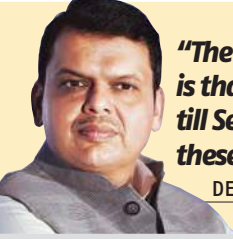


"Article 370 was a temporary provision that had long outlived its utility. Its abrogation was essential to fast-track the progress of the region"

M VENKAIAH NAIDU
Vice-President



"The jugglery of (Maharashtra) loan waiver scheme is that loans that have been declared outstanding till September 2019 will be waived, which means all these loans will be from previous years"

DEVENDRA FADNAVIS
BJP leader



"I have received 3-4 demands from the Siam. I have sent your suggestions, including the one related to GST rate cut, to the FM. If you (industry) have any other suggestions please submit those as the Budget consultation process is still going on"

ARJUN RAM MEGHWAL
Union minister of state for heavy industries and public enterprises

IN BRIEF

Power Ministry scraps auction to procure 2.5 Gw electricity

The power ministry has scrapped the auction to procure 2.5 Gw electricity for medium term (three years) under a scheme to provide relief to thermal power plants plagued by short coal supplies, state-run NHPC said on Monday. According to sources, lack of interest from state power utilities due to a higher tariff of ₹4.41 per unit discovered through the reverse auction process led to the cancellation of the auction. The power ministry now has advised nodal agency Power Finance Corporation—arm PFC Consultancy (PFCC) to call the bids again.



790 tonnes of imported onion reach India

The first batch of imported onion weighing 790 tonnes has reached India and some quantities are being distributed to Delhi and Andhra Pradesh at a landing cost of ₹57-60/kg, a senior Consumer Affairs Ministry official said on Monday. An approximately 12,000-tonne of onion shipment is expected to arrive by end of December, he stated.



Sushil Modi: GST Council verifying new registrations

The GST Council is verifying the 6.6 million new registrations by taxpayers, which could be fake or pertain to shell companies, Bihar Deputy Chief Minister Sushil Kumar Modi, who is also the convener of Group of Ministers (GoM) on integrated GST, said on Monday.

Harsh Vardhan Shringla appointed foreign secretary

Harsh Vardhan Shringla, India's Ambassador to the US, has been appointed the foreign secretary, said to a Personnel Ministry order issued on Monday. He will take over as foreign secretary on January 29 after Vijay Keshav Gokhale's "two-year term" ends a day before.

Cabinet may take up proposal for NPR updation funds

The Union Cabinet is likely to consider a proposal on Tuesday to allocate funds for updating the National Population Register, an exercise which is to commence from April next year, sources have said. The proposal is part of the agenda of the cabinet meeting, sources said on Monday.

Investment and growth panel holds 1st meet

The newly formed Cabinet Committee on Investment and Growth held its first meeting on Monday as the government looked at boosting spending to bring back a sputtering economy on track. Sources said Prime Minister Narendra Modi chaired the meeting.



Union Finance Minister Nirmala Sitharaman on Monday held a pre-Budget interaction with representatives from water and sanitation sectors. Her deputy Anurag Thakur also held a meeting with stakeholders in health, education, and rural development sectors. Discussions were held on challenges faced in providing quality water, sanitation, solid waste management, and drainage in the country

PHOTO: PTI

FinMin refuses to share Swiss bank a/c details

PRESS TRUST OF INDIA
New Delhi, 23 December

The finance ministry has declined to share Swiss bank accounts details of Indians saying it is covered under "confidentiality provisions" of a tax treaty signed between India and Switzerland. In reply to an RTI query, the ministry also refused to disclose the details of black money received from other foreign countries. "Information exchanged under such tax agreements is covered under confidentiality provisions of respective agreements. Thus, disclosure of tax related information and information sought/obtained from foreign governments is exempted under section 8 (1) (a) and 8 (1) (f) of the Right to Information (RTI) Act," it said in response to the RTI application filed by a PTI journalist. The section 8 (1) (a) bars disclosure

of information "which would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific or economic interests of the State, relation with foreign State or lead to incitement of an offence". The other section exempts disclosure of "information received in confidence from foreign government". The ministry was asked to provide the details of information received from Switzerland related to accounts of Indians in banks there. It was also asked to provide the details of information received from foreign countries on black money, including details of such cases shared with India. India had in September got the first set of Swiss bank account details of its nationals under a new automatic information exchange pact. India is among 75 countries with which Switzerland's Federal Tax Administration (FTA) has exchanged infor-



India is among 75 countries with which Switzerland's Federal Tax Administration has exchanged information on financial accounts within the framework of global standards on Automatic Exchange of Information

mation on financial accounts within the framework of global standards on Automatic Exchange of Information. It is feared that many Indians might have closed their accounts after a global crackdown on black money led to Switzerland buckling under international pressure to open its banking sector for scrutiny to clear the long-held perception of Swiss banks being safe haven for undisclosed funds.

Switzerland agreed to AEOI with India after a long process, including review of necessary legal framework in India on data protection and confidentiality. The National Council of Applied Economic Research (NCAER), that was one of the three institutes commissioned in 2011 by the then UPA government to conduct a study on black money, has estimated wealth accumulated outside India

between \$384 billion and \$490 billion during the period 1980 to 2010. Another institute — National Institute of Financial Management (NIFM) — had in its findings said the results of estimation suggest that total illicit outflow at the present value (including opportunity cost) from India in the reform period (1990-2008) is ₹9,41,837 crore (\$216.48 billion). Importantly, illicit outflows from the country are estimated on average to 10 per cent of the estimated unaccounted income. During the period 1997-2009, illicit financial flows out of the country have been in the range of 0.2 per cent to 7.4 per cent of GDP, according to the National Institute of Public Policy and Finance (NIPFP). These study reports of the NIPFP, NCAER and NIFM were received by the government on December 30, 2013, July 18, 2014, and August 21, 2014, respectively.

Rationalise food, agri sops to save ₹15,000 cr: Panel

Seeks making the scale of finance for agriculture credit more evidence-based

SANJEEB MUKHERJEE
New Delhi, 23 December

The government can easily save ₹10,000-15,000 crore annually from the amount it spends on different food, fertiliser and agriculture subsidies by adopting various corrective steps, said a high-powered panel. This can then be invested back in the country's rural sector by creating jobs and livelihood for the poor. The panel on suggesting a roadmap for the rural and agriculture sector in the next five years has advocated these measures. They include making the scale of finance for agriculture credit more evidence-based and limiting the coverage of cheap food grains under the Food Act in urban areas, officials said. It estimated that the government spends around ₹4 trillion-₹5 trillion every year on different food and agriculture subsidies. Some of these can easily be rationalised, freeing up funds that could be channelised to create livelihood opportunities in rural India. These opportunities could be created through empowering Farmers-Producer Organisations (FPOs), Joint-Liability Groups (JLGs) and making small and marginal farmers diversified producers, officials said.

It also suggested providing FPOs and other forms of collectives a proper ecosystem to grow and diversify operations. In case of agriculture credit, the panel is believed to have advocated making the scale of finance more evidence and agro-climatic conditions-based. This will help subsidy on agriculture credit reach the right person and benefit small and marginal farmers instead of big land holders. The government spends ₹15,000-18,000 crore annually in providing subsidy for short-term crop loans to farmers. In 2018-19, the central government had fixed an agriculture credit target of ₹11 trillion. A recent report by RBI's internal working group (IWG), headed by its deputy governor MK Jain, also found that the predominance of agricultural



THE BREAK-UP

Annual subsidy for food, fertiliser, and farm sectors (approximate)	(₹ crore)
National Food Security Act	175,000
Fertiliser subsidy	100,000
PM-KISAN	90,000
Power subsidy (central + states)	50,000
Crop loan subsidy	18,000
Pradhan Mantri Fasal Bima Yojana	14,000

Source: Panel of secretaries

loan against gold as collateral is a matter of concern as the quantum of loan must have been de-linked from the scale of finance. "If the crop loan is not based on the scale of finance, there is a high probability that the loan amount sanctioned may be higher than the actual credit requirement. This ultimately leads to diversion of funds, and consequently, high incidence of indebtedness among the farmers. Furthermore, short-term crop loans are eligible for the interest subvention scheme that incentivises farmers to avail such agricultural loans, leading to misutilisation of government subsidy," the report said. Clearly, this is an area where the panel wants the government to work on.

On rationalisation of fertiliser subsidies, the panel suggested that the database of farmers available through PM-KISAN could be used to restrict fertiliser usage once it is linked to database of land records



In a 1st, CIL turns buyer, signs pact with Odisha firm

OCPL can sell 6,000 tonnes of coal per day to Coal India at notified prices

AVISHEK RAKSHIT
Kolkata, 23 December

In a first of its kind initiative, Coal India (CIL) has joined hands with a state government-owned coal company, Odisha Coal and Power (OCPL), to buy the coal produced from captive mining block in Manoharpur of Odisha. According to the agreement, OCPL can sell 6,000 tonnes of coal per day to CIL at notified prices meant for the power sector. CIL is at liberty to sell the coal either to power plants or to the non-power sector. In case it opts for the latter, CIL stands to gain 20 per cent over the cost of procurement from OCPL. CIL has also designated a siding where it would receive coal from OCPL and it would be dispatched to the buyers via the rail mode. "It would not only help OCPL to lower its stock pile and sell coal, but the company can also continue production from Manoharpur block. From CIL's perspective this excess coal received helps in enhancing coal supplies to its consumers, particularly for liquidating the arrear rakes of the non-power consumers", a Coal India official said. According to the official, primarily, coal produced from coal blocks allocated is for captive consumption in the designated end use power plants. However, in a situation

where the coal produced at the captive block exceeds the requirement of the designated end use power plant, there is a provision in the Coal Mines Development and Production Agreement for supply of such excess coal to CIL. CIL may supply the coal thus received to its own consumers. "This helps in making more domestic coal available in the system to bridge the gap between demand and availability", the official said. Manoharpur coal blocks have a production capacity of eight million tonnes (mt) and were allocated to OCPL in August 2015 to supply coal to the 1,200-Mw IB Thermal Power Plant owned by Odisha Power Generation Corporation (OPGC). Till the time production started from this block, Mahanadi Coalfields, a CIL subsidiary, stepped in to supply coal to OPGC through bridge linkage to the tune of 4.8 mt. Bridge linkage is a short-term arrangement to plug the gap between the coal requirement of a specified end-use plant and output at the start of production from the allotted coal block. Though coal production from Manoharpur block started, the fuel could not reach the power plant due to evacuation bottlenecks, which forced OCPL to stop production. Thereafter, CIL entered into a deal with OCPL to buy the coal.

India's donkey population falling prey to Chinese 'Ejiao' producers

SANJEEB MUKHERJEE
New Delhi, 23 December

The 20th livestock census released few months back has shown a sharp decline in India's donkey population, much of which has been attributed to their decreasing use in short-distance transport in the country's hinterland. Between 2007 and 2012, India donkey population fell by 23 per cent and thereafter — from 2012 to 2019 — it further dropped by 61.23 per cent, leaving just 120,000 donkeys in India, according to the latest provisional census released months back. However, animal welfare activists like Brooke India and others feel that the sharp fall in India's donkey population is part of a global decline in their numbers as thousands of them are regularly traded and stolen, including from India for producing, 'Ejiao', a traditional Chinese remedy believed by some to have medicinal properties. 'Ejiao' is produced by the Chinese from donkey skins, and with its own

domestic donkey population falling sharply, the Chinese Ejiao industry has started actively looking towards other countries to source donkeys. A recent report by a global animal welfare organisation, the Donkey Sanctuary, shows that the Chinese Ejiao industry requires approximately 4.8 million donkey skins annually, while the domestic donkey herd in China had gone down from 11 million in 1992 to just 2.6 million at present, forcing the Ejiao industry to source donkey skins from around the world, placing unprecedented pressure on donkey populations globally, and contributing to the collapse of some national donkey populations. The report said that for many of the world's most vulnerable communities, and women in particular, donkeys are a pathway out of poverty and can be the difference between destitution and modest survival. They are used daily to collect water and provide transport for families to attend health clinics and chil-

DONKEY POPULATION

1992: 11 mn | 2017: 4.6 mn

5,600 tonnes of Ejiao are produced from 4.8 mn donkey skins annually

20% per annum Ejiao growth rate

Source: Reports



dren to attend school. The income generated by donkeys transporting goods to market enables owners to invest in savings schemes, contributing to building stronger economies within their communities. For these people the trade in donkey skins has had a catastrophic impact. The report says that cruel and often illegal treatment of donkeys by local traders is rife, and many donkeys experience horrendous and

inexcusable suffering. Sourcing is often indiscriminate, with mares in the late stages of pregnancy, young foals and sick and injured donkeys entering the trade. They are often transported, sometimes for days on end, in overcrowded trucks without food, water or rest. In some cases, up to 20 per cent of donkeys will be dead by the time they arrive at the slaughterhouse. The report also says that slaughter of donkeys leads to unknown health creates a high risk of the spread of infectious diseases across the globe. The Donkey Sanctuary, along with its local partners and with Brooke and the Society for the Protection of Animals Abroad (SPAN), is working with national governments and local communities to protect their donkeys. "We urge the Ejiao industry to move away from sourcing donkey skins internationally and put in place measures to pursue humane and sustainable ways of meeting the industry's needs," the report said.