

NEWS ITEMS ON CAG/ AUDIT REPORTS (31.05.2022)

1. Behind Aadhaar flip flop: Complaints, confusion ([indianexpress.com](https://www.indianexpress.com)) May 31, 2022

The advisory was withdrawn by the Ministry of Electronics and Information Technology on Sunday on account of it being “misinterpreted”. Instead, the Ministry said, Aadhaar holders are “advised to exercise normal prudence in using and sharing” their card details.

Unique Identification Authority of India, Aadhaar, Aadhaar card, Aadhaar card data, Aadhaar Data protection, Business news, Indian express business news, Indian express, Indian express news, Current Affairs Government centre for Aadhaar card, Shahada, Maharashtra. File

An advisory by the Unique Identification Authority of India (UIDAI) cautioning users against sharing a photocopy of the document was issued after its regional office in Bengaluru received complaints about Aadhaar details of some people being photoshopped and misused, government officials said.

The advisory was withdrawn by the Ministry of Electronics and Information Technology on Sunday on account of it being “misinterpreted”. Instead, the Ministry said, Aadhaar holders are “advised to exercise normal prudence in using and sharing” their card details.

“After UIDAI’s Bengaluru office received some complaints of Aadhaar details being altered using photoshop, they were alarmed by the possibility of its misuse. So they issued a statement urging people to not share photocopies of Aadhaar with unauthorised entities. But the advisory was causing a lot of confusion and could have been misinterpreted,” an official in the know said.

The initial advisory, issued last Friday, said citizens should share their Aadhaar details only with entities that have a “user licence” from UIDAI. It did not specify how to verify this user licence. It added: “Do not share photocopy of your Aadhaar with any organisations because it can be misused. Alternatively, please use a masked Aadhaar which displays only the last 4 digits of your Aadhaar number.”

While withdrawing the advisory, MeitY said, “Aadhaar identity authentication ecosystem has provided adequate features for protecting and safeguarding the identity and privacy of the Aadhaar holder”. It added that people should exercise “normal prudence” while sharing their Aadhaar details, without elaborating on what “normal prudence” constitutes. Queries sent to the UIDAI did not elicit a response until publication.

Friday’s advisory caught people by surprise who took to social media to complain that they regularly share photocopies of Aadhaar for a range of services from getting SIM cards, opening bank accounts, and checking into hotels, among other things. The advisory also appeared to be in stark contrast with a contention made by UIDAI’s former chief and then TRAI chairman RS Sharma, who in 2018 had shared his Aadhaar number on Twitter, challenging a user to show a “concrete example” of how the number could be used to “harm” him.

While critics have routinely flagged privacy-related risks of Aadhaar, a report by the Comptroller and Auditor General of India (CAG), released in April, noted that UIDAI had not

ensured that the applications or devices used by agencies or private firms for Aadhaar authentication were “capable of storing personal information... which put the privacy of residents at risk”.

In 2018, the Supreme Court had struck down Section 57 of the Aadhaar Act, which essentially allowed private entities to collect citizens’ Aadhaar details. While reading down the provision, the top court had called it “unconstitutional”. Soon after the judgment, however, the UIDAI had clarified to banks that Aadhaar know-your-customer (eKYC) can be used to authenticate beneficiaries of government subsidies and welfare schemes, paving the way for private banks to use the document to identify beneficiaries of government welfare schemes.

A few months later, the Centre issued the Aadhaar and Other Laws (Amendment) Ordinance, 2019, which allowed banks and telecom operators to collect Aadhaar details as a proof of identity. After the Centre launched the Covid vaccination programme, a plea was filed in the Supreme Court in 2021, claiming that the Aadhaar card was being mandatorily insisted upon for administering vaccines. The government then informed the top court that Aadhaar was not mandatory for registration on CoWin. <https://indianexpress.com/article/business/economy/behind-aadhaar-flip-flop-plaints-confusion-7944541/>

2. आधार पर सरकार की सफ़ाई के बावजूद क्यों उठ रहे सवाल? ([bbc.com](https://www.bbc.com)) May 30, 2022

भारत सरकार के इलेक्ट्रॉनिक्स और आईटी मंत्रालय ने रविवार को भारतीय विशिष्ट पहचान प्राधिकरण यानी यूआईडीएआई (आधार एजेंसी) को दो दिन पहले जारी उस एडवाइज़री को वापस ले लिया है, जिसमें लोगों को कहा गया था कि वे होटल, सिनेमाघरों जैसी जगहों पर अपने आधार कार्ड की फोटोकॉपी न दें. ऐसी जगहों पर इसका 'दुरुपयोग' हो सकता है.

इस एडवाइज़री को वापस लेते हुए जो स्पष्टीकरण दिया गया है, उसमें कहा गया है कि लोग सिर्फ़ उन्हीं संस्थाओं को अपने आधार का ब्योरा दें जिनके पास 'यूजर लाइसेंस' हों.

इस स्पष्टीकरण में ये भी कहा गया है कि वापस ली गई एडवाइज़री में लोगों से मास्क आधार देने को कहा गया था, जिसमें आधार नंबर के आखिरी चार नंबर ही इस्तेमाल होते हैं. इसमें यह भी कहा गया है कि पहले जारी एडवाइज़री से भ्रम न फैले इसलिए उसे तुरंत प्रभाव से वापस ले लिया गया है.

स्पष्टीकरण में कहा गया है कि आधार कार्ड धारकों को ये सलाह दी जाती है कि वे कहीं भी अपना आधार नंबर देते समय 'नॉर्मल प्रूडेंस' यानी सामान्य विवेक या समझदारी का इस्तेमाल करें.

इसमें दावा किया गया है कि आधार पहचान के सत्यापन के इको-सिस्टम में आधार धारक की निजता यानी प्राइवेसी को बरकरार रखने की पर्याप्त व्यवस्था है.

सरकार ने भले ही ये कहा है कि पुरानी एडवाइज़री से भ्रम की स्थिति न फैले इसलिए इसे खारिज कर दिया गया है लेकिन अभी भी ऐसे कई सवाल हैं जिससे भ्रम की स्थिति बनी हुई है.

यूजर लाइसेंस का मामला

सरकार की ओर से जारी स्पष्टीकरण में कहा गया है कि नागरिकों के अपने आधार का ब्योरा सिर्फ उन्हीं संस्थाओं से साझा करना चाहिए जिनके पास यूआईडीएआई का यूजर लाइसेंस है. लेकिन इसमें ये नहीं बताया गया है कि किसी संस्था के पास यूजर लाइसेंस है या नहीं, इसकी जांच कैसे करें. अगर यूजर लाइसेंस है भी तो इसकी प्रामाणिकता के जानने के लिए क्या किया जाना चाहिए.

नॉर्मल प्रूडेंस क्या है?

लोगों के आधार ब्योरे का इस्तेमाल और साझा करते वक्त नॉर्मल प्रूडेंस यानी सामान्य विवेक या समझदारी के इस्तेमाल की सलाह दी गई है. लेकिन ये नहीं बताया कि नॉर्मल प्रूडेंस क्या है. इसके दायरे में क्या आता है.

-आधार-पासपोर्ट-ड्राइविंग लाइसेंस के बदले एक ही कार्ड - पर कैसे
-आधार अगर ज़रूरी हुआ तो आपकी प्राइवैसी बचेगी?

प्राइवैसी का सवाल

सरकार की ओर से आधार पर जारी एडवाइज़री को वापस लेने के बाद लोगों की डाटा प्राइवैसी से जुड़े सवाल उठने लगे हैं.

कहा जाने लगा कि सरकार खुद ही प्राइवैसी को लेकर असमंजस में है.

11 नवंबर 2016 को यूआईडीएआई ने अपनी आधिकारिक ट्विटर हैंडल से ट्वीट कर कहा था लोगों को आधार और अपनी पहचान से जुड़े किसी भी दस्तावेज के लेकर काफी चौकस रहना चाहिए. ऐसा कोई भी नंबर या इसकी प्रिंटेड कॉपी किसी के साथ साझा न करें. "

लेकिन यूआईडीएआई ने ही 17 मार्च 2018 के ट्वीट में कहा,
" आधार पहचान से जुड़ा एक ऐसा दस्तावेज है, जिसे स्वाभाविक तौर पर जरूरत पड़ने पर किसी दूसरे के साथ साझा किया जा सकता है"

पूर्व ट्राई प्रमुख का दावा और मौजूदा एडवाइज़री से उठे सवाल

सरकार ने 27 मई को आधार की फोटोकॉपी गैर लाइसेंसी यूजर के साथ साझा न करने की जो एडवाइज़री जारी की थी, उससे ऐसा लगता है कि आधार की प्राइवैसी को लेकर सवाल अभी भी बरकरार हैं.

2018 में आधार की प्राइवैसी को लेकर सवाल उठाए जाने पर ट्राई के तत्कालीन प्रमुख आर एस शर्मा ने अपना आधार नंबर ट्विटर पर शेयर करते हुए चुनौती दी थी कि सिर्फ आपके इस नंबर को जान कर कोई आपको नुकसान नहीं पहुंचा सकता है.

लेकिन इसके बाद लोगों ने ट्विटर पर उनका मोबाइल नंबर, फोटो, घर का पता, जन्म तारीख और चैट थ्रेड शेयर करने शुरू कर दिए. कई ट्विटर यूज़र्स ने कहा कि वह सोशल मीडिया पर अपना आधार नंबर शेयर करने से बाज़ आएं.

बैपटिस्ट रॉबर्ट नाम से ट्वीट करने वाले एक फ्रेंच सिक्वोरिटी एक्सपर्ट ने लिखा,
" लोग आपका निजी पता, जन्म तारीख और आपका दूसरा टेलीफोन खोज निकालने में सफल रहे. मुझे लगता है कि अब आप समझ गए होंगे कि आधार नंबर को सार्वजनिक करना अच्छा आइडिया नहीं है. "

ये सब डाटा सुरक्षा पर श्रीकृष्ण आयोग की रिपोर्ट आने के ठीक एक दिन बाद हुआ था, जिसमें आधार कार्ड धारक से जुड़ी जानकारियों को सुरक्षित रखने के लिए आधार कानून में व्यापक संशोधन की बात की गई थी.

इसमें कहा गया था कि यूआईडीएआई या कानून की अनुमति वाली संस्थाओं की मंजूरी से सार्वजनिक काम कर रहे सार्वजनिक प्राधिकरण के पास ही आपकी पहचान के लिए आधार ब्यौरा मांगने का अधिकार है.

-आधार-पासपोर्ट-ड्राइविंग लाइसेंस के बदले एक ही कार्ड - पर कैसे
-आधार कार्ड को लेकर क्यों जारी हुए नागरिकता साबित करने के नोटिस

क्या कहते हैं एक्सपर्ट्स?

अजय भूषण पांडे यूएडीआईए के सीईओ रह चुके हैं. बीबीसी से बातचीत में उन्होंने कहा,
" सुप्रीम कोर्ट के फैसले और सरकार की नीतियों के मुताबिक प्राइवैसी का पूरा ख्याल रखना चाहिए. आधार की जानकारियों की गोपनीयता सुरक्षित रखने के लिए जो नीतियां बनी हैं उनका अनुपालन होना चाहिए. अगर ऐसा लगता है कि ऐसा नहीं हो रहा है तो इस बारे में सख्ती से काम लिया जाना चाहिए."

वो कहते हैं,

" आधार का ब्यौरा कौन मांग सकता है, इसे लेकर कानून बना हुआ है. इस कानून के मुताबिक इसके लिए आपको सहमति लेनी पड़ती है. यहां तक कि सरकार आपको जहां कुछ लाभ दे रही हो (डायरेक्ट बेनिफिट ट्रांसफर वगैरह) वहां भी आधार मांगने से पहले बताना पड़ता है आप इसकी मांग कर रहे हैं. आधार कानून के सेक्शन 6 का नोटिफिकेशन जहां नहीं है, वहां आप आधार नंबर भी नहीं मांग सकते. जो लोग आधार मांगने का अधिकार नहीं रखते और वे ऐसा कर रहे हैं तो उनके खिलाफ सख्ती होनी चाहिए. "

वह कहते हैं,

" बैंकों में जब मुझसे आधार मांगा जाता है तो मैं पूछता हूं कि क्या आपके पास इसे मांगने का अधिकार है. अगर है तो आप बताएं कि आप हमारी जानकारी को सुरक्षित तरीके से किस तरह स्टोर रखेंगे, जिससे हमारी प्राइवैसी भंग न हो."

इस साल अप्रैल में कैंग ने कहा था कि यूआईडीएआई ने यह सुनिश्चित नहीं किया है आधार सत्यापन के लिए एजेंसियाँ जिन डिवाइस या ऐप का इस्तेमाल करती हैं, वे आपकी लोगों की जानकारियों को गोपनीय तरीके से सुरक्षित रखने में सक्षम हैं या नहीं.

2018 में सुप्रीम कोर्ट ने आधार कानून के सेक्शन 57 को खारिज कर दिया था जिसमें निजी संस्थाओं को नागरिकों के आधार ब्यौरा जमा करने का अधिकार दिया गया था. सुप्रीम कोर्ट ने इसे असंवैधानिक करार दिया था. <https://www.bbc.com/hindi/india-61636634>

3. डिफेंस ऑफसेट पॉलिसी पर भारत सख्त, विदेशी कंपनियों पर लगा 43.14 मिलियन डॉलर का जुर्माना (virarjun.com) May 30, 2022

भारत की डिफेंस ऑफसेट पॉलिसी का पालन न करने वाली विदेशी कंपनियों पर रक्षा मंत्रालय ने नकेल कसनी शुरू कर दी है। देश के साथ प्रमुख सैन्य अनुबंध करने वाली उन विदेशी कंपनियों को नोटिस भेजे गए हैं, जिन्होंने ऑफसेट पॉलिसी के तहत भारतीय रक्षा और एयरोस्पेस क्षेत्र में कम से कम 30% का निवेश नहीं किया है। ऐसी कई कंपनियों के खिलाफ 43.14 मिलियन डॉलर का जुर्माना भी लगाया जा चुका है। एक दशक से अधिक समय से लंबित रखने वाली कंपनियों को 'ब्लैक लिस्ट' में डाल दिया गया है।

भारत की डिफेंस ऑफसेट नीति के तहत विदेशी कंपनियों के लिए भारतीय निर्माताओं को बड़े अनुबंधों के मूल्य का कम से कम 30% आउटसोर्सिंग अनिवार्य किया गया था। ऑफसेट पॉलिसी से 2008-2024 की अवधि में 11.2 अरब डॉलर का विदेशी निवेश आने का अनुमान लगाया गया था लेकिन अब तक इनमें से 20% से अधिक को ही पूरा किया जा सका है। यूरोप और अमेरिका की कई प्रमुख विदेशी कंपनियों ने डिफेंस ऑफसेट पॉलिसी का पालन नहीं किया है। रक्षा मंत्रालय के मुताबिक विशेष अनुरोध पर कई एक्सटेंशन दिए जाने के बावजूद पिछले पांच वर्षों में विदेशी कंपनियों ने 2.24 अरब डॉलर से अधिक का ऑफसेट नहीं दिया है।

नियंत्रक एवं महालेखा परीक्षक (कैग) ने संसद के पिछले मानसून सत्र के दौरान डिफेंस ऑफसेट पॉलिसी पर संसद में पेश अपनी रिपोर्ट में पिछले 15 साल में विदेशी कंपनियों से हुए रक्षा सौदों में भारत को 8000 करोड़ रुपये का नुकसान होने का अनुमान जताया था। संसद में पेश रिपोर्ट में रिपोर्ट में कैग ने कहा कि 2005 से 2018 के बीच हुए रक्षा समझौतों में किसी भी विदेशी कंपनी ने ऑफसेट पॉलिसी के मुताबिक अपनी तकनीक भारत को हस्तांतरित नहीं की है। कैग ने कहा है कि विदेशी कंपनियों को अगले छह साल में लगभग 55 हजार करोड़ रुपये के ऑफसेट दावे पूरे करने हैं। फिलहाल हर साल 1300 करोड़ रुपये की ऑफसेट प्रतिबद्धताएं ही अभी पूरी हो पा रही हैं। इसलिए कैग ने छह साल में 55 हजार करोड़ रुपये की ऑफसेट प्रतिबद्धताओं का पूरा हो पाना बड़ी चुनौती माना है।

कैग ने अपनी रिपोर्ट में बताया था कि 2005 से 2018 के बीच भारत ने विदेशी रक्षा कंपनियों के साथ कुल 66,427 करोड़ रुपये के 48 करार किए थे। रक्षा मंत्रालय की डिफेंस ऑफसेट पॉलिसी के मुताबिक दिसम्बर,

2018 तक भारत को 19,223 करोड़ के ऑफसेट ट्रांसफर होने थे लेकिन केवल 11,396 करोड़ का ही ट्रांसफर किया गया। इनमें से भी सिर्फ 5457 करोड़ रुपये की प्रतिबद्धताएं ही स्वीकार की गई हैं। यानी कि केवल 59 प्रतिशत ऑफसेट पॉलिसी का पालन किया गया है। इस तरह देखा जाए तो पिछले 15 साल में विदेशी कंपनियों से हुए रक्षा सौदों में भारत को 8000 करोड़ रुपये का नुकसान होने का अनुमान है।

डिफेंस ऑफसेट पॉलिसी का पालन न होने पर अब रक्षा मंत्रालय ने विदेशी कंपनियों पर नकेल कसनी शुरू कर दी है। देश के साथ प्रमुख सैन्य अनुबंध करने वाली उन विदेशी कंपनियों को नोटिस भेजे गए हैं, जिन्होंने ऑफसेट पॉलिसी के तहत भारतीय रक्षा और एयरोस्पेस क्षेत्र में कम से कम 30% का निवेश नहीं किया है। ऐसी कई कंपनियों के खिलाफ 43.14 मिलियन डॉलर का जुर्माना भी लगाया जा चुका है। एक दशक से अधिक समय से लंबित रखने वाली कंपनियों को 'ब्लैक लिस्ट' में डाल दिया गया है। सूत्रों ने कहा कि पहले चरण में चूक जारी रहने पर विदेशी उपकरणों के लिए निर्धारित भुगतान से जुर्माना काट लिया

जाएगा। जिन कंपनियों को पूरा भुगतान कर दिया गया है, उनकी बैंकिंग गारंटी को भुना लिया जाएगा और अतिरिक्त दंडात्मक उपाय लागू किए जाएंगे। <http://www.virarjun.com/category/delhi/news-1183900>

4. CAG seeks documents related to financial irregularities at Jim Corbett (business-standard.com) May 31, 2022

The Comptroller and Auditor General of India has sought documents related to alleged financial irregularities in the Kalagarh and Lansdowne forest divisions of the Corbett Tiger Reserve

The Comptroller and Auditor General of India has sought documents related to alleged financial irregularities in the Kalagarh and Lansdowne forest divisions of the Corbett Tiger Reserve from Uttarakhand's Head of Forest Force Vinod Kumar Singhal.

Singhal had written to the state government recently, recommending a CAG probe into alleged misappropriation of funds worth crores of rupees in the two forest divisions of the reserve.

Now, the CAG has sought relevant documents from the officer to start its probe.

Funds worth crores of rupees from the Compensatory Afforestation Fund Management and Planning Authority and other heads had been released for the two forest divisions but were not utilised for works they were meant for, Singhal had said.

Suspended IFS officer Kishan Chand misused Rs 1.43 crore of the funds to buy refrigerators and air conditioners rather than spending the amount on sanctioned works, he alleged.

The then head of forest force and chief wildlife warden also did not pay attention to the irregularities committed by Kishan Chand, who was the DFO of Kalagarh, Singhal further claimed.

Large-scale misappropriation of funds committed during Kishan Chand's tenure has come to light, the official added.

The National Tiger Conservation Authority first conducted a probe into the allegations.

Taking suo motu cognisance of its findings, the Uttarakhand High Court conducted a probe into the irregularities.

The matter finally reached the Supreme Court and a central empowered committee is now probing it.

The then Ranger Brij Bihari Sharma, DFO Kishan Chand and Chief Wildlife Warden J S Suhag are currently under suspension. https://www.business-standard.com/article/current-affairs/cag-seeks-documents-related-to-financial-irregularities-at-jim-corbett-122053100559_1.html

5. CAG seeks documents related to financial irregularities in Corbett Tiger Reserve ([newindianexpress.com](https://www.newindianexpress.com)) May 31, 2022

RISHIKESH: The Comptroller and Auditor General of India has sought documents related to alleged financial irregularities in the Kalagarh and Lansdowne forest divisions of the Corbett Tiger Reserve from Uttarakhand's Head of Forest Force Vinod Kumar Singhal.

Singhal had written to the state government recently, recommending a CAG probe into the alleged misappropriation of funds worth crores of rupees in the two forest divisions of the reserve.

Now, the CAG has sought relevant documents from the officer to start its probe.

Funds worth crores of rupees from the Compensatory Afforestation Fund Management and Planning Authority and other heads had been released for the two forest divisions but were not utilised for works they were meant for, Singhal had said.

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The then head of forest force and chief wildlife warden also did not pay attention to the irregularities committed by Kishan Chand, who was the DFO of Kalagarh, Singhal further claimed.

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The then Ranger Brij Bihari Sharma, DFO Kishan Chand and Chief Wildlife Warden J S Suhag are currently under suspension. <https://www.newindianexpress.com/nation/2022/may/31/cag-seeks-documents-related-to-financial-irregularities-in-corbetttiger-reserve-2460139.html>

6. कॉर्बेट टाइगर रिजर्व में वित्तीय अनियमितताओं की कैग जांच होगी ([hindi.business-standard.com](https://www.hindi.business-standard.com)) May 30, 2022

कॉर्बेट टाइगर रिजर्व के कालागढ़ व लैंसडाउन वन प्रभाग में वित्तीय अनियमितताओं की कैग (भारत के नियन्त्रक एवं महालेखापरीक्षक) जांच होनी है।

उत्तराखंड वन विभाग के प्रमुख विनोद कुमार सिंघल ने इसकी पुष्टि करते हुए कहा कि दोनों वन प्रभागों में विभिन्न मदों से दिए गए करोड़ों रुपये की धनराशि का हिसाब किताब नहीं मिल रहा था इसलिए उन्होंने स्वयं शासन को पत्र लिखकर इनकी जांच कैग से कराने का अनुरोध किया था।

उन्होंने बताया कि उत्तराखंड सरकार ने अनुरोध को स्वीकार करते हुए कैग को जांच के लिए पत्र भेजा है।

सिंघल ने बताया कि दोनों वन प्रभागों को प्रतिपूरक वनीकरण निधि (कैंपा) तथा अन्य मदों से करोड़ों रुपए का बजट दिया गया लेकिन उनका उपयोग स्वीकृत कार्य में नहीं किया गया और इसलिए उसका हिसाब-किताब नहीं मिला।

निलंबित वन अधिकारी किसनचन्द ने कैंपा के 1.43 करोड़ रुपये का कथित दुरुपयोग करते हुए स्वीकृत कार्य की बजाय इससे एयरकंडीशनर तथा फ्रिज खरीद लिए जिस पर वन विभाग के तत्कालीन प्रमुख से लेकर तत्कालीन वन्यजीव प्रतिपालक ने भी ध्यान नहीं दिया।

उन्होंने कहा कि कॉर्बेट टाइगर रिजर्व के कालागढ़ वन प्रभाग के निलंबित तत्कालीन वन प्रभागीय अधिकारी किसनचन्द के कार्यकाल की अभी तक हुई जाँचों में बड़े पैमाने पर धांधलियों का खुलासा हुआ है।

मामले की जांच पहले राष्ट्रीय बाघ संरक्षण प्राधिकरण ने की थी, उत्तराखंड उच्च न्यायालय ने स्वतः संज्ञान ले कर इसकी जाँच कराई। अन्ततः मामला उच्चतम न्यायालय पहुँचा जहाँ उसकी केन्द्रीय उच्चाधिकार समिति इसकी जांच कर रही है।

वहीं कॉर्बेट टाइगर रिजर्व के दोनों वन प्रभागों की गड़बड़ियों के कथित आरोपियों रेंजर बृज बिहारी शर्मा, किसनचन्द व तत्कालीन वन्यजीव प्रतिपालक जे एस सुहाग निलंबित हैं जबकि इनके अलावा कई आला वनाधिकारियों से शासन ने जबाब तलब किए हैं और उन पर भी दण्डात्मक कार्यवाही की तलवार लटक रही है।

इस संबंध में, उत्तराखंड के वन व वन्यजीव विभाग के मंत्री सुबोध उनियाल पहले ही इस मामले में अपनी सरकार का रूख साफ कर चुके हैं। उन्होंने कहा कि कोई भी बड़ा या छोटा अधिकारी यह नहीं समझे कि वह गुनाह करेगा और सरकार उसे बख्श देगी।

उन्होंने कहा कि अपराध सिद्ध होने पर कोई भी दोषी दण्डात्मक कार्यवाही से बच नहीं पायेगा। https://hindi.business-standard.com/storypage_hin.php?autono=2236201

7. CAG

Report: ऊर्जा क्षेत्र की सीएजी रिपोर्ट में खुलासा, 11 पीएसयू का घाटा 1,76,003 करोड़ रुपये (amarujala.com) May 31, 2022

यूपी के विधानमंडल के दोनों सदनों में पेश हुई रिपोर्ट में ऊर्जा क्षेत्र की 11 पीएसयू को एक लाख 76 हजार करोड़ रुपये का नुकसान दिखाया गया है।

ऊर्जा क्षेत्र के 11 सार्वजनिक उपक्रमों (पीएसयू) का घाटा 1,76,003.33 करोड़ रुपये पहुंच गया है। इसका खुलासा विधानमंडल के दोनों सदनों में पेश भारत के नियंत्रक महालेखा परीक्षक (सीएजी) की रिपोर्ट में हुआ है। इसके अनुसार 31 मार्च,

2021 को ऊर्जा क्षेत्र के 11 पीएसयू की कुल संचित हानि 176003.33 करोड़ थी।

सीएजी ने सार्वजनिक क्षेत्र के उपक्रमों के वित्तीय कार्यकलापों का अध्ययन करने के बाद अपनी रिपोर्ट तैयार की है। इसके मुताबिक 31 मार्च,

2021 को सीएजी के लेखा परीक्षा के क्षेत्राधिकार में 115 पीएसयू (94 सरकारी, 15 सरकार नियंत्रित अन्य कंपनियां व छह सांविधिक निगम) और 44 अकार्यरत पीएसयू शामिल थे। 11 पीएसयू के अध्ययन में सामने आया कि इनकी संचित हानि 1,76,003.33 करोड़ पहुंच गई। इसमें सबसे ज्यादा 90,914.37 करोड़ का घाटा पावर कॉर्पोरेशन का था।

इसके अलावा जल विद्युत निगम, पावर ट्रांसमिशन कॉर्पोरेशन, पूर्वांचल, पश्चिमांचल, मध्यांचल व दक्षिणांचल विद्युत वितरण निगम, केस्को व यूसीएम कोल कंपनी का घाटा भी बढ़ा है। रिपोर्ट के अनुसार भारी संचित हानि से छह पीएसयू की वित्तीय स्थिति पूरी तरह से चरमरा गई है।

अन्य उपक्रम भी घाटे में

रिपोर्ट में यूपी मेट्रो रेल कॉर्पोरेशन, नोएडा मेट्रो रेल कॉर्पोरेशन, पिकप, अपट्रान पॉवरटॉनिक्स लि., यूपी स्टेट स्पिनिंग कंपनी लि., लखनऊ स्मार्ट सिटी लि., अलीगढ़ स्मार्ट सिटी लि., नोएडा इंटरनेशनल एयरपोर्ट लि., उप्र राज्य सड़क परिवहन निगम के भी घाटे का खुलासा हुआ है। 13 अन्य पीएसयू का कुल घाटा 1,022.35 करोड़ रुपये है।

केवल चार पीएसयू ने प्रस्तुत किए वार्षिक लेखे

रिपोर्ट में कहा गया है कि प्रदेश में 71 कार्यरत पीएसयू में से केवल चार ने 2020-

21 के लिए अपने वार्षिक लेखे प्रस्तुत किए थे। शेष 67 के 274 लेखे बकाया थे। 44 अकार्यरत पीएसयू में से 40 के 699 लेखे बकाया थे। राज्य सरकार ने ऐसे 46 पीएसयू को 27,359.34 करोड़ रुपये दिए थे। इसमें 10,859.11 करोड़ पूंजी, 2476.54 करोड़ ऋण,

4,086.35 करोड़ अनुदान व 9,937.34 करोड़ रुपये सब्सिडी थी। रिपोर्ट में सिफारिश की है कि प्रशासनिक विभागों को पीएसयू के लेखाओं के बकाया को समाप्त करने के लिए सख्ती से अनुश्रवण करना चाहिए। सरकार पीएसयू के लेखे तैयार करने में आने वाली बाधाओं को भी देख सकती है और बकाया को समाप्त करने के लिए आवश्यक कदम उठा सकती है। <https://www.amarujala.com/lucknow/cag-report-of-energy-sector-shows-loss-of-1-76-003-crore-rupees>

8. सीएजी रिपोर्ट में खुलासा, करोड़ों की हेराफेरी की जांच कहां चल रही है कुछ पता नहीं (livehindustan.com) May 31, 2022

सीएजी रिपोर्ट में चौंकाने वाला मामला सामने आया है। सरकारी धन का दुरुपयोग कर करोड़ों की हेराफेरी मामले की जांच शुरू हुई पर पूरी नहीं। पांच दर्जन मामले 25 वर्षों से लटके पड़े हैं।

लखनऊ: सीएजी रिपोर्ट में खुलासा हुआ है कि सरकारी धन के दुरुपयोग, चोरी या फिर हानि के मामले में सरकारी कर्मचारियों अधिकारियों के खिलाफ तमाम मामलों में या तो जांच शुरू की गई तो पूरी नहीं हुई। और जहां जांच पूरी हो गई, वहां दोषियों से वसूली की प्रक्रिया ही पूरी नहीं हुई। पांच दर्जन मामले तो 25 वर्षों से लटके पड़े हैं।

प्रदेश के सरकारी खजाने की 930.78 लाख रुपये की राशि के दुरुपयोग, चोरी व नुकसान के कुल 135 मामले लंबित चल रहे हैं। भारत के नियंत्रक-

महालेखा परीक्षक की रिपोर्ट कहती है कि 31 मार्च 2021 तक लंबित इन 135 मामलों से 170.91 लाख रुपये की राशि के 32 मामलों में विभागीय और आपराधिक जांच भी शुरू नहीं हो सकी है।

491.78 लाख रुपये की राशि से जुड़े 86 मामलों में विभागीय कार्यवाही शुरू तो की गई जिन्हें अंतिम रूप नहीं दिया गया। वहीं 268.09 लाख रुपये के 17 मामलों में आपराधिक कार्रवाई को अंतिम रूप दिया तो गया मगर धनराशि की वसूली नहीं हो सकी। इनमें से सर्वाधिक 64 मामले 1995-96 या इससे भी पहले के हैं। 25 वर्षों से अधिक पुराने इन 64 मामलों में 400.07 लाख रुपये की सरकारी धनराशि का नुकसान हुआ है। 2006 से 2010-11 के दरम्यान के कुल 17 मामले हैं जिनमें 310.31 लाख रुपये का नुकसान हुआ है।

रिपोर्ट के अनुसार, इनमें से सबसे अधिक 41 मामले सिंचाई विभाग से जुड़े हैं। कुल 121.03 लाख रुपये के इन मामलों में से चार मामलों में अभी तक कार्रवाई शुरू नहीं की गई, जिनकी कुल राशि 16.07 लाख रुपये है जबकि 36.95 लाख रुपये के 35 मामलों में विभागीय कार्रवाई शुरू तो की गई मगर उसे अंतिम रूप नहीं दिया जा सका।

16 मामले पशुपालन विभाग के हैं, जिनमें 6.55 लाख रुपये के सरकारी धन का नुकसान हुआ है। इनमें से 5.20 लाख रुपये के सात मामलों विभागीय और आपराधिक कार्रवाई शुरू नहीं हो सकी है जबकि 1.35 लाख रुपये के नौ मामलों में कार्रवाई शुरू तो हुई मगर उसे अंतिम रूप नहीं दिया जा सका। <https://www.livelihoods.com/uttar-pradesh/story-the-limit-has-been-reached-cag-report-reveals-where-is-the-investigation-of-crores-of-misappropriation-going-on-nothing-is-known-6569613.html>

9. State's tightrope walk on finances continues (*thehindu.com*) May 30, 2022

TELANGANA: The tight rope walk of the State government in terms of finances continues as the revenue receipts remained stable around ₹10,000 crore.

Total revenue receipts during April are pegged at ₹9,983.8 crore of which tax revenue accounted for ₹9,291.97 crore. Revenue through Goods and Services Tax was ₹3,387 crore, 8.03% of the estimated ₹42,189 crore for the financial year while the earnings through State excise duties remained much lower at ₹1,047 crore against the estimated ₹17,500 crore.

The Registration and Stamps Department continued its good run contributing ₹1,342.25 crore against the projected ₹15,600 crore for the year while revenue through sales tax was ₹2,308 crore, 7% of the projected ₹33,000 crore for the year, according to the figures available with the Comptroller and Auditor General of India (CAG).

Revenue through State excise duties is expected to increase from May as the government has effected hike in prices of different categories of liquor while tax through enhancement of life tax on vehicles is also expected to result in increased earnings from this month. Denial of permission by the Central government to opt for open market borrowings so far has adversely affected the State's performance as the government would raise only ₹267.58 crore in the form of borrowings during the first month of the current fiscal. The government had pegged the borrowings and other liabilities for the current fiscal at ₹52,167.21 crore and could mobilise less than 1% (0.51%) of the budget estimates during the month.

The figures come at a time when the deadline for fulfilling some of its commitments is drawing closer. The State has to credit ₹7,400 crore as investment support to farmers under Rythu Bandhu scheme from the commencement of kharif sowings while another impending burden

is likely to be on account of payment of arrears pertaining to the pay revision to all categories of employees.

Employees were assured that the arrears of pay revision would be credited to their accounts in 18 equal instalments starting with salary of May payable in June. The government had spent ₹3,271.65 crore on account of salaries and another ₹1,468 crore on pensions during April, according to the monthly key indicators shown in the CAG. This was against ₹2,018 crore and ₹1,027 crore respectively during the same month previous fiscal.

Another major burden on the government has been the interest payments which accounted for ₹1,545.81 crore in April 2021 and ₹1,631.62 crore in April 2022. Finance Department officials are working overtime in exploring avenues to mobilise additional finances to fulfil the commitments. <https://www.thehindu.com/news/national/tehrangana/states-tightrope-walk-on-finances-continues/article65476306.ece>

10. Telangana heading towards financial crisis: Nalgonda MP (timesofindia.indiatimes.com) May 30, 2022

Nalgonda MP N Uttam Kumar Reddy addressed a meeting as part of 10th day of Rythu Rachabanda on Monday. HYDERABAD: Nalgonda MP N Uttam Kumar Reddy said the TRS government is heading towards a major financial crisis due to which it may not be able to pay even salaries and pensions of its employees and those retired.

The state government may find it difficult to mop up funds for payment of Rythu Bandhu sop in the next crop season due to mishandling of the state finances, he alleged.

Stating that the TRS government did not adopt a realistic approach in maintaining a balance between the actual revenue and expenditure, Uttam said the state government went to the extent of inflating the growth figures and showed even loans as income, a fact which was pointed out by the Comptroller and Auditor General of India (CAG) and also by the 15th Finance Commission.

"Instead of taking corrective measures, the TRS government kept on projecting inflated growth figures. Consequently, the Reserve Bank of India has imposed a ban on Telangana from taking fresh loans in the current financial year," he said.

The RBI's ban has placed Telangana in a piquant situation. It needs money to finance its welfare schemes and run the government. If the RBI stops Telangana from borrowing more loans, then the state government might not have any money to spend on schemes like Rythu Bandhu and other welfare schemes.

Uttam demanded that the chief minister convene a meeting with financial experts to find an immediate solution. The financial crisis is likely to impact all sectors, especially agriculture. The Central government will intervene to save Telangana from facing a cash crunch, said Uttam. <https://timesofindia.indiatimes.com/city/hyderabad/tehrangana-heading-towards-financial-crisis-nalgonda-mp/articleshow/91896787.cms>

SELECTED NEWS ITEMS/ARTICLES FOR READING

11. India Cuts Back World's Largest Fighter Jet Procurement Programme by Half ([businessworld.in](https://www.businessworld.in)) May 31, 2022

IAF's global Multi-Role Fighter Aircraft Programme shrinks from 114 fighters to 57 amidst focus on domestic industry

The Indian Air Force (IAF) is cutting down its largest fighter jet procurement programme by half and has indicated the likelihood of a change in the procurement model to one which is more acceptable to foreign suppliers for compliance to Make in India requirements in view of the reduced numbers.

BW Businessworld has learnt from highly placed sources that the estimated USD 20 billion Multi-Role Fighter Aircraft (MRFA) procurement programme for 114 foreign jets is being shrunk to acquisition of 57 jets through a global competition.

The original proposal to make these jets in India under the ambitious Strategic Partnership (SP) Model is set to be dumped and the shrunken programme is likely to be rebooted under the Buy Global (Make in India) category of the Defence Acquisition Procedure 2020, sources elaborated. All the 57 fighters will be made in India with transfer of technology from the foreign OEM to an Indian company.

The cutback is mainly on account of the Government's Aatmanirbhar Bharat (self-reliant India) policy directive to minimize Defence imports and build up a domestic Defence Industrial complex instead to meet military requirements. A renewed drive is afoot to commit most of the capital budget for Defence modernization to domestic sources. Even the Indian Navy requirement for imported deck-borne fighters was reduced from 57 to 26. The cutback on the MRFA and the Navy fighters is both an opportunity and challenge for domestic industry to make up the numbers.

The timeline for issuance of a global tender for acquisition of 57 jets is end-2022, it is learnt. The IAF had approached the global market with an RFI for 114 fighters in 2018. Responses were received by Air Headquarters on behalf of Lockheed Martin's F-21, Boeing's F-15EX and F/A-18 Super Hornet, Dassault's Rafale, Saab's Gripen, the European consortium's Eurofighter, Sukhoi's S-35 and MiG's MiG-35.

India's record at procurement of a foreign fighter through global competition is tortuous. The MRFA's predecessor, the Medium Multi-Role Combat Aircraft (MMRCA) programme for 126 fighters, was aborted after a decade-long procurement process threw up Dassault's Rafale as the winner but failed to secure a contractual agreement. In 2016, India went in for a direct purchase of 36 Rafale fighters as an emergency procurement in a Government-to-Government deal with France.

A foreign fighter is critical to the IAF's plan to peg its numbers to about 35 squadrons over the next 15 years. A proven foreign combat jet is also meant to ensure interim reliability and assurance till the indigenous Light Combat Aircraft variants and the futuristic Fifth Generation Advanced Medium Combat Aircraft (AMCA) mature and stabilize. The authorized fighter strength for the IAF is 42 squadrons, which IAF Chief Air Chief Marshal VR Chaudhari acknowledged will not be realized in the foreseeable future.

The IAF's anxiety to ensure minimum force levels is also on account of the impending retirement of its legacy jets comprising the Mirage-2000, MiG-29 and the Jaguars fleets over the next decade. The residual squadrons of the MiG-21 will also be out by 2024.

Two new Rafale squadrons are operational. Delivery of 83 LCA Mk 1A fighters will commence in 2024. The LCA Mk-2 and AMCA are expected in a decade in a best-case scenario. The MRFA was envisaged to mitigate the gap of fighter squadrons and combat capability. But the IAF, which was hoping for six fallback MRFA squadrons, will now have to work around three.

Industry sources expressed the view that reduced numbers in a global tender make it more difficult to meet stringent Make in India and transfer of technology requirements profitably. "A cutback in numbers by half makes it more challenging to execute a complex tender like this one. Numbers provide viability, cost-effectiveness and affordability," an observer reasoned.

The other big concern is that the SP model - a key reform to kickstart the emergence of a private sector Defence Industrial complex by reserving one big procurement per category as a one-time measure - has failed to take off. The Naval Utility Helicopter (NUH) programme – the first under the SP Model - has been dumped. There's little progress in the Project 75 (I) submarine programme, and now the re-categorisation of the MRFA is a body blow. This initiative is likely to head back to the drawing board, insiders reckon.

The recategorisation of the MRFA means that the tender would be awarded to a foreign OEM, which would deliver the Make in India element through an Indian partner of its choice. Under the SP Model, an Indian company would have been the prime, with the option to choose a technical collaborator from among a pool of foreign OEMs shortlisted by the Ministry of Defence. <https://www.businessworld.in/article/India-cuts-back-world-s-largest-fighter-jet-procurement-programme-by-half-/30-05-2022-430673/>

12. Half of coal-fired power units to cut output over four years: Power ministry ([financialexpress.com](https://www.financialexpress.com)) May 31, 2022

The power ministry has announced that electricity generation from at least 81 coal-fired utilities will be reduced over the next four years. This is in line with the country's commitment to cut carbon emission by 1 billion tonne and bring down carbon intensity of the economy by 45% by 2030.

"The thermal power plants in future shall operate up to the technical minimum to accommodate cheaper renewable energy when it is available," the ministry said in a letter to senior officials in central and state power departments dated May 26.

The plan aims to maximise green energy potential and save costs, the ministry said but said it will not involve shutting down old and expensive power plants. India has 173 coal-fired plants.

The move follows state-run NTPC's decision to put plans to expand coal-fired capacities on the front-burner, and step up coal imports in the short term, given the widening demand-supply mismatch in the sector. An NTPC official told reporters recently the company would soon award a contract for a 2 X 660-megawatt coal-fired unit at its Talcher station in Odisha. He also said NPTC might revisit an earlier decision to slow the capacity expansion at Chhattisgarh's Lara and Uttar Pradesh's Singrauli super power stations.

Prime Minister Narendra Modi had announced at the COP26 climate meeting in Glasgow last November that by 2030, India will increase its non-fossil fuel power generation capacity to 500 GW and generate 50% of its power from renewable sources.

Fitch Solutions had said in a note that “India must substantially alter its current trajectory, if it is to deliver on its commitments. Based on the current state of play, the country will fall far short of its climate objectives”.

“As of 2020, coal, oil and natural gas accounted for 55%, 28% and 7% of the primary energy mix, respectively. By 2030, we estimate they will account for a respective 45%, 33% and 8%,” the note had said.

In line with India’s multilateral commitment to reduce the carbon intensity of its economy, NTPC had earlier announced steps to make nearly half of its energy portfolio green in 10 years from a little over 4% now, by raising solar and wind capacities. While that plan is still being implemented, the coal-based capacities will continue to be beefed up.

Despite spiralling prices of the fuel in global markets, the Centre recently asked thermal power plants to import more of it to have a fuel mix with 10% imported coal. However, compliance with this directive has been uneven across states and power producers.

Meanwhile, the ministry has also asked state-run miner Coal India to import the fuel for use by utilities, as fuel shortages increased chances of more power outages. “Coal India would import coal for blending on government-to-government (G2G) basis and supply ... to thermal power plants of state generators and independent power producers,” the ministry said.

Recently, the power ministry also asked states to suspend tenders that are “under process”. “The tenders under process by state generators and IPPs for importing coal for blending may be kept in abeyance to await the price discovery by Coal India through G2G route, so as to procure coal at least possible rates,” it said.

Coal inventories at power plants have declined by about 13% since April to the lowest pre-summer levels in years. <https://www.financialexpress.com/economy/half-of-coal-fired-power-units-to-cut-output-over-four-years-power-ministry/2542747/>

13. GST has not boosted states’ tax collections: Ind Ra ([financialexpress.com](https://www.financialexpress.com)) May 30, 2022

Several states have asked for an extension of the GST compensation. However, finance minister Nirmala Sitharaman, while presenting the Budget for FY23, has already said that the compensation period will not be extended beyond June 2022.

Domestic ratings agency India Ratings on Monday said the GST has not helped states achieve the key objective of boosting their tax revenue.

The rating agency said that the data does not point to any benefits to the states in the last five years since the implementation of GST (Goods and Services Tax).

From June this year, the Centre will stop giving states any compensation for tax collection shortfall. GST compensation for a five-year period was part of the agreement between states and the central government at the time of the roll-out of the new indirect tax regime in 2017.

Several states have asked for an extension of the GST compensation. However, finance minister Nirmala Sitharaman, while presenting the Budget for FY23, has already said that the compensation period will not be extended beyond June 2022.

“...the data available so far does not instill confidence with respect (of) GST achieving or is on course to achieve its two key objectives, namely it boosts the tax revenue and is beneficial for the consuming states,” the rating agency said.

The share of state GST (SGST) in States’ Own Tax Revenue (SOTR) at 55.4 per cent during FY18-FY21 compared 55.2 per cent during FY14-FY17 indicates that the growth in both SGST and non-SGST components of SOTR has been broadly similar, it said.

“This means the GST implementation did not result in any incremental benefit to the SOTR. Moreover, SGST growth at an average 6.7 per cent during FY18-FY21 has been lower than the 9.8 per cent growth recorded by the taxes subsumed under GST during FY14-FY17,” it added.

Until the GST implementation, producing/exporting states used to collect VAT (sales tax) on the sales within the states and also Central Sales Tax (CST) of up to 2 per cent on the inter-state sales, it said.

States where CST was contributing more than 4.5 per cent to their SOTR during FY12-FY17 were Assam, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Meghalaya, Odisha, Sikkim and Tamil Nadu – a mix of both producing and consuming states.

“After the GST implementation, the proportion of CST in SOTR declined to 0.95 per cent in FY21 (RE) from 4.16 per cent in FY17,” it said.

The agency said another way of assessing the GST performance of states is to examine the SGST growth during FY19-FY22, and pointed out that Odisha is the only state having average SGST collection exceeding 14 per cent with a 20.06 per cent growth in SGST between FY19-22, and is followed by Bihar (13.89 per cent), Assam, Andhra Pradesh and Chhatisgarh.

A total of 17 major states recorded average SGST growth of below 10 per cent, while Uttarakhand recorded negative average SGST growth of 4.02 per cent during FY19-FY22. <https://www.financialexpress.com/economy/gst-has-not-boosted-states-tax-collections-ind-ra/2542749/>

14. RBI incurs ₹94,000 crore loss as foreign treasury yields spike (fortuneindia.com) May 30, 2022

The Reserve Bank of India (RBI) incurred a loss of over ₹94,000 crore in FY22 on its foreign investment accounts as treasury yields on foreign securities, primarily US T-bills, rose amid growing signs of a tightening of the easy monetary policy by the US Federal Reserve and other global central banks. Since prices and yields move inversely, when bond yields rise, prices fall. As a result, the RBI had to incur mark-to-market loss on its portfolio.

The RBI annual report for FY22 states that the foreign dated securities are marked-to-market on the last business day of each week ending Friday and the last business day of each month and the unrealised gains/losses arising therefrom, are transferred to the investment revaluation

account-foreign securities (IRA-FS). The IRA is a cushion against changes in the security prices over the holding period.

Following the yield spike, the balance in IRA-FS decreased from ₹8,853.67 crore as on March 31, 2021, to negative ₹94,249.54 crore as on March 31, 2022, following an increase in yields across the maturities in all the major markets.

The yield on benchmark 10-year US treasury note began 2021 at 0.91%, hitting a high of 1.77% in March 2021 and, finally, ended the year at 1.51%. But, by March 2022, the yield had further risen to 2.33% as inflation hit a four-decade high in the US even as Russia sparked off a geo-political crisis.

Consequently, the central bank's expenditure surged from ₹34,146 crore in FY21 to ₹1,29,800 crore in FY22 as it had to transfer ₹1.1 lakh crore to the contingency fund during the fiscal to erase a debit balance of ₹94,249.54 crore in the IRA-FS. As a result, the balance in the fund rose to ₹3,10,986.94 crore compared with ₹2,84,542.12 crore as on March 31, 2021. The charge to the fund is reversed on the first working day of the following year.

Contingency fund is a specific provision created for meeting unexpected and unforeseen contingencies, including depreciation in the value of securities, risks arising out of monetary/exchange rate policy operations, systemic risks and any risk arising on account of the special responsibilities enjoined upon the RBI.

As of March 2022, India was the 13th largest holder of US treasuries with net exposure of \$199.8 billion, substantially lower from \$220 billion seen as of June 2021. It's not clear if the fall is on account of the decline in US T-bill prices or whether the RBI has pro-actively sold off treasuries in the open market.

Following the losses there is nil balance in the IRA-FS account. "There is now precisely zero buffer," points out Josh Felman, principal at JH Consulting, the Washington DC-based macroeconomic consulting firm, and also the former India representative of the IMF from 2006 to 2008. The buffer in the rupee account (IRA-RS) too has fallen -- from ₹93,415 crore in March 2020 to ₹18,578 crore. Felman believes as interest rates continue to rise, provisions will soar. "Then RBI profits will really crash. Consider yourself warned," tweeted Felman.

However, with the 10-year yield falling to 2.745% on May 27, from a high of 3.106% seen a couple of days before - its highest level since 2018 - the expectations are that the RBI may not incur significant losses as it did in FY22. "With the yields cooling off, I don't see the RBI incurring significant losses in FY23," says Madhavi Arora, economist at Emkay Global Financial Services.

Though the Fed on May 5 hiked interest rates, marking the largest single hike since 2000, chairman Jerome Powell said a 75-basis-point hike was not something the Federal Open Market Committee was "actively considering".

A deadly concoction of the US yield spike and the Russia-Ukraine conflict has pulled down India's foreign exchange (forex) reserves from its all-time high of \$642.45 billion in September 2021 to \$597.5 billion in the week ended May 20, 2022. In fact, since the Russia-Ukraine conflict began in the last week of February, the reserves have kept declining even as the rupee

fell to 77.57 against the greenback. <https://www.fortuneindia.com/macro/rbi-incurs-94000-crore-loss-as-foreign-treasury-yields-spike/108389>

15. Power crisis: India's options to overcoming crunch (timesofindia.indiatimes.com) May 30, 2022

The coal shortage has triggered an acute power crisis across India. Coal stockpiles, the fuel used to generate nearly 70% of India's electricity, have dwindled to the lowest in decades, causing nationwide power supply issues. As per April 2022 data, coal stocks at more than 100 thermal power plants in the country have fallen below the 25% mark. And, in more than 50 plants, the stock has fallen below the 10% mark.

So, the questions are: how did India, a power surplus nation since 2017, become power deficit? What factors have fuelled this crisis? And, what happens next?

Factors fuelling power crisis

A combination of factors has contributed to this squeeze. The biggest reason, according to us, is the improper planning by energy regulators and power generators in the country.

On the demand side, an upswing in economic activities post-pandemic, the early onset of summer and temperatures shooting up led to an unanticipated increase in electricity demand. The Central Electricity Authority (CEA) data shows that the power consumption has increased from 106.6 billion units in 2019 to 132 billion units in 2022.

On the supply side, excessive monsoons in 2021 flooded the mines and interrupted coal production. While this situation is no different from every year, the plan was to bridge the production gap by increasing imports, but skyrocketing global coal prices made it challenging financially to import more fuel. The severe shortage of railway rakes to transport coal further disrupted the supply. Nearly 60 million tonnes of coal lying with Coal India cannot be transported. Currently, only 412 rakes are available against the daily requirement of 453 rakes. Even renewable capacity has been inadequate to meet demand. Most capacity addition has been in the solar sector, which does not meet demand during peak hours. The limited round-the-clock supply of renewable energy is adding to the crunch.

India's growing power demand needs long-term investment in multiple power sources and 'better planning' to make the supply chain resilient to such shocks.

What's the way forward?

At COP26, India pledged to increase its share of electricity generation from renewables to 50% by 2030 and reach net-zero emissions by 2070. We need the entire 500GW, as envisioned by the Government. This needs to be supplemented by adequate storage to ensure around-the-clock solar power supply, in particular. The existing storage options are mostly lead-acid-battery-based that are bulky, costly, have a shorter lifespan, and are mostly inefficient. Wind energy also needs to be ramped up.

While these challenges will eventually be ironed out, it doesn't seem like an excellent strategy to phase out coal and transition 100% to renewables without a backup, as we'd be exposing a lot of manufacturing to risks associated with the environment.

Diversifying the energy mix and choosing a healthy blend of coal and clean energy sources would be a workable long-term solution. However, until a workable solution is found, it'd make sense for the country to rely primarily on domestic coal production to meet its power demands in short- to mid-term.

Areas like Hydropower, natural gas, and nuclear power have huge potential but have not been exploited to the extent possible. Natural gas, for instance, is a relatively low polluting and reliable energy source that can support renewables during the clean energy transition. The UK is a successful case of switching to gas and phasing out coal from nearly 40% of electricity generation a decade ago to almost zero today.

In Mumbai, Tata Power has diversified sources of supply to ensure an uninterrupted power supply. Having a combination of hydropower plants, imported coal-based plants and renewable assets allows Tata to have backup and develop resilience to varying coal prices.

Another alternative could be setting up waste-to-energy treatment plants — using liquid waste to produce steam to generate electricity. India produces over 1,50,000 tonnes of solid waste per day, which is the third-highest in the world. Only 70% of this waste is collected, and 20% is processed. The remaining is dumped in landfills or burned, causing air pollution. The Amberpet plant in Hyderabad treats the city's fecal sludge by converting it into biogas for producing electricity. The remaining sludge is converted to compost and sold to farmers.

For the immediate solution, some of the stranded plants or inoperative plants should be made operational. Plants nearing their useful life should be repurposed and brought back into the generation portfolio. Also, plants operating at sub-optimal levels or needing renovation should be prioritized to deliver maximum efficiency.

Reducing reliance on fossils is a long process that requires concerted planning and analysis of demand, supply, reserves and potential risks. A task force should be set up comprising representatives from industry, academia, community leaders, and activists to design policies that aid a smoother energy transition.

The country is on a growth path, and its power demands are set to rise substantially. Sticking with the coal-dominant status quo would not only make it susceptible to a more profound crisis in the future but also put it on a course for higher energy costs, higher temperatures, and more frequent blackouts. High time the country accelerates its transition to a reliable, secure, low-emission energy system. <https://timesofindia.indiatimes.com/blogs/voices/power-crisis-indias-options-to-overcoming-crunch/>

16. Why did India restrict wheat exports despite big trade plans? ([business-standard.com](https://www.business-standard.com)) May 31, 2022

India is the world's second largest producer of wheat. But most of it was being consumed by the country itself -- leaving little room for export. And whatever little we exported, it mostly went into neighbouring countries. Like 55% of our wheat went to Bangladesh.

But over the years, our wheat export has been on the rise. In FY 22, India exported a record 7.85 million tonnes of wheat. It was a 270% jump from 2.1 million tonnes the previous year.

And this year, when Russia invaded Ukraine, India found itself in a spotlight. Scores of countries which used to purchase wheat from the two countries looked towards New Delhi to fill the void.

During the second week of April, Prime Minister Narendra Modi told US President Joe Biden that India was ready to supply its food stock to the world if the World Trade Organization (WTO) allowed it.

Orders for wheat stocks started pouring in from foreign shores. Farmers were happy and so was the government. Egypt, which typically gets 80% of its wheat from Russia and Ukraine, approved imports from India in mid-April.

On May 4th, Food Secretary Sudhanshu Pandey said the Centre was not moving to curb wheat exports as India had sufficient stocks.

But the food secretary said that due to an increase in market prices and higher demand by the private players, both for domestic as well as export purposes, the Centre's wheat procurement would be lower this year.

He added that a large quantity of wheat was being bought by traders at a higher rate than the Minimum Support Price, which was good for the farmers.

Around the same time, addressing the Indian diaspora in Germany, Prime Minister Modi said Indian farmers were coming forward to feed the world when big nations were worried about food security.

Just two days before announcing the ban, the government said it would send trade delegations to nine countries including Indonesia, Thailand and Turkey for exploring possibilities of boosting wheat exports from India.

But on May 13, the Indian government pulled a surprise and shocked many. It ordered a ban on export of wheat with immediate effect. Just before the ban, the government had plans to export a record 10 million tonnes of wheat this year.

According to the government, the main reason for the ban was to “manage the overall food security of the country and to support the needs of the neighbouring and other vulnerable countries”.

It comes against the backdrop of the hottest March in 122 years which stunned the grain -- leading to a considerable drop in yield. The yield, this year, may barely cross the 100 million tons mark, down from the government's initial estimate of a record 111 million-ton harvest.

Meanwhile, the stock in the granaries of the Food Corporation of India is also low. And if the government extends its free grain programme, the FCI stocks may dwindle further. Currently it has 30 million tons in storage. And combined with this year's purchase of about 19.5 million tons, it is just just enough to meet the government target of free grain plan.

So exporting about 10 million tons from this year's yield would not have been a good idea given the increase in domestic market consumption.

But critics say that the move has hit the farmers, who were about to harvest a good windfall after several years. https://www.business-standard.com/podcast/economy-policy/why-did-india-restrict-wheat-exports-despite-big-trade-plans-122053100052_1.html

17. Banks come to the rescue of the power sector, again! (moneycontrol.com) MAY 31, 2022

Once bitten, twice shy. The adage doesn't seem to hold true for Indian banks, which are preparing once again to rescue the troubled power sector.

Parts of India experienced power outages in March-April as electricity generation failed to keep in step with rapidly increasing demand amid heat waves and expanding economic activity.

India's power demand hit an all-time high of 207.1 gigawatts (GW) on April 29, driven by a spike in demand from households and a pick-up in industrial use.

The demand-supply mismatch has narrowed, but the worry is that if power plants do not stock up enough coal before the monsoon, a bigger problem may loom later in the year.

The government has responded with a slew of measures to boost power generation.

On the face of it, the plan sounds simple— address coal supply constraints by supplementing domestic production with imported coal, bring power units that are shut or running at low capacity to run at full volume and get power distribution companies, or discoms, to pay their dues on time to ease cash flow in the power sector value chain.

The only hiccup is that all these measures hinge on how rapidly funds can be made available to the discoms, and that's where banks come into the picture.

Stopgap measures

The government has asked all imported power plants fuelled by imported coal to run at full capacity by invoking Section 11 of the Electricity Act, given the “extraordinary circumstances.”

Section 11 states that under such circumstances, the government can ask power generating companies to operate and maintain output in line with its orders.

The government's hope is that imported coal-based units that have shut down because of high prices of the fuel and stressed power assets will resume generation and potentially add 8,000 megawatts (MW) of capacity.

Given the huge demand, lenders have identified some stalled power projects that were shut for lack of working capital and can be reopened through a placement of debt.

Banks are even thinking about providing priority funding to power plants that are functional but some loans of the generating company have turned non-performing.

This may pose a question of moral hazard because banks would be extending loans to defaulters. But this also is the quickest and surest way to get the power plants to start operating

within a period of six months. The present scenario warrants credit extension to ailing companies in the power sector, bankers say.

“For the last 8-9 years almost, there have been no new major power projects. We were focusing more on renewable energy but definitely renewable energy cannot be totally supplementary to thermal power,” Partha Sengupta, managing director and chief executive officer of Indian Overseas Bank, told Moneycontrol.

“The government has rightly taken the strategy and all the banks have been asked to support the stalled power projects so that they can be put into operation...with a little bit of support, either with the fuel supply or with the power supply agreement, this can be brought into operation,” Sengupta said.

The ministry of power has directed state-run power sector lenders, Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), to help arrange short-term loans for a period of six months for imported coal-based power plants and plants that are facing bankruptcy proceedings to revive generation.

“Thermal power plants which are based on imported coal are facing working capital shortage because prices of imported coal have gone up significantly. In these cases, wherever there is an elongation of working capital cycle or shortage of working capital cycle, there we are working with thermal power plants to provide credit,” said Rajneesh Karnatak, executive director at Union Bank of India.

“Presently the intent is that existing power plants which are fully set up but shut due to some financial reasons, they have to be started back and those power plants that were near to completion, say plants where most of work is completed and small amount of work is left, these kind of plants have to be started back. The economic value has to be derived from the asset which has been created, it should not be wasted by lying idle,” he added.

Chequered past, future tense

As India celebrated the fact that it increased its total power capacity by a third to 320 gigawatts (GW) in just three years until FY17, the banking sector was staring at an increase in toxic loans.

Public sector lenders, excluding State Bank of India and its then subsidiaries, saw their net non-performing assets rise to Rs 2.86 lakh crore as of March 31, 2017 from Rs 88,819 crore on March 31, 2014.

Gross Non-Performing Assets (GNPAs) of banks pertaining to power sector exposures would be at 6.5% of total loans given to the sector as on September end, reckoned Krishnan Sitaraman, senior director and deputy chief ratings officer at CRISIL.

“That is lower than 9.3% as of March 2021 and 13.5% as of March 2020. The reducing trend is aligned with the reducing trends in overall GNPAs of the banking system which should be around 6%. It was 7.3% as of March 2021 and 8.2% as of March 2020,” he said.

Latest data from the Reserve Bank of India’s (RBI) sectoral deployment of credit also points to a recovery in loan demand from the power sector.

According to the data, banks' loans to the power sector stood at nearly Rs 6.1 lakh crore as of March 25, up 7.2% year-on-year (YoY). This represents 5.1 percent of outstanding bank credit. During FY21, credit to the power sector decelerated 0.3 percent, the data showed.

Legacy issues

The power sector confronts legacy issues of non-payment of dues.

Data available on the government-run PRAAPTI portal shows that as of May 18, discom overdues, excluding disputed amounts and Late Payment Surcharge (LPSC), stood at Rs 1 lakh crore.

LPSC, which is levied on the payment owed by discoms to power generators, alone ran up to Rs 6,839 crore.

The power ministry, in the backdrop of the crisis, is working on a separate scheme to mitigate the financial woes of the discoms that are unable to pay their dues, it said in a statement on May 25.

A one-time relaxation is being considered for all discoms wherein the amount outstanding will be frozen without further imposition of late payment charges.

The discoms will be given the option of paying the outstanding amount in up to 48 instalments, which will help them shore up their finances, the ministry said.

Power sector entities are awaiting more clarity on how this new scheme will be rolled out and how it will be funded.

Bankers cautious

Even as bankers work to meet the short-term working capital requirements of power companies, a senior banking analyst said banks will be cautious about growing their exposure to the sector.

Some of the banking industry's biggest non-performing assets (NPAs) and defaults have come from the power sector, including Bhushan Power & Steel, Jyoti Structures and IL&FS Group companies.

The analyst cited above said the Reserve Bank of India (RBI) will likely raise concerns over lending to a defaulting entity. An e-mail sent to the central bank requesting a comment for this story did not elicit a response.

The power sector has been one of the biggest contributors to the banking sector's NPAs, said Shabbeer Ahmed, partner at the law firm IndusLaw. On average, banks and financial institutions sacrifice about 60 percent to 80 percent of their outstanding dues in resolving stressed assets in the power sector, he said.

“The completion of resolution process (of power sector NPAs) also takes about 2.5 to 3.5 years before NCLT (National Company Law Tribunal) which is more than the average rate of

resolution for non-power sector cases due to multiple litigation by various stakeholders all through the way during the insolvency resolution process,” Ahmed added.

Banks are more likely to take exposure to renewable energy projects than thermal energy project.

“Definitely the focus is on solar and renewable power projects. That continues. Almost all banks and we are also there in many projects, we have taken exposure. That will continue,” Sengupta of Indian Overseas Bank said.

Fundamental challenge

A senior ex-banker with a large public sector bank said the present power crisis is on account of higher imported coal prices and unless the government provides them a subsidy, companies will not be able to afford operations and their accounts will remain in default.

And until the fundamental challenge of delayed payments is addressed, power sector companies will continue to suffer working capital shortages.

“That is a broader challenge. Presently the issue is power shortage because of huge demand, summer season and economic revival. To address that, these measures are being taken,” Karnatak of Union Bank of India said.

Union Bank of India is not the lead banker in any stressed power sector account, but whenever it receives an application to take the lead role, the lender’s internal committee will examine it before it sanctions the funds, Karnatak said. <https://www.moneycontrol.com/news/business/banks/banks-come-to-the-rescue-of-the-power-sector-again-8610981.html>