

## **NEWS ITEMS ON CAG /AUDIT REPORTS**

### **1. The Indian Railways' revenue problem (*thehindu.com*) Oct 30, 2023**

**While investment in railways boosts manufacturing, and services as well as tax revenue for the government and more job opportunities, a key organisation like the Railways cannot be allowed to go the Air India way — the investments made should add to its revenue**

While investment in railways boosts manufacturing, and services as well as tax revenue for the government and more job opportunities, a key organisation like the Railways cannot be allowed to go the Air India way — the investments made should add to its revenue

This is the first of a three-part series of articles on the Indian railways, its capital expenditure and freight business.

The Indian Railways (IR) has been on a spending spree with respect to capital expenditure (capex), particularly after the government merged its rail budget with the main budget. However, its operating ratio, which is the ratio of ordinary working expenses to the gross traffic receipts, has shown no improvement. A lower ratio implies better profitability and surplus for capital investment.

#### **The trap of rising debt**

Since the IR continues to have a total lack of surplus, it has been augmenting the funds raised through Gross Budgetary Support (GBS) and Extra Budgetary Resources (EBS). The merging of budgets helped this cause as GBS from the central government could be increased without much scrutiny. However, with respect to EBS, there is a price to pay. The IR's spending on repayment of principal and interest is pegged at ₹22,229 crore and ₹23,782 crore respectively, which together make it 17% of revenue receipts, a sharp rise from less than 10% till 2015-16. It appears that this debt liability was noticed as capex relied almost entirely on GBS in this year's budget.

Despite this, the unprecedented rise in capex appears to be predicated on the premise that the IR's operating and financial performance should not be viewed in isolation but along with its role as an engine for the growth of the country's economy. Investment in railways boosts manufacturing and services, tax revenue for the government and allows for more job opportunities. However, a key organisation like the IR cannot be allowed to go the Air India way — the investments made should be productive for IR's revenues.

#### **Identifying the problem**

The IR's freight segment is profitable whereas the passenger segment makes huge losses. The Comptroller and Auditor General of India (CAG) report presented in Parliament on August 8, 2023 states that there was a loss of ₹68,269 crore in all classes of passenger services during 2021-22, with all the profit from freight traffic nullified in cross subsidising passenger services. This is nothing new for the IR but the situation has become grimmer and since any significant increase in passenger fares is unlikely, the IR has no option but to boost its freight volumes and in turn its revenue.

The annual growth in freight volume and revenue of the IR in the period April-July 2023 stand at 1% and 3% respectively, while the economy grows at 7%. This is a dismal performance. The IR's modal share in India's freight business has steadily decreased to approx. 27% from upwards of 80% at the time of independence.

The objective of this series is to examine how the freight business of IR can be improved. The movement of cargo by the IR is artificially divided into goods and parcels. The division is not semantic but indicates a paradigmatic difference in approach with respect to tariff rules, handling, moving and monitoring. Shippers, however, are not interested in these differences as their concern is mainly about the safe movement of their cargo from point A to B at the least cost and as fast as possible. The time has come for the IR to shed such an artificial divide so that cargo can be divided based on its characteristics as bulk and non-bulk (or value added).

While the divisions are not water tight, bulk cargo would essentially refer to large volumes of cargo (full train loads or amenable for into full train loads) which can be easily handled mechanically and non-bulk cargo would be smaller in volume and less amenable for mechanical handling.

### **The lessening share**

The 11 commodities in the IR's transport basket account for 90% of tonnage and revenue, of which coal is around 45% and iron ore and cement are around 10% each. Although these three still account for two thirds of the IR's total freight volume, the share of the IR in their transport has reduced over the years. For example, coal consumption was 602 and 978 million tonnes (MT) in 2011 and 2020 respectively while the rail transport share was 420 and 587 MT respectively; the rail share fell from around 70% to 60% in a ten-year period. Though it improved to 64% in 2023 it is still lower than what it was in 2011. Similarly, the share of exim containers moving in and out of ports hovered between 10% and 18% since its introduction in 2009-10, with the 2021-22 figure being 13%. It should be noted that private container train operation policy, initiated in 2006 to boost the rail share of container movement, has not made any significant dent in improving the share.

Further adding to the woes of the IR is the constantly fluctuating key index of Net Tonne Kilometres (NTKM), which fell for two successive years in 2015-16 and 2016-17 by 4% and 5% over the preceding years — first time such a fall has happened for two consecutive years. Demonetisation perhaps had some effect in the fall as NTKM recovered in 2017-18 by 11% registering an increase of 1.6% in the three-year period starting 2015-18. However, NTKM continued to fluctuate as it fell again in 2019-20 by 4%. In the seven-year period ending 2021-22, NTKM grew annually at the rate of 3.5% — much less than the road transport growth rate.

<https://www.thehindu.com/business/Economy/the-indian-railways-revenue-problem/article67474218.ece>

## **2. 7 years on, has govt's Udan scheme made flying easier? (*timesofindia.indiatimes.com*) Oct 29, 2023**

**Nearly 74% of flight operators have exited and only 23% of the routes awarded under the Udan scheme are operational, according to a CAG audit report. The**

**scheme launched in 2016, aimed to improve air connectivity for tier-2 and tier-3 cities. However, more than half of the routes that started operations have shut down, and 9 out of 19 operators awarded routes never commenced flights. Smaller players struggle with compliance and operational requirements, while bigger airlines have received substantial funding, giving them an unfair advantage.**

74% of the flight operators have exited and only 174 of the 774 routes awarded with the aim of improving air connectivity are operational, finds Richa Gandhi.

The Centre launched its Udan (Ude Desh Ka Aam Naagrik) scheme in October 2016 to improve air connectivity for tier-2 and tier-3 cities. It covers route lengths of 200-800km, with no lower limit for hilly, remote, island and security-sensitive regions.

To make the new routes viable, operators are offered funding and concessions for 3 years.

A levy of Rs 5,000 per domestic flight has been charged since September 2017 to generate funds for the scheme. This levy goes to the Regional Air Connectivity Fund Trust, which distributes the money to operators for their routes under Udan. So, how successful is the Udan scheme after 7 years?

#### Only 23% of Routes Operational

A CAG audit report published in August shows the scheme is limping. Less than a quarter of the routes awarded so far were operational in March this year. More than half (53%) of the routes that commenced operations have shut down. In fact, 139 of the 371 routes closed within the three-year funding period.

#### 9 of 19 Operators Never Flew

Altogether 19 flight operators were awarded routes under the 3 Udan schemes. Today, only 5 of them are in business. However, 9 operators never commenced flights on their routes. This is partly because the smaller players struggle with the stringent compliance and operational requirements. Also, the bigger airlines that already have the resources to operate in remote areas have received substantial funding over the past 3 years, giving them an unfair advantage. <https://timesofindia.indiatimes.com/india/7-years-on-has-govts-udan-scheme-made-flying-easier/articleshow/104790626.cms?from=mdr>

### **3. Revamping DRDO (*indiatoday.in*) Updated: Oct 27, 2023**

From a room on the ground floor of the DRDO Bhawan in New Delhi—adjacent to the imposing pile of South Block—India’s former top scientific advisor K. VijayRaghavan is speaking to a gathering of people involved in defence research. Tasked by the Prime Minister’s Office (PMO), he is reviewing the role of the nation’s premier defence research agency, the Defence Research and Development Organisation or DRDO, with the goal to fully revamp it, and has a November deadline to submit his report. To assist him, VijayRaghavan has an eight-member team drawn from the armed forces and industry. However, the absence of anyone from the DRDO itself in the panel has raised eyebrows in the agency headquarters. Besides restructuring DRDO’s role, the VijayRaghavan committee—set up in the last week of August—is mandated to find solutions to attract and retain high-quality manpower through a system of incentives and disincentives and strict performance accountability. While embarking on this

transformation of the DRDO, the Union government has in mind the example of the Defense Advanced Research Projects Agency (DARPA) of the United States. Set up in 1958—the same year as DRDO—DARPA is a funding agency that makes “breakthrough investments for national security” and works with academic, industry and government R&D institutions. The ultimate goal is to inject professionalism in the DRDO, maximise academic and start-up participation and, through it all, address the chronic charges of delayed projects and cost overruns that tarnish its reputation.

The DRDO, which has a budget of Rs 23,264 crore in the budget estimate 2023-24, operates nearly 50 laboratories with a staff strength of around 30,000, of which 30 per cent are from the scientific community. In addition, there are over 20,000 contractual employees attached to DRDO labs. Within the DRDO, the Directorate of Futuristic Technology Management, started in 2019, aims to fund research projects in educational institutions, National Research Institutes and start-ups/ industry through a network of DRDO Industry Academia-Centres of Excellence (DIA-COEs). Essentially, it follows the same DARPA model, which is expected to be given a push by the VijayRaghavan panel.

Answering the charges of persistent delays, DRDO scientists argue that the armed forces keep changing goal posts by demanding deviations/ additions to developed technology. In fact, a few years back, the then defence minister Manohar Parrikar had said that the Indian military’s requirements often resembled ‘Marvel comic books’ as they were “absurd, unrealistic and fanciful”. The Light Combat Aircraft (LCA) Tejas and Main Battle Tank (MBT) Arjun are classic examples, in which the military’s constant demand for upgrades played havoc on project timelines. Other projects that have been delayed include the LCA Mk-II, the Kaveri aero-engine and the Astra air-to-air missile. Nevertheless, over the years, defence scientists have not only received flak from the military fraternity but also from three parliamentary panels and the Comptroller and Auditor General (CAG). The various committees, from the A.P.J. Abdul Kalam Committee (1992) to the V. Rajagopal Rao panel (2020), all recommended various steps to overhaul the DRDO’s structure and steps to greater indigenisation of latest technologies.

As India celebrates the success of ISRO’s indigenously developed space technology, DRDO is criticised for being unable to rid India of the unenviable distinction of being the world’s largest arms importer. However, though detractors might harp on its tardiness, DRDO can be rightly proud of its missile and radar technologies. The DRDO’s foremost successes are the Agni cruise missiles, Tejas and Arjun. Along with Pralay surface-to-surface missile and the Pinaka rocket system, they have been inducted into the armed forces.

While India’s defence establishment believes that the DRDO should focus on futuristic air, ground, maritime and space systems, a majority of the DRDO officials say that, for years, its laboratories were tasked to meet the immediate needs of the military. Some military analysts agree and point out that most projects of the defence manufacturing sector are limited to the production of outdated tanks, guns, helicopters, weapons platforms or the setting up of manufacturing units to produce foreign weapons through technology transfers. Now, the terms of reference of the VijayRaghavan-led committee have recast the DRDO’s main objective to the development of latest technology. Lt Gen. D.S. Hooda (retd), the former northern army commander, claims that the country

lags in cutting-edge technology and the adoption of Artificial Intelligence, robotics, quantum technology and hypersonic weapons. “The focus should be on these high-end technologies on which future wars are going to be fought,” he says.

Most defence scientists welcome the government panel, but add that it should not undermine DRDO’s contribution. However, A.K. Singh, the former director general of DRDO, admits with candour that the organisation could not adapt to change over the years. “It requires a proper diagnosis and treatment rather than symptomatic treatment,” Singh says, while vouching for the capability of the DRDO scientists. The DRDO’s approach, he adds, lost vital focus on defence research as its canvas of activities became wider—a case of simultaneous pursuit of too many projects. For example, the DRDO has a Directorate of Civil Works & Estates, which looks after the construction of government buildings. Singh claims such pursuits show how earlier committees set up to address DRDO’s problems failed to provide solutions.

### **Many Committees**

The most recent committee to look into defence research was the five-member panel led by V. Rajagopal Rao of IIT Delhi set up by the Ministry of Defence (MoD) in 2020 to overhaul the DRDO to meet “defence and battlefield needs”. Its recommendations were never made public and only led to the closure of some laboratories. Before that, a panel headed by P. Rama Rao, former secretary of the department of science and technology, submitted a report on the DRDO in 2008. It suggested that the DRDO should concentrate only on “core technologies of strategic importance”. The committee had suggested making it a leaner organisation. This was done by rearranging DRDO’s 52 labs into clusters based on technology domains like missiles, electronic warfare, radars, aerial vehicles and underwater weapons. In 2015, Rao Inderjit Singh, the then minister of state for defence production, stated in Parliament that the DRDO had implemented all the recommendations made by the P. Rama Rao Committee that were within its power. The first panel to look into the DRDO was set up in 1992-93, and was led by the late A.P.J. Abdul Kalam during his tenure as DRDO chief. It came out with a decade-long roadmap to elevate indigenous production in defence equipment from the existing 30 per cent to 70 per cent by 2005.

### **Damning Delays**

In February 2023, the MoD informed Parliament that out of DRDO’s 55 ‘mission mode’ projects, 23 were running behind schedule. Mission mode projects are high-priority tasks that use accessible technologies. As of date, DRDO’s mission mode projects have a total sanctioned cost of Rs 73,942.8 crore. Some areas under research are torpedo decoy systems, nuclear defence technologies, air independent propulsion (AIP), torpedoes, cruise missiles, unmanned aerial vehicles, airborne early warning and control (AEW&C) aircraft systems, gas turbine engines, advanced towed artillery gun system (ATAGS), radars and surface-to-air and anti-ship missiles.

Ajay Bhat, MoS defence, did admit in Parliament to a cost escalation in 12 projects but stressed that the increase should be seen as an “enhancement of the scope of the project”. Such projects involve Tejas Mark-II LCA, Naval LCA, UAVs and ATAGS. Bhat added that steps are being taken to address the delays, including increased frequency of project reviews and greater involvement of the armed forces and production partners during the development process, among others.

In December 2022, in a report on the performance of the DRDO tabled in Parliament, the CAG expressed dismay that some mission mode projects “declared successful” had actually not achieved their objectives despite more than Rs 1,000 crore being spent over them. It added that some of these ‘successful’ projects were taken up again to plug the holes left behind and presented as new ones. The report presented a dispiriting picture: in 119 out of 178 DRDO projects, the time schedule could not be adhered to. In 49 cases, the additional time taken was over 100 per cent of the original time frame, with time extension sought on multiple occasions.

Echoing A.K. Singh, another top DRDO official acknowledges that due to a wide area of activity, defence scientists do not have a focused approach, which eventually leads to core projects becoming peripheral. The end result is that scientists get bogged down by numerous challenges.

For a focused approach that can deliver swift results, Lt Gen. Hooda emphasises the “need to harness and synergise efforts of the DRDO, DPSUs (Defence Public Sector Undertakings) R&D centres, private sector R&D centres and academia”. This will require a change in culture, and this has to be pushed by the government, he adds. However, he believes that while it’s not easy for the DRDO to fully replicate the US’s DARPA, its basic principles can be adopted. Under the DARPA model, there is regular churning of officials, which is good for injecting fresh ideas, says Lt Gen. Hooda. “To my understanding, there is not much difference in DARPA and DRDO in terms of budget. But a majority of DRDO’s budget goes into paying salaries and the day-to-day running of its laboratories,” he says.

### **In Defence of the DRDO**

The DRDO has been taken to task for project delays, but one cannot ignore the fact that as a proportion of the total defence outlay, the R&D budget came down from 6.4 per cent in 2018-19 to 5.1 per cent in 2023-24, a sizeable chunk of which goes into salaries and other expenses. The amount left for R&D activities—Rs 3,500 crore for the current year—is insufficient. A parliamentary standing committee in March 2023 found India’s R&D spend to be far less than of other countries like China and the US, which spend 20 per cent and 12 per cent of their respective defence budgets on R&D. The committee recommended “appropriate and adequate funding for DRDO projects, keeping in mind... research-based technological advancements across the globe”.

Ravi Gupta, a former DRDO scientist, claims that the import lobby in the government and armed forces has also damaged the reputation and morale of the DRDO scientists. “Besides this, bureaucrats want control over a specialised organisation like the DRDO,” Gupta says, hinting at a plan in the MoD to separate the currently unified post of DRDO chairman and secretary, R&D.

DRDO officials also point to the insufficient manpower for R&D projects. They say that since 2001, DRDO has had the same number of personnel despite a sixfold increase in outlay and greater push towards indigenous research as part of ‘Make in India’. In April 2010, the Manpower Planning Board (MPB) recommended the appointment of 4,966 personnel and the ministry of finance sanctioned 1,316 posts, of which 436 have been approved by its department of expenditure. The Cabinet Committee on Security will take a final call on the matter.

All stakeholders agree that the DRDO should focus on the latest technologies to meet the future requirements of the armed forces. For that, a robust R&D ecosystem must be created beyond the research agency. The VijayRaghavan panel’s report should indicate the road forward. <https://www.indiatoday.in/magazine/defence/story/20231106-revamping-drdo-rd-faces-reality-2454390-2023-10-27>

## **STATES NEWS ITEMS**

### **4. CAG audit punches holes: SEZ sends showcause to MADC bos** (*timesofindia.indiatimes.com*) Oct 30, 2023

Nagpur: The office of development commissioner (DC) for Mihan-SEZ has sent a show cause notice to vicechairman-cum-managing director of Maharashtra Airport Company (MADC) Swati Pandey over lack of response to questions raised during the CAG audit from the state government company.

The audit points out that over 30 units in the SEZ continue to hold land in the area even as their letters of approval (LOA) have expired.

<b>STEP BY STEP</b>	
 <p>➤ Show cause notice to vice-chairman-cum-managing director of Maharashtra Airport Company Swati Pandey over lack of response to queries raised during CAG audit from state government company</p>	<p>➤ LOAs of 30 units have expired as commercial operations did not begin within the stipulated time</p>
<p>➤ Audit points out that over 30 units in SEZ continue to hold land in area even as letters of approval have expired</p>	<p>➤ As the matter was raised during the audit, DC’s office sent a communication to MADC to get the latter’s’ reply</p>
<p>➤ LOA basic permit for unit to remain in SEZ and get tax concessions</p>	<p>➤ Despite repeated reminders, there was no reply regarding the matter</p> 
<p>➤ LOA basic permit for unit to remain in SEZ and get tax concessions</p>	<p>➤ Finally, a show cause notice which was sent a week ago</p>
<p>➤ LOA basic permit for unit to remain in SEZ and get tax concessions</p>	<p>➤ It sought a reply within seven days</p>
<p>➤ LOA basic permit for unit to remain in SEZ and get tax concessions</p>	<p>➤ Deadline ended but MADC has not reverted</p>

LOA is a basic permit for a unit to remain in an SEZ and get tax concessions. The LOAs of 30 units have expired as the commercial operations did not begin within the stipulated time.

As the matter was raised during the audit, the DC's office had sent a communication to MADC to get the latter's reply. Despite repeated reminders, there was no reply regarding the matter, said sources.

Finally, a show cause notice which was sent a week ago. IT had sought a reply within seven days. The deadline ended but MADC has not reverted.

When contacted, DC Sraman Vassireddy confirmed the development. There was no response by Pandey to a message by TOI.

The units without LOA include those with large land parcels. One of the co-developers is holding as much as 50 acres of land in the SEZ.

In a SEZ, the DC is an officer appointed by the ministry of commerce for overseeing compliance of rules.

MADC, which is a state government company, is the developer of Mihan-SEZ.

Non compliance by the developer can also lead to denotification of an SEZ. Though it would only be the final recourse, a source said.

Mihan, which includes a domestic tariff area (DTA), and an airport apart from the SEZ, has remained among the ambitious projects for the city. The operational units include IT majors, TCS, Infosys, and HCL apart from other companies. <https://timesofindia.indiatimes.com/city/nagpur/cag-audit-punches-holes-sez-sends-showcause-to-madc-boss/articleshow/104791564.cms>

## **5. Lok Sabha panel upbraids Goa for infra wave on coast** (*timesofindia.indiatimes.com*) 30 October 2023

Panaji: The Public Accounts Committee (PAC) of the Lok Sabha has pulled up the Goa government for failing to take the necessary steps to protect sand dunes, coral reefs, olive ridley nesting sites, and mangroves. It has also slammed the state government for granting permission for infrastructure development in the coastal belt.

The Union ministry of environment has directed the state government to answer the various queries raised by the PAC.

A team of the PAC had visited Goa to study 'Conservation of Coastal Ecosystems' based on the Comptroller and Auditor General of India's report of 2022. The PAC observed that the essential steps to protect the environment had not been taken and sought an explanation from the state.

"We are preparing a reply over the observations of the PAC, and it will be sent next week," Arun Kumar Mishra, Goa's environment secretary, told TOI.



The PAC asked the state government why Goa Coastal Zone Management Authority (GCZMA) and the ministry concerned had not mapped or identified coral-inhabited areas, considering their critical importance for conservation.

“What steps are being taken by the ministry to rectify the lack of a management action plan for the protection of coral reefs in the coastal regulation zone areas?” the PAC asked. “Whether the government proposes to initiate a long-term, periodic monitoring system for these coral reefs as recommended by WWF-India and if so, the details thereof; and if not, the reasons?”

The PAC asked what specific measures has GCZMA taken to ensure compliance with the prohibition on altering sand dunes for beautification or recreation within the coastal regulation zones.

“Why did Goa State Coastal Zone Management Authority grant permissions for infrastructure development, including the construction of hotels, resorts, guesthouses, and residential houses, in areas with existing sand dunes despite the coastal regulation zone regulations?” PAC asked.

“Does GCZMA have a long-term strategy for the conservation and restoration of sand dunes in Goa, particularly in the areas where they have been affected by development activities?”.

The PAC went on to ask, “How will GCZMA strengthen the enforcement and monitoring efforts to prevent further destruction of sand dunes, especially in sensitive areas with existing sand dunes?”

Moreover, the PAC asked why management plans for the designated olive ridley turtle nesting sites, as required by the coastal regulation zone notification, 2011, not prepared, and what steps have been taken to rectify this omission.

“Why and how were shacks allowed to be established at the nesting sites of Agonda, Morjim, and Mandrem beaches, despite the coastal regulation zone notification explicitly prohibiting development activities in these areas?” the PAC said. “Wouldn’t it be right to say that this indicates a complete breakdown of the oversight mechanism?” <https://timesofindia.indiatimes.com/city/goa/lok-sabha-panel-upbraids-go-for-infra-wave-on-coast/articleshow/104806221.cms>

## **6. ‘ED must probe TMC top leaders in ration scam’** (*dailypioneer.com*) 30 October 2023

The Bengal Opposition parties have appealed to the Enforcement Directorate to investigate the role of the “topmost” leadership of the Trinamool Congress in the high-profile ration scam that has led to the arrest of Jyoti Priya Mallick, former Food Minister and close aide of Chief Minister Mamata Banerjee.

This, following reports that the State Government had refused to send details of digitization of ration cards to the Comptroller and Auditor General despite repeated requests from the top auditing agency in 2016 and 2017.

According to sources the CAG had --- between 2/09/2006 and 13/12/2016 --- written several letters to the Food Department including its Principal Secretary seeking inputs on the digitisation of ration cards.

“As the CAG requests were not responded to, a letter was sent to the Principal Secretary of the Department ... needless to say that it also went unheeded. Then another letter was sent to the then Chief Secretary on 30/03/2017 ... still no reply was sent,” a retired government officer said, adding a senior IAS officer was then transferred out of his department because he had serious differences with Mallick at that time.

“If it is true that the CAG’s letters were not responded to by top officials then they should be quizzed as to what prevented them from sharing the information ... after they were not dealing with the common public ... they were dealing with the CAG,” said the official adding “those officials, particularly the Chief Secretary should come clean on whether they were not cooperating with the CAG on their own or on the instructions of someone else.

When asked to comment on the matter, present Food Minister Rathin Ghosh said he was “not in a position to comment as I was not in the ministry then.”

About 1.66 crore ration cards were cancelled after Ghosh was given the charge of the Food Department. Mallick who handled the Food Department for about 10 years was later sent to the Forest Ministry.

“I want the role of the Chief Minister’s office also to be investigated in the ration scam as without the assent and active participation of the highest office a scam of such a big magnitude would not have been possible,” Bengal Opposition Leader Suwendu Adhikari said.

“You will have to understand the impact of these 1.66 crore ration cards ... this means this minister and his men and of course his political bosses got the share of those hundreds or thousands of crores of rupees that they pocketed by selling the ration lifted on account of those 1.66 crore ration cards ... this seems as big a scam as the recruitment scam,” CPI(M) leader Sujana Chakrabarty said.

“Education minister and Food Minister are in jail ... this means that Mamata Banerjee Government has systematically hit at the roots of Education and Hunger the two basic requisites of man,” he said adding “they have hit at the very roots of the social security system by ruining education and PDS system.

Meanwhile, there could be more problems for Mallick as sources in the ED said that about 25 mobile phones and 10 shell companies were on their radar. WhatsApp chats between the minister and businessman Bakibur Rehman who was arrested days before Mallick, reveals transaction details worth several crores, sources said.

When asked to comment about any possible links between Mallick and his political bosses TMC MP and spokesperson Shantanu Sen said, “before investigating the TMC’s scam the BJP which is trying to malign our Government should investigate how a Rs 250 crore can be spent on the construction of a road initially billed at Rs 18 crore ...

also ask them to account for the fake cards in the Ayushman Bharat scheme.”  
<https://www.dailypioneer.com/2023/india/---ed-must-probe-tmc-top-leaders-in-ration-scam---.html>

## **SELECTED NEWS ITEMS/ARTICLES FOR READING**

### **7. Centre seeks to rejig Rs 2.5 trillion spending; reprioritisation won't lead to breaching of FY24 fiscal target** *(financialexpress.com)* Oct 30, 2023

**Around Rs 2 trillion, which was unspent by a host of states and other implementing agencies at the end of FY23, was sought to be used before fresh releases were initiated from FY24 budget outlays.**

Savings under many centrally sponsored schemes and central-sector schemes, coupled with buoyancy in revenue, will give enough firepower to the Centre to meet additional expenses in existing or new schemes, without breaching the fiscal deficit target for the current financial year, a senior official told FE.

Efficient cash management could enable savings of Rs 2-2.5 trillion from the budgeted expenditure for the current fiscal, making the sum available for extra allocation to some of the existing schemes like MGNREGS and new schemes that may be rolled out, he said.

Around Rs 2 trillion, which was unspent by a host of states and other implementing agencies at the end of FY23, was sought to be used before fresh releases were initiated from FY24 budget outlays. The just-in-time principle of cash management, which entails utilisation of at least 75% of the previous fund releases before fresh funds are provided, could save around Rs 2 trillion from the current financial year's budget allocations in these schemes, the official said.

There could be also savings of around Rs 0.5 trillion from the Rs 10 trillion capex budget for FY24.

This means that unless oil prices spike to over \$100/barrel for the remainder of H2, which could necessitate an excise duty cut that would impact excise revenues, the government's fiscal deficit target faces absolutely no pressure, and it would be contained within the targeted 5.9% of GDP in FY24, the official said.

Even though the special capex loan disbursements to states in FY24 are being frontloaded, it could reach around Rs 1 trillion by the end of FY24 from about Rs 0.54 trillion H1. That could lead to savings of Rs 0.3 trillion from the budget outlay of Rs 1.3 trillion, largely due to the conditions that may not be fully met by some states.

Similarly, the Centre's plan to go for a staggered capital infusion in the three state-run oil marketing companies (OMCs) would mean only a portion of Rs 30,000 crore earmarked for the purpose would be utilised in FY24 due to their better finances.

These savings will not necessarily bring down the overall spending from the budgeted Rs 45 trillion for FY24. These savings would be used for other priority areas identified by the government in an election year including additional allocation of around Rs 30,000-40,000 crore for the job guarantee programme (MGNREGS), around Rs 9,000 crore for subsidised gas cylinders to PM Ujjawala beneficiaries and Rs 5,000 crore in PM Vishwakarma Samman Yojana.

Some additional welfare measures are in the pipeline including a new Rs 60,000 crore housing interest subsidy scheme for the urban poor and middle class. Under the scheme, around Rs 10,000 crore expenditure could be incurred in FY24. Ahead of the general elections in April-May, the Centre is also likely to extend the free grains scheme by another six months till June next year, which will be around Rs 12,500 crore.

Among others, there is a possibility that the Centre may increase the income support to farmers under the PM-KISAN scheme by Rs 2,000-3,000 per farmer household from Rs 6,000 now, and besides stepping up procurement under the minimum support price (MSP) to ensure that rural income levels don't fall in real terms. Such an increase in PM-KISAN could cost the exchequer Rs 20,000-30,000 crore in FY24.

A potentially higher nominal GDP growth and buoyant revenues could also help the government report a lower fiscal deficit number than 5.9% if everything else remains unchanged.

The government's direct and indirect tax receipts as well as non-tax revenues are in aggregate on track so far and experts don't see any threat to annual target achievement even though disinvestment receipts could fall short of the target by Rs 30,000 crore.

"We don't think there is a material risk of the fiscal deficit target being breached in FY24," ICRA chief economist Aditi Nayar said.

World Bank has estimated India's nominal GDP growth at 11.5% for FY24 compared with the government's 10.5% factored in the budget for the year. <https://www.financialexpress.com/policy/economy-centre-seeks-to-rejig-rs-2-5-trillion-spending-reprioritisation-wont-lead-to-breaching-of-fy24-fiscal-target-3290504/>

## **8. Face authentication from next year to plug MGNREGS leakage** (*financialexpress.com*) October 28, 2023

### **Misappropriation as high as a third of the spending on the scheme**

The Centre will likely roll out Aadhaar-linked face authentication of workers under the flagship Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) next year to plug leakages, which officials estimate is as high as a third of the spending in the scheme.

Rampant misappropriation of funds allocated under the flagship scheme is one of the main triggers for the Centre to make a five-year low provision of Rs 60,000 crore in the FY24 Budget for the jobs programme. It will likely top up it with another Rs 30,000-40,000 crore as budget allocation has almost been fully utilised.

A pilot on Aadhar-linked face authentication is currently going on in Tamil Nadu and Haryana under which workers have to authenticate their attendance through face authentication at the beginning as well as at the end of the day's work, an official said.

“If the face is not authenticated, the worker won't receive any payment under the scheme,” the official said. The new measure, which will likely be rolled out sometime next year, would help curb corruption in the scheme, the official added.

Often it has been found that middlemen in many places collect the Aadhaar card from workers to mark their attendance under MGNREGS without the workers actually working. The middlemen, who also collect the debit cards of workers, apportion the NREGS wages deposited in the Aadhar-linked bank account of the workers.

The Unique Identification Authority of India (UIDAI) uses face authentication as a process by which an Aadhaar number holder's identity can be verified. A successful face authentication confirms that your physical face which is being scanned for verification matches the one which was captured at the time of enrolment when your Aadhaar number was generated. A successful face authentication confirms that you are who you claim to be.

The Centre has even stopped MNREGS fund flows to West Bengal since December 2021 due to allegations of corruption, including no trace of work after their competition, existing works fraudulently shown as MGNREGS works etc.

MGNREGS aims to provide at least 100 days of guaranteed wage employment in a financial year to every household in rural areas of the country, whose adult members volunteer to do unskilled manual work, mainly during off-seasons.

So far in FY24, 2.01 billion person days of work have been generated under the scheme. In FY23, 2.94 billion person days were generated compared to 3.63 billion in FY22 and a record 3.89 billion in FY21, the pandemic year.

According to official data, month-wise work demand has moderated from 33.7 million in June 2023 to 18.5 million in September and further to 17.5 million in October till the 27th of the month, indicating that people are finding other viable options for gainful employment. <https://www.financialexpress.com/policy/economy-face-authentication-from-next-year-to-plug-mgnregs-leakage-3289032/>

## **9. Universal healthcare through Ayushman Bharat** (*thehindubusinessline.com*) Oct 29, 2023

The WHO estimates that UHC (Universal Health Care) campaigns can improve average life expectancy by 3.7 years and help citizens navigate through medical exigencies. As part of SDG-3 (Social Development Goals), India has identified a range of ailments starting from child mortality to tackling infectious/reproductive diseases.

The proportion of government health spending in relation to total health expenditure rose from 28.6 per cent in FY14 to 40.6 per cent in FY19. But greater collaboration

between public-private entities may be needed to cover a vast and diverse topography like India.

To a great extent, the government's flagship program, the Ayushman Bharat, is a step in the right direction. ABHA (Ayushman Bharat Health Account) has already gained a critical adoption stage. According to data as of 2023, the ABHA platform recorded 21.9 crore beneficiaries, 4.3 crore hospital admissions, and a network of 26,055 hospitals. As of Jan 2023, 31 crore health records were created on ABHA, and over 135 crore footfalls were recorded at hospitals and clinics.

With better public awareness and the introduction of newer facilities, the ABHA use case is turning into as successful a case study as JAM (Jan Dhan, Aadhar, and Mobile). However, there are two interesting challenges – private participation and ecosystem assistance.

In the case of JAM, India's diverse financial ecosystem ranging from public banks to start-ups rallied in supporting financial inclusion. Opening banking accounts, providing QR codes, and facilitating a financial system in remote hinterlands were factors in unlocking a new society.

Surprisingly, what seemed easy in the financial system is taking time in healthcare.

One can expect the government to open additional spending in healthcare as part of its welfare objectives. But, lessons from America's Medicare prove otherwise. There are two crucial observations with Medicare – one, it covers a significant size of ailments. And two, the associated concerns of public spending to the overall economic impact are mind-bogglingly scary.

A collaborative approach to healthcare that facilitates research, development, and innovation is the way forward. Private participation in areas such as early detection and management helps unlock newer economic avenues.

Collaboration between public and private players riding on the common platform of Ayushman Bharat could be as innovative and re-defining a moment as JAM. <https://www.thehindubusinessline.com/opinion/universal-healthcare-through-ayushman-bharat/article67473575.ece>

## **10. Assessing the Nirbhaya Fund: Why safety remains elusive for women in Delhi** (*financialexpress.com*) Oct 27, 2023

Even as under-utilisation of Nirbhaya fund remains a persisting distress, NGOs point to lack of monitoring as a pressing factor hampering its effectiveness.

In December 2012, the infamous Nirbhaya case shook the nation, leading to massive protests, demanding change and strengthening of women's security measures. To address the safety and empowerment of women, especially in Delhi which is also infamously referred to as the 'rape capital' of the nation, the then Congress-led UPA government in 2013 created the 'Nirbhaya Fund', the purpose of which was to allocate

resources for the purpose of women's safety. Ten years on, the effectiveness of the Nirbhaya Fund in improving women's safety in Delhi remains a subject of scrutiny.

Set up in 2013, the Nirbhaya Fund aims to act as a dedicated resource for implementing initiatives focused on enhancing women's security and safety. This non-lapsable fund is managed by the Union Ministry of Finance, with the Union Ministry of Women and Child Development responsible for appraising schemes and monitoring their progress.

A decade has passed since the harrowing incident of 2012, when a 23-year-old paramedic student was beaten, tortured and gang-raped in the national capital in the bus she was travelling in on December 16, 2012. She died at a hospital in Singapore a few days later. The incident was a watershed moment in India's history that ignited nationwide protests and prompted the creation of the Nirbhaya Fund, which was established with the promise of making the nation and its capital Delhi, a safer place for women. However, the question that lingers is whether it has lived up to its objectives.

A distressing trend

According to Ministry of Women and Child Development data, as on April 28, 2023, around Rs 12,008.5 crore has been appraised under the 'Nirbhaya' project, of which only Rs 4,923 crore has been released and Rs 2,521 crore has been utilised (which is roughly around 21% of the appraised amount and 51% of the released amount). It is deeply worrying that not even half of the money allocated for the Fund has been used, raising concerns among citizens about its effectiveness.

Data released by the National Crime Records Bureau (NCRB), points out a distressing trend. Among Union Territories, Delhi recorded the highest rate of crime against women in 2021 at 147.6 per cent. It also topped in absolute number of cases registered, recording an increase over the past three years from 13,395 in 2019 to 14,277 in 2021.

'Implementation lacks seriousness'

Women's rights activist and founder of PARI, Yogita Bhayana, expressed her disappointment saying there has been lack of proper monitoring of the usage of the Nirbhaya Fund.

"When this fund was launched, it had multiple purposes, aiming to prevent sexual violence and help sexual violence victims. Unfortunately, it hasn't been utilised as it should have been. Every year, it gets released but gets accumulated and carried over to the next year. It was intended to be allocated to various authorities, including the Women and Child Ministry, but there seems to be a lack of proper monitoring, initiative, and seriousness in its implementation," Bhayana told FinancialExpress.com.

"It's been over ten years, and it's disheartening to see that it hasn't been taken on as a mission but rather done for the sake of it. Whether it was under the Congress government or the present one, neither seemed genuinely committed to its effective utilisation. The problem of women's safety is worsening day by day, and we continue to witness cases similar to Nirbhaya's. We know the problem is there, we know the fund is there, but where is the gap? The gap lies in the lack of initiative, a proper monitoring body, and the Women and Child Ministry's indifference to this issue," Bhayana added.

“There is a positive aspect to the fund, as compensation does eventually come through. However, it arrives a year later when medical aid is needed for the survivor. This delay raises the question of the compensation’s utility when it comes after such a long time,” she pointed out.

The ‘Delhi experience’

Women who shared their experiences with FinancialExpress.com say that the trauma of the 2012 incident lives on in their minds.

Deepali Desai, a 34-year-old former journalist, currently working in the development sector, says women still fear walking on the streets alone even today.

Sharing her personal experience, Desai said, “I shifted to Delhi in 2013, immediately after the Nirbhaya incident happened. My parents were also very scared about me moving to Delhi, so there was always an underlying fear of how unsafe the city was. The approach was also driven by fear. For example, I would avoid walking in dimly lit lanes. In my ten years in Delhi, I have never taken a bus because the fear is always there. Even now, if I have to travel for work or any other purpose in Delhi, I always insist on using office cabs because it provides a little relief, and you feel slightly comforted. I’m still scared of using public transportation alone.”

“I know many girls, including my friends, do use it, but there is a constant fear due to the numerous incidents of violence and crimes against women. If the NCRB data indicates that the crimes against women have increased, I feel there is a collective responsibility that is lacking, starting with the government and ending with the citizens,” she added.

“Even when women seek help from women’s helplines, there is a fear of judgment from the administration,” Desai added.

Founder of Street Level Awareness Program (SLAP), Mriganka Dadwal, told FinancialExpress.com that there must be “zero tolerance” for rape in the country.

“Despite increased discussion, 49 crimes against women per hour persist in the national capital, while many still hesitate to intervene, often choosing to be passive bystanders. It’s high time for our society to adopt a zero-tolerance policy. Why do we only take to the streets with candlelight marches when a heinous crime like rape occurs? Why do we silence our girls when they face issues like harassment, stalking, or offensive comments just because it’s not as big as rape? It’s time for people to stand up with a zero-tolerance policy and confront wrongdoers right then and there,” she said.

The activist added, “If a person harasses a girl in broad daylight, and nobody confronts him, allowing him to get away with it, then tomorrow, if they commit a more serious offence, it will give them the confidence that they can probably get away with that too. We, as a society, need the law to make them afraid, and as a society, must firmly say ‘zero-tolerance.’”

<https://www.financialexpress.com/india-news/assessing-the-nirbhaya-fund-why-safety-remains-elusive-for-women-in-delhi/3288867/>



## 11. **India kicks off formal procurement process for 26 naval French Rafale fighters** (*timesofindia.indiatimes.com*) Oct 29, 2023

NEW DELHI: India has now kicked off the formal acquisition process for 26 Rafale-Marine fighter jets and associated equipment by issuing a request to the French government for the mega deal estimated to be worth around Rs 50,000 crore.

The detailed letter of request (LoR) was issued by the Indian defence ministry to the French Directorate General of Armaments for the proposed deal, which will include 22 single-seat jets and four twin-seat trainers, along with weapons, simulator, spares, crew training and logistics support, sources told TOI on Friday.

The LoR for the government-to-government deal, which involves off-the-shelf procurement of the Dassault Aviation-manufactured jets, comes soon after defence minister Rajnath Singh visited France on October 10-11.

“France should respond with its offer, pricing and other details in a couple of months. Once the contract is inked after the cost negotiations and the Cabinet Committee on Security’s final nod, deliveries will begin in three years,” a source said.

Concurrently, Mazagon Docks (MDL) has also begun negotiations with the French M/s Naval Group for the indigenous construction of three more Scorpene dieselelectric submarines for around Rs 30,000 crore. Top Naval Group officials are now in India to discuss the submarine project in which New Delhi wants at least 60% indigenous content.

Both the fighter and submarine deals were granted the preliminary approval or acceptance of necessity (AoN) by the Rajnath Singh-led Defence Acquisitions Council on July 13, a day before the subsequent Modi-Macron summit in Paris. The deals, however, did not find any mention in the joint statement issued after the summit, as was then reported by TOI.

With India headed for general elections early next year, it will be a scramble to ink the two contracts before the model code of conduct kicks in. Congress leader Rahul Gandhi had undertaken a strident campaign in the run-up to the 2019 general elections against the earlier Rs 59,000 crore contract for the 36 Rafales for IAF in September 2016. But the government dismissed all allegations of corruption and the issue found little resonance in the polls.

The Navy, of course, would want the two deals to be inked within this fiscal, grappling as it is with an inadequate number of fighters to operate from its two aircraft carriers -- the older Russian-origin INS Vikramaditya and the new indigenous INS Vikrant -- as well as a depleting underwater combat fleet.

The force is only left with 40 of the 45 MiG-29K jets inducted from Russia at a cost of \$2 billion from 2009 onwards. The indigenous twin-engine deck-based fighter being developed by DRDO is likely to take at least a decade to become fully operational.

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Similarly, the Navy is also left with just six old Russian Kilo-class and four German HDW submarines in its conventional fleet, apart from the six new Scorpene-class submarines built by MDL in collaboration with the Naval Group for Rs 23,000 crore under 'Project-75', which was hit by huge time and cost overruns after being inked in 2005.

Meanwhile, China is expanding its naval presence and operational turnout facilities in the Indian Ocean region, while also helping Pakistan build a strong maritime force to challenge India in the Arabian Sea. <https://timesofindia.indiatimes.com/india/india-kicks-off-formal-procurement-process-for-26-naval-french-rafale-fighters/articleshow/104764785.cms?from=mdr>

## **12. Railways proposes Rs 4 lakh crore mega plan to multi-track seven busiest corridors (*timesofindia.indiatimes.com*) Oct 28, 2023**

NEW DELHI: The Indian Railways has proposed a Rs 4.2 lakh crore mega plan for multi-tracking of seven high density corridors — Delhi-Howrah, Mumbai-Howrah, Delhi-Mumbai, Delhi-Guwahati, Delhi-Chennai, Howrah-Chennai and Mumbai-Chennai — for introduction of faster passenger trains and quicker movement of freight.

In a proposal for the Union Cabinet, the railway ministry has said that the programme spread over the next 10 years, from 2024-25 to 2033-34, will involve doubling and laying of third and fourth line on different stretches of these corridors according to the traffic demand.

The plan also includes construction of flyovers and underpasses. The proposal has been circulated at a time when the railways plans to introduce more modern Vande Bharat trains with sleeper facility that have maximum design speed of 220 kmph.

TOI has learnt that the railways has identified 213 such projects that need to be undertaken on these corridors, which have breached the saturation point, and 200 such works will be completed in the first phase. For fast-track decision-making, the national transporter has proposed more financial powers to the Railway Board and the minister.

Sources said the main reason behind the proposal to pump in huge government investment in the seven corridors is to increase capacity for running more trains. While the combined length of these corridors is 10,969 km and is barely 16% of the entire Indian Railways network, these cater to 41% of traffic. This has resulted in huge pressure on these corridors, leaving hardly any room for introduction of more trains or increasing their speed, sources said.

The railway ministry has cited how because of the increased pressure, the average speed of freight trains is around 18-20 kmph while in the developed world, it's around 50 kmph. It has also flagged how slow movement of freight trains has a direct impact on the logistics cost. The income from freight movement is the mainstay of railways'

finances and this revenue compensates the loss that railways incurs on account of passenger transportation.

The national transporter has also mentioned in its proposal that the current share of railways in total freight movement is barely 27% while the share of goods transported by road is nearly 70%. It has said if the share of railways in cargo transportation increases to 35%, it will help save around 5.2% of the overall logistics cost.

India has set the target to bring down the logistics cost to single digit from the current level of 14%. The railways has also set the target to double freight movement to 3,000 million tonnes by 2030. <https://timesofindia.indiatimes.com/india/railways-proposes-4-lakh-crore-plan-to-multi-track-seven-busy-routes/articleshow/104766737.cms?from=mdr>

### **13. New Forest Bill: ‘Speaks Conservation, Acts Destruction’** (*newslick.in*) Oct 29, 2023

Prakriti Srivastava, an Indian Forest Service Officer, who recently retired as Principal Chief Conservator of Forests in Kerala, is one of the 13 retired civil servants from the IAS, Foreign Service and Forest Service, who have filed a petition in the Supreme Court questioning the constitutionality of the Forest Conservation (Amendment) Bill 2023. A committed conservationist, Srivastava has fought to end teak, sandalwood and cannabis smuggling and illegal encroachments into forest land. In this interview with Rashme Sehgal, she describes what the objections to the FCAA are, and what they could mean for India’s biodiversity.

Rashme Sehgal: What made you join the petitioners to question the constitutionality of the Forest Conservation (Amendment) Bill 2023 and why do you say the changes in the law would undermine the forest governance framework?

Prakriti Srivastava: The Forest Conservation Amendment Act (FCAA) 2023 subverts the Supreme Court’s 1996 Godavarman judgement, which gave young forest officers a strong weapon to fight for the protection of our forests and forest wealth. By overruling this judgement, it leaves conservation without its greatest support and defence. The extent of loss of forests from such a diminished law to protect forests, without the safeguards of the Godavarman judgement, is so scary that any committed forest officer can only be alarmed to have to enforce protection with it.

The negative outcomes of this amendment will be the death knell for our forests and their vast biodiversity. The so-called amendment is actually a new Act, being slipped through in the name of an amendment. The underlying objective is to allow easy diversions for “development”, though couched in the language of conservation, net zero carbon regime, etc.

Restricting the Godavarman judgement, removing large swathes of forests from legal scrutiny for diversions, pockmarking our forests in the name of security and strategic installations without ecological scrutiny, making roads which will bisect forests, spreading plantations without evaluation or scrutiny of past outcomes, are a sure shot recipe for disaster. The exacerbation of human-wildlife conflict, climate change, loss

of food security and ecological welfare and ecosystem services that forests provide, are inevitable outcomes of slackening our conservation laws.

RS: Scientists, forest officers, activists, and states had demanded the Bill be referred to the parliamentary committee on science, technology, environment and forests instead of being referred to a select committee all of whose members except one belonged to the BJP making its examination a highly partisan affair. Your comments?

PS: It appears to be a deliberate decision to present the Bill for examination to the Joint Parliamentary Committee (JPC) when Parliament already has a Standing Committee of Science and Technology, Environment, Forests and climate change, under whose ambit the said Bill would procedurally fall. Instead, the JPC was established, which prepared and presented a partisan and biased report to Parliament.

Further, on March 29, the JPC sought comments on the FCAA within two weeks, too little time for a Bill with such far-reaching ramifications. For instance, how would people, particularly forest-dependent communities in remote forests, know about, react to and prepare a studied response?

The present Amendment Act, titled 'Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, cannot be termed an Amendment of the Forest (Conservation) Act or FCA, 1980 since it fundamentally changes the object and purpose of the Act. This amounts to enacting a new law. The purpose of the FCA 1980 was to prevent deforestation by restricting diversion of forest land, which is now changed to a law that facilitates the diversion of forest land.

What the JPC has genuinely taken on board are the MoEF's generic, unscientific explanations, which seem to have been liberally copy-pasted in its report.

The Bill was rushed through despite receiving 1,309 memoranda, outcry from the civil society, scientific community, forest officers and many states rejecting the Bill. The JPC accepted all its provisions, even though it had no independent scientific advisor with expertise in forestry, wildlife conservation and forest laws to go through and vet the information submitted by MoEF and advise it on the veracity of submissions made by MoEF.

This has resulted in a highly dangerous amended Act, which lacks clarity, has loose or no definitions, sweeping exemptions which are not based on empirical data or sound scientific evidence, contrary statements, contradictions of intent and clauses.

RS: Your petition makes the point that this amendment restricts the Godavarman ruling. Can you elaborate on how this is being done?

PS: We chose to file a PIL because we believe the 2023 amendment will radically undermine India's decades-old forest governance regime built around implementation of the FCA 1980, including the Godavarman judgement. The amended Act significantly reduces the scope of the FCA by curtailing the definition of forest lands, stripping the protection afforded under the principal Act to Unclassed Forest Areas, which is a large chunk of forest land in India.

The amendment will permit unrestricted destruction and privatisation of forests, allowing mega-projects with far-reaching negative impacts on the environment causing permanent and irreversible damage. India is one of the most vulnerable countries to impacts of climate change, and threatening its ecological security will worsen the country's adaptive capacity. Significantly, it is now established that the carbon sequestration potential of natural forests is 40 times greater as compared to plantations, and therefore we cannot afford to lose our natural carbon sinks.

The 2023 Amendment Act violates the Constitution and established principles of Indian environmental jurisprudence, including the principles of non-regression, precaution and inter-generational equity and the public trust doctrine. The amended law excessively delegates powers to the executive, and its definition of forest land amounts to an impermissible overruling of a Supreme Court judgement.

It is evident that the MoEFCC misled the JPC and submitted false information.

RS: Why do you say so?

PS: The MoEF & CC informed the JPC that all forest lands will come under the purview of the amended Act based on State Expert Committee (SEC) reports submitted to the Supreme Court as per the Godavarman judgement, but it is not known if all states have constituted such committees and submitted the SEC reports.

Further, no ground truthing, surveys and demarcation of such forest lands have taken place in the field as evident from the Kerala SEC report and, therefore, even after 27 years, the full extent of forest lands have not been identified and demarcated. These SEC reports are not in the public domain and have not even been collated by the Forest Survey of India biannual report. It is astonishing how [we are being told that] forest lands can be identified and protected per the FCAA, when the SECs have either not been formed in all states or submitted their report to the Supreme Court.

Ground surveys, and identification of all types of forest lands, notified, recorded, unclassified, deemed forests, and forests by their dictionary meaning, State-wise, need to be collated. Making sweeping changes in the FCA, which has been the cornerstone for conservation, based on inadequate data and hypothesis is a sure shot way to ecological disaster.

Exemptions of one hectare along roadsides and railways, five hectares in LWE (Left Wing Extremism) areas for infrastructure, 10 ha anywhere in the country for security-related infrastructure, and blanket exemptions for scoping studies, will result in the diversion of forest land, and without any cumulative ceiling being prescribed across the country, it will pockmark our forests with cancerously growing deforested 'islands' and fragment them, causing enormous ecological loss.

Opening forestlands for non-forest use will lead to shrinking, fragmentation and degradation of wildlife habitats, loss of human life, livelihoods, and tremendous loss of crops and ecosystem services.

RS: Could you highlight some more effects of the FCAA 2023?

PS: Forest clearance is no longer required under the FCA for forest land within 100 km of international borders for defence or security related projects. India's 15,100 km international terrestrial borders include entire northeast states, such as 90% of Nagaland, the whole of Meghalaya, Tripura and Mizoram, and a substantial part of Assam. It means there will be no regulatory oversight, no safeguards or Environmental Impact Assessments and thereby we would lose some of the richest forests in India.

No defence project, especially along the international border has been rejected or delayed till date. Where is the data submitted by MoEF to the JPC that there were rejections or delays caused by scrutiny of the FCA? These are anecdotal claims and suppositions not backed by hard data based on which drastic changes are being made to our ecological security. Defence security and ecological security are not exclusive to each other.

RS: Your petition highlights the historical reason why the FCA 1980 was passed. In the 30 preceding years, India had lost 4.2 million hectares of forest land. But since 1980, the loss was reduced to 1.5 million hectares. So why have these amendments been cleared, especially against expert advice?

PS: Though everyone speaks the language of conservation, averting climate change, and other internationally accepted jargon, greed has its own language. Amassing wealth, power, position while speaking the language of conservation has its own benefits. Doublespeak is a language which has the greatest currency today.

RS: Your petition highlights how the already existing regulatory mechanisms such as the Forest Advisory Committee and the Regional Empowered Committees that evaluate every application for diversion of forest land are hardly functioning. Doesn't this reflect badly on MoEF and its large cadre of forest officers?

PS: Why only forest officers? These committees have IAS officers, politicians, scientists, NGOs and NGIs, too. Many forest officers have worked very hard for conservation and have done their job with sincerity and integrity. Most forest field staff are exemplary and the tough job they do with commitment and sacrifice is why our forests and biodiversity exist.

RS: But you do emphasise that government officials focus on compensatory afforestation, forgetting that natural forests are 40 times more efficient as carbon sinks.

PS: The amendment removes plantations from the FCA, assuming that people will start growing plantations on a large scale, thus helping our country to achieve its national targets of Net Zero emission by 2070, creating carbon sinks and improving livelihood of forest-dependent communities. This assumption is based on suppositions and anecdotes, not data.

Publicly available data reveals that plantations are failures causing huge losses to the exchequer while negating the massive social forestry programmes. More ominously, they will be used as compensatory afforestation lands offered up by project proponents in lieu of forest areas diverted for non-forestry activities.

RS: Even worse, will this amendment destroy our biodiversity given that India has more than 5,000 endemic species of plants and animals in the world?

PS: Frankly, who is concerned? It is all about looking and sounding politically correct. Attending conventions and making assurances which are not followed up on. We are destroying wildlife corridors, fragmenting habitats, and exacerbating human-wildlife conflict. We have just 5% to 6% of Protected Areas but we are busy diverting even this small area for infrastructure. We have reached the stage where we are talking about sterilising wild elephants to control their population!

I have heard committed wildlifers saying it is fine to have linear infrastructure like roads through Protected Areas if we provide mitigatory measures such as overpasses and underpasses. But what about the destruction caused while the infrastructure is being constructed, and fragmenting and deteriorating our forests which cannot sustain biodiversity and wildlife? It is a known ecological fact supported by scientific findings and data that ecosystem services provided by intact forest are much greater than fragmented forests.

We are in a great hurry. Probably hurtling towards our destruction and taking along all our biodiversity and natural world to their end.

RS: This Bill was drafted by members of the forest service who are expected to protect our forests. Why then should they be party to a Bill that serves to destroy this key natural resource? Why did none of them protest on this amendment?

PS: I do not have inside information and therefore can only make some informed guesses from my experiences. It is so easy to threaten an officer covertly and make them toe the line. We live under the fear of memos, explanations being called for, disciplinary action, punishment postings, falling from grace, getting our career stunted. To add to it, is greed—for power, position, plum postings, post-retirement government assignments—which I believe is a real bane and makes many “compliant” toward the end of their career.

This amendment is the handiwork of many sectors, including forest officers. Therefore, it may not be fair to only pin-point just at them.

RS: You are known to have been a fiercely independent forest officer who was shunted off to the Ministry of Finance because of your disagreement over some decisions. Can you elaborate on that?

PS: I was DIG Wildlife from 2010 till 2012. I was a part of the NBWL [National Board for Wildlife] and its Standing Committee secretariat in the MoEF and was responsible for processing all cases to be placed before the Standing Committee. My strong comments on file for conservation fell foul with my seniors and the then Minister Jayanthi Natarajan. I was harassed and hounded to write pro-diversion comments, which I did not.

RS: This amendment is expected to destroy the livelihoods of hundreds of forest dependent communities once their land is taken over for defence installations or safari parks. This conflict was highlighted by Harsh Chauhan who resigned from the

chairmanship of the National Commission on Scheduled Tribes in June this year only because he had demanded this amendment not be rushed through. Your comments?

PS: It is highly probable and will unfold if this amended Act is implemented. <https://www.newsclick.in/new-forest-bill-speaks-conservation-acts-destruction>

**14. Green hydrogen push: a boon or a bane** (*newindianexpress.com*)  
Oct 28, 2023

**While all this sounds very rosy, there are concerns that emissions from grid-connected hydrogen electrolysis might be multiple times worse than conventional ‘grey’ hydrogen produced from fossil fuels.**

CHENNAI: India has set its sights on becoming energy-independent by 2047 and achieving Net Zero by 2070. To achieve this target, increasing renewable energy use across all economic spheres is key and green hydrogen is considered a promising alternative for enabling this energy transition. The National Green Hydrogen Mission, which was approved by the Union Cabinet in January 2022, targets the development of at least 5 million metric tonnes (MMT) per annum of green hydrogen production capacity.

While all this sounds very rosy, there are concerns that emissions from grid-connected hydrogen electrolysis might be multiple times worse than conventional ‘grey’ hydrogen produced from fossil fuels.

Bengaluru-based Climate Risk Horizons, which works on systemic risks that climate change poses to investors, lenders and infrastructure investments, released a report titled “Pitfalls & Promise” in which it indicates rush for green hydrogen production might ‘cannibalise’ existing renewable energy supplies.

Green hydrogen is produced by splitting water using electricity. The process is called electrolysis. Ideally, the source of power should be entirely clean energy from new installations. Otherwise, decarbonising India’s grid to reduce emissions will take a back seat. “If existing or already planned renewable energy is diverted to green hydrogen production, then it will delay grid decarbonisation. Due to efficiency losses (which are close to 20-30% as per another global analysis) utilising clean energy for green hydrogen delivers significantly lesser carbon reductions than clean electrification of the grid,” the study report said.

Current scenario

To produce 5 MMT of green hydrogen, 250 TWh of electricity would be needed, which is 13% of India’s current electricity generation. As of August 2023, India’s total renewable capacity (excluding large hydro) stood at 131 GW. The mission envisages adding 125 GW to support hydrogen production. This would be in addition to the existing 500 GW non-fossil target submitted as part of India’s Nationally Determined Contribution under the Paris Agreement. But in FY 2023, India installed only 15 GW of new solar and wind capacity, against the 45 GW per year needed to reach the 2030 target. So, if the electrolyzers are run 24x7, they will operate even in non-RE generating periods. Where will the electricity come from? If it comes from India’s coal-powered



grid in general, it will in fact increase carbon emissions, since about 70% of the electricity on the grid is coal-generated—more in non-daylight hours when solar generation is nil.

In an office memorandum issued earlier this year, the Ministry of New and Renewable Energy (MNRE) talked about supporting green hydrogen production ‘banked with the grid’ while prescribing 2 kg of carbon dioxide equivalent per kg of hydrogen as the green hydrogen standard for India.

Research in the United States suggests that embodied carbon emissions from “green” hydrogen produced using loose accounting standards would in fact be several times more than those from traditional “grey” hydrogen produced from fossil fuels and drive tens of millions of tonnes of additional emissions into the atmosphere. Given the Indian grid’s higher dependence on coal for electricity, particularly during non-sunlight hours, carbon intensity of “green hydrogen” produced with electricity from the grid will likely be much worse, the study said.

Only 15% disclose source

Only 15% of the green hydrogen production capacity announced so far (2,66,000 metric tonnes per annum from a total of 1.7 million MT/p.a.) have announced renewable energy Power Purchase Agreements (PPAs) or captive RE generation to meet their electricity demand.

The vast majority of projects have not disclosed their source of electricity. It is also not clear if those few projects that have committed to renewable PPAs or captive RE generation intend to meet 100% of their requirement from these sources. Ashish Fernandes, CEO, Climate Risk Horizons said: “It’s essential that the MNRE gets this right. Green Hydrogen has massive potential to reduce carbon emissions from industrial sectors, but only if the accounting methods and safeguards are rigorous. This means it has to be powered 100% by new, additional renewable energy that is matched to consumption on an hourly basis. If the rules have loopholes, either by allowing RE credits or matching consumption with RE generation on a monthly or annual basis, it will not deliver actual carbon reductions. This will undermine the green hydrogen market before it can even get started.”

Counter view: This is the right time

Green hydrogen is seen as the fuel of the future. Especially, to decarbonise hard-to-abate sectors like fertiliser, steel, iron, and petrochemical sectors, this is the only solution. In industry, hydrogen can potentially replace coal and coke in iron and steel production. Steel manufacturing is one of the largest carbon emitters in the world. Decarbonising this sector using hydrogen is expected to have a significant impact on India’s climate goals.

At present, hydrogen produced from natural gas is widely utilised for the production of nitrogenous fertilisers, and petrochemicals. Substituting this with green hydrogen could allow use of renewable energy in these important sectors and reduce import dependence. India’s annual ammonia consumption for fertiliser production is about 15 million tonnes, roughly 15% of this demand (over 2 million tonnes per annum) is

currently met from imports. Mandating even 1% green ammonia share is likely to save about 0.4 million standard cubic feet per day of natural gas import. Rahul Walawalkar, founder and president, India Energy Storage Alliance, which actively engaged with MNRE and contributed to formulating Green Hydrogen Mission, told TNIE: “The overall policy is going in the right direction. Only thing is to reduce the cost of manufacturing hydrogen, we need to look at increasing the utilisation of electrolyzers by adding wind, solar and storage and get 80% green energy, which is something possible and in active discussion. All the stakeholders are aware of the issues. There is no point in jumping the gun.” He said it is important to build the industry, and manufacturing capacity, and train the industries about how to operate and optimise. The mistakes and delays that happened with solar and battery storage should not be repeated and end up playing the catch-up game. <https://www.newindianexpress.com/xplore/2023/oct/28/green-hydrogen-push-a-boon-or-a-bane-2627633.html>

### **15. Facing the Climate Divide: The loss and damage fund cannot wait** (*newindianexpress.com*) Oct 28, 2023

The 2022 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, more commonly referred to as COP27, made a landmark decision to establish a ‘Loss and Damage Fund’ at Sharm El Sheikh, Egypt in 2014. The decision considered a vital ‘third pillar’ in climate action, ignited hope among the Global South nations who have been facing the brunt of climate-induced disasters – from searing heatwaves to floods to supercharged storms or rising sea levels.

The term, Loss and Damage captures the irreversible harm climate change has inflicted on human society and our planet’s fragile ecosystems. Such damage is a direct consequence of inadequate mitigation, insufficient adaptation and scenarios that exceed their current adaptive capacities. The fund is meant to assist communities in recovering from climate-induced disasters.

India, ranking seventh on the Global Climate Risk Index 2021, grapples with significant climate challenges. Predictions by the Overseas Development Institute suggest a potential annual GDP reduction of 3% to 10% by 2100 due to climate impacts. The Intergovernmental Panel on Climate Change further cautions close to 40% of Indians may face water shortage by 2050.

The stark reality is that the wealthiest nations, accountable for an overwhelming 79% of all historical carbon emissions until the last decade, owe a considerable debt. The Global South—communities least responsible for this crisis—find their livelihoods devastated due to the unrestrained expansion of the planet-heating fossil fuels—gas, oil and coal— led by the Global North.

After three relentless decades of advocacy, a glimmer of hope appeared in the form of a Loss and Damage Fund. However, turning this decision into concrete action has proven challenging. The Transitional Committee (TC) set up by the UN to operationalise the fund has faltered in drafting their recommendations despite a series of meetings. This setback underscores the deep divide between wealthy and developing nations.

Civil societies say the breakdown of talks is a result of the developed countries' reluctance to engage constructively on these issues.

Developing nations argue for the Loss and Damage Fund to operate independently under the UN, while richer nations want it hosted by the World Bank—an institution criticised for exacerbating both climate change and global inequalities. These affluent countries aim to restrict the fund's scope to low-income and island nations, sidelining the vulnerable communities in the process and attempting to fragment the solidarity of developing nations. Moreover, affluent countries resort to financial manoeuvres, such as predominantly offering loans instead of grants for climate finance. They intend to apply the same approach for Loss and Damage finance, despite being fully aware that such debt-oriented strategies exacerbate the very issues they claim to address.

These intentions are getting exposed at a time when studies are predicting that Loss and Damage expenses could soar to between US\$290 billion and \$580 billion annually for developing nations by 2030.

Developed countries are unwilling to establish systems for new, additional, predictable and adequate resources; and are avoiding discussions on immediate capitalisation of the Loss and Damage Fund.

India served as a member of the TC at the inaugural meeting and has since acted as an observer in subsequent engagements. India should hold developed nations accountable for their historical obligations and exert pressure on them for action.

An additional meeting is scheduled for November 3-4, hosted by the COP28 Presidency in Abu Dhabi, with the goal of breaking the deadlock and reaching a consensus before the climate conference this December.

Communities at the heart of this climate catastrophe merit genuine support, not evasion. Rich nations must recalibrate their approach at the earliest; otherwise, the world will not only remember but also rebuke their legacy of climatic apathy and injustice. <https://www.newindianexpress.com/xplore/2023/oct/28/facing-the-climate-divide-the-loss-and-damage-fund-cannot-wait-2627635.html>

## **16. ED ropes in ISRO, IIT-Kanpur to probe illegal sand mining in Tamil nadu (*thehindu.com*) Oct 30, 2023**

The Directorate of Enforcement (ED) has roped in experts from the Indian Space Research Organisation (ISRO) and the Indian Institute of Technology- Kanpur (IIT-K) to assist in its ongoing investigation into allegations of excessive sand mining in Tamil Nadu, official sources said on Sunday.

Investigators from the ED have sought the support of scientists of ISRO and IIT-K to assess the area and quantum of sand mined along riverbeds in the State. As part of the probe into allegations that a huge quantity of sand was excavated in violation of environmental clearance norms and sold illegally to sand lorry owners without any record, evading taxes, the ED registered a case under the Prevention of Money

Laundering Act and searched designated sand mining sites in six districts on September 12, 2023.

After the searches, which lasted for about three days, the Central agency had seized incriminating documents, including fake receipts and counterfeit QR codes, that pointed to irregularities in the sale of sand. Investigators also seized storage devices of CCTV footage and hard disc from computers used for entering data of transactions at sand stockyards.

The ED had also sought data on the quantity of sand mined and sold in the last two years.

Satellite images

The sources further said that ISRO was in the process of providing satellite images of the sites over a period of time, based on coordinates made available by the investigating agency. The images will help in assessing the depth of sand mined, which experts from IIT-Kanpur would use to measure the quantum.

The scientific investigation will help the ED calculate the quantum of sand mined, assess the quantity mined illegally and the corresponding loss to the exchequer, the sources added.

Meanwhile, a top official in the Water Resources Department — Engineer-in-Chief and Chief Engineer General A. Muthiaya — who had sought details on illegal sand mining from senior engineers in-charge of sand mining and sale in the State, has gone on leave. Another official has been given charge of his position, the sources said. <https://www.thehindu.com/news/national/tamil-nadu/ed-ropes-in-isro-iit-kanpur-to-probe-illegal-sand-mining/article67473481.ece>

## **17. 8 months on, funds not released for mid-day meal scheme in J&K** (*hindustantimes.com*) Oct 27, 2023

For the past eight months, the Jammu and Kashmir administration has not released funds for the mid-day meal scheme. Many schools have been unable to procure items or have been facing difficulties in preparing meals for the students.

In all, there are more than 22,000 government schools where mid-day meal is to be provided. For each primary student, the schools get ₹5.45 and ₹7.45 are given for each middle school student. According to officials, ₹162 crore were approved under the scheme for this year.

Teachers in some schools have been arranging meals by spending a part of their salary and taking loans from shopkeepers. The scheme was launched in 2002 in J&K.

“I have around 200 students on rolls. We have been regularly providing mid-day meals to students. I exhausted all my savings and then took loans from shopkeepers. When I couldn’t pay the shopkeepers, they stopped supplying items. Now we don’t have provisions for the meals,” said principal of a government school in Bandipore. He added

that the rice provided from ration stores has not been issued for the third quarter, adding to the problems.

“This is all a mess. How long could we afford to arrange mid-day meals by spending own money,” he lamented. He said that he has spent more than ₹1.5 lakh of his money, adding that there were many like him, going through the same ordeal.

“Some schools have had to stop preparing mid-day meals or the quality gets compromised,” he said.

The scheme was launched by the Union government to ensure proper nutrition among the students enrolled in government schools and to promote attendance.

Another teacher, who is in-charge of mid-day meal at a school in Baramulla district, shared the same woes.

“We used to get money after couple of months. Now we haven’t got the money since March. Many schools have either stopped or limited this scheme to odd days. This scheme won’t yield its results if funds aren’t released on time,” he said.

Those who have been assigned to arrange mid-day meals in other districts said their pleas seeking release of funds have not yielded results. ‘We have been told by higher ups that money will be released, but it proves to be a false promise every time. With the funds should be released, or we have to stop this scheme.’”

According to officials, the funds received from the Union government’s ministry of human resource and development (MHRD) to the administration are released from the School Education Department (administrative) to the directorates of school education for release to school levels.

The scheme is based on 90% central funding and 10% expenses are borne by the UT administration. The food grains are lifted by the consumer affairs public distribution department from the Food Corporation of India godowns on behalf of district authorities on quarterly basis.

Deep Raj, director of SAMAGRA, said the money will be released shortly. “We expect to receive first instalment in a day or two,” he said.

Raj negated the claims that schools have stopped providing mid-day meals. “There is no school on date which is not providing mid-day meal to the students. We have sufficient quantity of rice in each school,” he added.  
<https://www.hindustantimes.com/cities/chandigarh-news/8-months-on-funds-not-released-for-mid-day-meal-scheme-in-jk-101698427525285.html>

## **18. 9-yrs on, work on World Bank-funded bridges in South Kashmir drags on (*dailyexcelsior.com*) October 30, 2023**

Construction work on the two World Bank-funded bridges in South Kashmir continues to drag on despite the passage of nine years since the commencement of these crucial projects.

The projects include the Trenz Bridge in Shopian and the Rohmoo Bridge in Pulwama, both of which were washed away in the 2014 floods. These bridges are not only crucial for connecting numerous villages but also serve as vital inter-district links, bridging the gap between the three districts of South Kashmir.

The bridges are being built at a cost of Rs 34.5 crore for the Trenz Bridge and Rs 21.5 crore for the Rohmoo Bridge, with construction starting a month after former Chief Minister Mehbooba Mufti visited the sites in May 2017.

Construction began a month after the visit of former Chief Minister Mehbooba Mufti in May 2017, with an initial projected completion time of three years. However, it has been nine years, and these projects remain unfinished.

Danish Ahmad, Managing Director of Jammu and Kashmir Project Construction Corporation Limited (JKPCCL), said that work on both bridges is progressing at a good pace and they are expecting the Rohmoo Bridge to be completed by December of this year.

“The work on the superstructure for both bridges is in progress, with no shortage of funding. We are committed to completing these bridges on schedule,” he said. However, he did acknowledge that the Trenz Bridge might require more time due to its extensive span, aiming for completion by August 24, 2024.

Local residents in Rohmoo and nearby areas continue to grapple with the absence of these critical connections. “We are currently using a makeshift road that can be swept away by rushing waters at any moment. Authorities should speed up the construction work to ensure better connectivity,” Manzoor Ahmad, a local, said.

The incomplete Rohmoo Bridge plays a pivotal role in connecting Pulwama and Budgam districts through Charar-e-Sharif and Pakherpora. People from both districts continue to endure difficulties due to the absence of this essential link.

For the residents of Shopian, the loss of the 300-metre Trenz Bridge in the floods has forced them to take longer routes to reach neighbouring Pulwama district. They rely on Pulwama for crucial services like healthcare and education, making it an integral part of their daily lives. “The lack of this bridge has created many challenges for the residents. The bridge needs to be completed soon to end the sufferings of people,” Fayaz Ahmad, a local, said. <https://www.dailyexcelsior.com/9-yrs-on-work-on-world-bank-funded-bridges-in-south-kashmir-drags-on/>