implementing agencies, the reasons for time overrun are following:

-Delay in land acquisition
-Obtaining forest and environmental clearances
-Law and order problems
-State-wise lockdown due to COVID-19
https://www.financialexpress.com/business/infrastructure-448-infra-projects-affected-by-cost-overrun-of-rs-5-55-lakh-crore-says-qpisr-heres-why-3470632/

6. Highway contract awards under Bharatmala slowed down in FY24 over pending cabinet approval *(businesstoday.in)* Updated Apr 28, 2024

The national highways award shortfall was one-third of the target for FY24 as the approval for the revised cost of the Bharatmala programme could not be obtained

The approval and bidding of national highways under the flagship Bharatmala programme recorded a shortfall of 34 percent in FY24 as the revised cost of the scheme is pending approval from the Cabinet.

According to the Ministry of Road, Transport and Highways (MoRTH), awards for highway construction in FY24 stood at 8,581 km against a target of 13,290 km.

“Major shortfall was because of Bharatmata where the revised approval of the Cabinet could not be obtained,” the ministry said in its annual performance report.

Highway construction in FY24 stood at 12,349 km, with an average construction of 34 km per day. The highest highway construction of 13,327 km was done in FY21, which included strengthening of 4,900 km.

In its December 2023 forecast, credit rating agency ICRA said the model code of conduct for general elections, which came into effect in mid-March, was likely to further curtail awarding activity. Around 40-45 percent of the construction approval for the year is awarded in March alone.

The escalated cost of Bharatmala has been a cause of concern, and the Union Finance Ministry told MoRTH in 2023 not to award any new project under the scheme till there is Cabinet approval on the revised cost of the project.

"Pending the Cabinet approval for the revised cost of Bharatmala Phase-l, project awarding activity in the recent quarters has taken a beating," said Vinay Kumar G, Sector Head of Corporate Ratings, ICRA.

In 2017, the Union Cabinet approved 34,800 km of national highway for development under Phase-I of Bharatmala Pariyojana. As of December 2023, 26,418 km (76 percent of 34,800 km) have been awarded for construction with the completion of about 15,549 km. The projects under Bharatmala are mainly funded by the Union government and resource mobilisation is done by the ministry.

The estimated cost of the project has doubled since 2017 from Rs 5.3 lakh crore to Rs 10.6 lakh crore due to an increase in land acquisition costs and a change in the composition and configuration cost of the project due to economic corridors and expressways. https://www.businesstoday.in/india/story/highway-contract-awards-under-bharatmala-slowed-down-in-fy24-over-pending-cabinet-approval-427266-2024-04-28

7. Don't tax progress *(financialexpress.com)* April 29, 2024

Another set of tax reforms must be sensitive to taxpayer's ability to pay.

Completing tax reforms via the long-shelved Direct Taxes Code is reportedly going to be on top of the agenda of the Modi government if voted back to power. The Congress party's poll manifesto also talks about revisiting the code, first mooted by the UPA-1 government way back in 2009. The broad direction of the reforms is clear — making tax rates benign, expanding the base, simplifying the tax structure, laws and governance, and easing compliance. A stable, transparent, non-intrusive tax regime that leaves the least scope for dispute and litigation is the goal. In fact, a lot of significant changes along these lines have already been carried out over the last few years.

What's left mainly is a rewriting of the Income Tax Act, 1961, from scratch to remove the ambiguities. In the process, the capital gains tax and TDS regimes may also be streamlined, and the domestic tax provisions aligned more with those in mature economies. However, a few pertinent questions about the direction of the reforms itself need to be raised at this juncture, without quarrelling with the compelling objective of raising the country's tax-GDP ratio by several notches. The first decade of the millennium saw a steady and unprecedented jump in the tax-GDP ratio (for central taxes, it rose to a peak of 12.1% in FY08, sharply up from 8.7% in FY01), and resultant higher revenue buoyancy. However, contrary to what many believe, a further rise in the ratio could not be achieved in all the erratic years since, with an average of just 10.7% between FY10 and FY25 (BE).

A shift in tax incidence from companies to individuals, and a fall in the share of direct taxes in total tax revenues for the government are two other worrying trends. These are surely not among the stated objectives of the reforms. Direct taxes had a share of 59% in the Centre’s gross tax receipts in FY10, and for FY25, this is budgeted to be 53%. Revenues collected from the tax on corporate income were 2.15 times those from personal income tax (PIT) in FY11, but PIT receipts were higher than corporate tax revenue by `1.33 trillion in FY24 (in other words, PIT was 1.15 times the corporate tax). Curiously, the government doesn’t seem to have a problem with this — the interim Budget for FY25 envisages PIT collections to be 19% of total inflows to the exchequer, higher than GST (18%) and corporate tax (17%).

It is doubtful if the tax reforms have paid off, despite the strong support of digital infrastructure that encouraged compliance and sleuthing, and the growing financialisation of wealth that should have normally boosted government revenues. An “inheritance tax” may be a blunt tool to correct the socioeconomic inequalities for a low middle-income economy like India. But a progressive tax system, where tax rates increase with incremental income, and are linked to taxpayers’ ability to pay, must remain the focus of India’s policy. When household savings are at the lowest level in half a century, and their debt seemingly at a historic high, taxes shouldn’t pinch. Removal of explicit tax incentives for household savings is the right policy, as it allows taxpayers more freedom on what to do with their money, but a lower incidence of tax must be ensured. It’s more desirable and practical to have domestic demand financed more and more via domestic savings, rather than a bloated current account deficit. https://www.financialexpress.com/opinion/dont-tax-progress/3470876/

8. What makes wealth and inheritance taxes bad for India's economic progress *(business-standard.com)* Updated: Apr 28, 2024

Taxation of wealth and inheritance has been tried in India before. These ideas should not be resurrected

There is a great populist urge in India — to take from the rich and give to the poor. This is the path to sustained poverty and economic failure. Two specific mechanisms that are being discussed — wealth tax and inheritance tax — are well known in the field of public finance. All over the world, there is analytical clarity on their lack of usefulness. They have been tried in India. They should not be resurrected.

Roughly once every decade, in India, the taxation of wealth and of inheritance comes up in the public debate. These ideas have been around since the 19th century and have been tried in many countries. The removal of these taxes, as part of the shift to greater economic freedom, has coincided with greater prosperity.

In India, estate duty was present from 1953 to 1985. The rates could be very high, as much as 85 per cent, but in practice collection was small. It was abolished by Rajiv Gandhi. Taxes on the estate or of inheritance are present in many advanced economies. On average, in the 24 countries of the Organisation for Economic Co-operation and Development (OECD) where these are found, they account for 0.5 per cent of tax revenues. It seems like a lot of complexity to suffer, in public administration, in return for a small amount of tax revenue.

The prospect is even less appealing with wealth tax. This was introduced in India in 1957. As of 2012-13 it generated Rs 800 crore. It was abolished in 2015. It is present in four OECD countries and generates a negligible amount of tax revenue.

Going down these routes comes at a cost: The loss of focus on the core business of establishing a sensible tax system in India. Taxation in India is at very high levels, with a maximal personal income tax of 42 per cent, a corporate income tax of 25 per cent and a peak goods and services tax (GST) rate of 28 per cent. Taxing imports, and non-tariff barriers, has been steadily rising. These add up to an extremely high tax environment when compared with most of the post-1991 period. Tax administration in India fares poorly on fair play, rule of law and the arbitrary power of tax officials. The priority in tax policy is not adding on the fresh challenges of a wealth tax or an inheritance tax. It is to make the present machinery (income tax, GST, property tax) work well at the level of both tax policy and tax administration while abolishing all other taxes.

An economist is someone who wonders whether what works in practice works in theory too. Is the empirical experience made of just a few accidents, or is there a conceptual foundation that is inescapable? It is interesting to go under the hood and ask why inheritance tax and wealth tax work poorly.

People respond to incentives. The first response to more taxation is to work less. If wealth and inheritance are penalised, people will work less hard to create wealth. This is harmful for the country.

The second response is to reorganise life into tax-efficient structures. Instead of going to the end of life with a will, persons will transfer assets to the chosen ones while living. This distorts behaviour while hindering the ability of the government to obtain revenues. Many a parent may prefer to repeatedly edit a will in the years leading up to the unexpected death event, instead of losing power by transferring assets to children early in order to avoid taxes.

The third level of response is to relocate business activity to friendly jurisdictions such as Dubai, Sri Lanka, Cayman Islands, Singapore, or Ireland. This hampers tax revenues.

If India were an open economy, nothing else would go wrong: A person would establish a tax residence in Ireland and run business activities in India without any friction. But India is not an open economy and there are myriad hindrances against cross-border activities. Convertibility is absent on the current account and on the capital account. Hence, once a person shifts tax residence to a location outside India, a process of estrangement sets in, and the focus upon building organisations in India tends to subside. India's future is in the hands of about 10,000 firms, and it is better to organise the Indian state in a way that nurtures the energy and ambition of each of these leadership teams.

In sum, wealth tax and inheritance tax work poorly because (a) they distort the behaviour of people, which harms gross domestic product (GDP), and (b) the behavioural distortions are sufficient to not generate meaningful tax revenues. These taxes thus end up with the worst of all worlds: Behavioural distortions that harm GDP, a complex tax bureaucracy (which will abuse the arbitrary power that tax officers in India have), and poor tax revenues.

This debate fits into the larger puzzle of redistribution vs growth. We should not get distracted into arguments about how to divide the pizza. India is a lower middle-income country. There is a daunting journey in front of us, which is of sustaining growth, of developing state capability, over the coming 100 years. Only four countries which were poor in 1947 have graduated to "advanced economy" status today: The journey to development is a difficult one, and there is no guarantee of success. Emphasising class warfare will hamper private dynamism and hold back the emergence of state capability.

Lant Pritchett says that 99 per cent of the variation in the poverty rate across countries is explained by one number: The median income. If we want to change the poverty rate, the number to focus on is the median income. All the redistributive efforts of the state, through taxes, social programmes, etc sit in the residual 1 per cent (of the variation of the poverty rate which is not explained by the median income) and come at the price of reduced growth of the median income. The emotions of envy, of resentment, of takers rather than makers, should be excluded from public life. https://www.business-standard.com/opinion/columns/bad-ideas-in-taxation-124042800585_1.html

9. India needs a long-term integrated energy policy *(thehindubusinessline.com)* Updated - April 26, 2024

Transnational pipelines are a more geopolitically risky option than LNG imports

How will India deal with western sanctions imposed on its oil and gas suppliers? This is an issue that crops up every now and then.

This has been a subject of discussion not only in the domestic market but also at the international space, mainly because India is among the large consumers of fossil fuel.

In fact, just a couple of days back a businessline report quoting sources had said, "With sharp escalation in tensions in the Middle East… the Indian government is in a huddle over what its strategy on oil imports should be and the alternatives it could explore in case of supply disruptions in West Asia and continued volatility in oil prices."

It further said, "The Commerce Ministry is in close consultations with the Ministry of Petroleum and Natural Gas to weigh alternative supply options that could be explored if the situation in West Asia worsens. As over 40 per cent of India's oil at present is sourced from the region, the task is not simple."

"One option being considered is to increase purchase from Russia and see if it can be routed through the Chennai-Vladivostok route, which passes through the Sea of Japan, the South China Sea and Malacca Strait, in case the traditional route through the Red Sea cannot be used," the report said.

This constant debate leads us to a question about whether India has missed the bus in handling its energy security.

Ensuring energy security is a dynamic process with new geopolitical developments and changing energy mix due to climate change pressure.

Pipeline risks

So in India's case would a transnational pipeline network work?

India has been unsuccessful in this area, mainly due to political factors which have also put a question mark over the commercial viability of these projects.

Given the ease with which LNG can be imported now (assuming there is no volatility), geopolitically risky trans-border pipelines with large capex may not be a viable option in today's world.

"The current contracting environment is characterized by an over-investment cycle owing to the anticipated LNG supply that will be coming onstream. By 2030, almost 200 million metric tonne (MMt) more LNG will be added from plants under construction today. This represents a growth of almost 50 per cent and it is as large as the previous over investment cycles in 2005-06 and 2013-17.

"Consequently, for long-term LNG contracts scheduled to begin beyond 2029, new contracts are likely to face downward pressure on prices. In February 2024, QatarEnergy had signed a 20-year contract extension with Petronet LNG Ltd. for 7.5 million metric tonne per annum. This was reported to be at 12 per cent Brent oil. This sets a new benchmark in the market given its size and duration for a buyer in Asia," said, Chong Zhi Xin, Senior Director, S&P Global Commodity Insights.

For example, a Rystad Energy — a global independent research and energy intelligence company — report said, "Russian oil production has remained strong despite sanctions imposed by Western countries in the wake of Russia's invasion of Ukraine. The country's gas and liquefied natural gas (LNG) industries, on the other hand, have suffered due to limited pipeline infrastructure and reliance on Western companies."

Rystad Energy expects Russian piped gas supply to China to increase due to new infrastructure, but the outlook for Russian LNG is less rosy. The Kremlin has set an ambitious plan to commission 100 million tonnes of LNG capacity by 2030 but Rystad's forecasts show the country will miss that target by as much as 60 million tonnes.

Despite a bleak outlook, it expects Russia's planned LNG projects to go ahead despite sanctions and challenges in securing vessels and long-term contracts, thanks to government support and incentives on financing, research and development, and tax breaks.

However, there are diverse views on whether having transnational network would have worked better for India as it would depend on nature of sanctions and their geopolitical impact and the pressure put on India to comply with western sanctions.

Supply flexibility

Further one has to consider that pipeline supplies may leave the buyer at the mercy of supplier country. Whereas in case of LNG as is the case with crude oil, the buyer has flexibility to change supply sources.

Asked whether India's attempts to have transnational pipelines to transport gas had failed because of political reasons, Talmiz Ahmad, former Indian Ambassador to Saudi Arabia; Oman, and the UAE, confirmed that "energy security concerns had been overwhelmed by political considerations".

Ahmad, who was Additional Secretary for International Cooperation in the Ministry of Petroleum and Natural Gas in 2004-06, said that, for instance, the Myanmar-Bangladesh-India gas pipeline did not fructify because the Bangladesh side, due to domestic political compulsions, wanted certain bilateral matters to be included in the tripartite gas agreement which were not acceptable to the Indian side.

Similarly, the Iran-Pakistan-India gas pipeline project, despite agreement on several technical and commercial issues, did not progress due to political instability in Pakistan, while the Turkmenistan-Afghanistan-Pakistan- India (TAPI) gas pipeline project had the added problem of civil conflict in Afghanistan, he said.

"Political issues do overshadow commerce," Ahmad said. Given the political challenges that have bedevilled pipeline projects, it now made sense to obtain gas as LNG, he added.

"However, the bigger issues that India faces today are uncertainty relating to the place of gas in our energy mix. What India needs is a long-term and integrated energy policy that projects the country's energy requirements over the next 25 years, while taking into account domestic production, import requirements of fossil fuels, and our commitments to transition towards clean energy," he pointed out.

To sum up, there are no simple answers to whether pipelines import would have served India's energy security better, but what is clear is that India needs an integrated energy policy. https://www.thehindubusinessline.com/opinion/india-needs-a-long-term-integrated-energy-policy/article68111031.ece

10. Towards a green growth: On the RBI and a green taxonomy *(thehindu.com)* April 29, 2024

The RBI must assess the impact of climate change on economic stability

A notable feature of the Reserve Bank of India's (RBI's) latest Monetary Policy Report (included in its April Bulletin) is the primacy given to "extreme weather events" and "climate shocks" affecting not only food inflation but also likely having a broader impact on the natural rate of interest, thereby influencing the economy's financial stability. Natural, or neutral, rate of interest refers to the central bank's monetary policy lever, which allows it to maintain maximum economic output, while keeping a check on inflation. The report mentions a "New-Keynesian model that incorporates a physical climate risk damage function" being used to estimate the "counterfactual macroeconomic impact of climate change vis-à-vis a no climate change scenario". The report's authors go on to warn that the "long-term (economic) output" could be lower by around 9% by 2050 in the absence of any climate mitigation policies. They ominously add that 'if inflation hysteresis gets entrenched, it may lead to a de-anchoring of inflation expectations, and the undermining of the central bank's credibility would warrant higher interest rates to curb inflation, leading to greater output loss'.

Beginning with its July 2022 discussion paper on 'climate risk and sustainable finance', the RBI has made incremental progress to address the transition to a green economy, even while admitting that India requires over $17 trillion to achieve its net zero ambitions by 2070. Its peers in advanced economies, most notably the European Central Bank, have aided the formulation of a green taxonomy for the entire Eurozone's economic value chain. A green taxonomy is a framework to assess the sustainability credentials and possible ranking of an economic activity. The RBI and the Finance Ministry could take inspiration from the developing world, especially the ASEAN region, where a layered green taxonomy as a living document keeps getting updated with sectoral views of possible sustainable trajectories. While the issuance of ₹16,000 crore worth of Sovereign Green Bonds and expanding the resource pool by allowing Foreign Institutional Investors to participate in future green government securities are welcome steps, the

RBI must undertake a thorough-going assessment on the quantitative and qualitative impact on economic and financial stability due to climate change. It must encourage administrative consultation to begin populating a layered green taxonomy that is reflective of India's fragmented developmental trajectories. The effort should be to mitigate the transitional risks to the financial system as the economy moves towards a sustainable future. https://www.thehindu.com/opinion/editorial/towards-a-green-growth-the-hindu-editorial-on-the-rbi-and-a-green-taxonomy/article68117880.ece

11. A bottom-of-the-pyramid climate fortune *(financialexpress.com)*

April 27, 2024

As the unequal effects of climate change become increasingly clear, it is worth reassessing how we talk about climate change — and who we centre in those conversations.

Last month, the World Meteorological Organization (WMO) confirmed that 2023 was the hottest year on record. Four other organisations that conducted similar analyses independently arrived at the same conclusion. What is cause for deep concern is the margin by which the average global temperature soared, almost breaching the 1.5°C mark, and news reports suggesting that 2024 could be even warmer.

As the unequal effects of climate change become increasingly clear, it is worth reassessing how we talk about climate change — and who we centre in those conversations. Now more than ever before, we need to reorient our focus to include perspectives of those living under $2 per day.

It is also key, given the urgent nature of the crisis, that the proposed solutions go beyond incremental measures. We need big, bold ideas on multiple fronts. And while this may seem a daunting task, it does not necessitate reinventing the wheel. There are plenty of bold ideas that we can draw inspiration from, including Indian-American academic and business leader CK Prahalad's The Fortune at the Bottom of The Pyramid. In the 2000s, Prahalad brought a paradigm shift by making a business case for eradicating poverty.

If companies focussed on developing products for low-income groups, he proffered, they could break into new market segments and raise revenues while also improving the standard of living for millions of people.

It is now widely accepted that the populations at the bottom of the economic pyramid are also often the most vulnerable to the effects of climate crises. World Bank data, for instance, show that the 74 poorest countries contribute to only one-tenth of global emissions even as they experienced an eight-fold increase in natural disasters over the last decade. Despite this, populations living below the poverty line tend to be underserved and under-represented when it comes to climate solutions. Ask yourself how many slum dwellers, who bear the greatest brunt of our cities' rising air pollution levels, find it feasible to install air purifiers in their homes. Or how many fishing communities, whose livelihoods are directly impacted by coastal flooding, have access to weather forecasting technology?

If we were to go by Prahalad's theory, supporting green entrepreneurship and cultivating markets among low-income groups could help us strike a climate fortune at the bottom of the pyramid (BOP).

Such strategies would have to put communities at the centre by sourcing ideas from grassroots actors and assisting them in developing tailored products and services. Climate investors could do this by supporting training in areas such as entrepreneurship, agriculture, or healthcare to help develop livelihood skills. They could also provide resources, mentorship, and market access to boost the entrepreneurial energies of the community members. This includes introducing technologies that align with the communities' needs and capabilities and providing avenues to elevate their voices in decision-making and advocacy.

Embedding a BOP approach into climate solutions will help shine a light on novel voices that hold tremendous value. A 2022 report by the Intergovernmental Panel on Climate Change recognises the value of indigenous knowledge in building climate resilience. Smallholder farmers and fishers have, for centuries, developed their systems of production around natural weather patterns and cycles. However, this traditional wisdom tends to be cordoned off from large corporations, civil society organisations, and local governments — those with resources to actually convert ideas into actions. Strengthening top-down resource flows will allow communities to bring distinctive viewpoints, skills, and lived experiences to the table, and help develop climate solutions that are inclusive and relevant for those at the grassroots.

Cultivating markets within the BOP segment will not only encourage self-designed innovations, but foster ownership of those ideas and solutions, paving the way to surmount behavioural and political obstacles to decarbonisation. For instance, people living in informal settlements or low-resource settings overwhelmingly rely on solid fuels such as wood or charcoal, which are key causes of indoor air pollution. Experience has shown that a switch to cleaner cooking technologies is not just a matter of income and resources, but also mindset shifts. Entrepreneurs championing such clean products within communities can aid this transition more effectively.

Perhaps most importantly, BOP entrepreneurship will give rise to countless grassroots entrepreneurs, including women, participating as distributors and business owners, as well as micro enterprises at the village level. For instance, following 2009's Cyclone Aila, women in the Sundarbans started running mangrove nurseries. The loss of 778 km of embankments prompted locals in the Bangladeshi village of Padmapukur to begin collecting the fruits of the keora, a mangrove variety that was washed upriver, and began replanting them. From the extra fruit collected, they made jams and pickles, to be sold for additional income. In an adjoining district, a local initiative helped women undertake mangrove-based shrimp farming. The restoration efforts helped locals rebuild their lives and incomes, as well as strengthen climate resilience in the region.

Such self-starting initiatives allow BOP communities to engage as collaborators rather than beneficiaries. In the longer run, it can help shift policy discourse on social safety nets, which so often tends to prioritise compensation and subsidies over innovation and entrepreneurship. Positioning BOP communities as value creators and solution providers is a powerful way to reimagine developmental finance flows by decentralising the decarbonisation process and restoring faith in the century-old wisdom and resilience of local communities. https://www.financialexpress.com/opinion/a-bottom-of-the-pyramid-climate-fortune/3469588/

12. Inequality can no longer be ignored *(thehindu.com)* April 29, 2024

Addressing inequality is also about questioning the nature of growth itself — which is now unequal — and ensuring that jobs are generated

The Congress's party's election manifesto, the Nyay Patra, has triggered a debate on inequality, concentration of wealth and the measures to address these. The Prime Minister, with his misleading comments on what the Congress manifesto contains, has also managed to provoke a discussion on wealth redistribution. There is ample evidence to show that inequality in India has been rising. The World Inequality database found that in 2022-23, 22.6% of the national income went to the top 1%, the highest ever since 1922. Wealth inequality is even more stark with the top 1% population having 40.1% share in wealth. It is clear that inequality can no longer be ignored and justified as a collateral to growth. The cost of such unequal growth must be interrogated.

As an election issue is welcome
The unfairness of some people and a few corporates doing so well while most of the population continues to struggle for decent employment opportunities is becoming more and more obvious. The logic of trickle down and of supporting 'wealth creators' so that more jobs are created and prosperity spreads has failed time and time again not just in India but across the world also. The futility of continuing to depend only on economic growth even at the cost of increasing inequality, for improving the lives of people, is a core political economy question facing countries today. That it is finally becoming an election issue in India must therefore be welcomed, irrespective of what the election outcome in 2024 will be.

The public discussion, especially on social media platforms, has so far mostly been confined to direct redistribution measures of the 'Tax the rich, subsidise the poor' nature. These are very relevant in the Indian context. After all, India not only has a low tax-GDP ratio compared to other middle-income countries (India's tax-GDP ratio is 17% compared to 25% in Brazil) but also a regressive taxation structure, where indirect taxes contribute to almost two-thirds of all tax revenue collection. Furthermore, even direct taxes are not very progressive. For example, the effective tax rate (tax to profit ratio) according to the Receipt Budget 2023-24 was 19.14% for companies that had more than ₹500 crore profit before taxes compared to an effective tax rate of 24.82% for companies in the group of 0-₹1 crore profit.

Welfare spending is low

On the other hand, spending on welfare and the social sector is very low compared to other countries. Public spending on health for instance is still around 1.3% of GDP whereas the National Health Policy (NHP) targets achieving 2.5% of GDP by 2025. Despite COVID-19, we have not seen any such massive increases in health expenditures, and going by the current trend, we will not achieve this target. A number of other major budgetary allocations of the Union Government such as for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), education, budget for children, show a decline as a proportion of the total expenditure or of GDP. Hence, improving revenue mobilisation in a progressive manner while also increasing spending on areas that directly affect lives of the poor is very much a relevant issue and needs to be paid attention to.

However, addressing inequality is also about questioning the nature of growth itself. In a situation where the major source of livelihood for people is through employment, how far can growth that does not generate jobs contribute to development? The kind of growth we have experienced recently has been one that has been accompanied by joblessness as witnessed by a declining employment elasticity of output. Further, there is a rise in profit shares and stagnant real wages. The discussion, therefore, has to be on generating employment — not distress self-employment but decent jobs with adequate remuneration. For this, we have to focus attention on more equitable growth where the purchasing power of people also increases. Governments can play a role in this by spending on programmes such as the NREGA and the Public Distribution System. Cash transfer schemes such as the Mahalakshmi scheme proposed in the Congress manifesto can also contribute to this.

Job creation

At the same time, governments can also contribute to directly creating jobs by filling up all existing vacancies and expanding much needed public services in health, education, nutrition and social security. The quality of jobs, such as of anganwadi workers, accredited social health activists and other frontline workers, also need to be improved with adequate wages and improved work conditions. These direct job creation efforts will not only create employment opportunities for many, especially women, but also contribute to improving human development outcomes and reduce the burden of unpaid care work on women and free them up for other employment. Further, they can also address the inequality in opportunities and the intergenerational inequality that gets perpetuated due to the unequal access to services such as pre-school education and nutrition during childhood.

An employment-centered growth pattern will be one where government policy focuses on supporting small and medium enterprises that are more labour-intensive in nature, promoting skill training and overall human capital (health and education) along with enabling women to participate in the labour market through measures such as maternity entitlements, childcare, transportation, safe and affordable accommodation and so on.

It is only when we address the employment issue that we can address inequality in earnest. On the other hand, as long as growth is of the nature where profits for few is the priority, the employment issue is also likely to remain unaddressed. https://www.thehindu.com/opinion/op-ed/inequality-can-no-longer-be-ignored/article68118448.ece

13. Tangedco flags high cost of offshore wind projects, demands that Centre bear entire investment *(dtnext.in)* 29 April 2024

At the 50th Southern Regional Power Committee meeting, the State power utility said the high transmission charges make offshore wind energy unviable. Hence, the Centre should bear the entire investment on transmission projects for the offshore project to promote it and make it viable.

CHENNAI: Tamil Nadu Generation and Distribution Corporation (Tangedco) has expressed concern over the high transmission cost of Rs 4.20 per unit for the 1,000 MW offshore wind power project to be developed along the State's coastline as it would push the energy cost to Rs 8 per unit.

At the 50th Southern Regional Power Committee meeting, the State power utility said the high transmission charges make offshore wind energy unviable. Hence, the Centre should bear the entire investment on transmission projects for the offshore project to promote it and make it viable.

The Ministry of New and Renewable Energy (MNRE) has planned to auction 37,000 MW offshore wind potential on the coast of Tamil Nadu and Gujarat in a phased manner by 2029-30. In the first phase, 5,000 MW offshore wind potential each at Tamil Nadu and Gujarat would be auctioned. Tamil Nadu government has offered to procure offshore wind energy up to 2,000 MW to be generated off the state's coast at the flat rate of Rs 4 per unit.

The transmission system proposed for the 1,000 MW offshore wind scheme on Tamil Nadu's coast would be developed at Rs 11,485 crore which translates into a tentative transmission tariff of Rs 4.2 per unit. The cost of offshore energy would cross Rs 8 per unit if the transmission charge of Rs 4.2 per is included. "It will make the generation and transmission of projects economically unviable and give tariff shock to the end-consumers," Tangedco said.

Tangedco has questioned the MNRE for restricting the viability gap funding to only a 1,000 MW project and developing 35,000 MW through non-VGF. "Since the predetermined tariff agreed by Tangedco is Rs 4 per unit for 2,000 MW, restricting the VGF category for 500 MW and allocating the rest of the quantum under the non-VGF projects will have tariff implications. Hence it is essential to ensure that the entire 2000 MW should be allocated under VGF," the utility demanded.

Central Transmission Utility of India Ltd (CTUIL) said the major cost of the transmission system is up to the shore only including subsea cable cost and offshore substations. "Based on the information available with CTUIL regarding the cost of the subsea cable, the estimated cost of offshore substation and subsea cable for interconnection with the onshore pooling station was more than Rs 5,000 crore per 500

MW. The cost of on-shore transmission was estimated at around Rs 1,200 crore," it said. https://www.dtnext.in/news/tamilnadu/tangedco-flags-high-cost-of-offshore-wind-projects-demands-that-centre-bear-entire-investment-781969

14. NGT alleges misuse of DMFT fund, seeks response from Mineral dept *(firstindia.co.in)* 29 April 2024

Bhilwara: National Green Tribunal Central Zonal Bench Bhopal has taken a strict stance on the issue of District Mineral Fund not being utilized properly in mining affected areas as per rules.

While registering a PIL filed by Bhilwara based environmentalist Babulal Jaju through advocate Deeksha Chaturvedi, the bench of Justice Shivkumar Singh and expert member Dr. Afroz Ahmed issued notices to Chief Secy, Principal Secy Mineral Resources Department, Member Secretary Rajasthan State Pollution Control Mandal and other officers and sought response.

Jaju said in the petition that the objective of the DMFT fund is to address the socio-economic challenges faced by communities living in mining-affected areas. A sum of Rs 19,000 crore has been collected nationally through the DMF scheme since 2015 and only 55% of it has been utilised.

Petitioner informed that Rs 6,000 cr in Rajasthan are deposited in the DMFT fund. He said that in Bhilwara every year, about Rs 300 cr comes into fund from mining royalty, which is being spent against the rules due to political reasons. https://firstindia.co.in/articles/ngt-alleges-misuse-of-dmft-fund-seeks-response-from-mineral-dept