NEWS ITEMS ON CAG/ AUDIT REPORTS (07.06.2022)

1. FSSAI finalising framework, to set up finance committee *(thehindubusinessline.com)* Jun 06, 2022

CAG had recommended that the food safety authority should notify financial regulations for utilisation of funds collected since 2008

The Food Safety and Standards Authority of India is looking to set up the FSSAI Fund which will consist of grants given by the Centre, fees earned through licensing and other statutory charges besides income generated through testing and consultancy among others. This move is a step to formulate appropriate financial regulations as well as have a framework to manage internally generated funds.

In 2017, CAG had done a performance audit of FSSAI and had observed that internally generated funds remained un-utilised as FSSAI did not frame regulations for utilisation of such funds. It had therefore recommended that the food safety authority should notify financial regulations for utilisation of fundscollected since 2008.

According to the draft Food Safety and Standards Authority of India (Financial) Regulations, 2022, a finance committee will be set up to provide recommendations on the financial matters of the FSSAI. Its mandate will be to review the budget of FSSAI including Performance Budget, review of estimation of grant-in-aid from the Central government and other receipts and review of audit of accounts of the Authority through government audits.

The committee will also review investment of surplus funds and budget allocations for various programmes. The finance committee will consist of officials from FSSAI and representative from Ministry of Health and Family Welfare.

"The accounts of the Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him on his behalf, together with the audit report thereon, shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament or as prescribed by the Government," the draft stated. https://www.thehindubusinessline.com/economy/fssai-finalising-framework-to-set-up-finance-committee/article65500870.ece

2. Taps Run Dry under Government's Har Ghar Jal Scheme in Uttarakhand *(indiaspend.com)* 7 June, 2022

Based on data from the Jal Jeevan Mission, 61.5% of the rural population in Uttarakhand has taps at home. But a ground check in Rudraprayag district shows that many taps have no water

Dehradun: The government's Jal Jeevan Mission dashboard says 192 or 80% of the 238 families in Maikhanda village in Uttarakhand's Rudraprayag district, get tap water at home. But when IndiaSpend visited the village, one village tap was the source of water for all the villagers.

And not just Rudraprayag, several villagers in Chamoli and Tehri district too have no water despite tap connections.

Uttarakhand is known for its mighty rivers and perennial water sources. However, during the summer, people--especially those living in the hills--face a scarcity of water.

The Har Ghar Jal scheme, to provide drinking water to all households, was launched by Prime Minister Narendra Modi from the ramparts of the Red Fort on August 15, 2019. In Uttarakhand, of the over 1.5 million families in rural areas, 934,259 or 62.5% now have a tap connection, up from 130,325 households in August 2019.

Under the Jal Jeevan Mission scheme, 95% of households in Dehradun district have a tap connection, the highest proportion of any district in the state, while Haridwar, with 39% of households with taps, has the least connections.

Taps, but no water

Around two years back, many families in Maikhanda got a tap connection, but no water flows from these taps, and the source of water is one village tap.

But even this water is not a guarantee. "During summers, water literally trickles out of the tap and during monsoon, the pipeline gets damaged, and it takes months to get it repaired," said Muskaan, a grade XII student who fills water for her home every morning before school. The men of the house go out for work, and her mother is busy with household chores, which means Muskaan often gets late for school waiting in the line at the water tap. She says, "it affects my studies."

Maikhanda, a scenic village in the Kedar valley by the Mandakini River, is economically and socially backward, and nearly 80% of the households belong to the Scheduled Castes and 5% to the Scheduled Tribes. The village is close to the national highway, so it has easy access to government schools, a primary health centre and grocery stores. Yet, getting water is a constant struggle.

"The mission of Har Ghar Jal scheme is to provide water to households via tap connections from the water sources that are already present," said Nawal Kumar Singh, the nodal officer for the scheme in Rudraprayag district. "However, as there is not enough water in the water source close to the Maikhanda Gram Sabha, people living in the village are not getting tap water. We are looking for alternative water sources."

Similarly, residents of Raudeli village, in Tehri Garhwal district, also complain that the taps are not connected to a water source.

"When we asked the authorities the reason behind this, they say that no water source has been designated for our village yet," said Dinesh Singh, the village head of Raudeli. He added that there are many water sources near the village, but they are not used properly. "Right on top of our village, there is an ancient water source which gets clear water from the roots of banjh oak trees. Besides, the Hebal River flows very close to our village. Despite this, our village faces a severe water crisis."

Poor water management imperils water sources

Each person is supposed to get 55 litres of water on a daily basis under the Har Ghar Jal scheme. If the existing source of water is not enough to provide sufficient water, then the water pipeline in the village would be connected to some other water source, said Kumar, the programme's nodal officer in Rudraprayag. In the mountain regions of Uttarakhand, as the temperature goes up, the level of water in these water sources depletes rapidly, villagers said.

Village head Singh of Tehri blames the administration, saying "in our village, we get water from a stream named Vironda…However, because of the wrong policies adopted by the administration, water from this stream is provided to other villages as well. As a result of this, none of the villages, including ours, get enough water."

"Before the commencement of any scheme, a Detailed Project Report (DPR) is prepared. I have been requesting the authorities to provide me with the DPR that was prepared for my village just to understand how they are planning to connect the taps to the water source. But the department is not willing to share the report."

In Paini village in Chamoli district, 100% of the houses have tap connections. "Because now every house has a connection, people are using this water not just for daily chores but also for irrigation. Because of this, the usage of water has gone up, but there is not enough water. This is a new problem that we are facing," said Manmohan, a villager who goes by one name.

Not water scarcity, the issue is water management

On March 22, on World Water Day, while addressing a seminar in Dehradun, Rajendra Dobhal, director general of the Uttarakhand State Council for Science and Technology (UCOST), iterated that there is no scarcity of water in Uttarakhand. He added people are suffering because of poor water management practices adopted by the authorities. Two of the biggest rivers in the country--the Ganga and the Yamuna--and the many tributaries of these two rivers emerge from the Uttarakhand glacier, and provide water to many regions in North India.

Less than 50% of Uttarakhand's population gets clean and sufficient drinking water, according to a 2018 report by the Comptroller and Auditor General of India.

Apart from the drinking water crisis, the state is also grappling with grave issues like overexploitation of groundwater, deforestation, and natural water sources like streams and waterfalls going dry, the CAG report says.

"Many of our researchers have been studying the drinking water problem in the state ever since Uttarakhand came into being. All the findings point to serious drinking water problems in the near future," said Prashant Singh, deputy coordinator of UCOST and professor of chemistry at the Dayanand Anglo-Vedic College.

Factors such as global warming, unplanned road construction in the hills, illegal blasting of mountains to make roads, and the chirpine forests, exacerbate water depletion in the hills, he added. "We will have to take some solid measures to secure our natural water sources." https://www.indiaspend.com/cover-story/taps-run-dry-under-governments-har-ghar-jal-scheme-in-uttarakhand-821009

3. Freebies Good, Tax Subsidies Bad *(sambadenglish.com)* June 6, 2022

On April 4, 2022, top bureaucrats are reported to have briefed Prime Minister Narendra Modi that some states could become cash-strapped like Sri Lanka or Greece due to the freebies they have announced. The bureaucrats are reported to have said that announcements made by

Punjab, Delhi, Telangana, Andhra Pradesh, and West Bengal are unsustainable. It is not only Sri Lanka or Greece; 147 governments have defaulted on debts since 1960.

Actually, bureaucrats failed to distinguish between the debt problems of states and that of Sri Lanka and Greece, which failed to import goods and repay external debt due to lack of foreign exchange -a case of a sovereign debt default. But neither states have to pay any external debt in foreign exchange nor can fall into a debt trap like Sri Lanka or Greece.

DEBT IS NOT THE ONLY REASON FOR SRI LANKAN CRISIS

If states can go in the Sri Lankan way by an increase in debt, why it did not happen when states had higher debt-GSDP ratios than what is today. The Centre can also rescue states by providing loans or aid or financial assistance as it is providing revenue deficit grants as per the recommendation of Finance Commission. However, the Centre may face a similar crisis as it had faced in the 1990s. It does not mean states should spend recklessly. But spending for the poor is never reckless as it is propagated.

Sri Lankan crisis is not only due to debt problems but embracing IMF dictated reforms and tax cuts to the benefit of the rich and corporate. If higher debt-GDP ratio is responsible for such a crisis, then countries with higher debt-GDP must have been embroiled in such a crisis. When the debt-to-GDP ratio in Sri Lanka is 119%, it is nearly 134% in the US, 155.80% in Italy, 266% in Japan, 97.7%, in Europe, and 103.7% in the UK, 115.70% in France, and 90% in India.

It is not that Sri Lankan debt-GDP ratio has increased only, IMF's January 2021 Fiscal Monitor Update revealed that global public debt has risen to 98% of GDP (higher by 14% from, October 2019), primarily due to additional spending, forgone revenue, and liquidity support. The US debt has increased by more than 800% from 1989 to 2021.

Most importantly, the global trade and payments are done in a few currencies with the US dollar accounting alone (40.51%), followed by Euro (36.6%), pound and sterling (5.85%). India, Pakistan, Sri Lanka, and Nepal don't enjoy such privileges at all. Had Sri Lanka had a chance to pay the debt in its own currency or allowed currency swapping with the dollar, it could have averted the crisis

ATTEMPT TO BELITTLE NON-BJP RULED STATES

The Centre can provide some guidelines for maintaining fiscal discipline but it cannot direct states on how to spend money. After such irrational statements of bureaucrats, many newspapers, and journals have mentioned that states with the highest debt-GSDP ratio in 2021-22 are Punjab (53.3%), Rajasthan (39.8%), and West Bengal (38.8%), Kerala (38.3%) and Andhra Pradesh (37.6%).

This figure is not only wrong but also deliberately inflated to belittle non-BJP ruled states. In 2021-22, outstanding liabilities as proportionate of GSDP were for Punjab 46.4%, Rajasthan 38.2%, Kerala 37.39%, Andhra Pradesh 36.5%, West Bengal 35.5%, Telangana 24.84%. Other BJP or its coalition ruled states Himachal Pradesh 40.26%, Bihar 32.3%, Madhya Pradesh 28.5%, Uttar Pradesh 28.1%, Karnataka 26.9%, Haryana 25.92% have also higher ratio.

The liabilities of State Governments consist of (i) Public Debt; (ii) Ways and Means Advances and Overdrafts from the RBI or any other banks; (iii) Public Accounts; and (iv) Contingency

Fund, automatically public debt of states will be much lower. Note that public debt does not include other liabilities of states such as liabilities on public accounts, which have ranged between 6.7%-7.7% of GDP from 2011-to 2021.

What is disquieting is that during Modi's regime, states' debt increased. Between 2011-12 and 2014-15, the outstanding public debt of states was reduced from 17.2% of GDP in 2011-12 to 16.6% of GDP in 2014- 15. But it increased to 25.1% in 2021-22. Similarly, outstanding Liabilities of State governments and UTs have increased from 22% in 2014-15 to 31.2% of GDP in 2021-22, though within the prescribed limit. The 15th Finance Commission expects the debt-GDP ratio to peak at 33.35% in 2022-23, and gradually decline thereafter to reach 32.5% by 2025-26.

The takeover of debt of state-owned power distribution companies under the UDAY scheme by states was one of the principal reasons for the rise in states' debt levels in 2015-16 and 2016-17. The draconian demonetisation, flawed GST triggering slowdown and the COVID-19 pandemic induced recession needing increased borrowings to fund the expenditure has affected states' finances. This shows that during the Modi regime, state finances have worsened.

Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions.

The guarantee given by the states together is around 3% of their aggregate GSDP. It means in order to deliberately denigrate some non-BJP states, following misinformation is being spread. Even the figure shown included not debt but liabilities including guarantees.

RBI (in 2019) observed that the debt level of a state is considered sustainable if interest payment is less than 10% of its revenue receipts. BJP-ruled state of Haryana is estimated to spend the highest proportion of revenue on interest payments in 2021-22 at 23%.

Own tax-GSDP ratio is a measure of a state's potential to generate taxes from its economy on its own. A higher ratio indicates a better ability to harvest taxes from the economic activities in the state. States' own tax revenue in 2021-22 is estimated to be 6.7% of their GSDP. Most non-BJP ruled states like Andhra Pradesh (10%), Kerala (8.2%), Maharashtra, UP (8.1%), Jammu Kashmir (8.1%), Rajasthan (7.5%), Telangana (8.0%), and Odisha (6.4%) will have such ratio.

For 2021-22, the fiscal deficit (that shows how much the government is going to borrow in a year) limit permitted for states is 4% of GSDP. States will be allowed additional borrowing worth 0.5% of GSDP upon completing power sector reforms. The fiscal deficit of states on aggregate is estimated to be 3.7% of their GSDP in 2021-22.

Around 19 states have estimated their fiscal deficit to be below the 4% level. States with a relatively high fiscal deficit in 2021-22 include Chhattisgarh, Madhya Pradesh, and Himachal Pradesh. As per the RBI report, the fiscal deficit that shows the amount of borrowing is highest in Manipur (9.2%), followed by Goa 6.06%), Tripura (5.7%), Tamil Nadu (4.8%), Uttar Pradesh (4.7%), Punjab (4.6%), and Madhya Pradesh (4.6%),

Hence, citing names of only non-BJP ruled states only exposes the hypocrisy of civil servants who want to please the Prime Minister. However, after such statements, protagonists of neoliberalism have criticized freebies in such a way that all ills of state finances are only due to freebies. Even, NK Singh chairman of the Fifteenth Finance Commission, writes freebies are a passport to fiscal disaster. They could prove expensive for the economy, life quality, and social cohesion in the long run. This is quite wrong.

FREEBIES HAVE A POSITIVE IMPACT

Freebies mean something is given free of charge. It is not only freebies but anything given at a subsidised rate including any populist scheme opposed by market fundamentalists. It is not only a few non-BJP ruled states, but almost all state governments including the Centre are giving freebies to voters to strengthen their vote banks. Only the degree varies. But citing the name of only non-BJP ruled states exposes the hypocrisy of bureaucrats.

When any non-BJP ruled state government gives freebies, the Centre is worried not because of any fiscal profligacy, but because it does not want any non-BJP state government to gain any popularity in this way. So, it is adopting hostile federalism, squeezing the fiscal capacity of states.

However, the freebies have a positive impact. A new study by International Monetary Fund has praised the Pradhan Mantri Garib Kalyan Anna Yojana for keeping extreme poverty levels in check during the pandemic. What is reprehensible is that the Centre trimmed the expenditures necessary to raise the standard of living of people and raised revenue by taxing fuel to spend on this scheme, which affected the poor more brutishly later.

When government policies are favouring the rich and corporates, a larger section of society is alienated from the mainstream and deprived of getting the benefits of growth and wealth creation. They need to be given some benefits through subsidies, freebies, and various schemes. Further, freebies enhance the discretionary incomes of beneficiaries and thus enhance economic activities, and spur demand, investment and growth.

FREEBIES GOOD, TAX SUBSIDIES BAD

Opponents of freebies argue that there is no such thing as a freebie in economics because ultimately somebody has to bear the cost of the supposedly free giveaways. The concept is popularly known as "There's No Such Thing as a Free Lunch", which is the name of a book by Nobel Prize-winning economist Milton Friedman, who showed that everything has to be paid for by taxes if not today or tomorrow, then the day after. But government can raise resources by taxing the rich for said purpose.

However, nobody objects when free lunch is given to the rich through tax cuts, tax exemptions or tax subsidies. Those who are opposing freebies, never raise questions when our country loses huge resources due to tax evasion, tax cut like corporate tax reduction, abolition of wealth tax, tax foregone, growing NPAs, and banking frauds. They do not say how states get less from the divisible pool because the country has one of the lowest tax-GDP ratios in the world. They don't say when common people suffer due to unfettered privatization of the public sector, essential services, and monetization of assets.

When the Centre fails to rax the rich, states' finances are worsened as the latter's share in the divisible pool declines. States are incurring debt, not owing to expenditure on freebies but because their scopes for raising taxes have been squeezed especially after GST implementation. The state cannot raise taxes like the Centre, though have to spend more.

The administration is rigged in favour of the rich and ordinary citizens have been left to foot the bill for government spending through indirect taxes. Hence, freebies, subsidies or populist schemes should not be stopped but the rich and corporates should be made to finance such schemes so as to make growth inclusive and reduce inequality.

STATES ARE IN A FAR BETTER POSITION COMPARED TO THE CENTRE

The Centre is espousing hostile federalism and squeezing the fiscal capacity of states so as to browbeat states. The Centre's cess and surcharge revenue, which is not shared with states, is estimated to be Rs 4.5 lakh crore in 2020-21. Due to cesses and surcharges, states' share in the divisible pool is around 29% in 2020-21, lower than the 41% recommended by the 15th Finance Commission. Overall fund transfer from the Centre to states has declined too.

However, the states are in a far better position compared to the Centre as far as debt is concerned. The N K Singh Committee on FRBM in 2017 had suggested a ceiling for general government debt (both Centre and states) of 60% of GDP by 2022-23. And within this overall limit, a ceiling of 40% was adopted by the Centre, and 20% by the states. There was relaxation in view of the impact of the Corona Pandemic induced recession. But the Central debt which was 48.6 % in 2019-20 has increased to around 62% of GDP in 2021-22.

GUJARAT MODEL OUTWITTED BY KERALA MODEL AND KEJRIWAL MODEL

The bitter truth is that when any non-BJP ruled state government gives freebies, the Centre is worried not because of any fiscal profligacy, but because it does not want any non-BJP state government to gain any popularity.

Actually, the so-called Gujarat Model/Modi Model/ double engine model (BJP ruling both at Centre and states) was damaged by the astounding success of the Kerala Model in the last few years and is now further eclipsed by Kejriwal's Delhi Model. In past, BJP 's annihilation in the Delhi Assembly election and recently in Punjab has perturbed BJP leaders and corporate/ business behemoths who have disdain for any expenditure or schemes made for the poor.

They are further perplexed and perturbed as Aam Admi Party (AAP) is gaining popularity in Gujarat and is successfully able to provide freebies, subsidies, and concessions to the poor, women even maintaining high growth and fiscal rectitude in Delhi. Corporates and the rich do not want such freebies or subsidies to the poor not because there may not have enough resources at disposal of the government to give tax concessions to them.

They are more perplexed and perturbed as Aam Admi Party (AAP) is gaining popularity in Gujarat and is successfully able to provide freebies, subsidies, and concessions to the poor even maintaining fiscal rectitude. Had it not been so, bureaucrats would not have cited the name of Delhi despite having the best performers in fiscal indicators and Kerala being the best in Human Development.

In 2021-22, for Delhi, as per the revised estimates, the fiscal deficit is expected to be 1.58%, lower than the limit of 4.5% of GSDP. Delhi's per capita income grew 16.81% year-on-year to Rs 4, 01,982 in fiscal 2021-22 as against Rs 3,44,136 during 2020-21. The per capita income of Delhi is reportedly three times higher than the per capita income of India in 2021-22.

CAG's financial audit for 2013-18 concluded that Delhi has no debt sustainability issues as its GSDP grew faster than its public debt. The GSDP increased by about 50% in the last six years. The debt to GSDP ratio had declined substantially to 5.18% in 2021-22 as compared to 8.61% in 2011-12. The fiscal deficit is estimated to be at 1.58 % of GSDP in 2021-22. The ratio of interest payment to revenue receipts also declined to 6.86% in 2020-21 from the high ratio of 13.03% in 2011-12, indicating that the debt was under control.

Similarly, say Human Development Index (HDI), the latest Public Affairs Index-2021 showing governance, Niti Aayog's Health Index report for 2019-2020, literacy rate, the SDG India Index 2020–21, Kerala tops the list. Similarly, India's first-ever Niti Aayog's first Multidimensional Poverty Index (MPI), Kerala (0.71%) has registered the lowest poverty across India. Kerala is one of the least corrupt states, where only 10% of people admitted to paying a bribe to get their work done.

DERISION FOR THE POOR

Most of the corporates, the rich and powerful people have derision for the poor and they don't want the poor should lead a decent and meaningful life. They think that poor people should remain always poor and struggle to eke out basic existence and do only manual, physical work with lesser wages so that they can lead a cosy life.

However, life is always more important than anything else. What is the meaning of fiscal discipline, if people suffer or perish? The standard of living of people should be raised to such a level and health, education including other essential services should be made affordable in such a way that there will be no need for freebies. Let the government ensure this first. https://sambadenglish.com/freebies-good-tax-subsidies-bad/

4. झारखंड को लूट रहे अफसर और दलाल... अब स्पेशल ऑडिट की तैयारी... महालेखाकार का बड़ा फैसला *(jagran.com)* June 6, 2022

झारखंड में खनिज के कुप्रबंधन के कारण सरकार को करोड़ों रुपये का नुकसान हो रहा है। वहीं, दलाल और अधिकारी मिलकर बड़े पैमाने पर घोटालों में लगे हैं। देश के महालेखाकार इस मामले में राज्य की खनिज संपदा और खनन के प्रबंधन पर स्पेशल ऑडिट करने जा रही है। शीघ्र ही झारखंड में खान एवं खनिजों से संबंधित परिवहन और उनके प्रबंधन (विभाग की पूरी प्रक्रिया) का स्पेशल ऑडिट शुरू होने होगी। रांची स्थित प्रधान महालेखाकार कार्यालय ने स्पेशल ऑडिट की प्रक्रिया शुरू शुरू कर दी है। यह ऑडिट देश के नियंत्रक और महालेखा परीक्षक (सीएजी) दिल्ली के निर्देश पर मैनेजमेंट ऑफ माइंस एंड मिनरल्स का होेगा।

तीन सप्ताह पहले एजी ने मांगी थी रिपोर्ट

इसके लिए एजी ने राज्य के खान सचिव को पत्र लिखकर खनन और परिवहन की विस्तृत रिपोर्ट देने को कहा है। इस रिपोर्ट के मिलते ही विशेष ऑडिट टीम इसकी गहन जांच करेगी। बता दें कि राज्य में खनिज और खनन को लेकर कथित रूप से हो रही गड़बड़ियों की शिकायत के बाद सीएजी ने स्थानीय एजी ऑफिस को एक पत्र भेजा था। इसके बाद तीन सप्ताह पहले सीएजी ने राज्य के मुख्यमंत्री हेमंत सोरेन, उनके मीडिया सलाहकार अभिषेक प्रसाद श्रीवास्तव उर्फ पिंटू और सीएम के बरहेट विधायक प्रतिनिधि पंकज मिश्र के माइनिंग लीज प्रकरण पर रिपोर्ट भी मांगी थी।

इस तरह समझिए नेताओं और अफसरों का गठजोड़

मालूम हो कि झारखंड में इन दिनों भ्रष्टाचार के कई मामले सामने आ चुके हैं। आय से अधिक संपत्ति और मनी लांड्रिंग मामले में जहां खान सचिव पूजा सिंघल जेल की हवा खा रही हैं, वहीं मुख्यमंत्री सह खान विभाग के मंत्री हेमंत सोरेन पर खनन लीज अपने नाम आवंटित करा लेने का मामला चल रहा है। झारखंड हाई कोर्ट, चुनाव आयोग और प्रवर्तन निदेशाल के अधिकारी इन मामलों की जांच कर रहे हैं। पूजा सिंघल की गिरफ्तारी के बाद यह बात भी सामने आ चुकी है कि जिला खनन पदाधिकारी खान सचिव पूजा के सीए सुमन कुमार को रुपये पहुंचाया करते थे। इतना ही नहीं यह आरोप भी सामने आ चुका है कि मुख्यमंत्री हेमंत सोरेन के विधायक प्रतिनिधि पंकज मिश्रा का खनन माफियाओं के साथ संबंध है। उनके इशारे पर ही संताल क्षेत्र में माफिया खनिज संपदा की तस्करी कर रहे हैं। इतना ही नहीं, यह भी इल्जाम सामने आया है कि बड़ी संख्या में शेल कंपनियां बनाकर कालाधन खपाने का खेल यहां बदस्तूर जारी है। प्रवर्तन निदेशालय इस समय जिला खनन पदाधिकारियों से पूछताछ कर रही है। वह जल्द ही मुख्यमंत्री हेमंत सोरेन के विधायक प्रतिनिधि से भी पूछताछ करने वाला है। इसकी प्रक्रिया चल रही है। ऐसे में अब एजी द्वारा विशेष ऑडिट की घोषणा हेमंत सोरेन सरकार के लिए मुश्किलें खड़ी करने वाली हैं। संभव है कि इस खेल में कई अफसर फंसेंगे। झारखंड में खनिज संपदा की लूट का अंदाजा इस बात से भी लगाया जा सकता है कि यहां कई अफसरों ने अपने परिवार और रिश्तेदारों के नाम से खनन लीज ले रखा है। हेमंत सोरेन का मामला उजागर होने के बाद कई अफसरों ने तो अपने रिश्तेदारों से लीज सरेंडर भी करा दिया है। बावजूद उनकी भूमिका संदिग्ध को देखते हुए जांच एजेंसियां कभी भी उनतक पहुंच सकती हैं। https://www.jagran.com/jharkhand/ranchi-jharkhand-officers-and-leaders-looting-mineral-wealth-now-preparing-for-special-audit-big-decision-of-accountant-general-22778336.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. MoD approves procurement of military equipment, platforms worth Rs 76k cr *(business-standard.com)* June 6, 2022

In a significant move to boost self-reliance in defence manufacturing, the government on Monday approved the procurement of military equipment and platforms worth Rs 76,390 crore from domestic industries to enhance India's overall combat capabilities.

The Defence Acquisition Council (DAC), chaired by Defence Minister Rajnath Singh, cleared the procurement of next-generation corvettes (NGCs), the manufacture of Dornier aircraft and Su-30 MKI aero-engines, wheeled armoured fighting vehicles and weapon-locating radars among others, according to the defence ministry.

For the Indian Navy, the DAC accorded approval for the procurement of NGCs at an estimated cost of around Rs 36,000 crore, the ministry said.

The NGCs will be versatile platforms for a variety of roles namely surveillance missions, escort operations, deterrence, Surface Action Group (SAG) operations, search and attack and coastal defence.

The ministry said the NGCs would contribute to further India's SAGAR (Security and Growth for all in the Region) initiative.

The NGCs would be constructed based on a new in-house design of the Indian Navy, using the latest technology of ship building, the ministry said in a statement.

The DAC also approved a proposal for the manufacture of Dornier aircraft and Su-30 MKI aero-engines by Hindustan Aeronautics Limited (HAL), with a focus on enhancing indigenisation.

"The DAC accorded AoNs (acceptance of necessity) for the manufacture of Dornier Aircraft and Su-30 MKI aero-engines by the Navratna CPSE M/s Hindustan Aeronautics Limited with focus on enhancing indigenisation, particularly in indigenising aero-engine material," the ministry said.

The AoN is the approval for the procurement of any defence equipment.

"For the Indian Army, the DAC accorded fresh AoNs for procurement of Rough Terrain Fork Lift Trucks (RTFLTs), Bridge Laying Tanks (BLTs), Wheeled Armoured Fighting Vehicles (Wh AFVs) with Anti-Tank Guided Missiles (ATGMs) and Weapon Locating Radars (WLRs) through domestic sources with emphasis on indigenous design and development," the ministry said.

The DAC also approved the "Digital Coast Guard" project.

"In pursuance of the government's vision for digital transformation in defence, 'Digital Coast Guard' project under 'Buy' (Indian) category has been approved by the DAC," the ministry said.

"Under this project, a pan-India secure network for digitising of various surface and aviation operations, logistics, finance and HR processes in Coast Guard will be established," it added.

In the last few years, the government has taken a series of measures to boost domestic defence manufacturing. In May 2020, the government announced increasing the foreign direct investment (FDI) limit from 49 per cent to 74 per cent under the automatic route in the defence sector.

India is one of the largest importers of arms globally. According to estimates, the Indian armed forces are projected to spend around USD 130 billion in capital procurement in the next five years.

The government now wants to reduce dependence on imported military platforms and has decided to support domestic defence manufacturing. https://www.business-standard.com/article/economy-policy/mod-approves-military-modernisation-projects-worth-rs-76-390-crore-122060600658_1.html

6. Big Make in India Milestone, As HAL's Basic Trainer Aircraft Gets Airworthiness Certification *(businessworld.in)* Updated: June 7, 2022

CEMILAC nod paves the way for serial production of HTT-40, eliminates IAF need for foreign Stage-1 trainer

In a big development milestone, the Hindustan Turbo Trainer (HTT) – 40 Basic Trainer Aircraft (BTA) was provisionally certified for airworthiness by the Centre for Military Airworthiness and Certification (CEMILAC) on June 6.

The HTA – 40 has been designed and developed by the Aircraft Research & Design Centre of Hindustan Aeronautics Limited (HAL) as per quality requirements specified by the Indian Air Force (IAF).

The provisional certification he decks for the serial production of HTT-40 as the Stage-1 trainer for the IAF and eliminates the need for a foreign-supplied aircraft like the Pilatus PC-7 which is currently used by the IAF as the BTA for its rookie pilots.

The HTT-40 has received its certification six years after its first flight. The development cost has been about Rs 600 Crore ($ 77.2 Million).

"The Hindustan Turbo Trainer-40 (HTT-40) Basic Trainer Aircraft Designed & Developed by Aircraft Research & Design Centre, Hindustan Aeronautics Limited is hereby provisionally cleared for its airworthiness compliances by CEMILAC.

"This Certificate is issued by Centre for Military Airworthiness and Certification (CEMILAC) based on extensive design evaluation, testing of aircraft systems and comprehensive flight testing carried out by HAL Flight Operations team along with pilots from IAF," according to the statement of certification.

The certification was handed to a group of senior technicians at a hangar at HAL Bengaluru.

"6 years from first flight we have certified HTT now to PSQR and FAR 23 standards. Been blessed to have a team which delivered and management which trusted 600 crores on us. IAF fully supportive and am sure the future 40 years belong to HTT 40," stated Prashant Bhadoria, HAL's Deputy General Manager Design and project manager for HTT-40.

"The project set a record as the fastest to reach certification from the first flight. HTT-40 is designed to PSQR issued by IAF & FAR 23 standards," he added. https://www.businessworld.in/article/Big-Make-in-India-milestone-as-HAL-s-Basic-Trainer-Aircraft-gets-airworthiness-certification/07-06-2022-431674/

7. Land acquisition delay to escalate cost of bullet train project in Maharashtra: Rly minister *(indianexpress.com)* Updated: June 7, 2022

Union Railway Minister, inspected the ongoing work on the Mumbai-Ahmedabad bullet train project in Surat on Monday and said that the cost of the project is expected to escalate in Maharashtra due to the delay in the land acquisition and commencement of the work.

The estimated cost of the Mumbai-Ahmedabad bullet train project is Rs 1.08 lakh crore of which 81 per cent is funded through a loan from the Japan International Cooperation Agency (JICA).

Vaishnaw also announced that initially, the bullet train service will commence on the 51-km stretch in Gujarat between Surat and Bilimora by 2026 even if the work in Maharashtra is not complete.

While the Central government has put the onus on the state government behind the delay in starting work, the project seems to have also been delayed by over four years in Gujarat.

The initial deadline for completion of work on the 508-km project was 2022 end. However, the deadline kept extending and now the first phase of the project, a 51-km stretch between Surat and Bilimora in Gujarat is likely to be operational only in 2026 and the remaining part of the project in Gujarat is expected by 2028.

The work in Maharashtra, however, depends upon the acquisition of the land. So far, the National High-Speed Rail Corporation Ltd (NHSRCL) a nodal agency of the Indian Railways, which is executing the project has managed to acquire 71 per cent of the total land requirement for the project. The agency has managed to buy land parcels from private owners but has been unable to acquire land owned by the state government or the forest department. This constitutes the remaining part of the land requirement for the project.

As per the rule of railway the civil work contract cannot be awarded until 90 per cent of the land acquisition is completed. As there is a delay in handing over the land in BKC and other parts of Mumbai to start work, the NHSRCL had recently cancelled the tender for the construction of terminal at BKC after several extensions. This resulted in delay of work.

“The work in Maharashtra will start once the land is handed over to us, but more than that it’s the intent of the state government for the project. Now, it’s also a time that the people of Maharashtra should speak and think about it the people of the state want the bullet train project and we are now hoping that the state government will also be convinced soon. We are open to discussing with the state on any issue they wish to discuss and sort it out,” Vaishnaw said.

When asked if the cost of the project on the Gujarat section will also be escalated as there has been a delay, the railway minister said the costing will be reviewed soon to ascertain the escalation.

The project has been opposed by the Maharashtra Chief Minister and Shiv Sena chief Uddhav Thackeray, who during his earlier rally in Bandra Kurla Complex had clearly said that the people of Maharashtra do not need the project as the Ahamadabad-Mumbai route is not useful for Maharashtra. He had demanded a bullet service train between Mumbai and Nagpur stretch.

Giving details about the project, Vaishnav said that till now, piers have been constructed in more than a 61-km stretch also, and work is being carried out simultaneously on a 160/170-km stretch. Every month, more than 10-12 km of piers are being constructed, including bridges on rivers, he added. https://indianexpress.com/article/cities/mumbai/land-acquisition-delay-to-escalate-cost-of-bullet-train-project-in-state-rly-minister-7956187/

8. There are no free lunches—how the politics of free power is killing discoms *(moneycontrol.com)* Updated: June 7, 2022

Making sure that the consumer understands the costs incurred in getting power supply and how much of it is contributed by taxpayers is a starting point for promoting efficiency—in consumption as well as operations.

Promises are made to be broken. But the promise of free power is one of the reasons that have left the power sector supply chain broken.

The promise of free power has found favour with politicians and consumers alike. Lately, it appeared as if political parties were competing for who can guarantee the maximum number of free units.

Free power promises for select consumer categories were made during the 2022 state elections in Punjab, Uttarakhand and Uttar Pradesh.

Alas, nothing in this world comes for free. Charles Portis, an American author, once said “You must pay for everything in this world one way or another. There is nothing free except the Grace of God!

While one may keep deliberating over the pros and cons of giving away electricity for free, one thing that sector experts are unanimous on is that this growing trend can be the last nail in the coffin for power distribution companies or discoms that are already in financial distress. If this continues, we will be left to “the Grace of God!”

“It is bad economics and bad politics,” said Debasish Mishra, partner and leader (energy), Deloitte India. He hopes that people realise the problem with this school of politics and don’t vote only on this basis.

In this article we cover a few nuances that help explain tariff setting and the implications of free power supply to the Indian economy and taxpayers. This is a part of Moneycontrol's special series on the sector titled the Power Shock, which presents in-depth analyses of the different issues in the power sector, its various stakeholders and possible solutions to the recurring power crisis in the country.

Tariff setting principles and politics

Electricity tariff design is often considered an art. If you have ever paid attention to the several subtypes of charges in your electricity bill, you may already have a fair idea of the complexity of tariff setting.

There is no right or wrong way of how retail consumers should be charged, although the sum total of all collections must be sufficient enough to cover for all costs incurred by the discom and provide for a regulated profit margin.

State electricity regulatory commissions are entrusted with the responsibility of guiding discoms with tariff design and approve retail tariffs such that no consumer category is disproportionately burdened.

On the basis of this, discoms decide on various metrics, including what percentage of costs are to be recovered via fixed monthly charges versus variable usage-based charges, and how much cross-subsidy should be recovered from identified groups of consumers to pay for lower recoveries from the balance consumers. Typically, industrial and commercial consumers pay higher tariffs than residential and agricultural consumers.

Discoms also often rely on grants and loans on favorable terms provided by the central and state governments that help them to bring the overall costs down. On top of it, state governments can offer to cover part of the costs by way of tariff subsidy targeting economically weaker sections of the society such as below-poverty-line residential consumers, agricultural consumption, etc. Thus, discoms rely on both national and state taxpayers for funding.

In cases where the state government has offered to cover the costs of a section of consumers via tariff subsidy, the discom can lower what it charges to these consumers. At the extreme end, this charge can be zero, which means that the state government is fully sponsoring costs incurred by the discom in supplying power to such consumers.

Theoretically, this does not seem difficult or concerning. But in reality, things are different.

For starters, state governments go overboard in promising tariff subsidy. Later on, they fail to compensate the discoms with monies promised, leaving the companies with holes in their books. According to the ministry of power, the shortfall in tariff subsidy billed and received by discoms pan-India in FY20 was Rs 6,400 crore.

A shift to directly transfer subsidy benefits to beneficiaries has been proposed to take care of this mismatch but is yet to be implemented. "Subsidies should be distributed via direct benefit transfer to those who truly need them. Free power promise, irrespective of actual need, is a self-created problem." said Mishra of Deloitte India.

Ratepayers versus taxpayers

Another issue is the lack of transparency on how central and state finances get affected as a result of tariff subsidy. Between the twin goals of maintaining economic competitiveness and managing developmental objectives, deciding how much cost burden is borne by the discom ratepayers versus the state and national taxpayers requires striking a fine balance.

According to the Power Finance Corporation, on a national average basis, ratepayers are contributing Rs 5.14 per unit whereas the taxpayers are contributing Rs 1.79 a unit. There is nil reporting by governments on whether they conducted any societal cost-benefit studies to decide on the level of tariff subsidies. Or if the said taxpayer contribution could have been put to use for alternative programmes such as health, education, pollution management, etc.

The Delhi government recently revised its free power policy and made it an opt-in scheme where a consumer can willingly give away her benefit of receiving tariff subsidy, though no justification was reportedly provided on why such a change in policy was necessitated.

It is no rocket science that at the extreme level of tariff subsidy support, which is under the promise of free electricity, government budgets get unnecessarily stretched. Raj Pratap Singh, chairman of the Uttar Pradesh Electricity Regulatory Commission, said, "Ultimately, it is the consumer who decides what value electricity brings to his or her life. That said, setting up expectations of power supply for free is a wrong precedent and should be discouraged by all political parties."

Lack of accountability

State government-owned discoms are time and again derided for their poor operational and financial performance. But it could be that the growing trend of giving away power for free discourages them from investing in performance improvement.

Why would they be bothered with accurate metering and billing, and especially with meeting standard of service such as restoration time required in case of supply failures if they are given the short end of the stick? There is already a huge difference between power supply outage hours in urban versus rural areas. Free power policies may further reduce discoms' motivation to supply 24x7 power to rural consumers.

Consumers themselves can be confused with talk of free electricity and may get frustrated if in future there is any change in terms of number of free units or a complete removal of such benefits. Time-of-day tariff, which is a popular demand-side management tool to optimise system costs, goes for a complete toss in cases where the consumer usage is anyways billed at zero.

Welfare economics and sustainable growth

The political economy is deep-rooted in the workings of the power sector in India. Since electricity is a concurrent subject, both the Union and state governments exercise control over the way policies are set, including how much financial support can be offered to discoms by way of subsidies.

According to Vinayak Chatterjee, founder and managing trustee, The Infravision Foundation, "The management of India's last-mile electricity delivery and associated commercials has been the weakest of the four links in the power chain: fuels, generation, transmission and distribution. Unfortunately, it is this fourth link that is the tail that wags the power sector dog. Distribution reforms urgently require a federal consensus-type 'surgical strike' much like what was achieved in the GST (goods and services tax) Council." Chatterjee is also the chairman of the Confederation of Indian Industry's (CII) National Task Force on Infrastructure Projects.

The need for more state and central government coordination and political consensus for better targeting of subsidies is highlighted by other experts too.

"There is a need for a national electricity council on the lines of the GST Council so that the central and state governments work together on various strategic and timely issues, including better targeting of electricity subsidies." said R Srikanth, professor and dean, National Institute of Advanced Studies, Bengaluru.

Energy poverty is indeed a sad truth. But the same can be tackled via targeted benefits transfer instead of a populist move like free power to all. Free power is not in the interests of consumers or discoms in the long term.

Making sure that the consumer understands the costs incurred in getting power supply and how much of it is contributed by taxpayers is a starting point for promoting efficiency—in consumption as well as operations. Perhaps then the consumer will refuse the promise of free electricity as a political tool and the focus will shift to welfare and sustainability. https://www.moneycontrol.com/news/business/companies/powershock-there-are-no-free-lunches-how-the-politics-of-free-power-is-killing-discoms-8653061.html

9. Renewing the debate on hydropower: Is India really on track to achieve her renewable energy goals? *(theleaflet.in)* June 6, 2022

Large dams will be a gamble that will cost India heavily in the long run, as they are unviable on all fronts - financial, social, and environmental.

LAST November, India was one of the countries which resisted the use of language which would make countries responsible to "phase out" from fossil fuels at the 2021 United Nations Climate Change Conference, more commonly referred to as COP26, in Glasgow, Scotland. Instead, in a last minute negotiating move, India managed to change the tone and the import of the final conference document by including “phasing down from fossil fuels”. The Union Minister for Environment and Climate Change, Bhupender Yadav defended India’s stand that developing countries could not afford to completely phase out of fossil fuels, and reinforced the concept of ‘common but differentiated responsibilities’ — why should India pay a price when she isn’t responsible for the present state of affairs.

While several experts called this a setback for climate negotiations, it was also reflective of how climate injustice is still manifest, with developing countries still struggling with multiple national priorities, and also having to limit their emissions and energy usage to support global climate action.

On its own, however, India committed to some very ambitious targets at the start of COP26, where Prime Minister Narendra Modi announced India’s fivefold plan that he termed as panchamrit:

-India will increase its “non fossil” fuel energy generation to 500 GW by 2030.
-India will meet 50 per cent of its energy requirements from renewable energy by 2030.
-India will reduce the total projected carbon emissions by one billion tonnes from now till 2030.
-By 2030, India will reduce the carbon intensity of its economy by more than 45 per cent.
-India will achieve net carbon neutrality by 2070

“The rivers identified for the purpose of constructing dams are mostly glacier fed. Development of large dams in such ecologically fragile areas entails high environmental and social costs. This includes loss of rich, endemic biodiversity and ecosystems, emissions arising out of land under submergence, large-scale deforestation, and displacement and loss of traditional livelihood and cultural heritage of tribal and forest dwelling communities, among other things.

How does India plan on achieving this goal of increasing renewable energy (‘RE’)? This has gotten several experts to look at the RE portfolio of India as it currently stands. India is already one of the leaders in pushing hard for solar energy, but it is clear that solar alone cannot help India reach its ambitious target. Then, the question arises, what other renewable sources are being developed by India

As on December 31 last year, India’s RE installed capacity stood at 151.4 GW. While solar power led the sources of RE with 49.34 GW, it was actually large hydropower (dams producing energy of more than 25MW), and not wind energy, that stood second at 46.51 GW. This clearly indicates India’s intention of relying more heavily on large hydropower as a source of renewable energy. What cements this observation further, is a 2019 decision of the Union Government to re-categorise large hydropower as renewable energy.

The locations identified for hydropower generation in India are mostly concentrated in the Himalayan region. These areas are known for being biodiversity hotspots, and support rich flora and fauna. The rivers identified for the purpose of constructing dams are mostly glacier fed. Development of large dams in such ecologically fragile areas entails high environmental and social costs. This includes loss of rich, endemic biodiversity and ecosystems, emissions arising out of land under submergence, large-scale deforestation, and displacement and loss of traditional livelihood and cultural heritage of tribal and forest dwelling communities, among other things. Construction of dams at such locations also has to consider issues arising out of climate change including glacial melts affecting water flow in rivers, flash floods, and so on.

In most developed countries, there is a movement away from large dams, and in fact there have been cases of large dams being dismantled, which has led to slow but steady recovery of the entire river ecosystems. (For instance, the dismantling of two large dams in the Elwha River in Washington State in the United States have shown promising results in terms of recovery of river's biodiversity and ecosystem.)

India's chequered history with large dams

India has had a chequered past when it comes to large hydropower development. In the early 1950s, the then Prime Minister Jawaharlal Nehru had called large dams "temples of modern India", ushering a new era for India which would be self-reliant on its industries. Interestingly, within a few years of his legendary speech, he showed scepticism about these structures and their ecological impacts.

In the 80s and 90s, there was huge public outrage against the Tehri Dam on River Ganga and the Sardar Sarovar Dam on River Narmada. Issues relating to safety, environmental impact as well as impact on communities were raised; in fact, the legality of both projects was brought to question before the Supreme Court of India.

In the recent past, there have been several instances of legal challenge to large dams on the grounds of faulty Environmental Impact Assessment ('EIA') permits or forest/wildlife permits.

The court, in both cases, held that sustainable development must be taken as a balancing act and the dams were given the green signal despite having no public buy-in from the displaced communities. In the case of the Sardar Sarovar Dam, the Supreme Court refused to interfere, stating that it cannot be presumed that such projects would lead to ecological disaster as compared to a polluting industry or a nuclear plant. Again, the court relied on the classic argument that dams are "clean", irrespective of the loss of biodiversity/ecology and entire livelihoods of riparian communities.

The impact of dams on riparian communities and the fragile Himalayan ecology came into limelight in the aftermath of the 2013 Uttarakhand floods. In fact, the undeniable role of dams in exacerbating the damage due to the floods became the main reason for the Supreme Court to pass an injunction against 24 large dams in the Ganga basin in Uttarakhand, which is still in force. During this time, however, the Union Ministry of Environment has turned on its own stand on multiple occasions, and has appointed at least three expert committees to look into the issue. The last of the three committees cleared all the projects with a few alterations in design. However, the Supreme Court is yet to consider these developments, leaving the fate of the riparian communities and the fragile ecology in the hands of the court.

In the recent past, there have been several instances of legal challenge to large dams on the grounds of faulty Environmental Impact Assessment ('EIA') permits or forest/wildlife permits. The National Green Tribunal, on more than one occasion, has set aside such permits for lack of due process, lack of consultation with impacted communities, concealment of facts in the EIA report, among other reasons.

Hydropower: Renewable or not?

Traditionally, hydropower has been considered to be a renewable source of energy, owing to the fact that the water that runs the turbines, is renewable. It is also considered "clean" because it has low carbon emissions as compared to a fossil fuel-run power plant. Both these fundamental assumptions about hydropower are now under question, especially in the Himalayan context.

Firstly, in the age of climate change, there are visible impacts on Himalayan glaciers, which have receded at an exponential rate since the 1990s. In addition to glacial melting, there is an increased incidence of glacial lake outbursts, leading to flash floods also known as glacial lake outburst floods, which have more than once led to damaging impact on downstream dams and communities.

Secondly, hydropower has a huge carbon footprint — not only does it lead to loss of pristine carbon sinks in the Himalayas, but also adds methane into the atmosphere from the submergence of large tracts of forested land (in case of reservoir-based projects). Moreover, there is also a question about the economic viability of these projects due to cheaper and better alternatives in the renewable energy market. Should India, therefore, bet on hydropower to scale its renewable power capacity?

Policy and legal framework

In terms of governance, large dams fall within the domain of not just the Union Ministries of Power, and New and Renewable Energy, but also the Jal Shakti Ministry (in charge of river governance and environmental flows) and the Ministry of Environment, Forest and Climate Change (in charge of environment and forest clearances). In India, the hydropower sector has been further categorised into large and small hydro on the basis of the installed capacity.

The Ministry of Power has traditionally been in charge of regulating the energy generation from hydropower. It was only in 1989 that hydropower projects with capacity up to 3 MW were moved into the RE ministry's portfolio. This upper limit of small hydro was increased to 25 MW in 1999. Thus, due to this ministerial division, India was officially only considering small hydropower projects as a source of renewable energy and was not including large hydropower within its definition. Consequently, in its biennial reports to the United Nations Framework Convention on Climate Change, India was not considering its installed capacity under the large hydro category as renewable energy.

In terms of governmental permits, large hydropower requires techno-commercial clearances from the Ministry of Power and the Central Electricity Authority ('CEA'). From an environmental perspective, it requires the following clearances — environmental clearance (on the basis of a detailed environment impact assessment and public consultation, and consideration of relevant factors by an expert committee), a forest clearance (upon undertaking a cost-benefit analysis of the project vis-à-vis loss of pristine forests and consideration of relevant factors by another expert committee), and wildlife clearance, if the project is proposed to come up within or around a protected area. If the affected persons are tribal or forest dwelling communities, then an additional consent under the Forest Rights Act, 2006 is also required.

Hydropower has a huge carbon footprint—not only does it lead to loss of pristine carbon sinks in the Himalayas, but also adds methane into the atmosphere from the submergence of large tracts of forested land (in case of reservoir-based projects).

On the social side of the legal framework, rehabilitation and compensation are to be considered during the land acquisition process. These legal requirements become critical given the nature and size of these large dams. If followed properly, both ecological as well as social impact can be reduced or even minimised. Unfortunately, history has shown that this has rarely been the case. Such a bad track record has also tainted the reputation of such projects as ‘dirty’, as opposed to the narrative of clean source of energy.

Change in policy

Leading up to 2019, hydropower companies (both public and private sector) and the Ministry of Power were lobbying the union government to remove so-called regulatory hurdles for the hydro sector, and to categorise large hydropower as renewable energy, thereby opening up several subsidies and benefits to such companies. This led to the establishment of a Standing Committee of the Parliament led by then Member of Parliament Kambhampati Haribabu. The Committee submitted a report in January 2019 essentially agreeing with the hydropower companies and recommended to the union government that large hydropower be re-categorised as renewable energy.

The Committee noted that: “It has been proven that net effect of hydro projects have always been positive for the surroundings in terms of ground water recharge, flourishing of flora and fauna, flood mitigation, availability of water for various purposes, etc.”

Notably, the report has almost no reference to any study/report which would support such a statement, and does not even consider the impacts of climate change on the sector at any point. This report was immediately approved by the Cabinet, and the Ministry of Power issued a decision in March 2019 formally categorising large dams as renewable energy projects. The Ministry also established that renewable power purchase obligations would now also include an obligation to purchase energy generated from hydropower. The ministry also introduced several benefits to persuade companies to take up such projects, including flexible tariff determinations, and budgetary support for flood moderation and for enabling infrastructure development in the region.

Implications of re-categorization

Since the 2019 change in policy, the government has been pushing hard for development of large dams. This has renewed the debate on the sustainability and economic viability of such projects. Consequently, there has been a renewed discussion about impacts of dams, both ecological and social.

Since the 2019 change in policy, the government has been pushing hard for development of large dams. This has renewed the debate on the sustainability and economic viability of such projects.

For instance, during the COVID-19 induced national lockdown in 2020, activists took to social media to protest about two proposed large dams in Arunachal Pradesh that would submerge biodiversity hotspots and affect livelihoods of local communities. The Ministry and its expert panels were criticised for taking advantage of the lockdown for the opaque manner and complete lack of access for public engagement in the decision-making process of granting clearances to these projects.

Current status of the large hydro sector in India

The CEA, under the Ministry of Power, has undertaken basin-wide assessment of hydropower potential. As per its latest estimates, the Himalayan river basins account for a potential capacity of 1,18,680 MW. The document, however, does not mention how this has been estimated, or if considerations such as water unavailability due to glacial melting and increasing seismicity in the Himalayan region, as well as extreme weather events, have been considered during such an assessment.

The CEA also undertakes regular assessment of how many large dams are under construction, or in the pipeline, and their status. Accordingly, it has listed around 14 large dams under construction ranging from 60 MW to 2,000 MW, totalling 8,314 MW covering all three Himalayan river basins in the Indus, Ganga and Brahmaputra basins. It is noteworthy that this list only includes projects under the central sector. If the projects falling under the state sector are to be included for the Himalayan states, this capacity would increase by another 1,033.5 MW. Additionally, once private sector projects are added to the mix, it would mean another 340 MW. Thus, almost 10,000 MW of energy is to be generated just from hydropower in the next decade.

Conclusion: A case of misplaced priorities?

While the Ministry of Power and the CEA remain ostensibly positive about the role of large hydropower projects in scaling India's renewable energy capacity, the affected communities, grassroots groups and environmental activists have been very sceptical and critical of this change in policy. What makes the policy even more questionable is the fact that neither the standing committee nor the union government have seemed to consider the impacts of climate change on the hydropower sector, especially in the context of the Himalayan landscape. Then, there are questions in relation to economic viability that need to be considered while pushing for such projects.

Interestingly, the CEA itself has found that several projects have been stalled mainly due to lack of funding with the developer. This becomes further exacerbated by the availability of cheaper alternatives in the market, including solar and wind, which have relatively more public buy-in. Also, within the solar power sector, there are several ways of maximising efficiency in a cost-effective manner, including roof top solar, net metering and aligning policies on subsidies and tariffs across the country.

Neither the Parliamentary Standing Committee nor the union government have seemed to consider the impacts of climate change on the hydropower sector, especially in the context of the Himalayan landscape. Then, there are questions in relation to economic viability that need to be considered while pushing for such projects.

There is also a need to address the chaos that is the policy governance framework for large dams. There are too many stakeholders involved that look at the issue in silos. For instance, the CEA undertakes a basin-wide assessment of generation potential without consulting with the environment and water ministries, which undertake basin-wide cumulative impact assessment. This lack of synchronisation is extremely problematic in light of the proliferation of dams on the Himalayan rivers. Most of these large dams are run off the river projects (without a reservoir, the dam consists of diversion of the water from the river into a tunnel, which is then run through the turbine, and the water is returned to the river through another tunnel). However, each river is now being dammed to the extent that at the tail of one project, the head of the next is located, thereby creating a cascade/series of these projects—built bumper to bumper on the streams and rivers to harness the capacity of the rivers to produce power to its maximum.

It would be a pity to fight fire with fire by addressing the climate crisis by taking to hydropower as a source of renewable energy. Revisiting policy is definitely a step forward, but India needs to focus on policies which also ensure a better environment and life for its people, and large dams will be a gamble that will cost India heavily in the long run, as they are unviable on all fronts - financial, social, and environmental. It will be a 'construction of calamities' in the Himalayas rather than construction of pillars of modern India. https://theleaflet.in/renewing-the-debate-on-hydropower-is-india-really-on-track-to-achieve-her-renewable-energy-goals/

10. Coal India begins process to open 20 closed mines to private players *(newindianexpress.com)* Updated: June 7, 2022

RAIPUR: The Coal India Limited (CIL), a Maharatna company, has begun the process to make available its closed underground mines to private players for operations through allocation under the Mine Developer-cum-Operator contract and profit-sharing model.

The CIL will ask for bids for 20 of its mines that were closed down for security and commercial reasons. They were earlier operated by CIL's various subsidiaries, including the Chhattisgarh-based South Eastern Coalfield Limited (SECL). There are 293 such closed mines of CIL located in seven states.

The decision to engage the private players in mining operations was taken to ease the coal shortage that eventually affected power production and created a major crisis across the country. Since April, the SECL alone has increased its daily production by 1.25 lakh tonnes, to mitigate the coal crisis.

"The available coal reserves in the closed mines are of a good grade. The discontinued mines are barely 6-12 years old and the eligible private firms can conveniently restart the excavation. Such an initiative will help in a big way to enhance the availability of coal and reduce its import," said Sanish Chandra, SECL spokesperson.

The chas identified four mines which, according to the Central Mine Planning and Design Institute Limited under the Coal Ministry, will yield at least 31 million tonnes high-quality non-coking coal. There are similar coal reserves in other subsidiary companies. The process of allotting the mines through a tender would be completed by August 6, officials said.

CIL mines produce 83% of India's coal

-Caol India Ltd produces 83% of total coal for the country
-CIL has 7 subsidiary companies in 8 states
-CIL operates 345 coal mines — 151 underground, 172 open cast and 22 both
-CIL has 293 closed mines under it
-CIL will allocate 20 closed coal mines to pvt players: 4 of the mines are under SECL, 5 under BCCL, 2 under CCL, 5 under WCL and 4 under ECL https://www.newindianexpress.com/nation/2022/jun/07/coal-india-begins-process-to-open-20-closed-mines-to-private-players-2462640.html

11. Centre working on mechanism to resolve GST disputes with states: Report *(business-standard.com)* Updated: June 7, 2022

In order to resolve goods and services tax (GST) disputes with the states, the Ministry of Finance is planning to bring out a mechanism which will be discussed during the GST Council meeting in June, a media report said on Tuesday.

According to the Economic Times report, a panel with representatives from states, central government and independent legal experts to discuss implications, will be formed. Detailed guidelines will be in check prior to that to know which cases can be referred to the Dispute Redressal Bench, as the report said.

The ministry is working on the procedures of the dispute resolution mechanism as some of the states have been demanding, the ET report quoting an official said, adding that once the draft is ready, it will be taken up to the Council.

As per rules, there is a provision for voting in the GST legislation to resolve disputes in which the Centre has a one-third vote while states make up the remaining two-thirds. While voting, a decision must be passed or rejected by a majority of at least three-fourths of the weighted votes of members present.

Before this, the Council has usually set up groups of ministers to address differences among states and over the past five years, the disputes have been resolved by consensus except one, which the council decided by vote.

From July 1, the central government may expect more disputes when the GST compensation lapses and states start to look for ways to make up for the revenue loss.

The development came after the Supreme Court on May 19 ruled that recommendations made by the GST Council are not binding on the Centre and the states.

The ruling in a case relating to the levy of integrated GST on ocean freight imports has sparked greater urgency to the search for a dispute settlement mechanism.

"GST Council is a product of collaborative discussion. It is not imperative that federal units must always possess a higher share," the apex court had said. https://www.business-standard.com/article/economy-policy/centre-working-on-mechanism-to-resolve-gst-disputes-by-states-report-122060700136_1.html

12. Centre asks states to scrap old diesel buses, replace them with EVs *(business-standard.com)* Updated: June 7, 2022

The Ministry of Road Transport and Highways (MoRTH) has asked state transport undertakings (STUs), responsible for procuring and operating buses, to replace over 32,000 old diesel buses with electric vehicles, a media report said on Tuesday.

According to a MoRTH estimate, 25 STUs own 32,062 buses that are over 10 years old. The draft notification by MoRTH stated that permits for buses at the end of their life cycle of 15 years will not be renewed, meaning they will have to be scrapped, the Livemint report said.

The ageing buses currently in use by STUs which has a fully CNG-run fleet, are BS-II or BS-III diesel buses which are not only highly polluting but also costly to maintain and run.

But STUs have been severely hurt by low utilisation in the aftermath of the Covid-19 pandemic when both intra- and inter-city public transportation took a big hit as commuters switched to personal mobility.

In May, five cities — Delhi, Bengaluru, Kolkata, Hyderabad and Surat — procured 5,450 electric buses after Centre's policy thinktank, NITI Aayog, brought these cities/states and all stakeholders on a common procurement portal.

The lowest price discovered for a 12-meter bus was Rs 43.49/km, and a 9-metre bus is Rs 39.21/km.

"These prices will set a benchmark for public transport, which will now encourage other cities to adopt electric vehicles. This is bound to redefine a new way of mobility for Indian cities, making deployment of e-buses at an affordable rate," NITI Aayog CEO Kant said.

NITI Aayog has planned to consolidate with more states to procure electric two-wheelers and three-wheelers by pushing the use of this procurement platform, he added.

The wider adoption of electric vehicles will help India in meeting its climate change goals announced in COP-26, Kant added.

"Switching to electric buses is a good scheme, but STUs have been in a bad shape after Covid-19. We lose Rs 4-6 crore each day because of increasing operational costs as diesel prices have constantly been shooting up. Electric buses will help reduce costs," the Livemint quoted VC Sajjanar, vice-chairman and MD, Telangana State Road Transportation Corp, as saying. https://www.business-standard.com/article/current-affairs/centre-asks-states-to-scrap-old-diesel-buses-replace-them-with-evs-122060700215_1.html

13. LIC IPO turns out to be another flop show as valuation falls below Rs 5 lakh crore *(newindianexpress.com)* June 7, 2022

LIC's IPO, which was supposed to be India's Aramco (Saudi's oil giant) moment, is turning out to be another flop show. Shares of the state-owned insurer fell another 3% to close at Rs 777.40 apiece and its market capitalisation came down to Rs 4,91,705 crore (Monday's closing) against a m-cap of Rs 6,00,242 crore based on the upper end of its IPO price.

LIC's valuation falling below Rs 5 lakh crore-mark is a significant event, given the government, its sole stakeholder then was first considering listing the company at a valuation of Rs 12 lakh crore. In February, the government filed papers with the Securities and Exchange Board of India (SEBI) for IPO approval to sell nearly 5% of its stake in LIC. The IPO's size at that time was pegged at Rs 60,000 crore, while LIC's valuation was pegged at Rs 12 lakh crore.

This valuation received backlash from domestic as well as foreign portfolio investors, with many calling it very expensive, especially in the backdrop of the Russia-Ukraine war and tightening monetary policy by the US Fed and India's RBI to control inflation. The government then filed fresh papers with Sebi to sell its 3.5% stake in the firm to raise Rs 21,000 crore.

Deepak Jasani, head of retail research, HDFC Securities, said the latest quarterly results didn't excite investors (especially institutional) to buy the stock and the fact that the determination of embedded value of LIC late was not taken well by the investors. Currently, LIC's embedded value is estimated at Rs 5.4 lakh crore.

He added that retail and HNI investors could be selling the stock after getting tired of waiting over 2 weeks post listing. VK Vijayakumar, chief investment strategist at Geojit Financial Services, said besides the poor Q4FY2022 show, the negative market sentiments and the lacklustre performance of financial services sector also has contributed to the fall of the stock. https://www.newindianexpress.com/business/2022/jun/07/lic-ipo-turns-out-to-be-another-flop-show-as-valuation-falls-below-rs-5-lakhcrore-2462595.html

14. A profiteering tool? *(millenniumpost.in)* June 6, 2022

While India's wheat export ban, coupled with the effects of the Russia-Ukraine war, has jeopardized food security globally, it has domestic repercussions as well

Pope Francis recently made a strong plea against the use of grain as "a weapon of war", as the continuing Russia-Ukraine war is feared to cause a global food crisis. "Of great concern is the blockade of grain exports from Ukraine, on which the lives of millions of people depend, especially in the poorest countries," Francis said at his weekly address in the Vatican on June 1. "Please do not use wheat, a staple food, as a weapon of war!" he said, adding that every effort should be made to "guarantee the universal right to food". Russia and Ukraine produce around 30 per cent of the global wheat supply. India, which banned wheat export last month, is the third-largest supplier after them. The nations of Africa and the Middle East are the worst hit. Russian President Vladimir Putin last week offered "to make a significant contribution to overcoming the food crisis through the export of grain and fertilizer on the condition that politically motivated restrictions imposed by the West are lifted". But the offer was rejected by the US and the EU.

On May 13, India announced a ban on its wheat exports to counter domestic food prices. This decision was taken even as the prices in the international market spiked exponentially with the war in Ukraine. The Indian government naturally drew backlash from the international community, particularly the G7 group of developed countries, for its action. Within three days, the government announced 'some relaxation' to the order issued by the Directorate General of Foreign Trade (DGFT) on restricting wheat exports. It announced that wherever wheat consignments that have been handed over to the Customs for examination and registered into their systems on or before May 13, would be allowed to be exported. In the next few days, the government set up a committee to take decisions on requests from some nations about their dire need for wheat. Officials said five to six countries had evinced interest in importing Indian wheat since the ban on the export of the cereal on May 13. Earlier this week, the government allowed total wheat shipments of 469,202 tonnes. These shipments were moved mainly to Bangladesh, the Philippines, Tanzania, Egypt and Malaysia. It must be noted that Indian foodgrain exports and imports are carried out completely by private dealers and not by government entities.

Even after the partial opening up of the restrictions, at least 1.7 million tonnes of wheat remain piled up at various ports, media reports quoting private dealers running global trading firms have said. Kandla and Mundra ports have the maximum stocks. The dealers said the government needed to issue export permits for at least this load of stocked up wheat, as it could rot in the ensuing monsoon. Moving the wheat back out of the ports into the interior towns for domestic consumption was unfeasible as it would entail additional costs due to loading and transportation fees. So, if these stocks get damaged by rains, no purpose will be served and the government itself would suffer major losses, the dealers said. The stocks piled up because the exporters had moved large quantities to the ports before the ban was imposed, as the government was then encouraging them to replace the grain supplies lost due to the war in Ukraine, they said.

Meanwhile, frantic efforts are being made by the United Nations as well as the African Union to pressure Russia into releasing its grain and fertilizer stocks, along with those of Ukraine stocked up in the Odessa port and elsewhere. But, in return, Moscow has been insisting on the lifting of sanctions by the US and the European countries. Russia says the sanctions have affected their exports to access vessels and caused impediments to countries importing from them. President Putin on Friday blamed the West for emerging global food and energy crises and repeated his government's offers of safe passage for ships exporting grain from Ukraine if mines are removed from the waters. Regardless of the situation, he also announced plans to increase wheat exports to 87 million tonnes between June and July to counter the wheat crisis. The UN has proposed to release Russia and Belarus from sanctions on their fertilizer exports if Moscow unblocked Ukraine's grain exports through the Black Sea. UN secretary-general Antonio Guterres also mentioned that the UN urged the West and Russia to show "goodwill on all sides" to control the global food crisis. The African Union also plans to initiate discussions with Putin and the Ukrainian leadership to resolve the crisis.

Coupled with the situation created by the Russia-Ukraine war, the Indian government's ban on wheat exports has also accentuated the global food shortage and steeply driven up food prices. Domestic food grain prices have already shot up in the past few months. Ironically, India imposed the ban just two days after it announced that it was eyeing a record increase in wheat shipments this year. The government also restricted sugar exports to stabilize prices and ensure supply. India is the second-largest exporter of sugar in the world. Before the wheat export ban, India had set a goal of shipping a mammoth 10 million tons this year, looking to capitalize on the global disruptions to wheat supplies from the Ukraine war and to find new markets for its wheat in Europe, Africa and Asia. The reasons given for imposing the prohibition were the severe heat wave and rising domestic prices. Wheat grains usually ripen around this period, which is why they are extra sensitive to heat. Wheat production in India is expected to be lower this year than the earlier estimates due to such inclement weather. In February, the government had estimated 111 million tonnes of wheat production. However, the extremely hot conditions in late March affected the yield and the revised estimates stand at 105-106 million tonnes. This has also given rise to speculation that wheat production over the next few years would continue to remain affected as extreme weather conditions are likely to become the norm.

In the coming months, this shortage of wheat could affect the public distribution system seriously. It could hit the wheat prices in the open market. If the export market is subjected to volatility, the held over wheat brought at higher prices by traders could be routed back to the domestic open market at higher prices. People already deprived of wheat in their ration quotas would then be forced to buy the high priced wheat from open markets. Farmers could also get affected if the volatile export market does not materialise fully. Government procurement, which has already been slashed, will close later this month and hence the farmers will have to undertake distress selling of the wheat at whatever price they get from the high profit-seeking traders. Private traders control imports, exports and prices of wheat, rice, cereals, sugar and edible oils no matter which government or political party is in power. In short, the immediate future portends all kinds of pitfalls and dangers which could deal a devastating blow to the already distressed lives of the people.

Experts expect that the wheat export ban will be lifted or softened soon, as, within a week after the prohibition, wheat prices have started to slide, though not significantly. This price decline indicates how traders control the agri-market. Price movements in the domestic wheat market would also be determined by the trend of the ensuing southwest monsoon. However, much would depend on the manipulative ability of the private traders who control imports, exports and prices of essential food grains like wheat, rice, cereals, sugar and edible oils, no matter which government or political party is in power. http://www.millenniumpost.in/opinion/a-profiteering-tool-481070?infinitescroll=1

15. Curtailed learning *(millenniumpost.in)* June 6, 2022

Since March 11, 2020, when the Coronavirus was declared a global pandemic by the World Health Organization virtual learning has become the norm in many institutions throughout the world, with teachers and students fast adapting to a completely new way of life. But, more importantly, did every student receive the education they deserved?

'Internet' is the main player

According to a recent survey, more than 50 per cent of Indian students, including urban students, do not have access to the internet for online learning. We found that 27 per cent of Indian households have access to the internet, while only 47 per cent have access to the internet or computing devices (including smartphones).

Now that everything from completing a course to taking an exam is online, it's the perfect time for India to extend the reach of the Internet in every small village or town. This will improve our online interaction. Similarly, if all countries have internet access, this new education system could become global and lead to innovative collaboration.

Accommodating apps

Many educational institutions have expressed an interest in distributing course materials via the internet. To deliver learning, they use Microsoft Team, Google Meet, Zoom, Adobe Connect, and other platforms. Video-assisted learning is a new trend in education that allows students to study and grasp complicated concepts and subjects in an engaging way. Vedantu, Unacadamy, Byjus, and other instructional apps have seen a surge in earnings due to high demand. In comparison to other social media, YouTube was likewise the most used for academic reasons. It stands out due to its accessibility and cost.

What does it cost?

Now that schools have reopened, Sachin, a 10th-grade student, says he misses his classmates and that online classes had become tedious due to the lack of face-to-face connection.

When schools were closed, children from low-income families were denied midday meals and access to essential online learning resources. Many children have lost their ability to read and write. In most subjects students' grades in the National Achievement Survey (NAS) declined between classes. In comparison to urban pupils, this effect was more noticeable in rural students. Furthermore, when compared to the general group, SC, ST, and OBC pupils scored lower. Children with cognitive illnesses, learning disabilities, visual and hearing impairments, and a variety of other conditions were unable to comply with the online classes because they required physical assistance. Many students are requesting fee reductions, arguing that they paid for services that are no longer available, such as face-to-face interaction with professors and access to campus resources such as libraries, sports clubs, labs, and wellness programmes.

Riti says she lacks practical understanding owing to insufficient training because she graduated during the coronavirus outbreak. "I feel lost without any routine schedule," another student, Jatin, says. "I have no energy or motivation left for assignments." My home does not provide a conducive learning atmosphere. I often get sidetracked."

'Aao school chale hum'

In this internet era, when there are apps like Byju's and YouTube on the market, one often wonders why one should pay exorbitant fees for school. However, it should not be forgotten that the online shift was a result of the epidemic, and it has impeded the learning process to some extent. Excessive screen time in youngsters has resulted in impaired vision, anxiety, and depression, as well as obesity and diabetes. Socialization is definitely missing in children. And hence, the government should be more cautious in the future if a virus emerges, strengthen its internet connection, and ensure that no child loses access to education for whatever reason by regulating schools and universities. http://www.millenniumpost.in/opinion/curtailed-learning-481069

16. Cost of BMC's sewage treatment plants up by 16,000cr in 4 years *(timesofindia.indiatimes.com)* June 7, 2022

Mumbai: The revised cost of the sewage treatment plants has increased by close to Rs 16,000 crore in over four years in the latest bids received by the BMC compared to the estimates of 2018. The BMC had estimated the seven STPs to cost around Rs 29,653 crore, but the companies finalised the pitch to carry out the works at Rs 25,963.32 crore in the latest tenders.

Last week, the BMC issued work orders for six STPs despite opposition from Congress, which filed an intervention plea in the Supreme Court over cost escalation, lack of transparency in tenders and cartelisation by bidding companies. The BMC has kept back the work order for its Bhandup STP. A team of BMC officials and engineers will leave for South Korea on Monday to verify if the constant level and continuous flow sequential batch reactor technology proposed for this plant is feasible.

According to a note submitted by BMC in the SC last month, the estimated STP project cost in January 2018 was Rs 10,000 crore, which rose to Rs 18,500 crore in August-December 2020. In 2021, BMC floated tenders again and pegged the cost at Rs 21,000 crore and finally decided to award contracts at Rs 25,963.32 crore.

In February, BMC's peer review committee and senior officials had pointed out that the estimated costs had risen due to changes in the discharge norms "The cost rise is also due to other factors such as increase in total capacity of STPs from 2,296 MLD to 2,464 MLD, change in scope of works, specifications, spiralling increase in prices of steel, cement and ready-mix concrete...there is not much increase in design-build cost, but the bidders have quoted a very high cost," the minutes of the BMC meeting stated.

In May, BMC chief Iqbal Chahal had said the cost finalized in 2022 is 22% higher than the 2020 estimates—nearly 11% hike per annum. "Considering the last two years of Covid, coupled with sharp increase in cement and steel prices in the last six months and the uncertainty caused by the Ukraine-Russia war, this escalation is justified," he added. https://timesofindia.indiatimes.com/city/mumbai/cost-of-bmcs-sewage-treatment-plants-up-by-16000cr-in-4-years/articleshow/92049272.cms