NEWS ITEMS ON CAG/ AUDIT REPORTS (26.05.2022)

1. एक और कंपनी में अपनी पूरी हिस्सेदारी बेचेगी सरकार, शेयरों को लगे पंख *(navbharattimes.indiatimes.com)* May 25, 2022

सरकार हिंदुस्तान जिंक (Hindustan Zinc) में अपनी पूरी हिस्सेदारी बेचने जा रही है। सूत्रों के मुताबिक केंद्रीय मंत्रिमंडल (Union cabinet) ने आज इससे जुड़े प्रस्ताव को मंजूरी दे दी। इस कंपनी में सरकार की 29.54% हिस्सेदारी है जिसका मूल्य करीब 37,000 करोड़ रुपये है। सरकार ने इस कंपनी में अपनी 26 फीसदी हिस्सेदारी 2002 में वेदांत ग्रुप (Vedanta Group) को बेच दी थी। बाद में कंपनी ने ग्रुप में अपनी हिस्सेदारी बढ़ाकर 64.92 फीसदी पहुंचा दी। हिंदुस्तान जिंक में सरकार की पूरी हिस्सेदारी बेचने के फैसले से जुड़ी खबर से कंपनी के शेयरों को पंख लग गए। बीएसई पर कंपनी का शेयर करीब सात फीसदी की तेजी के साथ 317.30 रुपये पहुंच गया।

इस कीमत पर कंपनी में सरकारी हिस्सेदारी की कीमत Rs 39,385.66 करोड़ रुपये पहुंच गई। सरकार ने इस वित्त वर्ष में 65,000 करोड़ रुपये का विनिवेश लक्ष्य तय किया है और उसे हासिल करने के लिए हिंदुस्तान जिंक में हिस्सेदारी बिक्री को अहम माना जा रहा है। सरकार ने हाल में एलआईसी के आईपीओ से 20,560 करोड़ रुपये जुटाए हैं। सुप्रीम कोर्ट ने पिछले साल नवंबर में सरकार को हिंदुस्तान जिंक में अपनी बाकी हिस्सेदारी बेचने की अनुमति दे दी थी। केंद्र ने सबसे पहले 1991-92 में हिंदुस्तान जिंक में 24.08 फीसदी हिस्सेदारी बेची थी जब मनमोहन सिंह वित्त मंत्री थे।

क्या है मामला

अप्रैल 2002 में सरकार ने कंपनी में 26 फीसदी हिस्सेदारी 445 करोड़ रुपये में स्टलाइट को बेच दी थी। आरोप है कि इसकी असल कीमत 39,000 करोड़ रुपये थी। उस समय देश में अटल बिहारी वाजपेयी की सरकार थी। स्टरलाइट ने 20 फीसदी हिस्सेदारी ओपन मार्केट से खरीदकर अपनी हिस्सेदारी 46 फीसदी पहुंचा दी थी। फिर उसने दो कॉल ऑप्शंस का इस्तेमाल कर हिंदुस्तान जिंक में 64.92 फीसदी हिस्सेदारी ले ली। साल 2012 में केंद्र सरकार ने कंपनी में अपनी 29.54 फीसदी हिस्सेदारी बेचने का फैसला किया। लेकिन नवंबर 2013 में सीबीआई ने इस मामले में संदिग्ध वित्तीय अनियमितताओं के आधार पर प्रांरभिक जांच शुरू की। लेकिन इसे बाद में बंद कर दिया गया।

साल 2014 में सेंट्रल पब्लिक सेक्टर एंटरप्राइजेज (CPSE) ने सुप्रीम कोर्ट में एक अपील दायर की थी। इसमें दावा किया गया था कि 2002 में जब हिंदुस्तान जिंक का विनिवेश किया गया था, तब इसके शेयर को कम (अंडरवैल्यू) आंका गया था। साल 2016 में सुप्रीम कोर्ट ने सरकार के हिंदुस्तान जिंक में हिस्सेदारी बेचने पर रोक लगा दी थी। साल 2006 में सीएजी (CAG) की रिपोर्ट में संकेत दिए गए थे कि एसेट वैल्यूअर और ग्लोबल एडवाइजर ने एसेट्स का सही मूल्यांकन नहीं किया था। https://navbharattimes.indiatimes.com/business/business-news/cabinet-approves-stake-sale-in-hindustan-zinc-stocks-climb/articleshow/91787124.cms

SELECTED NEWS ITEMS/ARTICLES FOR READING

2. Centre spends more on key schemes than its cess proceeds *(financialexpress.com)* May 26, 2022

Importantly, states are the biggest beneficiaries of these projects that are partly-funded by this cess proceeds, including Prime Minister Awas Yojana, Sagarmala, the PM Gram Sadak Yojana, investment in NHAI and railway safety, said the source.

The Central government has spent much more than what it got via several cesses, including the road and infrastructure one, a top source said on Wednesday, amid allegations that it has been using this route to corner a large chunk of funds, thus depriving states of their legitimate revenue share. Cesses are not part of the divisible tax pool that is shared with states.

The Centre, for instance, collected Rs 2.03 trillion in road and infrastructure cess last fiscal but ended up spending Rs 2.5 trillion (RE). "This year, we expect a collection of Rs 1.38 trillion and we are likely to spend about Rs 2.95 trillion on that account," said the source.

Importantly, states are the biggest beneficiaries of these projects that are partly-funded by this cess proceeds, including Prime Minister Awas Yojana, Sagarmala, the PM Gram Sadak Yojana, investment in NHAI and railway safety, said the source.

The Centre ceded considerable autonomous fiscal space when the goods and services tax subsumed as many as 18 cesses. The mop-up from these cesses was as much as Rs 56,641 crore in FY17, just before the indirect tax regime was implement from July 2017.

"This means that what was otherwise going only to the Centre, is now also shared with the states as per the devolution formula," said the source.

Moreover, some of the remaining cesses like the health and education cess and the cess for central road and infrastructure fund have funded various important schemes and development activities. Importantly, the Centre has provided more than the actual collection to various schemes which are funded from these cesses.

While the mop-up under the health and education cess was to the tune of `47,307 crore in FY22, the spending was Rs 53,846 crore.

In FY23, against the budgeted collection of Rs 81,499 crore, the expenditure on this account is estimated to be Rs 86,100 crore.

Some of the important schemes that are funded by this cess collection are National Health Mission, PM Poshan and Samagra Siksha. https://www.financialexpress.com/economy/centre-spends-more-on-key-schemes-than-its-cess-proceeds/2537916/

3. Supreme Court's ruling on GST deepens the churn in the tax regime *(indianexpress.com)* Updated: May 26, 2022

Last week, the Supreme Court ruled that the decisions taken by the GST Council are merely recommendations with "persuasive value" and are not binding. The ruling has opened up serious questions on the stability and certainty of the structure and operation of GST which is still evolving. Although the judgment related to the longstanding dispute over the levy of IGST (integrated GST) on ocean freight charges paid by importers, the larger issue of the enforceability of the GST Council's decisions has wide repercussions.

The court has rejected the Centre's contention that the entire structure of GST would crumble if the Council's decisions were not treated as enforceable. While the states, notably those ruled by non-BJP parties, have welcomed the judgment stating that this is the triumph of cooperative federalism and provides them enough scope to have a say in the decisions, the revenue secretary has clarified that the SC has merely stated the obvious, and, in effect, does not alter the ground situation. All the decisions taken in the Council are based on consensus (except the one on lotteries) by the Union and states (and Union Territories with legislatures), and that spirit will continue to guide the deliberations and decisions in the Council.

In some ways, the verdict states the obvious. Article 246-A inserted after the 122nd constitutional amendment states, "Notwithstanding anything contained in articles 246 and 254, Parliament, and, subject to clause (2), the Legislature of every state, have the power to make laws with respect to the GST imposed by the Union or by such state." Thus, the power to levy the central GST (CGST) vests with Parliament, the power to levy state GST (SGST) vests with state legislatures and Parliament has exclusive power to make laws with respect to the GST on items that are part of inter-state trade or commerce. Thus, the GST Council is only an advisory body and the actual decisions regarding model GST levies, principles of levy, apportionment of GST levied on inter-state supplies, principles relating to place of supply, exemptions and rate structure and any special provisions will have to be taken by either Parliament in the case of CGST and IGST or the states in the case of SGST.

Taken to the extreme, this can open a can of worms. In effect, decisions on the structure and operation of the tax can be made by the Centre and individual states without discussion and deliberation in the Council and both can ignore any recommendation made by the Council.

Now, an important objective of the GST reform was to achieve harmonisation in the levy of domestic consumption taxes by both the Centre and states surrendering their tax autonomy. But the judgment reiterates that the sovereign right to levy the tax still exists with the Union and state governments and it is for them to consider the recommendations of the Council. In other words, the chance of having a harmonised GST and reforms in the tax regime will crucially depend upon continued negotiation and bargaining between the Union and states. Put in another way, intergovernmental cooperation has been kept alive to ensure a harmonised GST and unless both the Centre and the states see the gains, reforms will be hard to come by and if the Centre desires the reforms more than the states, it will have to ensure a "buy in" from the states to agree for the reform.

But, given that the GST Council has been declared as only an advisory body with a persuasive value, what happens to the dream of having a harmonised one nation, one tax, if a state or a group of states decides to deviate?

Past experience shows that it is unlikely to happen. But the judgment paves the way for more intensive bargaining and negotiations, placing states on an equal footing with the Centre in taking decisions on the structure and operations of the tax. At present, decisions get approved in the GST Council when passed by a majority of three-fourths of the weighted votes of the members present and voting, with the Centre having one-third weight and individual states (and UTs) having an equal share of the remaining two-thirds weight. However, in the past, all decisions in the Council have been taken by consensus (except in the case of determining the rate on lotteries), and the Supreme Court decision reinforces this convention. In some ways, this is like the recommendations of the Finance Commission on tax devolution and grants, which by convention, have always been accepted and implemented by the government.

The Opposition-ruled states are elated with the decision not because they want discretion to change the structure, but because it increases their bargaining strength. The immediate impact of this will be bargaining by states for extending the period of compensation for the loss of revenue. As the five-year period of compensation gets over at the end of June and as the tax structure is yet to stabilise, states have been demanding the extension of the compensation period by another two-three years and this decision will now help the states to bargain hard for the extension.

However, though the period of collecting compensation cess has been extended till March 2026 to meet the interest and repayment requirements of the funds borrowed from the RBI to meet the compensation requirements, the lasting solution lies in increasing the revenue productivity of the tax by pruning the list of exempted items, rationalising the rates and taking administrative measures. These reforms will require strengthening the cooperative spirit.

The Supreme Court's decision that the Union and the states have "equal, simultaneous and unique powers" to enact GST laws and that the recommendations of the GST Council are not binding on them will have significant implications in determining the nature of the tax which is still evolving. Moreover, this has come at a time when reforms have to be set in motion and hopefully, the Court's decision will strengthen the cooperative spirit in reforming the domestic consumption tax system in the country. https://indianexpress.com/article/opinion/columns/supreme-court-ruling-on-gst-deepens-the-churn-in-tax-regime-7935711/

4. Modi government's itch to offload ₹40,000 crore Hindustan Zinc stake hints at a bigger deficit than initially anticipated *(businessinsider.in)* May 25, 2022

The Modi government seems to be sprinting towards its ₹65,000 crore disinvestment target for the financial year 2022-23, with a new report claiming that it has approved the offloading its ₹40,000 crore stake in Hindustan Zinc, one of the leading zinc, lead, silver and cadmium mining companies in India.

According to a report by ET Now, the government has approved the sale of its 29.5% stake in Hindustan Zinc, which is worth nearly ₹40,000 crore. The stake sale was challenged in the Supreme Court last year, but the court's verdict cleared the path for the government to pare its holdings.

The shares of Hindustan Zinc hit an intraday high of 7%, and as of 3:00 p.m. today (May 25), the stock was up 5%.

However, given the bearish market sentiment, it might be prudent to delay the stake sale. Since the beginning of March, Hindustan Zinc has already lost nearly 13% of its value.

A sign of things to come?

Interestingly enough, the government has set a disinvestment target of ₹65,000 crore for FY23. Of this, it has already realized ₹20,560 crore with the LIC IPO – this is despite cutting down the stake sale from 5% to 3.5%.

The LIC stake sale leaves the government with a balance of a little less than ₹40,000 crore – all of which could be realized by offloading its stake in Hindustan Zinc – with more than 10 months left in FY23.

The government's urgency to pare its holdings could be a sign of a bigger problem, which is fiscal deficit.

Fiscal deficit refers to a shortfall in the government's income compared to its spending. The government could be looking at a much higher disinvestment in the current financial year to offset a portion of deficit to keep it within manageable limits.

The ET Now report adds that the government could also be looking at paring its stake in consumer goods and tobacco giant ITC. The government currently holds a 7.91% stake in the company, which is worth ₹26,601 crore as of today.

RBI's hawkish stance behind government's change of mind?
With inflation running rampant, India's central bank finally shifted its stance from dovish to hawkish by hiking interest rates – meaning, the Reserve Bank of India thinks inflation is a more immediate concern than growth.

A hawkish policy – which is what Das and RBI are following now – suggests that higher interest rates help reduce inflation. A dovish policy, on the other hand, favours expansionary monetary policies with low interest rates to boost demand.

In his interview, the RBI governor, Shaktikanta Das underlined that he expects the government to be in a position to manage the current account deficit 'comfortably'.

It's not clear if Das factored in the government disinvesting to keep the deficit under control, but it is something that should become clearer with time. https://www.businessinsider.in/finance/news/modi-governments-itch-to-offload-40000-crore-hindustan-zinc-stake-hints-at-a-bigger-deficit-than-initially-anticipated/articleshow/91788910.cms

5. Fiscal deficit: No change in govt's borrowing plan for now *(financialexpress.com)* May 26, 2022

The Centre is unlikely to raise its gross market borrowing in FY23 from the budgeted level to fund the fiscal deficit despite additional spending commitments and a raft of indirect tax cuts on Saturday to curb inflation, a top government functionary said on Wednesday. This is because it is confident of generating extra revenue to make up for the shortfall.

"As things stand today, we don't need to borrow more from the market, we will manage without that," said the source. The source also said the goods and services tax (GST) rate rationalisation has "an overhang of inflation", indicating that any such exercise could be delayed, as it has potential to raise prices of several products.

Many states, too, may not be amenable to this idea at this juncture, given the already-sticky price pressure. Moreover, a report by a group of ministers, led by Karnataka chief minister Basavaraj Bommai, for this purpose is yet to be submitted. The Central government has announced its plan to borrow Rs 8.45 trillion from the market through dated securities in the first half of FY23. It has pegged FY23 gross market borrowing via dated securities at Rs 14.31 trillion, against the budgeted Rs 14.95 trillion, citing a switch programme conducted on January 28.

Given that it had budgeted to borrow less from the National Small Savings Fund (Rs 4.25 trillion in FY23 vs Rs 5.92 trillion in FY22), it has some leeway to raise its NSSF offtake should the situation so warrant, analyst said.

The government aims to rein in FY23 fiscal deficit at 6.4% of nominal GDP, against 6.9% in FY22.

The source said talks on adopting a rupee-rouble mechanism to enable swift payment to local exporters supplying to Russia had taken place but “nothing has been finalised yet”. Given that even European countries, the biggest buyers of Russian oil and gas, have started paying in the rouble for the purchases, Indian exporters have been seeking a revival of this payment mechanism.

To moderate elevated cement prices, the government is in talks with companies from southern India, who have unutilised capacity and can ramp up production to cater to states facing a shortage. The cement industry there isn’t seeking any fiscal incentive but asking for steps to keep logistics costs reasonable. “Talks are also on to see if the supplies can be made through the sea route, if transportation on rail or road is expensive,” said the source.

The slew of measures initiated by the Centre on Saturday, including a fuel tax cut, will have salutary impact on inflation. However, given that global factors such as the Ukraine war and Covid-induced lockdowns in parts of China have exacerbated the price pressure, a collapse in inflation in India, too, hinges on the easing of these external headwinds, said the source.

There is no proposal yet to raise the inflation band under the central bank’s targeting framework from the current 2-6%, despite speculations to the contrary, added the source. Retail inflation hit a 95-month high of 7.79% in April, having breached the upper band of the RBI’s target for a fourth straight month.

The government is looking to raise additional revenues as extra expenditure over the FY23 Budget estimate is seen at about Rs 2 trillion. This is because of additional fertiliser subsidy outlay of Rs 1.1 trillion, the free grains scheme that will cost Rs 80,000 crore in the first half of the year and the Rs 200/cylinder LPG subsidy for Ujjwala beneficiaries announced recently. There is also a likelihood of the free grain scheme staying through the current fiscal year, if not beyond.

The excise duty cuts on auto fuels on last Saturday would result in a revenue loss of about Rs 85,000-90,000 crore during the remainder of the the current fiscal. The revenue loss from other steps like import duty cuts on various industrial inputs like naphtha, select primary steel items, coking coal and edible oils are seen to be a few thousand crores. Still, many analysts see the Centre’s net tax receipts to be higher than the respective Budget estimate by a little over Rs 1 trillion, thanks to increased revenue buoyancy.

Amid allegations that the Centre has been using the cess (which isn't part of the divisible tax pool) route to corner a large chunk of funds, thus depriving states of their legitimate revenue share, the source said the Central government has, in fact, spent much more than what it got via several cesses, including the road and infrastructure cess.

For instance, the Centre collected Rs 2.03 trillion in such a cess last fiscal but ended up spending Rs 2.5 trillion (RE). "This year, we expect a collection of Rs 1.38 trillion and we are likely to spend about Rs 2.95 trillion on that account," said the source. Importantly, states are the biggest beneficiaries of these projects that are partly-funded by the cess proceeds, including Prime Minister Awas Yojana, Sagarmala and the PM Gram Sadak Yojana. https://www.financialexpress.com/economy/fiscal-deficit-no-change-in-govts-borrowing-plan-for-now/2537941/

6. GST rate revision plans on the back burner until inflation cools down *(timesnownews.com)* May 26, 2022

The goods and services tax (GST) rate rejig move may be deferred because of elevated and persistent inflation and geopolitical uncertainties.

Plus, the government has sought a legal opinion on the stake sale in state-owned Pawan Hans and Central Electronics Ltd (CEL) after a row because of allegations involving the successful bidders, an unnamed senior finance ministry official with knowledge of the matter told ET.

Despite the revenue loss due to the fuel excise duty cut in a bid to quell inflation and a higher subsidy bill, the Centre will stick to its market borrowing plan and explore other options to raise funds.

However, the group of ministers (GoM) constituted by the GST Council to review rates is yet to finalise its report. Both the Centre and states are on the same page that it may not be the right time for rationalisation of GST rates due to India's high inflation. In the present economic situation, fewer slabs would mean that GST on some goods could move up, which could make goods dearer at a time when retail inflation has climbed to an eight-year high of 7.79 per cent.

"Rate rationalisation is difficult with inflation at this level and has to wait till the situation improves," the business daily quoted an unnamed official as saying.

The GST Council is slated to meet in June. It's likely to take up the recommendations of another GoM headed by Meghalaya chief minister Conrad Sangma that's reported to favour the rate increase to 28 per cent from 18 per cent on online gaming, racing and casinos.

Also, the council is likely to deliberate on integrated GST on ocean freight, struck down by the Supreme Court in a recent ruling. Last year, the council had set up a GoM headed by Karnataka Chief Minister Basavaraj Bommai to suggest ways to boost revenue by rationalising tax rates and correcting anomalies in the tax structure. At present, GST is a four-tier structure of 5, 12, 18 and 28 per cent. Reports suggested that states don't buy the logic of any rate revision because of high inflation. Most essentials are in the 5 per cent slab.

Stake sale
The government is examining the Pawan Hans and CEL stake sale process before taking a final call. "We are taking a legal view on whether to restart the process or to re-work with existing

bidders," the person told the publication, mentioning that the government is seeking advice from the law ministry.

The government will go ahead with the planned privatisation of two state-run banks and try to conclude the process in this fiscal year, which will give it additional funds.
Additional borrowings

For FY23, the government has budgeted Rs 65,000 crore from disinvestment and will need all the resources it can muster to fund the food and fertiliser subsidy bills, which may surpass the budgetary allocation by about Rs 1.80 lakh crore.

It is important to note that reduction in excise duty on diesel and petrol is likely to cause Rs 1 lakh crore annual loss in tax revenue while subsidy on cooking gas will cost the government Rs 6,100 crore a year.

"We have discussed the revenue implications and may go for other resources, including borrowing from the Consolidated Fund of India," the daily quoted the official as saying, adding that the Centre is not going to curtail its budgeted Rs 7.5 lakh crore capital expenditure for FY23. https://www.timesnownews.com/business-economy/economy/gst-rate-revision-plans-on-the-back-burner-until-inflation-cools-down-article-91801499

7. Moody's cuts India GDP growth forecast, says inflation will eat into economy; Check revised estimate *(financialexpress.com)* May 26, 2022

Moody's Investors Service on Thursday slashed India's economic growth projection to 8.8 per cent for 2022 from 9.1 per cent earlier, citing high inflation.

In its update to Global Macro Outlook 2022-23, Moody's said high-frequency data suggests that the growth momentum from December quarter 2021 carried through into the first four months this year.

However, the rise in crude oil, food and fertilizer prices will weigh on household finances and spending in the months ahead. Rate hike to prevent energy and food inflation from becoming more generalized will slow the demand recovery's momentum, it said.

"We have lowered our calendar-year 2022 growth forecast for India to 8.8 per cent from our March forecast of 9.1 pr cent, while maintaining our 2023 growth forecasts at 5.4 per cent," Moody's said.

Strong credit growth, a large increase in investment intentions announced by the corporate sector, and a high budget allocation to capital spending by the government indicate that the investment cycle is strengthening.

"But unless global crude oil and food prices rise further, the economy seems strong enough to maintain solid growth momentum," Moody's added. https://www.financialexpress.com/economy/moodys-cuts-india-gdp-growth-forecast-says-inflation-will-eat-into-economy-check-revised-estimate/2538592/

8. Is GeM draining our exchequer ?.. *(dailyexcelsior.com)* May 26, 2022

Government of India around December 2017 launched the Government e- market system also called GeM. The aim of creating GeM was to remove the malpractices in various Government procurements and to increase transparency and efficiency in the procurement. This was made mandatory for every Government department to buy and hire services through GeM only. After 5 years of launching the GeM portal , has the Govt achieved the goal that it had aimed at ? According to various researches and studies the purchases made through GeM are highly exorbitant. This was recently revealed by a noted RTI activist Balvinder Singh who exposed the purchases made by some Govt departments. The activist exposed the Govt procurement process after he was provided information under the RTI Act 2005 by Health and Rural Development departments of Jammu. It is estimated that these the purchases made by these two Govt organisation through GeM portal is 20 to 50 % more than the market rate of the purchased items. During his press conference Balvinder Singh said

"Because of several shortcomings in the Govt e market system -GeM approximately 20 to 50 per cent commission is being involved in transaction made through GeM and as official data, there is annual turnover of Rs 2,200 crore in J&K "

Purchases made by Health Deptt

During the press conference Balvinder Singh exposed many shortcomings of the GeM portal. He said that one of his RTI applications filed in the Directorate of Health Services Jammu (DHSJ) revealed how the person in charge of GeM made procurements that brought huge losses to the state exchequer that amounts to crores of rupees annually. He said that several purchases were made 30 to 300 % higher than present market rates of the purchased items. The RTI activist obtained rate quotation for some items on March 12, 2022 for purchase of an Ultrasonography (USG) Machine BPL Model E-Cube 5 @ Rs 9,91,200, with three years warranty. The machines were purchased by the Directorate of Health Services Jammu (DHSJ) @ Rs 13,18,000. Around 7 USG machines were purchased for which Rs 79,06,000 (Seventy Nine Lakh Six Thousand Rupees) were paid vide contract number 511687710463117 dated September 7, 2020. This was 30 % higher than the existing market rate which means a loss of Rs 18 lakhs to the state exchequer. Balvinder revealed that same department purchased eight numbers of Radicon-Binocular Polarizing Microscope @ Rs 58,300 including taxes on 23rd Dec 2020 vide contract No.511687769910866 Dated: 23.02.2022, amounting to Rs. 4,66,400 which was 50 % higher than the market value of this product as quotations were already obtained by Mr Balvinder Singh for same product on March 11, 2022 which amounted to Rs Rs 37816 only, including taxes. Thus the Directorate of Health Services deceived the State exchequer to the tune of Rs 1,63,872.

General Financial Rules

Department of Stationery & Office Supplies (DoSOS) is one of the oldest Govt departments in J&K which was established during the time of Dogra rulers of Kashmir. It has always been the nodal agency for procurement of stationery, paper and binding material for office use by all Government/Semi-Government Offices and establishments of Jammu and Kashmir. This Department facilitated the supply of these items at uniform rates to each and every department on cashless transactions that was more or less a transparent process.

As per the Rule 149 of General Financial Rules (GFR)-2017 issued by Ministry of Finance and section 4.17.5 of Manual for Procurement of Goods-2017, procurement through Govt e market -GeM Portal has become mandatory for all Government Departments. The Department of

Stationery & Office Supplies (DoSOS) has been purchasing stationery items via e-tendering process in the past. Post creation of GeM, Department of Stationery and Office Supplies (DoSOS) should have been transformed into a kind of Demand Aggregator which would act as a one stop solution for purchase of all stationery and other allied items from GeM Portal through e- bidding or Reverse Auctioning Mode (RAM) after aggregating demands of all the indenting Departments of J&K.

In view of Rule 149 of GFR-2017 and its subsequent amendment vide Ministry of Finance office memorandum (OM) dated: 02.04.2019, Department of Expenditure, if all the indenting Departments in J&K go for individual purchase from GeM Portal, majority of the departments shall have to go for Direct Purchase Mode (DPM) or Direct Purchase with L1 mode of GeM since hardly any department would be able to cross the ceiling of Rs.5,00,000 (five lakhs) for mandatory bidding, using online bidding or reverse auction tool provided on GeM. This will lead to higher rates than what could be obtained by this Department after going for bulk purchase from GeM via e-bidding / reverse auction on behalf of all the indenting departments under J&K Government which causes huge losses to Government exchequer.

This goes totally in contradiction with the Rule 149 (viii) of GFR-2017 and is also in variance to the latest amendment of Rule 149, vide Ministry of Finance OM dated 02.04.2019, Department of Expenditure section (xi). The section 2.3.3.2.1 / 2.3.3.2.2 of GeM handbook also discusses the same aspect of demand aggregation and bunching / bundling.

All this has been discussed in various communications viz. DGSS/Adm./235 dated: 07-09-2020, DGSS/Adm./280-82 dated: 28-09-2020, DGSS/Adm./19 Dated: 22-01-2021, addressed to administrative department by the Director General of Department of Stationery & Office Supplies (DoSOS). These communications also suggested providing a road map for revival of the Department on modern lines.

Pertinently the aggregate demand of stationery and other allied items of J&K Govt amounts to approximately Rs. 1500 lacs or more as per the budget released by the Finance Department for financial year 2020-21, 2021-22.

Info provided under RTI

In an RTI application addressed to the Chief Secretary, J&K dated:10-08-2021, information was received from various Departments about how they purchased their stationery. From the communications received from various Departments, it was crystal clear that the indenting departments were purchasing stationery items from cooperative stores and GeM but they are going for piecemeal purchases without demand aggregation of any kind. The RTI replies from Superintendents of District Jail Jammu vide letter No: DJJ/Accts/1832-33 dt: 29-9-21, Central Jail Srinagar vide letter No Accts/CJS/1632-33 dt:29-9-21), Central Jail Srinagar vide letter No Accts/ CJ/1532 dt: 15-9-21, District Jail Baramulla vide letter No Estt/ 234/ DJBK/ 2021/711-12 dt: 28-9-21), DGP, Prisons Department vide letter No Accounts/ 5671-72 dt: 29-9-21, Superintendent District Jail Kathua vide letter No DJK/Acctt/1099 dt: 29-9-21 purchased stationery worth lakhs of rupees without demand aggregation thereby losing benefits of bulk purchase incurring latent losses to Government exchequer.

After reorganisation of the erstwhile State of J&K, vide Govt. Order No: 1211-JK(GAD) of 2021 dated: 15-11-2021 the Stationery & Office Supplies Department in UT of Ladakh is to be provided with more employees which is sufficient proof that this department is still functioning in UT of Ladakh, but budget allocated to Department of Stationery & Office Supplies J&K was not released during the last three financial years 2019-20, 2020-21 or 2021-22 and all of a sudden funds released were withdrawn by the Finance Department vide communication No.: FD-VII25 (11)2000 dated: 16-01-2020 stating therein that these funds have been released inadvertently, thus leaving this department in a state of suspended animation

Conclusion

The Department of Stationery and Office Supplies (DoSOS) had its stationery depots in 12 districts across J&K. The department through its Purchase Committee and Survey Committee constituted by the Government ensured that the stationery & allied items were purchased at lowest rates and only highest quality items used to be purchased for consumption in the Government Departments besides it also fixed various Rate-contracts. But after purchases started being made through the GeM portal DoSOC has been made dysfunctional and now the Govt is planning to wind-up this department. This would be a biggest blunder and I would in fact suggest making DoSOS the nodal agency for Govt e marketing (GeM) in J&K for purchase of stationery items. Similarly the J&K Medical Sales Corporation (JKMSC) should be authorized to make purchases for medical equipments as the same are purchased on highly exorbitant rates at Directorate level or by the Govt Medical Colleges or Chief Medical Officers (CMOs)across J&K. How can a face mask that costs Rs 3 wholesale market be purchased @ Rs 16 ? Similarly a paper Rim that costs Rs 150 to 200 Rs in wholesale market is purchased @ Rs 300 ? All this will drain our state exchequer. If the GeM can't be bypassed or closed at least let all the purchases be made in bulk which will not drain our state exchequer ! https://www.dailyexcelsior.com/is-gem-draining-our-exchequer/

9. 186 mines put on sale so far: Govt *(millenniumpost.in)* 25 May 2022

The government on Wednesday said the auction of mineral blocks has stabilised in the country as 186 mines have been put on sale so far.

Of the 186 mineral blocks, 28 were auctioned in the last two months and 46 were successfully sold in FY22, Mines Joint Secretary Veena Kumari Dermal said.

"...186 to be precise blocks are allocated through auction. I am very happy to say that out of this, 46 (mineral blocks) were (auctioned) last year and this financial year in the first two months we have completed auction of 28 blocks. So, auction is stabilised in the country," she said during 'India Sweden Mining Day' here.

The state governments, she said, are getting a very good share of revenue from the auctions and stressed that those states which were early birds in the whole race were really happy.

The Indian mining sector is vibrant, dynamic and has very good players, she said, and expressed hope that "the Swedish companies will also take part."

Swedish companies, she said, are providing technological and automation support to the Indian mining industry.

"Hope today's meeting will help us to kick-start the cooperation and take it forward," she added.

Private participation in exploration is being encouraged and a very good legislative provision is made to encourage private participation in exploration also, the joint secretary said.

Swedish Ambassador to India Klas Molin said, "India Sweden Mining Day is precisely to look at opportunities for cooperation. We have all major companies who have long long experiences of working in mining in Sweden...and in India here today.

"And as we speak there's a panel going on collaboration, opportunities etc. So the day is really meant to look at those opportunities and I am sure lots of tie up and potential collaboration will follow."

The mines ministry had earlier said that that the amendment in mineral auction rules will encourage competition that will ensure more participation in sale of blocks.

The Ministry of Mines had earlier notified the Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021, and the Mineral (Auction) Fourth Amendment Rules, 2021 to amend the Minerals (Evidence of Mineral Contents) Rules, 2015 (MEMC Rules) and the Mineral (Auction) Rules, 2015 (Auction Rules), respectively.

The amendment rules have been framed after extensive consultations with the states, industry associations, miners, other stakeholders and general public. http://www.millenniumpost.in/business/186-mines-put-on-sale-so-far-govt-479622

10. RBI's reassurances are not enough to address macroeconomic stress *(livemint.com)* Updated: 25 May 2022

The rising cost of servicing this record level of debt, with the RBI hiking interest rates, and the government giving no clue on what new sources of revenue it plans to tap, will bring India's current sovereign rating profile under stress (Photo: Mint)PREMIUM

The RBI, finance ministry have not offered any roadmap for how India's macroeconomy managers plan to address the darkening clouds over the economy and how the red-hot macroeconomic parameters will be repaired. This is essential for restoring confidence, given the global economy is going to be in turmoil, possibly a recession, for at least the next one year, if not two

Reserve Bank of India Governor Shaktikanta Das has in a news interview tried to project confidence that the central bank is in control of the macroeconomic situation.

But the data tells a different, worrying story. Many of the red-hot macroeconomic parameters are, in fact, already, weaker than the levels seen in 2013, when India was in the ignoble 'fragile five' phase during the UPA government's tenure. Rising macroeconomic stress back then had led to a run on the rupee, but today the rupee is weaker than then.

The rupee has been dipping deeper to new lifetime lows every few days, even as the central bank is drawing down on its foreign exchange reserves to defend the rupee by selling dollars, a strategy that may soon prove futile and unsustainable. The rupee hit a record low level of 77.76 to a dollar last week, even as the RBI's foreign exchange reserves are down from the record $642 billion to $593 billion in a matter of months. The reserves are bigger now but that's cold comfort, as the global economy's troubles have only just started. The turmoil could last months.

The current account deficit isn't as bad as it was in 2013 but had grown to 2.7% of GDP, as of 31 December 2021, the highest in 9 years. Anything above 2% of GDP is considered unsustainable for India.

Inflation was just under 8% in April, the highest since May 2014, and nearly twice the target of 4% that the government has set for the RBI. Average inflation is projected at 6.9% for this fiscal year, which is the highest in 9 years.

The biggest cause of stress is the fiscal deficit position, which is weaker than in 2013 when it was 4.5% (although the UPA government did not include in the reported figure the under-the-line deficit, which, this government, to its credit, has). The fiscal deficit could be close to 7% by 31 March 2023, or even higher, depending on how much lower disinvestment proceeds will be than the budget's estimates. Already, the dividends from the RBI are a lot less than what the government had budgeted. Plus, the government is forgoing revenues by reducing taxes to cushion the blow of rising prices on the cost of living and business. More rounds of tax cuts can increase the deficit further. Bringing the fiscal deficit under control may take years. Government borrowing, already high, is set to rise to record levels. There's no way India will be able to reduce the public debt to 60% of GDP, the FRBM target, in the next few years.

The rising cost of servicing this record level of debt, with the RBI hiking interest rates, and the government giving no clue on what new sources of revenue it plans to tap, will bring India's current sovereign rating profile under stress.

In these circumstances, the reassurances Das is trying to provide fall woefully short of what is needed. Central bankers' reassurances are welcome in times of heightened global economic anxieties and increasing economic hardships for businesses and people that the British are calling 'the cost-of-living crisis'.

However, Das is trying to soothe rising uncertainty by pointing to other economies, and deflecting blame for the darkening clouds over the economy to disruptions caused by Russia's invasion of Ukraine.

He sought to explain away India's stubbornly high inflation as an outcome of the war, when official data shows that inflation was high and close to the upper tolerance limit of 6% by 2019, before the pandemic outbreak. Average inflation in FY21 was 6.2% and wasn't all that comfortable in FY22. All along, the RBI remained dismissive of experts cautioning that inflation was set to become stubborn, and Governor Das kept insisting that inflation was "transitory" as if it would simply ease on its own.

By his own admission, none of the macroeconomic parameters will improve over the next few months. This has implications for the quality and pace of GDP growth. Beyond blaming global factors, the RBI and the finance ministry have not offered any roadmap for how India's macroeconomy managers plan to address the darkening clouds over the economy and how the red-hot macroeconomic parameters will be repaired. This is essential for restoring confidence, given the global economy is going to be in turmoil, possibly a recession, for at least the next one year, if not two, as advanced economies fight off inflation by cooling down their economies with tightening policies. https://www.livemint.com/opinion/online-views/rbis-reassurances-are-not-enough-to-address-macroeconomic-stress-11653486010071.html

11. Power, coal, Rlys – piecing the jigsaw puzzle *(thehindubusinessline.com)* May 25, 2022

Perfect synchronisation between these three sectors is vital for providing uninterrupted power for all

The recent news reports about power raised many eyebrows; the unprecedented cancellation of passenger trains to run more freight trains to carry coal to power plants facing coal shortage, repeated announcements of large-scale power shedding and reports of disconnection of power supply by a distribution company to over 3,200 slum dwellers in Mumbai due to non-payment accrued dues of over ₹102 crore. After nearly a decade of stable power availability, the country saw widespread power cuts, even before the onset of peak summer season, which has now worsened in the present heat wave in large parts of the country.

There is a legacy of interdependence among coal, electricity and trains. Transportation was revolutionised in India when the British decided to connect ports of the Presidencies with the hinterland to facilitate military and commercial movement of raw material from hinterland to ports and import of finished goods in return.

Decades after the introduction of steam trains, Thomas Edison, invented the electrical incandescent lamp. He famously stated while demonstrating his invention, “We will make electricity so cheap that only the rich will burn candles” and later he also declared, “I’d put my money on the sun and solar energy. I hope we don’t have to wait until oil and coal run out before we tackle that.” Prophetic and paradoxical at the same time for India.

The Geological Survey of India, founded in 1851 by the East India Company, focussed on exploration of coal for powering steam transport and for the next 140 years or so Indian Railways (IR) burned billions of tonnes of coal to haul trains.

Although IR retired its steam locomotives by 1990s, 51 per cent of electricity in India is generated by burning coal in power plants, with coal transported mainly by IR. India is the third largest producer of electricity in the world with an installed capacity of about 400 GW. Notwithstanding the recent emphasis, renewable energy accounts for only 39 per cent (50 GW Solar, 46 GW Hydro and 40 GW wind). Coal for electricity is not only harmful for the environment, it is also inefficient; 400 gram of coal is burnt to generate every one unit of electricity (1kwh).

Project delays

So where exactly do we stand on green energy? The report ‘Delay in execution/completion of Power Project’ by Parliamentary Standing Committee on Energy (2020-21), Ministry of Power, observed that 12 out of 13 hydro-power projects suffered a total time over run of 1,205 months and cost overrun of ₹31,530 crore. Such delays in execution of renewable-energy projects may prolong our dependence on thermal power.

In respect of power scenario in the country, however, there is a double whammy. There are considerable time and cost overruns in completion of thermal projects too, development of coal mines, installation of efficient evacuation facilities by Coal India and capacity augmentation for faster transport of coal by IR. The common reasons for delays are much the same — environmental issues, land acquisition, rehabilitation and resettlement, capacity constraints and contract management. There is perhaps a need for greater political will as the bureaucracy in these core ministries seems to have proved unequal to align itself with the prime national goals.

Availability of power is a pre-eminent requisite for India to achieve the goal of $5 trillion economy and for this more capacities need to be built and utilised efficiently and the supply chain, even if is going to be coal, transported by IR for years to come, be managed effectively.

There is a case to look at the performance of power distribution utilities, many of which make losses for various reasons like poorly-thought out long-term power purchase agreements, poor infrastructure and inefficient operations.

This puts further constraints on them from investing to improve the quality of power supply and install required infrastructure for renewable energy, apart from the cascading ill-effects of non-payments to power generation entities. The NITI Aayog report of August 2021, 'Turning around the Power Distribution Sector — Learnings and Best Practices from Reforms' has estimated losses of the distribution sector of the order of ₹90,000 crore for FY 21.

In pre-pandemic 2019-20, India's per-capita, annual power consumption was 1,208 kWh as against the world average of 3,260 kWh and far less than 10,000-15,000 kWh for developed countries. As our economy grows, with increase in industrial and manufacturing activities coupled with urbanisation, this number is bound to increase considerably.

The three interdependent entities, or a group of entities managing power, coal and Railways have to work in tandem with increased efficiency. IR must address the issue of faster transportation on dedicated corridors with efficient freight wagons. If these issues are not addressed, providing assured 24X7 power for all may elude us.

The rich may continue to have power from DG-sets but the less-privileged will be forced to use candles more often, which is an unacceptable, and, of course, a more expensive alternative. https://www.thehindubusinessline.com/opinion/power-coal-rlys-piecing-the-jigsaw-puzzle/article65461102.ece

12. Power Min mulls new scheme for discoms to pay off dues *(millenniumpost.in)* 25 May 2022

The Power Ministry on Wednesday said it is working on a scheme for electricity distribution utilities (discoms) to pay off their dues mainly towards gencos, which has the potential to save Rs 19,833 crore on account of late payment surcharge. "The inability of Discoms to pay dues impacts the entire value chain of the power sector. Considering this situation, the Ministry of Power is working on a scheme to mitigate the financial woes of the Distribution Companies (Discoms) that are unable to pay their dues," the ministry said in a statement. Delay of payments by a discom to a generating company (genco) adversely affects the cash flow of the generating firm, which needs to make provisions for input supplies like coal, and for keeping adequate working capital for day-to-day operation of power plants.

As per data available on the PRAAPTI portal, as on May 18, 2022, the discoms' overdues (excluding disputed amounts and Late Payment Surcharge (LPSC)) stood at Rs 1,00,018 crore. The LPSC dues were Rs 6,839 crore. The proposed scheme would enable payment of financial dues in easy instalments by the discoms. A one-time relaxation is being considered to be given to all the discoms wherein the amount outstanding (includes principal and LPSC) on the date of notification of the scheme will be frozen without further imposition of LPSC. The discoms will be given flexibility to pay the outstanding amount in up to 48 instalments.

The liquidation of outstanding dues in deferred manner without imposition of LPSC will give discoms time to shore up their finances. At the same time, the generating company will benefit from assured monthly payments which otherwise were not forthcoming to them. However, it stated that in case of delay in payment of an instalment by a discom, the late payment surcharge shall be payable on the entire outstanding dues which otherwise was exempted. As a result of the proposed scheme, the discoms will save an amount of Rs 19,833 crore on LPSC in the next 12 to 48 months, the ministry added. States like Tamil Nadu and Maharashtra, which have large outstanding dues, will save over Rs 4,500 crore each as a result of this measure.

Uttar Pradesh will save around Rs 2,500 crore, while Andhra Pradesh, Jammu and Kashmir, Rajasthan and Telangana will save in the range of Rs 1,100 crore to Rs 1,700 crore. The savings by discoms will ultimately benefit the electricity consumer by reducing the burden of LPSC in the retail tariff, it said. The measure is expected to provide timely liquidation of arrears which is very much important to the gencos than the amount foregone on LPSC. At the same time, suitable measures are being put in place to ensure that discoms pay their dues to gencos on a regular basis, otherwise supply by the latter will be reduced. Late payment surcharge is levied on the payment outstanding by a discom to a generating company at the base rate (pegged to SBI's Marginal Cost of Lending Rate (MCLR)). The LPSC is applicable for the period of default at base rate for the first month of default and increased by 0.5 per cent for every successive month of delay, subject to a maximum of 3 per cent over base rate at any time. http://www.millenniumpost.in/business/power-min-mulls-new-scheme-for-discoms-to-pay-off-dues-479623

13. Why burning more money on coal will not solve India's power crises *(scroll.in)* 26 May 2022

India's current power crisis comes at a time of scorching heatwaves across the country. This March was the hottest since the country began to keep meteorological records more than 120 years ago.

Several chief ministers have written to the Centre asking it to increase the supply of coal to their states in view of the increased demand for power. The Centre, however, maintains that the country's power demand has been met and that coal stocks are sufficient.

This year's power crisis has occurred despite the availability of coal. India's coal mining capacity increased by more than 8.5% in 2021-'22 compared to the previous year to produce 777.23 million tonnes of coal. To ensure that coal reaches thermal power plants on time, the Indian Railways cancelled more than 1,100 trains to prioritise more coal rakes.

However, the current crisis is just the latest of the coal sector's failures.

Coal's reliability to power the country has come under increasing scrutiny with several plants being shut down in the recent past for a variety of reasons: water shortages, causing severe air pollution to the lack of coal.

Despite coal's unreliability, its role in precipitating climate change and its volatile prices in the global market, the government continues to invest in and promote mining, production and combustion. Amid a raging global pandemic, the Centre in June 2020 put up 41 coal blocks for auction for commercial mining by private companies – a first in nearly 45 years.

Though solar energy prices plummeted, the need for more coal blocks was justified as being necessary to increase domestic production and reduce the dependence on imports. However, the Centre’s coal demand projections and the current cumulative capacity of existing coal mines are far higher than the estimated demand for coal.

Mining capacity is already 15%-20% higher than the projected demand in 2030, which is between 1,300 and 1,900 million tonnes per annum.

Though domestic coal availability has increased, why is the country grappling with energy insecurity? Researchers at the Centre for Research on Energy and Clean Air analysed official data to take stock of the coal mining sector, two years after coal blocks were put up for commercialisation.

The question: does India need more new mines to meet energy demands? The findings were clear: new coal mines are a grave threat to India’s existing mines as well as global climate commitments. Given the availability of excess coal, new mines are also financially unsustainable.

Production exceeds demand

According to data compiled from various sources, India had a total mineable capacity of over 1,500 million tonnes as of 2021. Total production is less than 50% of this capacity. In 202-’-21, India produced 716 million tonnes of coal.

Coal India Limited, a public sector entity with a total mineable/environmental clearance capacity of more than 1,040 million tonnes, produced 596 million tonnes in 2020-’21, which is less than 60% utilisation of its capacity.

Assuming a 5% year-on-year increase for the next ten years from the current production, the country will have about 400 million tonnes of additional production from Coal India Limited.

If all the mines that already have environmental clearance and the ones at other stages of development under Coal India Limited start operations by 2029, the public sector giant alone will have a minable capacity of above 1,800 million tonnes, while the projected coal demand for the year 2029-’30 remains at 1,300 million tonnes.

This demand does not consider the possibility of disruptive growth in renewable energy beyond the current projections, as acknowledged by Coal India Limited in its Coal Vision 2030.

Data compiled by the Centre for Research on Energy and Clean Air showed that only 35 mines operated by Coal India Limited were producing more than 60% of their total capacity of 430 million tonnes in the financial year 2020-’21.

Ten other big mines cumulatively produced 62.42 million tonnes of coal, which is over 90% of their capacity. These numbers indicate that the lack of coal demand would make even existing mines financially unsustainable, let alone new ones.

“About 50 per cent of CIL’s [Coal India Limited] total production comes from 15 mines (all opencast) having a total production of 279 MTPA [million tonnes per annum],” states Coal Vision 2030. “The remaining 452 mines produce only 274 MTPA, approximately 0.60 MTPA per mine. Similarly, in the case of SCCL [Singareni Collieries Company], 83 per cent of total production comes from only 14 mines; the remaining 48 mines are able to produce only 11 MTPA.”

Few takers

The financial instability of the coal sector as well as the toll it exacts from forests, livelihoods and global commitments has put private players and a few state governments on the backfoot when it comes to new investments in the polluting fuel.

While a few state governments have written to the Centre to cancel new coal blocks in their states in the interest of forests, these states also lack a clear vision toward transition to cleaner energy. Private players have been slow to respond to government bids.

According to the Union Ministry of Coal, only 19 out of 38 mines got buyers in the first round of auctions in June 2020. Eleven of these received a single bidder, forcing the ministry to reauction them in the next round.

In the second round of auctions in March 2021, the government put up 67 blocks but only eight received more than one bid. In the third round, out of 88 mines that were put up for auction, 48 were those from the previous rounds that had not found takers.

These mines had reserves amounting to 55 billion tonnes with an annual peak rated capacity of 282 million tonnes. Of the 88, only 20 found bidders. In the fourth and the latest round of auctions, 99 mines have been put on sale. Only 24 of these are new while the rest are being rolled over from failed attempts

Retire coal

The current coal crisis-induced power cuts cannot be a means to justify further investments in mining and thermal power plants. Having powered the country for more than a century, it is time for coal to be slowly retired. The rapidly falling solar energy prices over the last six years and the poor response from the private sector to take over coal mine operations have already given a glimpse of the road ahead.

With the Centre’s focus on increasing coal mining and power generation capacity, the country has faced multiple power crises in recent years.

The frequent power crises and social, environmental and ecological problems because of India’s reliance on coal for more than 75% of its electricity needs show the idea that the polluting fuel cannot solve the electricity sector’s problems and is not the best way forward.

Instead, India should rapidly modernise the grid to support accelerated renewable energy integration to ensure a cleaner, just and economically viable future.

The country does not need new coal to meet its energy demands. What it needs is improved forecast, planning and execution of renewable energy integration plans for an energy secure future. https://scroll.in/article/1024140/why-burning-more-money-on-coal-will-not-solve-indias-power-crises

14. India's renewable energy journey: Two steps forward, one step back *(economictimes.indiatimes.com)* May 25, 2022

Renewable energy now forms a quarter of India's total installed power capacity – 110 gigawatts as of March 2022 – and accounts for 13% of the country's electricity generation.

Under the 2015 Paris Climate Agreement, India set ambitious targets to produce 50% of its electricity from renewable sources and install 450GW of renewable energy capacity by 2030.

A total of 65.6GW of solar and wind capacity has been added to the grid since the beginning of the fiscal year (FY) 2015/16.

More than 90% of India's 54GW of solar capacity has been installed since FY2015/16.

In the fiscal year that ended in March 2022, India added a record 13.9GW of solar capacity to the grid.

India's ultra-mega solar park model has been tremendously successful in derisking solar projects and upscaling solar capacity deployments. Reverse auctions, where the lowest tariff bidders are awarded contracts, have been a game changer in making tariffs highly competitive. India's solar parks are some of the largest in the world and offer tariffs below Rs2.5/kWh (~US$35/MWh) – nearly 50% lower than coal-fired power tariffs.

Despite these achievements, the capacity growth in solar still falls far short of the average annual build rate of 30GW that is required to achieve the target of 300GW of solar capacity by 2030. In the past few years, policy uncertainty around import duties and taxes, among other reasons, have slowed down growth in solar capacity.

The wind power sector has faced even bigger policy headwinds. Following a record year in FY2016/17 with 5.5GW of wind capacity additions, progress slowed to an annual average of 1.6GW over the last five years.

To replicate the success of reverse auctions in wind power development, feedin-tariffs were abolished in 2017. The competition rapidly brought down tariffs by 40%. However, margins shrank to unsustainable levels, with pressure to reduce costs and upgrade turbine technologies severely stretching the balance sheets of Indian wind turbine manufacturers.

To make matters worse, Solar Energy Corporation of India's (SECI) 'location agnostic' wind power auctions have resulted in a concentration of project developments in a few states with the best wind resources such as Tamil Nadu and Gujarat. This has put pressure on land and networks in those states and caused delays in project commissioning.

Unleashing growth in solar
India could fully exploit its solar resources without putting undue stress on land and network infrastructure by giving special attention to distributed rooftop and decentralised solar power.

IEEFA recommended some short term and long-term policy moves that could provide a strong push for rooftop solar in India. Uniformity and consistency in net metering and banking regulation across all states is the most important change required to make rooftop solar viable for owners.

Stricter enforcement of the renewable purchase obligations (RPOs) for states will make state-owned Discoms to allow more rooftop solar as they could be built faster without putting a significant pressure on the grid network.

Discoms' poor financial health is a major contributing factor for sluggish growth in rooftop PV. Privatisation of distributed companies is potentially a long-term solution which will incentivise rooftop PVs as it offers the least-cost power to the grid.

Many Indian renewable energy developers have successfully raised debt capital through green bonds at competitive rates in the international market. These companies have also managed to tap significant international institutional capital.

At the same time, many top global utilities such as Enel, EDF and Statkraft are steadily establishing themselves with a strategy to be in the Indian market for the long haul.

In IEEFA's view, there is enough global capital available to be deployed in the Indian market, but policy certainty and regulation is needed to strengthen investor confidence. India has installed record renewables capacity in the last fiscal year and rising electricity demand after COVID could become a springboard for the energy transition. https://economictimes.indiatimes.com/industry/renewables/indias-renewable-energy-journey-two-steps-forward-one-step-back/articleshow/91790588.cms

15. India plans 10 hydro plants to utilize water treaty with Pak *(livemint.com)* May 26, 2022

India is working on building 10 hydropower projects totalling 6.8 gigawatts (GW) in Jammu and Kashmir and Himachal Pradesh to fully utilize its share of waters under the 1960 Indus Waters Treaty with Pakistan.

The projects being undertaken at an investment of ₹68,000 crore by state-run NHPC Ltd are part of India's plan to exercise its rights to stop excess water from flowing into Pakistan.

These projects assume strategic importance against the backdrop of China developing the controversial China-Pakistan Economic Corridor, given that control over river water flow acts as a force multiplier during times of aggression.

India has adopted a similar approach on its eastern borders and plans to construct the country's second-largest dam at Yingkiong in Arunachal Pradesh to counter China's ambitious scheme to divert water from the river that feeds downstream into the Brahmaputra.

The projects being constructed by the public sector undertaking are the 1,000 MW Pakal Dul project, 850 MW Ratle project, 624 MW Kiru project and 540 MW Kwar project, all in Jammu and Kashmir, according to NHPC chairman and managing director Abhay Kumar Singh.

In addition, India's largest power generation firm also plans to build 1,856 MW Sawalkot (J&K), 930 MW Kirthai-II (J&K), 500 MW Dugar (HP), 240 MW Uri-I Stage-II (J&K), and 260 MW Dulhasti Stage-II (J&K).

Mint earlier reported about the union government's plan to expedite strategically important hydropower projects in J&K after the reorganization of the terror-hit state into two Union territories – Jammu and Kashmir, and Ladakh. India is also working on a plan to divert the waters of Ujh, which is one of the main tributaries of the Ravi that flows into Pakistan.

"Pakistan keeps on objecting, but we have the Indus Waters Treaty. On the basis of the Indus Waters Treaty, we developed Kishanganga, Uri and others and on the basis of that treaty, we are developing these projects," Singh said.

According to the Indus Waters Treaty, whoever builds a project first will have the first rights on the river waters. The treaty sets out a mechanism for cooperation and information exchange between the two countries regarding their use of six rivers—Beas, Ravi, Sutlej, Indus, Chenab and Jhelum.

The move comes four years after Prime Minister Narendra Modi dedicated NHPC Ltd's Kishanganga hydropower project to the nation. The 330 MW project on the river Kishanganga, a tributary of the Jhelum, has significant strategic importance. Pakistan had challenged the project under the Indus Waters Treaty of 1960, but the International Court of Arbitration at The Hague ruled in India's favour in 2013. Apart from Kishanganga, Pakistan had also raised objections to the Pakal Dul and Lower Kalnai hydroelectric projects on the Chenab.

The Cabinet Committee on Economic Affairs last month cleared the construction of the 540MW Kwar project by Chenab Valley Power Projects Pvt. Ltd, a joint venture between NHPC Ltd and Jammu & Kashmir State Power Development Corp. Ltd.

"The construction activities of the project will result in direct and indirect employment to around 2500 people and will contribute to the overall socio-economic development of the Union Territory of J&K. Further, UT of J&K will be benefitted with free power of around ₹4,548.59 crore and ₹4,941.46 crore with Water Usage Charges from Kwar Hydro Electric Project, during the project life cycle of 40 years," the power ministry said in a 27 April statement post the CCEA's approval. https://www.livemint.com/news/india/india-plans-10-hydro-plants-to-utilize-water-treaty-with-pak-11653504558284.html

16. Ludhiana | Poor infrastructure, dearth of resources starving mid-day meal scheme *(hindustantimes.com)* May 26, 2022

Seventeen years after the Centre's pioneering mid-day meal scheme was implemented in the state, gaping holes in infrastructure requirements and dearth of resources continue to riddle its implementation in government and government-aided schools.

Of late, there has been a lot of hue and cry over the nutritional value of the meals being served to the 2,07,890 students enrolled in 1,525 government schools, 56 government-aided schools, 2,443 Adarsh Schools and the one local body school in the district. However, HT has found that shortage of staff, frequent power cuts, and inadequate benches are hampering the implementation of the scheme in the district.

There are only 3,800 cooks in the district to prepare meals for the 2 lakh beneficiaries of the scheme. Earlier, meals for all schools covered under the scheme would be cooked at a single location. However, the practice was discontinued due to concerns over hygiene, and schools were asked to hire their own cooks.

Students eat on floors

With no cap on enrolments in government schools, the institutions do not have sufficient mid-day meal staff to serve its burgeoning student population. The government schools do not have enough classrooms to accommodate students, and as such the meals are often served to students in playgrounds and corridors.

In Government High School, Giaspura, students were seen eating on dusty corridors, raising concerns regarding hygiene, and student volunteers were serving them food. After finishing the meals, students were seen cleaning after themselves, and washing their own utensils. A teacher, on condition of anonymity, said, "Since there is no space to accommodate students, we have no option but to seat them outside classes."

Frequent power cuts are also spelling trouble for the mid-day meal staff. "We were to serve chapattis today, but could not get flour in time as the shopkeeper could not to grind the wheat for us amid a power cut. Therefore, we had to serve rice to students," said one of the 32 cooks, who prepare food for around 4,500 students at Giaspura Primary School. The kitchens of both the primary and secondary school were clean.

Situation better in schools with low enrolment

In Government Primary School, Moti Nagar, students were seen having their food properly on benches in the two dining rooms designated for serving mid-day meal. A daily wager, Satish Kumar, whose son studies at the school, said, "I am grateful to the government for providing good quality food for my son. I can certainly not afford the same."

Head teacher, Sukhdir Singh Sekhon, said, "We serve food to 470 students in two shifts so that students don't have to sit on the floor. We ensure the food is hygienically prepared."

Food is served as per the menu set by the education department, and the meals are nutritious and high in protein.

District education officer Jaswinder Kaur said school management committees hire cooks themselves as per their requirement. "We are committed to provide the best possible diet to students," she said.

Political brouhaha

While visiting government schools in his constituency, AAP Ludhiana Central MLA Ashok Prashar Pappi had said that students were being served a diet which was low in nutrition and assured authorities that fruits will be served to students everyday. AAP MLA from Ludhiana West Gurpreet Bassi Gogi had also raised similar concerns.

Responding to the legislators' allegations, a senior education officer, requesting anonymity, said, "If the MLAs are dissatisfied with the manner in which the scheme is being implemented, they should take up the matter with the state government and get the menu updated after arranging more resources and funds for the scheme."

"Most of the students studying in government schools belong to economically weaker sections and do not get food at home. Our teams conduct regular inspections to ensure quality food is served to students in a hygienic manner." https://www.hindustantimes.com/cities/chandigarh-news/ludhiana-poor-

infrastructure-dearth-of-resources-starving-mid-day-meal-scheme-101653509197132.html