

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (19.05.2022)**

### **1. Panel for performance audit of Forest Department ([tribuneindia.com](https://tribuneindia.com)) May 19, 2022**

Chandigarh: Taking cognisance of Haryana having the lowest forest cover in the country, the Public Accounts Committee (PAC) of the Haryana Legislative Assembly has recommended to the Principal Accountant General (Audit), Haryana, to conduct a performance audit of the forest department.

The PAC noted that forest cover in the state has been the least amongst all states in the country, as per India State of Forest Reports of 2019 and 2021 “that too after spending hundreds of crores annually the position remaining unchanged”.

The performance audit could look into the outcome of various afforestation schemes in the state.

As per the India State of Forest Report (ISFR) 2021, the forest cover in the state was 1,603 sq km, which was 3.63 per cent of the geographical area. It was the lowest in the country, excluding Ladakh UT. In comparison to 2019, the forest cover increased by just 1 sq km in the state; 0.06 per cent.

The ISFR is a biennial publication of the Forest Survey of India, where forest cover is computed using remote sensing techniques, sample plot-based national forest inventory and special studies carried out at the national level.

Chairman of PAC, MLA Varun Chaudhary, had raised the issue of the forest cover even during the Budget session when the ghost plants scam of the Forest Department was being discussed in the House.

He had then said that the scam had taken place in the state with the lowest forest cover despite spending crores.

Chaudhary is from the Congress, and for the first time an MLA from the Opposition has been nominated chairperson of the PAC in Haryana.

The PAC has also taken suo motu cognisance regarding the absence of an advertisement policy for urban local bodies in Haryana. It took notice of the newspaper reports that the advertisement policy was scrapped years ago and the new policy had not seen the light of the day.

There is a strong apprehension that this vacuum has caused a loss of hundreds of crores to the state exchequer, said a member of the PAC.

“The Vidhan Sabha being the custodian of the public purse, the PAC has demanded comments from the Department of Urban Local Bodies regarding the advertisement policy in the state,” said Chaudhary. <https://www.tribuneindia.com/news/haryana/panel-for-performance-audit-of-forest-department-396052>

## **2. Central government yet to respond to Telangana government's request to raise funds through open market borrowings ([frontline.thehindu.com](https://www.frontline.thehindu.com)) May 18, 2022**

The Central government is yet to respond to the Telangana government's request to raise funds through open market borrowings (OMBs) via the Reserve Bank of India (RBI). The Centre, citing questions over the State's finances and off-budget borrowings, has steadfastly refused the K. Chandrashekar Rao government's request since the commencement of the 2022-23 financial year. The Centre's continuing refusal has resulted in the State being unable to raise the Rs.2,000 crore it had planned to borrow through the RBI's May 17 auction for open market borrowings.

Confirming the Centre's continued refusal, K. Ramakrishna Rao, Telangana's Special Chief Secretary, Finance, said that the State's letter to the Union Finance Secretary T.V. Somanathan, explaining the State's stand had elicited no response. Stated Ramakrishna Rao: "We have written to the Centre with our side of the story. We are waiting for them to reply. Let them get back. They have assured us that our concerns have been taken note of and will be thoroughly examined."

The Centre's refusal is threatening to become yet another flashpoint in the already frosty and frequently acrimonious relationship between the Narendra Modi-led Central government and the Chandrashekar Rao-led Telangana Rashtra Samithi (TRS) government in Telangana.

The crux of the matter pertains to: a) the Comptroller and Auditor General (CAG) of India expressing concerns over the State's off-budget borrowings; and b) the Union Finance Secretary raising serious questions over Telangana's borrowings in the name of different corporations "over and above the limits prescribed in the Fiscal Responsibility and Budget Management (FRBM) Act", under the assumption that the Centre would treat these borrowings as part of FRBM norms.

The CAG report highlights the fact that Telangana was not fully disclosing its off-budget borrowings/liabilities and was even circumventing FRBM norms.

Telangana is extremely piqued with the Centre's stand that off-budget borrowings, including bank guarantees, too would be taken as part of government debt and into account while assessing the State's fiscal health in line with the recommendations of the 15th Finance Commission, and must be serviced as part of budget borrowings. Telangana has contended that the Finance Commission has made no such recommendations. The State has also made public the view that it was the Centre that had accorded permission to the States to borrow Rs.1.27 lakh crore outside of the FRBM norms.

Telangana's decision to create boards and corporations—such as the Kaleshwaram Irrigation Project Corporation Ltd to mobilise funds for the construction of the Kaleshwaram Lift Irrigation Project (KLIP), the Telangana Drinking Water Supply Corporation Ltd to obtain funds for Mission Bhagiratha and the Telangana State Water Resources Infrastructure Development Corporation Ltd to raise funds for the State's other irrigation projects—account for a major chunk of the bank guarantees provided by the State government.

With the government not imposing any user charges for the water being used from these irrigation projects, it is being forced to repay the debts on behalf of these corporations. These

bank guarantees have also become the proverbial Albatross around the State's neck, preventing it from auctioning bonds through the RBI.

The non-availability of funds will skew the State governments numerous big ticket social welfare programmes such as the Rythu Bandhu and Dalit Bandhu (which is costing the government around Rs.40 crore a day) schemes.

Telangana's total debt burden, including budget (Rs.3,44,792 crore) and off-budget (Rs.1,45,456 crore) borrowings by the end of 2022-23 will stand at a whopping Rs.4,75,44 crore. <https://frontline.thehindu.com/dispatches/central-government-yet-to-respond-to-telangana-governments-request-to-raise-funds-through-open-market-borrowings/article38494391.ece>

**3. Since 2009, 10 washed away in drains in Bengaluru ([hindustantimes.com](https://www.hindustantimes.com))** May 19, 2022

Bengaluru: It has been 13 years since Bharathi's then 5-year-old son Abhishek was washed away in a stormwater drain during torrential rain in Bengaluru on May 31, 2009. Though it's been over a decade, it difficult for Bharathi to accept the fact her son is dead since his body hasn't been found yet.

Abhishek is among the 10 people who have been washed in the stormwater drains since 2009. Bodies of four of them, including Abhishek, have been buried unceremoniously in the sludge and garbage after attempts to retrieve the bodies failed due to the pathetic conditions of these stormwater drains.

"It was the day before he was to join Class 1. He was very excited about his new uniform and bag," Bharathi recollected. "It was pouring that night and I was supposed to give food to my husband who was at work. We started walking after the rain stopped but the roads were flooded. As we were walking there was an autorickshaw coming from the other side. So I got to the footpath and kept Abhishek on the footpath as well," she recollected.

Before she realised it, the five-year-old fell into the stormwater drain through a gap on the footpath. "I just saw a glimpse of his head. In those few seconds I turned to see if any other vehicle was coming, he was gone," she said.

Even 13 years after the incident, flooding on the road gives Bharathi anxiety and memories gush back. In the years that followed Bharathi had shifted houses because the sight of the footpath where she lost her son was unbearable. The family now lives 50 km away, but while visiting their relatives, Bharathi is reminded of the tragedy all over again.

"They searched for his body for 14 days. They couldn't find him. They told me that at some point, because of the moving water the body will be recovered. I waited for a year, but nothing happened. It's hard for me to believe that my son is dead because I have not seen his body," he said.

The last victim who suffered a fate similar to Abhishek was a six-year-old girl playing by the retaining wall of a stormwater drain near Marathahalli. On May 10, 2021, she was washed away in the drain filled with rainwater.

Mallika N, the youngest daughter of Nityananda Kuli and Boni Kuli, was among a group of children playing near the drain. Mallika was trying to chase a boy when she slipped into the drain, police said. Nityananda worked as a security guard and Boni was a housekeeper in a private apartment near the drain. Seven families, all from Assam, live in makeshift sheds near the drain and most of them work as housekeepers or security guards in the apartment. Her body too was not recovered.

Out of these people who have been washed away, seven were children, including a three-year-old.

According to rescue experts at the Karnataka fire and emergency department, there is little hope of finding someone who has been washed away in the stormwater drain and the conditions inside these stormwater drains are such that it threatens the lives of those trying to retrieve these bodies. “These drains have toxic fumes inside them and it is not possible to enter without breathing apparatus. Most of the drains have not been maintained for years and there is so much garbage within them that even if a child’s body is buried in it, we won’t be able to see it,” said a regional fire officer rank officer in Bengaluru, who didn’t want to be named.

The officer said that in several cases the department had brought in experts from the National Disaster Response Force (NDRF), who have better equipment than the fire and rescue department, but even they had to call off several search operations because they had become life-threatening.

The root of the problem eventually comes down to the lack of security measures and maintenance of the drains. Bengaluru’s stormwater drain network is nearly 850km, however, on September 15, 2021, the CAG had pulled up the agencies for inefficiency in identifying and managing stormwater drains in the city. Since 2019-20, BBMP has been giving annual maintenance contracts for drain maintenance, but this covers only 45% of the total drains in the city, which is 377 km out of 842 km, said the CAG report. The situation is worse in peripheral areas of Bengaluru, where contracts are given for cleaning less than 50% of the drain length. Over that, no civic agency conducted drain inspection or maintains reports on the city, according to the CAG.

Trilok Chandra, Special commissioner, BBMP, while addressing the media on Monday, said that even in 2022, contracts have been given for cleaning 440 km of drains in the city

Amidst growing public anger over the state of infrastructure in Bengaluru, the State Government had also announced ₹1,500 crore for taking up various drain related works, including strengthening of retaining walls, desilting and widening of drains. A senior civic official said that the short-term tender had been floated for the drafting of the master plan and had been opened around five days ago. The financial bid was being scrutinised and once completed, the tender would be sent to the State Government for approval.

Talking about the condition of the storm water drains in the city, Karnataka Chief Minister Basavaraj Bommai said that funds have been earmarked to make the stormwater drains better. “I have asked officials to clear the bottlenecks in the stormwater drains. We had even set aside ₹1,600 crore for this task, but still, there are problems. There are 800 km of drains and only around 409 km are complete. No work on these issues has been taken up in the past but we will start it from this year,” Bommai said on Wednesday.

<https://www.hindustantimes.com/india-news/since-2009-10-washed-away-in-drains-in-bengaluru-101652901824082.html>

**4. अवैध खनन मामला: सीएम सोरेन के करीबी पंकज मिश्रा पर कसेगा शिकंजा! दुमका और पाकुड़ डीएमओ से ईडी ने की पूछताछ, हाईकोर्ट में आज होगी सुनवाई (livehindustan.com) May 19, 2022**

राज्य में अवैध खनन के जरिए करोड़ों के कारोबार के खुलासे के बाद अब नया तथ्य सामने आया है। ईडी ने लगातार तीसरे दिन दुमका के डीएमओ कृष्णचंद्र किस्कू और पाकुड़ के डीएमओ प्रदीप कुमार साह से पूछताछ की। ईडी सूत्रों की मानें तो दोनों डीएमओ ने पूछताछ में बताया है कि संताल में अवैध खनन के कारोबार पर पंकज मिश्रा का पूर्ण नियंत्रण है। पंकज ने अपने व रिश्तेदारों के नाम पर साहिबगंज में खनन पट्टा लिया है। पंकज मिश्रा मुख्यमंत्री के बरहेट विधायक प्रतिनिधि हैं।

#### **साहिबगंज डीएमओ के आने का इंतजार**

दोनों डीएमओ ने अपने बयान में पंकज मिश्रा की भूमिका बतायी है। जांच में यह बात सामने आयी है कि साहिबगंज डीएमओ विभूति कुमार ने भारी रकम पूजा सिंघल तक पहुंचायी थी। साथ ही पंकज मिश्रा समेत कई अन्य को उन्होंने खनन पट्टा दिया है। ईडी ने विभूति कुमार को पूछताछ के लिए नोटिस किया था, पर 17 फरवरी को बेटे की शादी की वजह से वह हाजिर नहीं हो पाए। ईडी अधिकारियों को उम्मीद है कि वह 20 या 21 मई को एजेंसी के सामने हाजिर होंगे।

#### **अवैध तरीके से बांग्लादेश जाता था स्टोन चिप्स**

जांच में यह बात सामने आयी है कि संताल के जिलों से बांग्लादेश तक स्टोन चिप्स की तस्करी होती थी। बगैर परिवहन चालान भी चिप्स बांग्लादेश तक भेजे गए थे। ईडी को जानकारी मिली है कि बोल्टर भेजने की बजाय स्टोन चिप्स बांग्लादेश भेजे जाते थे। ईडी के मुताबिक, जिलों से खनन व परिवहन से जुड़े सारे चालान की मांग की गई है। मामले में न सिर्फ मनी लाउंड्रिंग बल्कि रॉयल्टी के नुकसान का भी मामला सामने आया है। अब रेलवे से ट्रांसपोर्टिंग करने वाली तीन कंपनियां भी रडार पर हैं।

#### **अमित अग्रवाल और प्रेम प्रकाश का नाम भी आया**

ईडी के सामने कोलकाता के कारोबारी अमित अग्रवाल और प्रेम प्रकाश का भी नाम सामने आया है। अमित भी माइनिंग सिंडिकेट में अहम सदस्य थे। वहीं पूजा सिंघल और सुमन के बयान में इन नामों के बारे में जानकारी मिली है।

#### **डीएमओ से कभी नहीं हुई मुलाकात: पंकज**

बरहेट विधायक प्रतिनिधि पंकज मिश्रा ने कहा है कि दुमका या पाकुड़ के डीएमओ से पदस्थापन के बाद उनकी मुलाकात नहीं हुई। उन्हें एवं सरकार को बदनाम करने के लिए कोई अफवाह फैला रहा है। वैसे दोनों पदाधिकारियों ने किस एजेंसी के सामने किसके बारे में क्या कहा है, इसकी कोई अधिकृत जानकारी उन्हें नहीं दी गई है। फिर भी यदि इस संबंध में कोई नोटिस मिला तो वे उसका जवाब देंगे।

#### **हाईकोर्ट में खनन लीज मामले की सुनवाई आज**

सीएम के करीबियों के शेल कंपनी चलाने व सीएम के खान आवंटन मामले में गुरुवार को हाईकोर्ट में सुनवाई होगी। चीफ जस्टिस डॉ रवि रंजन और जस्टिस सुजीत नारायण प्रसाद की अदालत में सुबह 10:30 बजे सुनवाई होगी। इसके साथ ही मनरेगा घोटाले की सीबीआई जांच के लिए दायर अर्जी भी सूचीबद्ध है। 17 मई को हाईकोर्ट ने सरकार से 2010 में खूटी में हुए मनरेगा घोटाले में दर्ज सभी प्राथमिकी का ब्योरा कोर्ट में पेश करने का निर्देश दिया है। कोर्ट ने सीएम को खनन लीज आवंटन मामले में रांची डीसी से भी स्पष्टीकरण देने को कहा है कि उन्हें खनन विभाग की सभी जानकारी कैसे है।

### **खनन लीज की रिपोर्ट सीएजी को भेजी**

मुख्यमंत्री तथा उनके प्रेस सलाहकार के नाम खनन लीज आवंटन से संबंधित रिपोर्ट झारखंड के प्रधान महालेखाकार ने सीएजी को भेज दी है। सीएजी ने इससे संबंधित पूरी रिपोर्ट मांगी थी। सुप्रीम कोर्ट में सीएम एवं उनके सहयोगियों के नाम खनन लीज आवंटन को लेकर जनहित याचिका की सुनवाई चल रही है। इस संबंध में सुप्रीम कोर्ट ने सीएजी से पूरी रिपोर्ट तलब की है। <https://www.livehindustan.com/jharkhand/story-illegal-mining-case-action-might-be-taken-against-cm-hemant-soren-close-pankaj-mishra-ed-interrogates-dumka-and-pakur-dmos-high-court-6511416.html>

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

### **5. PM's Economic Advisory Council bats for universal basic income, urban job guarantee scheme ([financialexpress.com](https://www.financialexpress.com)) May 19, 2022**

**A report commissioned by the Economic Advisory Council (EAC) to the Prime Minister on Wednesday suggested that the government roll out a universal basic income (UBI) scheme to reduce stark income gaps and launch a guaranteed employment programme for the urban unemployed.**

A report commissioned by the Economic Advisory Council (EAC) to the Prime Minister on Wednesday suggested that the government roll out a universal basic income (UBI) scheme to reduce stark income gaps and launch a guaranteed employment programme for the urban unemployed.

Stating that the heavily skewed nature of income distribution in the country is only turning worse, the council also recommended steps to raise minimum income and a higher share of government spending on the social sector to make the vulnerable sections of population immune to sudden shocks and “stop their descent into poverty”.

The report titled “The State of Inequality in India”, prepared by the Gurgaon-based Institute for Competitiveness, was released by EAC chairman Bibek Debroy.

Citing the results of the three rounds of Periodic Labour Force Survey (PLFS), the council noted that in the three years to 2019-20, the top 1% of the population held 6-7% the total incomes earned, while the top 10% held a third. To be precise, the share of the top 1% of the population in the country's total income increased over the three years to 2019-20 — from 6.14% to 6.82%.

Of course, the pandemic then led to a decline in national income in 2020-21. Given increased pace of formalisation of the economy during the last two years, many analysts reckon the income gap may have widened since 2019-20.

According to the report, though there was a marginal decline in the income share of the top 10% to 32.52% in 2019-20 from 35.18% in 2017-18, this hasn't resulted in increased salaries of the bottom-most population. "...The top 1% grew by almost 15% between 2017-18 to 2019-20, whereas the bottom 10% registered a close to 1% fall (in their income share)," it added.

The report, though very grim, paints a relatively better picture of the country's income pyramid than in the World Inequality Report (WIR) 2022 released in December last year. According to the WIR, India stood as a "poor and very unequal country, with an affluent elite", where, in 2021, the top 10% of the population had 57% of the total national income and the top 1% held 22%. The bottom half of the population held just 13% of the national income in 2021, it said.

Interestingly, the EAC's call for the UBI scheme revived a long-unsettled debate in India on how best to address growing income inequality. The idea got a fresh lease of life after former chief economic advisor Arvind Subramanian had endorsed it in the Economic Survey for FY17 in place of subsidy transfer. The Survey had assumed a quasi-universality rate of 75% (of all beneficiaries). Subramanian had calculated the economic cost of the UBI at 4.9% of GDP.

However, later that year, finance minister Arun Jaitley said while he was supportive of the idea, it might not be politically feasible in India. "We will be landing in a situation where people will stand up in Parliament and demand continuation of the present subsidies and over and above that (UBI)...," Jaitley had said.

Later, the International Monetary Fund in October 2017, endorsed the idea of India launching a fiscally neutral universal basic income by eliminating both food and fuel subsidies that could cost 3% of gross domestic product (GDP) or Rs 5.6 trillion. In January 2019, then Congress president Rahul Gandhi had pledged to roll out a UBI if his party is voted to power.

India's budgetted expenditure on social services has risen over the years — from 6.2% in FY15 to 26.6% in FY22 (as per Budget estimate). However, there has been a decline in expenditure on social services in education (from 10.8% to 9.7%) during this period but healthcare spending has risen from 4.5% to 6.6% of budgetted expenditure.

The latest report called for raising minimum income and ensuring better distribution of earnings in the labour market.

"Looking at the difference between the labour force participation rate in rural and urban areas, it is our understanding that the urban equivalent of schemes like MGNREGS that are demand-based and offer guaranteed employment should be introduced so that the surplus-labour is rehabilitated," it said.

The report commissioned by EAC highlighted the grave joblessness in the country but noted a marginal decline in unemployment rate and a gradual improvement in labour force participation rate (LFPR) in the three years to 2019-20. Relying on the PLFS, the report said LFPR for 15 years and above for the educated workforce (secondary and above) — which stood at 48.8% in 2017-18 and 2018-19 — increased to 51.5% in 2019-20. The country's unemployment rate was 4.8% in 2019-20, it noted.

However, according to the CMIE data, which is not strictly comparable with the PLFS outcome, the unemployment rate dropped from as high as 11.84% during the peak of the second Covid wave in May 2021 to 6.56% in January 2022. It again shot up to 8.11% in February after the Omicron onslaught, before easing to 7.57% in March, but inched up to 7.83% in June. <https://www.financialexpress.com/economy/pms-economic-advisory-council-bats-for-universal-basic-income-urban-job-guarantee-scheme/2530205/>

## **6. India to ink ‘repeat order’ deal for 73,000 SiG 716 rifles from the US (*theprint.in*) May 19, 2022**

**In February 2019, 72,400 SiG 716 rifles of 7.62 x 51mm calibre were contracted from SIG Sauer Inc, USA, under government's 'Buy (Global) category', through fast track procedure.**

The defence ministry is in the final stages of approving a repeat order for 73,000 SiG 716 G2 patrol assault or battlefield rifles from the US to meet the requirements of its frontline troops, ThePrint has learnt.

Sources in the defence and security establishment told ThePrint that notwithstanding reports of alleged cancellation of the proposed order of SiG 716, the ‘repeat order’ procurement of 73,000 rifles by defence ministry “is at the final stage of approval”.

In February 2019, 72,400 SiG 716 rifles — 66,400 for the army, 4,000 for the air force and 2,000 for the Navy — of 7.62 x 51mm calibre were contracted from SIG Sauer Inc, USA, under the government ‘Buy (Global) category’ through the fast track procedure (FTP).

The ‘Buy (Global)’ category refers to outright purchase of equipment from foreign vendors.

The consignment was delivered and distributed to the soldiers.

Contrary to initial plans to equip only frontline troops, the Army had then equipped over 400 infantry battalions with the SiG 716, as reported earlier. At least two companies (about 100 soldiers each) in all infantry battalions have been given the SiG 716 — irrespective of whether they are in the field or at peace stations.

The number of rifles distributed across the battalions differed, with some getting more than the others.

Defence sources said that considering the performance of the weapon, and to ensure operational necessity, commonality and associated logistics functionality, the defence ministry is now in the process of approving a repeat order of 73,000 SiG 716 assault rifles.

The fresh order is meant to meet the requirement of the remaining frontline troops, who did not receive these rifles the last time.

The reason for the selection of this particular weapon is because of a revision in the Indian Army’s operational philosophy in 2016, wherein the 7.62 x 51mm calibre was chosen over the 5.56 x 45mm calibre, as having the optimum calibre for operations, said sources.

They added that as a result, the SiG 716 Assault Rifle, being of higher calibre (7.62 x 51mm) has longer effective range, more lethality and higher recoil, as compared to the INSAS Rifle (5.56 x 51mm Calibre) or the AK-47 Rifle (7.62 x 39mm), which are also used.

### **Army goes in for beefing up of SiG rifles**

Sources explained that since the induction of the SiG 716 Rifle, the Army has been using Ordnance Factory Board (OFB) manufactured ammunition with the weapon and no deviations in the performance of the weapon have been found.

The Print had earlier reported that the Army replaced the original American made ammunition with locally manufactured and easily available rounds of the 7.62 medium machine gun (MMG) ammunition because the American bullets were too expensive in the long term.

While sources in the defence establishment have said this does not have an impact on the performance of the rifle, another set of sources on the ground did say that this led to higher recoil — an issue which can be dealt by better production quality ammunition.

Sources explained that the SiG 716 rifles are also fitted with picatinny rails to facilitate mounting of various equipment and accessories, such as optical sights, under barrel grenade launcher (UBGL), forehand grip, bipod and laser pointer, without any modification to the weapon.

Asked why the accessories were not bought with the original rifle in 2019, the sources said these equipment and accessories, like optical sights, are generally procured after the induction of the weapon.

Considering the utility of forehand grip, the Army procured it from an indigenous source.

Explaining why the SiG rifles are better than the INSAS — other than in terms of the range and lethality — the sources said the SiG 716 Rifle also has an ‘automatic’ mode of firing (similar to AK-47), compared to the three-round burst (TRB) mode of an INSAS rifle.

The sources added that to optimally utilise these features of the weapon, a certain number of bipods have been procured, to enable the use of the weapon in multiple roles and increase its effective range to greater distances.

“Hence, post-induction of the SiG 716 Rifle into the inventory, cases for procurement of day telescopic sight and night sight, thermal imaging and image intensifier for the weapons have been processed from indigenous source,” the sources said. <https://theprint.in/defence/india-to-ink-repeat-order-deal-for-73000-sig-716-rifles-from-the-us/962103/>

## **7. CPSEs to get powers to sell arms, exit JVs ([indianexpress.com](https://www.indianexpress.com)) May 19, 2022**

The Union Cabinet Wednesday empowered the boards of the Central Public Sector Enterprises (CPSEs) to privatise, disinvest or close their subsidiaries and stakes in joint ventures. The move will give a fillip to the government’s efforts to unlock capital, which are either stuck or sub-optimally employed in state assets, and put these into more productive use.

Many large profit-making CPSEs like Coal India, ONGC and NTPC have valuable subsidiaries or JV partnerships. The Cabinet decision will enable them to monetise parts of these assets without having to secure the approval of the Cabinet or go through the process involving the administrative ministries and/or the department of investment and public asset management (Dipam).

The move is also expected to reduce the burden on Dipam, which will could now focus on privatisation of holding companies or parent CPSEs. Currently, there are about 380 PSEs (including subsidiaries), 20-30 per cent of which may be closed for being sick or unviable. The government has made it clear that except for the sake of having its minimum presence in the four strategic sectors, other companies in the strategic sectors and all in non-strategic sectors will be privatised or closed. Currently, CPSE Boards do not have powers for disinvestment/closure of their subsidiaries or units or stake in JVs, except some limited powers given to Maharatna PSEs for minority stake disinvestment of shareholding in their subsidiaries. <https://indianexpress.com/article/business/cpses-to-get-powers-to-sell-arms-exit-jvs-7924831/>

## **8. Some progress made but miles to go: State of Inequality in India Report ([financialexpress.com](https://www.financialexpress.com)) May 19, 2022**

**The State of Inequality in India Report concedes that while earnings have risen over the years, the benefits of that growth have largely remained concentrated and this has marginalised the poor further.**

The State of Inequality in India Report concedes that while earnings have risen over the years, the benefits of that growth have largely remained concentrated and this has marginalised the poor further, reports fe Bureau in New Delhi.

While progress has been made in various indicators — from improved labour participation (pre-Covid), health infrastructure and enrolment ratio of students to child mortality — wealth concentration has worsened. A 44.4% wealth concentration in the highest quintile in urban areas is contrasted with a meagre 7.1% concentration in that in rural India. <https://www.financialexpress.com/economy/some-progress-made-but-miles-to-go-state-of-inequality-in-india-report/2530269/>

## **9. S&P lowers India growth projection to 7.3% for FY23 ([financialexpress.com](https://www.financialexpress.com)) May 19, 2022**

With rising inflation and the longer-than-expected Russia-Ukraine conflict, S&P Global Ratings on Wednesday lowered India's growth projection for the current fiscal year to 7.3% from 7.8% estimated earlier.

In December 2021, S&P had pegged India's GDP growth for FY23 at 7.8%. For the next fiscal, the growth has been pegged at 6.5%. The Indian economy is estimated to clock a GDP growth of 8.9% for FY22.

“The risks to our forecasts have picked up since our last forecast round and remain firmly on the downside. The Russia-Ukraine conflict is more likely to drag on and escalate than end

earlier and deescalate, in our view, pushing the risks to the downside,” S&P said in its Global Macro Update to Growth Forecasts.

S&P has pegged CPI or retail inflation in the current fiscal year at 6.9%. It said inflation remaining higher for long is a worry, which requires central banks to raise rates more than what is currently priced in, risking a harder landing, including a larger hit to output and employment.

In April, the World Bank slashed India’s GDP forecast for FY23 to 8% from 8.7% predicted earlier, while the International Monetary Fund (IMF) has cut the projections to 8.2% from 9%.

The Asian Development Bank (ADB) has projected India’s growth at 7.5%, while the Reserve Bank of India has cut its forecast to 7.2% last month from 7.8%, amid volatile crude oil prices and supply chain disruptions due to the ongoing Russia-Ukraine war. <https://www.financialexpress.com/economy/sp-lowers-india-growth-projection-to-7-3-for-fy23/2530147/>

## **10. India, fastest-growing major economy, projected to grow 6.4% in 2022: UN ([business-standard.com](https://www.business-standard.com)) May 19, 2022**

As the Ukraine conflict impacts the global GDP, India is projected to grow by 6.4 per cent in 2022, slower than the last year's 8.8 per cent but still the fastest-growing major economy, with higher inflationary pressures and uneven recovery of the labour market curbing private consumption and investment, according to a UN report.

The UN Department of Economic and Social Affairs said in its World Economic Situation and Prospects (WESP) report released on Wednesday that the war in Ukraine has upended the fragile economic recovery from the pandemic, triggering a devastating humanitarian crisis in Europe, increasing food and commodity prices and globally exacerbating inflationary pressures.

The global economy is now projected to grow by only 3.1 per cent in 2022, down from the 4.0 per cent growth forecast released in January 2022. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent during 2010-2020, with sharp rises in food and energy prices, it said.

The report said that the outlook in South Asia has deteriorated in recent months, against the backdrop of the ongoing conflict in Ukraine, and higher commodity prices and potential negative spillover effects from monetary tightening in the United States.

The regional economic output is projected to expand by 5.5 per cent in 2022, which is 0.4 percentage points lower than the forecast released in January.

India, the largest economy in the region, is expected to grow by 6.4 per cent in 2022, well below the 8.8 per cent growth in 2021, as higher inflationary pressures and uneven recovery of the labour market will curb private consumption and investment, it said.

For the fiscal year 2023, India's growth is forecast to be 6 per cent.

Lead Author & Chief, Global Economic Monitoring Branch, Economic Analysis and Policy Division, United Nations Department of Economic and Social Affairs Hamid Rashid told

reporters at the UN Headquarters that almost all regions in the world are affected by high inflation except for East Asia and South Asia.

He said India in that sense is a little bit in a better position as it did not have to aggressively pursue monetary tightening compared to other countries in Latin America.

Brazil has raised interest rates repeatedly.

India's projected growth for 2022 is 6.4 per cent, a downward adjustment of 0.3 per cent from January.

We expect Indian recovery to remain strong in the near term, in the next year and two, but again we cannot completely discount the downside risk that would come from external channels. So that risk is still there, he said.

The report added that higher prices and shortages of farming inputs including fertilisers are likely to persist in the region, negatively impacting the agricultural sector in Bangladesh, India, Pakistan, and Sri Lanka.

This will probably result in weaker harvests and exert further upward pressures on food prices in the near term, the report said.

It said along with higher energy prices, elevated prices of food will likely increase food insecurity across the region. Consumer price inflation in the region is expected to accelerate to 9.5 per cent in 2022, from 8.9 per cent in 2021.

The report also said that tighter external financial conditions will adversely affect regional growth prospects, especially for countries with high exposure to global capital markets facing debt distress or risks of debt default.

The pandemic left many countries with large fiscal deficits and higher and unsustainable levels of public debt. Sri Lanka is currently facing a debt crisis and discussing a new IMF-supported programme to bring its economy out of the crisis, it said.

The downgrades in growth prospects are broad-based, including the world's largest economies the United States, China and the European Union and the majority of other developed and developing economies, it said.

The growth prospects are weakening particularly in commodity-importing developing economies, driven by higher energy and food prices. The outlook is compounded by worsening food insecurity, especially in Africa, it added.

Growth forecasts for the United States, European Union and China have been revised downward, with the European Union registering the most significant downward revision. The European Union economy most directly hit by disruptions in the energy supply from the Russian Federation is now expected to grow by 2.7 per cent in 2022, down from 3.9 per cent expected in January.

The United States economy is expected to grow by 2.6 per cent in 2022 and 1.8 per cent next year, while China is expected to grow by 4.5 per cent in 2022 and 5.2 per cent in 2023. The

developing countries, as a group, are projected to grow by 4.1 per cent in 2022, down from 6.7 per cent in 2021, the report said.

The war in Ukraine in all its dimensions is setting in motion a crisis that is also devastating global energy markets, disrupting financial systems and exacerbating extreme vulnerabilities for the developing world, UN Secretary-General Antonio Guterres said.

We need quick and decisive action to ensure a steady flow of food and energy in open markets, by lifting export restrictions, allocating surpluses and reserves to those who need them, and addressing food price increases to calm market volatility, he said. [https://www.business-standard.com/article/current-affairs/india-retains-top-spot-as-fastest-growing-major-economy-un-report-122051900021\\_1.html](https://www.business-standard.com/article/current-affairs/india-retains-top-spot-as-fastest-growing-major-economy-un-report-122051900021_1.html)

## **11. Recommendations of GST Council not binding on Centre, States: Supreme Court ([thehindu.com](https://www.thehindu.com)) May 19, 2022**

**The case pertaining to the levy of Service Tax and Integrated GST on ocean freight has been argued since 2017 before several courts and involved a judicial review of the Constitutional validity of both the tax levies.**

The Supreme Court on Thursday held that recommendations of the GST Council are not binding on the Centre and the States but only have a persuasive value, while striking down the levy of integrated GST on ocean freight, dismissing a plea by the revenue authorities challenging a Gujarat High Court order.

“This judgment may change the landscape of those provisions under GST which are subject to judicial review,” said Abhishek A. Rastogi, partner at Khaitan & Co, who argued for the petitioners before Gujarat High Court and the Supreme Court.

“As the court has gone ahead to categorically hold that the GST Council recommendations have only persuasive value, there will be pragmatic approach to the provisions which are subject to judicial review by way of challenge to the constitutionality of such provisions based on GST Council recommendations” he noted.

The case pertaining to the levy of Service Tax and Integrated GST on ocean freight has been argued since 2017 before several courts and involved a judicial review of the Constitutional validity of both the tax levies. The Goods and Services Tax (GST) regime had become operational on July 1, 2017.

The Gujarat High Court had quashed the IGST levy on ocean freight under the reverse charge mechanism, against which the revenue authorities had filed a special leave petition in the apex court.

“The Supreme Court has held that GST on ocean freight paid in case of import of goods is unconstitutional. As a corollary, the Indian importers who had paid such tax will be eligible to refund. Further, those importers who had not paid the tax on import of services will now not be required to pay tax because of this Supreme Court ruling,” Mr. Rastogi told The Hindu.

Generally, the value of imported goods includes the Cost, Insurance and Freight components and Customs Duty and GST are levied on that value, explained Vivek Jalan, partner, Tax Connect Advisory Services.

“However, the Central Board of Indirect Taxes and Customs also sought to levy GST at 5% on the value of imported goods considering 10% of the value of imported goods as deemed ocean freight. This meant a levy of 0.5% GST on the value of imported goods as services, along with Customs duty and GST itself which is around 28% and is charged as goods,” he elaborated.

Importers had challenged the move as this entailed double taxation by the CBIC on the same value of imported goods, once by considering it as goods under the Customs Act, and then by considering a portion of the same value as services of transportation of goods. <https://www.thehindu.com/news/national/recommendations-of-gst-council-not-binding-on-centre-states-supreme-court/article65429432.ece?homepage=true>

## **12. India’s top cricket body, the BCCI, is not yet taxed ([thenorthlines.com](http://thenorthlines.com)) May 19, 2022**

**The issue of taxing the income of BCCI needs to be re-examined even though it is registered as a charitable body**

Cricket fever has gripped the nation and BCCI has decided to renew the media rights of Indian Premier League (IPL) in June 2022. Floor price for the auction has been kept at Rs 32,890 crore for a five-year period of 2023 to 2027 and the auction is expected to fetch more than Rs 35,000 crore. In the previous year, BCCI added two new franchises in IPL for a whopping sum of Rs 12,715 crore. Anyway, BCCI is world’s richest cricket association and as per media reports, its net worth at March 2021 was more than Rs 18,000 crore.

IPL has taken the commercialization of cricket to a new height and revenue authorities also noted this phenomenon. BCCI is registered as a charitable organization and its income is exempt from tax, subject to fulfilment of conditions imposed under the Income Tax Act, 1961. Issue of taxing the income of BCCI was taken up by the tax department and it sought to revoke the exemption granted to BCCI. This was challenged before the Mumbai bench of the Income Tax Appellate Tribunal (ITAT) and the November 2021 order [ITA No. 3301/ Mum/2019] came in favour of BCCI. However, even the ITAT carved out in its order that the pertinent issue examined by the tribunal is related only to granting the registration to BCCI and it has not examined the issue of taxability of IPL income.

Various state cricket boards have got tax reliefs on their income but this doesnot settle the matter for BCCI. In fact, the Gujarat High Court in the matter of Director of Income Tax (E) Vs Gujarat Cricket Association [Tax Appeal No. 268 of 2012 which was decided on 27 September 2019] had categorically said that ‘undoubtedly the activities of BCCI are commercial in nature’. Para 163 of the said order grants relief to Gujarat Cricket Association on the ground that activities of BCCI (which are of commercial in nature) are different from the assessee and the assessee has merely received donation from BCCI. In a similar issue related to Chandigarh Lawn Tennis Association Vs ITO (Exemptions), the Chandigarh ITAT bench [ITA No. 1382/CHD/2016] held that income from organizing Davis Cup matches is liable to tax u/s 2(15) of the Income Tax Act, 1961. There are various other judgements also where it has been affirmed that if any organization which is engaged in advancement of any other object of general public utility, then it must pass the test prescribed u/s 2(15) of the Act

otherwise section 13(8) of the Act will become applicable and exemption will be given on a Y-o-Y basis. Such originations can continue to hold their registration but impact of section 2(15) has to be considered while computing their tax-exempt income.

The Football Association of Britain is also registered as a non-profit corporation but in the previous FY it has paid around 20 million GBP as tax and a further provision of 4.8 million GBP is made towards deferred tax (a future tax liability). IPL also runs on similar model of British football clubs and therefore an inference can be drawn.

There was a time when Supreme Court had to intervene into the affairs of the BCCI and former C&AG Vindo Rai was appointed as interim president on the direction of the court. The apex court approved the memorandum of association and rules & regulations of BCCI in August 2018 and it was expected that the revised framework will provide much needed transparency. Chapter 8 of the Supreme Court approved rules & regulations is dedicated to transparency and it mandates BCCI to upload details of financial outlay etc. on its website. Annual accounts, financial and compliance reports etc. are also to be updated on the official website ([www.bcci.tv](http://www.bcci.tv)) but surprisingly, annual reports after FY 2016-17 are not available. Elaborate rules have been made to avoid the conflict of interest in the conduct of BCCI and all such instances are also to be disclosed on the website. Its high time when the apex court asks the cricketing body to submit a compliance status report on all the recommendations. In fact, rules and regulations are bye-laws of the entity and they must be complied in letter and spirit.

A rich sporting body like BCCI which is managed by politicians, (both from UPA and NDA) and optics are very much important in politics. A lavish manner of conducting the tournaments and resisting the tax payment, conducting the affairs in an opaque manner, etc., are not giving a good perception about the apex cricketing body. <https://www.thenorthlines.com/indias-top-cricket-body-the-bcci-is-not-yet-taxed/>

### **13. Power shortage crisis: Easing green norms for coal no solution ([financialexpress.com](http://financialexpress.com)) May 19, 2022**

In a knee-jerk reaction to the ongoing power shortage crisis, the ministry of environment, forest and climate change has eased environmental norms for coal mining. In a circular dated May 7, 2022, the ministry has granted some coal mines an exemption from environmental clearance and public consultation for an expansion by a further 10% of their existing capacity.

This is a further relaxation of an earlier exemption that granted expansion of up to 40%. The move from the ministry has been billed as a special dispensation to counter the coal shortage to meet the ongoing steep rise in power demand.

India's electricity demand jumped 15% in April 2022 compared to the same month in 2021. A bounce-back in demand after the two-year Covid slump, coupled with the early onset of summer exacerbated by record-breaking heatwaves across northern India, is the major contributing factor to the sharp rise in power requirement.

During the last week of April, India's daily peak demand touched highs of 200 gigawatts (GW) and faced peak demand deficits of 8-10GW. On April 29, 2022, India's daily peak electricity demand rose to a record high of 207 GW. The northern region faced an acute deficit of 10% in meeting the peak demand on that day. The supply-demand mismatch has caused brownouts all across India. A recent BBC report refers to a survey from a polling agency, LocalCircles, which

found one out of three households from 322 districts reported power outages of two hours or more each day in April.

The current crisis has more to do with the shortage of coal stockpiles at coal-based power plants and coal transportation logistics than volumes of coal mined.

India's domestic coal production grew by 8.5% to 777 million tonnes (mt) in FY22 from 716 mt in FY21. Coal production in April 2022 was 29% higher compared to the same month last year, but the coal dispatch volumes only increased by 9%. Even then, plants have failed to maintain the necessary coal stockpiles.

The Central Electricity Authority's report on coal stock at coal-based power plants on April 1, 2022, shows that 155 non-pithead plants (for which coal needs to be hauled via the Railways from distant mines) had aggregate stocks of only 31% of the normative level required. The situation worsened at the beginning of May when 147 of the non-pithead plants had an aggregate stock of only 26% of normative stock requirements—83 plants based on domestic coal and 11 plants based on imported coal had stock at critical levels of below 25%. In October 2021, a similar power crisis had emerged, during which the power ministry had directed all plants to maintain adequate coal stockpiles in advance.

Russia's war in Ukraine is having an intense inflationary impact on coal prices. The Indonesian coal price has almost doubled to \$89.6/tonne (t) in May 2022 from \$54/t during the same time last year.

Plants designed to operate on imported low-ash coal are suffering due to the record high prices of imported coal. Extremely low utilisation of a total of 17GW of such plants has been another obstacle to meeting the high demand.

To counter the power shortage crisis, the Railways is using 86% of its open wagons to transport coal to plants. This is somewhat reflective of the fact that the availability of coal is not an issue.

A large proportion of India's coal mining resources is concentrated in the central and eastern states of Madhya Pradesh, Chhattisgarh, Jharkhand, West Bengal and Odisha. India's coal-fired power sector is increasingly facing the challenge of hauling coal from mines in these locations to plants across the country over distances up to 1,500 km.

To reduce the pressure on the Railways, some of the coal linkages between mines and plants have been rationalised over the past few years to optimise coal delivery. However, the Railways continues to face the pressure of managing passenger freights versus coal freights, both of which run on the same lines.

Exempting coal-mine expansions from proper environmental and social impact assessment is not a long-term solution for power-supply security. In fact, it could have severe social and economic impacts on indigenous communities living near the coal mines as well as the flora and fauna surrounding the mines. The cons of the policy move potentially outweigh the short-term pros. The current crisis presents an opportunity to accelerate the commissioning of clean energy capacity. Policies to increase the uptake of distributed and rooftop solar PV, which could be built faster without putting pressure on transmission networks, will provide better outcomes compared to increasing coal volumes that would need further expansion of the Railways infrastructure.

Small and medium industries (SMEs), educational institutes, banks, hospitals and residential communities will benefit from reducing their dependence on the grid and by producing their own electricity and selling some back to the grid. There is a strong case for the government to give a further push to distributed solar to protect India's economic activities from frequent power outages. <https://www.financialexpress.com/opinion/power-shortage-crisis-easing-green-norms-for-coal-no-solution/2530136/>

#### **14. Two coal crises in less than a year. What is India doing wrong? ([scroll.in](#)) Updated: 18 May 2022**

Sashank Pathak owns a photocopy shop in one of the busiest markets of Ranchi, Jharkhand's capital city. His small-scale business needs regular power to run his machines. But since the onset of the heatwave in the region, erratic power supply has been troubling him and many other traders in his area. Tired of the power outages, Pathak and many others have shifted to diesel generators to fulfil their power needs.

Across the country, domestic and industrial power users have similar tales of alternative arrangements for electricity as they face load-shedding that is allegedly linked to the shortage of coal in the country.

Around 1,300-km away from Ranchi, in Delhi, erratic power supply is common too. The Delhi government recently said that despite having no pending dues, the coal stock availability was only enough for a day.

On May 12, Delhi reported a peak electricity demand of 6,780 megawatts, which is the highest ever in the month of May. On the national level, India recorded its highest ever peak demand of 201.06 gigawatts in April, even as several coal-based power stations were reeling under the severe shortage of coal.

The Indian government said that with this record, India surpassed 2021's maximum demand of 200.539 gigawatts (July 7, 2021) and that the demand is expected to reach about 215-220 gigawatts in the May-June period. Government data as of April also indicates that 106 out of 173 coal-fired power stations fell short of coal stocks and were declared "critical" as the stock fell below 25% of the quantity these stations need for power production.

There is a mix of reasons that have led to the coal situation, according to power sector experts: the rising global price of coal, lack of management of stockpiles at thermal power stations, the poor financial health of power distribution companies, the impact of the Russia-Ukraine war and a sudden hike in power demand.

#### **Transportation needs attention**

India is the world's second-largest producer and consumer of coal. The Indian government recently claimed that there has been an increase in coal production over the past few years due to policy reforms and imports have decreased. But despite the increased domestic production, the country has witnessed a second coal shortage crisis in less than 10 months, with the last one being in October 2021.

The severity of the situation could be measured with the fact that despite the stockpiling norm of the Central Electricity Authority mandating thermal power stations to ensure 15 days-30

days of coal stocks, based on their distance from the coal mines, several coal-fired coal stations were left with only a few days of coal supply for generating power.

Domestic coal in India is mainly transported from coal-rich states such as Jharkhand, Odisha and Chhattisgarh to different parts of the country. But experts note that the Indian railways often struggle to transport coal to thermal power stations during the peak season.

January to March is considered the peak supply season of coal to thermal power stations for maintaining adequate stockpiles of coal for the anticipated high power demand during summers. Government data suggests that the production of coal also increases around 25% more during such a period to cater to the energy demands.

Experts advocate for reforms in the railway sector to scale up the transportation capacity during critical times and ensure a smooth supply from coal mines to thermal power stations. Abhishek Nath, Sector Head (Energy and Power) at the Centre for Study of Science, Technology and Policy told Mongabay-India that there is a need for major policy reform for the development of dedicated freight corridors on the critical coal passages for faster transportation.

“To double the transportation capacity, electrification of these corridors should be considered with the height of overhead supply lines above 7.5 meters,” he emphasised. “This will allow transportation of double-stacked containers and make the transportation more efficient for coal as well as other essential goods. If bauble stacking of containers is not possible for specific corridors, then the number of coal wagons can be increased to the existing fleets and upsurge their carriage capacity.”

The majority of coal produced in India is mined by the state-owned Coal India Limited and its subsidiaries such as Mahanadi Coalfields, Central Coalfields Ltd, Eastern Coalfields Ltd and others. Coal India Limited plays a crucial role in forging agreements with power companies and ensuring the delivery of coal.

Nath advocated for revisiting the existing fuel supply agreements between Coal India Limited and the power generation companies to include conditional flexibility from the coal allocation stage to supply.

“Frequent reviews and assessments of the coal allocations and costing to individual power plants should be conducted,” Nath further explained. “The scope of coal reallocation and rerouting needs to be explored based on the long-term coal demand from critical thermal power stations located distantly from their allocated coal mines and import dockyards.”

Experts also pointed at other issues in the power sector and one among them was related to the poor financial health of many power distribution companies in the country. In the current power generation agreements, coal is transported from mines to the thermal power plants which sell the power to power distribution companies.

However, several thermal power stations are cash strapped due to non-payment of dues from power distribution companies. This leads to supply issues. In fact, according to official data, by the end of April 2022, power generation companies had dues worth Rs 1.07 lakh crores from the power distribution companies.

### **Climate-induced crisis?**

In addition to the logistical and financial issues, some experts highlight that the power sector crisis is also due to a lack of vision of the government and other stakeholders as they failed to take into account the climatic factors.

Vaibhav Chaturvedi, a researcher at the New Delhi-based Centre for Environment, Energy and Water who has been studying coal-related policy issues in the country, said the sudden onset of extreme weather conditions often bypasses the preparedness of the coal sector leading to increased crisis besides the normal logistic and other managerial issues which are also linked to such a situation.

“The problem is that our planning framework does not consider sudden shock due to climatic factors,” Chaturvedi told Mongabay-India. “If you compare the last October crisis and the current coal crisis, both are linked to climatic factors. In October 2021, we experienced post-monsoon rains which hampered coal transportation from mines and this time the sudden onset of a severe heatwave after March 12 led to the surge in power demand.”

In a desperate measure to tackle the issue, the government imposed Section 11 of The Electricity Act 2003, a rare event. It mandated all coal-fired power plants to work to their full capacity and allowed the idle imported-based coal plants to resume operations to manage the crisis. The railway department also cancelled several passenger trains to increase the freight movement to transport coal from mines to thermal power stations besides ordering more wagons.

The Union Power Minister RK Singh recently told the media that the emergency provisions could be extended beyond October and also hinted that the burden of increased imports could cost the consumers with an increase in tariff.

#### Renewable energy

According to the Central Electricity Authority data, of the total installed capacity of 401 gigawatts, 51% comes from coal-powered power plants while renewable power plants account for 28%.

Researchers claim that renewables can be part of the solution in the short run, even if they are not “firm” or dispatchable power.

“Solar has a Plant Load Factor of only around 25% with some variations,” Rahul Tongia, Senior Fellow at the Centre for Social and Economic Progress, Tongia told Mongabay-India. “It includes no production for 12 hours during night and variable production in the day. When compared to coal, the outcome of solar power is low. But even then whatever energy is getting produced from the solar it is getting into the grid and is sharing the load. Thus, we need to be realistic when it comes to the base load issue, grid stabilisation and other issues.”

The Plant Load Factor refers to the ratio of power produced by any plant against the maximum power that could be produced from that plant at any given time.

Meanwhile, Sunil Dahiya, an analyst at the Centre for Research on Energy and Clean Air, told Mongabay-India that, “For improving the power capabilities of states we need to enhance decentralised renewable sources across states in and around the consumption centres.”

“While few states like Rajasthan, Gujarat and Tamil Nadu have greater renewable energy potential, infrastructure upgrades both in terms of storage capacity and grid up-gradation are needed to utilise the full renewable potential of such states,” he said. “If we can grow more renewables at consumption centres within our states, we can also reduce the transmission losses incurred through the transfer of power from one state to another [mostly from central India to north and west] which is often in the range of 15%-16%.”

“If we want a sustainable and energy secure future decentralised renewable energy with accelerated growth is the only option India has and it has to give up on its huge reliance on the dirty fuel of past, ie, coal,” he said.

Dahiya claimed that there is no shortage of coal production in the country but most of the recent coal crisis was because of poor management of the whole demand-supply chain and failure in forecasting such a crisis during critical months when the demand is generally on the higher side.

A recent report by the World Economic Forum said urgent action is required by both private and public sectors to ensure a resilient transition as the world faces the most severe energy crisis since the 1970s. <https://scroll.in/article/1024102/two-coal-crises-in-less-than-a-year-what-is-india-doing-wrong>

**15. Let us respond and not react to power scarcity ([livemint.com](https://www.livemint.com)) Updated: 18 May 2022**

India’s early summer this year will likely be followed by an arrival of monsoon rains ahead of time, delivering relief from a heat-led power crisis. The expected relief is visible in the price of market-traded electricity. On 15 May, a day-ahead unit of it could be bought on the Indian Energy Exchange, the country’s largest, for just ₹3.35, down sharply from ₹10.38 per unit on 6 May. This suggests traders foresee an easing of the country’s power shortfall, though we may not have seen the last of our heat waves and peak demand has tracked levels of 200 GW in recent days, a point above which supply falters in many places. On its part, the government has been working to keep coal-fired plants supplied with feedstock. Railway rakes were recently mobilized for express coal delivery. This week, in a signal that it would rather not take chances, the Centre was reported to have considered asking the Reserve Bank of India (RBI) to relax rules and let lenders under its watch lend money to import-fed generators even if their debt was classified as non-performing. As the operations of many projects were stalled by their failure to repay loans, this leeway is seen as a way to enhance generation. This idea follows a power ministry directive to the state-run Power Finance Corporation and REC Ltd to arrange loans for plants that use imported coal but are under financial stress.

While it is reassuring that the Centre has rushed to make up for lost time in dealing with our power crunch, it must refrain from having any rules bent in the exercise. Not only would waivers of the kind contemplated weaken the integrity of bank regulation, the proposal should be rejected on practical concerns. A pile-up of bad debt has ailed Indian banks for much of the past decade and RBI’s pandemic relief extensions might mask an asset quality drop that is yet to show up. Sure, lenders are not in dire need of capital infusion right now. But to prevent state-owned banks from acting as a periodic drain on public funds, we must not disturb reforms done half a decade ago for better tabs to be kept on credit quality. After all, the health of India’s banking sector is vital to the growth prospects of our economy. A power squeeze should not serve as a pretext for a departure from settled policy norms.

India's scramble for coal is also awkward in the context of our push for clean energy and a renewable build-up. As carbon neutrality calls for a green transition, low-emission nuclear power is back in our consideration set. With just 6.8 GW of it currently available, a 1.7% sliver of our total installed capacity, nuclear advocates are bullish on a ramp-up. As many as 10 new atomic facilities are reportedly being envisaged. Once bulky investments are made upfront in setting up reactors, they can generate clean power on relatively low running costs for decades on end. This hard-sell, however, fails to account for the safety burden. A reasonable cost calculation must also work out how much extra we would need to spend on spent fuel. Since nuclear waste disposal is very costly, the bill for it cannot be left out of any cost-benefit analysis. Accident liability is another hitch. Access to global technology and fuel granted by our celebrated nuclear deal with the US has not resulted in a profusion of such plants largely because reactor makers sought indemnity from meltdown risks. If granted, we would have to bear that responsibility ourselves. We need more electricity, no doubt. But today's shortage mustn't provoke knee-jerk responses. <https://www.livemint.com/opinion/online-views/let-us-respond-and-not-react-to-power-scarcity-11652890273874.html>

## **16. Rewiring India: What's needed for faster energy transition ([thehindubusinessline.com](https://www.thehindubusinessline.com)) May 18, 2022**

### **Boosting energy efficiency, speeding up permits for renewables energy, front-loading investments are the need of the hour**

By 2050, electricity will be the backbone of the global energy system, and renewables will be the primary generation source; in some countries this transition will be much faster.

In India's case, however, BloombergNEF, an energy research firm, estimates that we could fall short of our 2022 renewable energy generation capacity targets by 36 per cent.

### **What do we have to do to catch up and meet our 2030 goals?**

Energy access — ensuring reliable power for all — is every nation's socio-economic prerogative. Over the past decade, India has added new electricity connections for 50 million people each year. Thus far, coal and oil have fuelled industrial growth and energy needs.

A 2020 study by Pew Research Centre found that a quarter of India's population prioritises job creation, even at the cost of the environment. When energy security comes into conflict with climate change ambitions, the latter is likely to lose.

Till it becomes a tangible existential threat. The COP26 summit last year catalogued countries that are moving away from fossil fuels due to climate change. Without intervention, estimates suggest that the effects of climate change will cost India \$35 trillion until 2070, its target date for achieving carbon neutrality; this cost does not account for the lives lost from increased drought and floods, the pace of which has been accelerating.

Such adversity has been exacerbated by the lack of coordinated urban planning; a NITI Aayog report underscored the lack of a master plan in 65 per cent of the country's 7,933 urban settlements. Mumbai unveiled an integrative master plan, grounded in multi-sectoral convergence and collaborative efforts.

The plan outlined investments in housing, electrifying public transport and more walkable roads; flood-resistant drainage, rooftop solar capacities, and among others. It also secured commitments from private power generators to deliver 3,400MW of electricity from renewable-only power sources, ensuring energy security.

Also at COP26, India set itself an ambitious goal of 500 GW of non-fossil fuel electricity capacity by 2030 from around 160 GW today. In 2021 alone, India added 10 GW of solar capacity, or 62 per cent of all new power generation capacity added in the year.

However, per a recent study by IIT Delhi, a country with 300 days of sunshine lost 29 per cent of its utilisable solar irradiance due to air pollution, making Gigawatt hours a more representative way to measure our solar power generation capacity. Hence the commitment to meet 50 per cent of electricity requirements from renewable energy sources by 2030 — a focus on output instead of installed capacity — is the goal we must action on.

Going ahead India will need higher investment in grid infrastructure, grid automation, distributed grids, battery storage systems — all technologies that exist today but need sharper focus.

### **Green hydrogen**

Even in 2050, coal will command around a quarter of India's electricity generation. We need boost energy efficiency, speed up permits for renewables energy, front-loading investments, among others.

Initiatives have emerged in the recent Union and State budgets; now, they need to be integrated into a concerted approach that also delivers. Delhi announced plans for 1 lakh “green” jobs in five years; but unless woven into a multi-state effort — as is being imagined in the eight-year national “just transition” strategy — that pales in comparison to the millions of people in the thermal energy workforce.

In 2017, at the Berlin Energy Transition Dialogues, Angus McCrone, Chief Editor of BloombergNEF, said: “India is an important example of what happens to emissions worldwide.” Let's show them. <https://www.thehindubusinessline.com/opinion/rewiring-india-whats-needed-for-faster-energy-transition/article65427267.ece>

## **17. What Lancet Commission says about the impact of pollution on India's GDP ([indianexpress.com](https://www.indianexpress.com)) Updated: May 19, 2022**

A latest Lancet Commission on Pollution and Health says that increases in deaths due to modern forms of pollution were particularly evident in south Asia, east Asia and southeast Asia. The factors responsible for this include rising ambient air pollution, rising chemical pollution, ageing populations and increased numbers of people exposed to pollution.

Significantly, India remains one of the worst affected countries when it comes to air pollution.

The report also estimated the present value of future output lost when a person dies prematurely due to pollution in six regions, including India, China, Ethiopia, Nigeria, the US and EU15. It said that in the year 2000, India lost output equivalent to 3.2 per cent of its GDP as a result of pollution.

Further, the study notes that economic losses due to modern forms of pollution have increased as a proportion of GDP between 2000 and 2019 in India, China, and Nigeria, and are now conservatively estimated to amount to approximately 1 per cent of GDP in each of these countries.

Overall, as a result of pollution, 9 million people die prematurely per year, which corresponds to one in six deaths worldwide. In fact, air pollution remains responsible for causing most deaths in the world, causing about 6.7 million deaths in 2019. Water pollution was responsible for about 1.4 million deaths. Even so, there has been some reduction in the deaths attributable to the types of pollution associated with extreme poverty.

### **Pollution and its cost**

The global cost of fossil fuel air pollution is estimated to be about US \$8 billion per day.

Greenpeace, in its World Air Quality Report 2021, which was released in March, noted New Delhi as the most polluted capital in the world, in terms of PM 2.5. PM 2.5, one of the principal pollutants in Northern Indian cities including Delhi, is estimated to cause over 3,000,000 premature deaths.

These deaths lead to the loss of 62,700,000 years of life, 2,700,000 emergency room visits due to asthma, 2,000,000 preterm births and 1,755,200,000 work absences. Of these over 2 million preterm births, over 350,000 are in China and 981,000 in India.

The report mentions that in 2021, Central and South Asia had some of the world's worst air quality and were home to 46 of the world's 50 most polluted cities. Further, according to the United Nations Environment Programme, 70 per cent of global air quality related deaths occur in this region.

In fact, except in Afghanistan, Bangladesh and Sri Lanka, PM2.5 concentrations increased in Central and South Asian countries in 2021, which negated the quarantine-related improvements in the air quality. The global response to the Covid-19 pandemic in the form of stringent lockdowns had led to a dip in greenhouse gases (GHG) emissions and air pollution.

### **Air pollution in India**

About India, the Lancet report says that in 93 per cent of India, the amount of pollution remains well above the WHO guidelines. It says that in 2019, India had the largest estimated number of pollution-related deaths, even though some effort has been made to deal with it through the Pradhan Mantri Ujjwala Yojana programme.

The scheme was launched by the Narendra Modi Government in 2016 and is aimed at making LPG connections available to rural households.

A 2019 study published by the Collaborative Clean Air Policy Centre noted that the single greatest contributor to air pollution in India was the burning of solid fuels in households.

According to the first independent impact assessment of the government's flagship scheme released in March 2022, greater penetration and usage of LPG as a cooking fuel is estimated to have prevented at least 1.5 lakh pollution-related premature deaths in the year 2019. <https://indianexpress.com/article/explained/explained-lancet-commission-air-pollution-impact-gdp-india-7924251/>

## 18. In Karnataka, over 86,000 BPL families wait for payments under housing schemes ([hindustantimes.com](http://hindustantimes.com)) May 18, 2022

An increasing number of farmers and BPL (below poverty line) card holders in Karnataka are falling into a debt trap after failing to receive compensation under various government schemes that promise payment after they build pakka houses with their own money.

Over 86,000 people are yet to be paid back by the state government under schemes like the Basava Vasati Yojana, Dr BR Ambedkar Residential Project, Pradhan Mantri Awas Yojna (PMAY) and the Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL).

Beneficiaries under these schemes are promised 100 per cent of the cost of building a pakka house. Such schemes have implementation committees that employ inspection officers. These officers visit the beneficiaries to inspect the construction site and assess quality of materials used.

After inspecting the carpet area, lintels, doors, windows, cement, bricks and sand used, the officers determine if the building is pakka or kaccha, and the amount to be paid to the beneficiary.

Most pending payments are from Belagavi district, with 10,275 BPL card holders awaiting compensations, while the district with lowest pending payments is Kodagu, with 627 beneficiaries in the waiting list. Payments have been pending since July last year for 919 people in Bengaluru (Urban) district alone.

The table below shows the number of beneficiaries waiting to receive payments under housing schemes in the state -

<b>District</b>	<b>No. of Beneficiaries awaiting payments</b>
Bagalkot	5275
Bangalore (Urban)	919
Bangalore (Rural)	756
Bellary	1041
Belagavi	10275
Bidar	3287
Chamrajnagar	1426
Chikbalapur	1936
Chikmangaluru	1019
Chitradurga	2240
Dakshina Kannada	1653
Davanagere	2277
Dharwad	1656
Gadag	1680
Hassan	2298
Haveri	3622
Kalaburagi	5493
Kodagu	627
Kolar	2380
Koppal	1824
Mandya	1796
Mysuru	2386

Raichur	4266
Ramnagar	2057
Shivamogga	1371
Tumkur	5139
Udupi	1008
Uttara Kannada	3698
Vijayanagar	1960
Vijayapura	8132
Yadgiri	2692

Sharanappa, an 18-year-old resident of Maski, a village in Raichur district, told Hindustan Times that his family built their home over four years ago but had not yet received payments under the concerned housing scheme. The only source of income for Sharanappa's family is bajra farming.

"We put in money from our own pockets for building houses we can't afford. We rely on the government to get the money back but it never comes. On top of that rain is a rarity in Maski, adding even more pressure on farmers to earn their livelihood," he said.

A panchayat development officer from Maski told Hindustan Times that funds have not been coming from the Basava Vasati Yojna and BR Ambedkar Yojna for at least six months now.

Families can choose to receive payments either via their Aadhaar card or directly into their account. However, nearly every delayed or failed payment is because beneficiaries' accounts are not linked to their Aadhaar number, according to data on the Ashraya Karnataka website.

Some people say they abandoned construction mid-way because of the lack of funds even after inspections from the implementation office.

Dr Aishwarya S, a political analyst said, "The government should have a common platform for all housing schemes. The problem arises when the central government has one scheme and the state has a different one. They don't support one another's schemes."

"Secondly, if Aadhar mapping is not the most efficient method, banks should be more cooperative with these people as they don't do many transactions daily. If the government wants to encourage citizens to use banks, they should make the process user-friendly. It's a collective effort. Only then we can hold people accountable," she added.

The zila panchayat member of a village in northern Karnataka has sent letters to the state government about funds not reaching households that have applied under the various schemes but no action has been taken so far. <https://www.hindustantimes.com/cities/bengaluru-news/karnataka-bpl-citizens-await-payments-under-housing-schemes-101647584564492.html>

**19. With funds exhausted, NMC project in a limbo** ([nagalandpost.com](http://nagalandpost.com)) May 19, 2022

Eight years after the foundation stone for the first medical college (Nagaland Medical College—NMC) at Phriebagei in Kohima district, was laid by chief minister Neiphiu Rio on March

3,2014, the project has fallen to the same ailment of running behind schedule and consequent cost overrun.

The NMC was estimated to cost Rs. 189 crore through joint funding between the ministry of health and family welfare (MoHFW) and Nagaland state in the ratio of 90:10.

The MoHFW has already released its entire share of Rs.170.1 crore.

Despite requests from the state government, the MoHFW has told the state that no further funds would be forthcoming since it has released its entire share for the project. The NMC was expected to enrol the first batch of medical students in 2021-22, but things did not materialize owing to non-completion of the project.

Not only falling behind schedule and landed with cost overrun, unlike other medical colleges where the academic wing and hospital usually are located within the same campus, the NMC academic campus is located at Phriebagei which is around 6.5 Kms away from the hospital (Naga Hospital Authority Kohima-NHAK).

Since the project appeared to have been grounded due to delay and cost overrun, Nagaland chief minister Neiphiu Rio in a letter dated September 6, 2021- addressed to the Prime Minister, requested that the Centre take over the construction of medical college and upgrade it to AIIMS like institute or as a Central Institute like RIMS at Imphal.

In response, the union minister of health and family welfare, Dr. Mansukh Mandaviya, in a letter dated January 24, 2022 to chief minister Neiphiu Rio, categorically stated that the Centre had released in full, the Central share of Rs. 170.10 core to Nagaland under Phase-I (Naga Hospital) of the Centrally Sponsored Scheme for 'Establishment of new medical colleges attached with existing district/referral hospitals' with 100 MBBs seats' for the Rs. 189 crore project in the ratio of 90:10.

Mandaviya said the since NMC was a State implemented project, it was not possible for the Centre to take over the medical college, presently under construction.

He pointed out that as per provisions of the agreement signed (MoU) between the Centre and the State government- recurring expenditure and expenditure in excess of approved cost of the medical college will have to be borne by the respective State government.

He also pointed out that the funds released by the Centre (Rs. 170 crore) were provided for upgradation of district hospital, establishment of medical college building, hostels and equipment.

State Govt hopes on NU

After Centre's refusal to take over the NMC, the State government then turned to the Nagaland University (NU) to bail it out by taking over the NMC project.

This was contained in a letter addressed to the Vice Chancellor of Nagaland University by the Health & Family Welfare department on April 2022 with a request to take over the college and also upgrade it to that of AIIMS like institute or as Central Institute.

The state Health & Family Welfare department conveyed to the VC about Centre's stand and urged upon the former to take up the matter with appropriate authorities about the proposal for NU to take over the medical college.

It was not immediately known as to what response the vice chancellor of NU would take to this request.

Nagaland also has another medical college project at Mon with a total estimated cost of Rs.325 crore under Phase –III of CSS of which Rs 242.50 crores was sanctioned to Mon District Hospital for upgradation to medical college with 100-bedded facility.

Both medical colleges have been proposed under the scheme were district hospital with 100 bedded capacity made into medical college.

It may be pertinent to note that present Christian Institute of Health Science & Research (CIHSR) at Dimapur is fully functional with over 300 bedded capacity, a fully functional nursing college and also a BSL-II laboratory. However, the state government has ignored these critical factors which could easily upgrade the hospital to full-fledged medical college.

With hopes dimmed, the state had also envisioned seeking additional funding from other sources such as Japan International Cooperation Agency (JICA). The JICA team members visited the medical college site on March 3, 2022 and reviewed the ongoing construction works in addition to the under-construction 400-bed teaching hospital.

IQVIA senior consultant Amit Saini had informed Nagaland Post on March 3 at the site, that the Japanese government had approved conducting a feasibility study in May-June this year by sending a team of experts. Saini said the JICA was already considering approving loan for the purpose. He disclosed that the proposed loan would include Rs 177 crore for civil works and Rs 72 crore for medical equipment. <https://www.nagalandpost.com/index.php/with-funds-exhausted-nmc-project-in-a-limbo/>

## **20. 40 years on; bridge to connect Kendrapara and Bhadrak panchayats hangs fire ([orissapost.com](http://orissapost.com)) May 19, 2022**

Rajkanika: The construction of a bridge proposed to connect six villages of Barahadomanda panchayat under Rajkanika block in Kendrapara district with Aradi under Chandbali block of Bhadrak district at a re-estimated whopping cost of Rs 79 crore has been hanging in balance since past 40 years.

The initial estimation was done 40 years ago at around Rs 10 crore. After completion, the bridge project would have benefited residents of Barahadomanda panchayat. Hundreds of locals as well as devotees from outside Kendrapara cross Baitarani river every day at Manapur ghat to reach Aradi to visit the Shaivite Akhandalamani shirne.

The bridge was also intended to connect Kendrapara, Balasore, Bhadrak and Jajpur districts, an administrative official informed.

However, a canoe is the lone means of transport for people. As the Baitarani river at Manapur ghat is a crocodile-infested area, residents have been demanding for a bridge since more than 50 years.

In a meeting in December 2021 at Olavar, MLA of Aul Pratap Keshari Deb and state Law Minister Pratap Kumar Jena had said that Chief Minister Naveen Patnaik sanctioned Rs 79 crore for the bridge.

When the bridge construction was about to begin two years ago, the Central government decided to transport raw materials from Jajpur Road to Dhamra Port via the riverine route. Subsequently, a fresh proposal with regard to construction of bridge over Baitarani was sent by State government to the Centre for approval, which is awaited. <https://www.orissapost.com/40-years-on-bridge-to-connect-kendrapara-and-bhadrak-panchayats-hangs-fire/>