

NEWS ITEMS ON CAG/ AUDIT REPORTS (13.09.2022)

1. Knowledge Services Committee brings out 11 people-centric audit documents, says CAG (theprint.in, latestly.com) 13 September, 2022

Knowledge Services Committee (KSC) have brought out 11 audit documents developed covering a variety of people-centric issues, said a press statement by the Office of Comptroller Auditor General of India on Monday.

While inaugurating the annual meeting of the Knowledge Sharing and Knowledge Services Committee (KSC) in Cairo today, CAG Girish Chandra Murmu said, “KSC Working Groups have brought out 11 documents developed covering a variety of people-centric issues, such as the audit of plastic waste, sustainable transport, climate financing, audit of sustainability issues, cyber security and data protection, audit of IT Governance, debt authorization, stolen assets recovery, and corruption prevention in public procurement.”

He also expressed confidence in bringing out a new Guidance on public procurement audits before November 2022, as per the statement.

He stated that one of the major challenges of the work of Supreme Audit Institutions is the audit of Sustainable Development Goals since the needs for sustainability and the development of the needs are to be judiciously balanced.

The CAG of India underlined the role of KSC in recognizing felt needs and filling the gaps by bringing out valuable products in several areas of public sector audit. KSC has upheld the INTOSAI’s long cherished position of leaving no SAI behind by providing SAIs with authoritative and detailed guidance not only on what to achieve but also on how to achieve it, he said.

Murmu reminded the delegates that the KSC’s strategies for the coming years should draw inspiration from and be attuned to the committed priorities of INTOSAI viz., supporting SAI professionalism, supporting SAIs to stay resilient in the face of extremely complex and fast-evolving global circumstances marked by volatile political situations, calamitous events, changes in financial markets, and changes in climate, as also to the ideals of equality and inclusiveness.

He exhorted the members to keep abreast of global megatrends and strategically equip themselves to audit challenging areas such as Artificial Intelligence, Climate financing, forensic auditing, fraud and corruption, climate change etc. where the practice of auditing is difficult and the processes are yet to be established.

The KSC (Goal 3) of INTOSAI, under the able leadership of the Comptroller & Auditor General of India as the KSC Chair, works with the mission of encouraging cooperation, collaboration, and continuous improvement of Supreme Audit Institutions through knowledge development, knowledge sharing and knowledge services.

The three-day Annual KSC SC meeting is being held in Cairo from 12 to 14 September 2022, hosted by the Accountability State Authority of Egypt. The meeting is being attended by

delegates from about 16 Supreme Audit Institutions. <https://theprint.in/india/knowledge-services-committee-brings-out-11-people-centric-audit-documents-says-cag/1126264/>

2. Knowledge Services Committee brings out 11 people-centric audit documents, says CAG ([aninews.in](https://www.aninews.in)) 12 September, 2022

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3. ग्यारह जन केंद्रित लेखा परीक्षा दस्तावेज तैयार :सीएजी (virarjun.com) 13 Sep 2022

सर्वोच्च लेखा परीक्षा संस्थानों के काम की प्रमुख चुनौतियों में से एक सतत विकास लक्ष्यों की लेखा परीक्षा है, क्योंकि स्थिरता की जरूरतों और विकास की जरूरतों को विवेकपूर्ण रूप से संतुलित किया जाना है। भारत के नियंत्रक और महालेखा परीक्षक (सीएजी) ने आज काहिरा में ज्ञान साझाकरण और ज्ञान सेवा समिति (केएससी) की वार्षिक बैठक का उद्घाटन करते हुए यह बात कही। श्री गिरीश चंद्र मुर्मू ने इस बात पर जोर दिया कि पारिस्थितिक स्थिरता, अर्थशास्त्र के साथ-साथ सांख्यिकीय आंकड़ों के विश्लेषण की जटिल गतिशीलता की सराहना के साथ हमारी नीति वकालत और मूल्यांकन का समर्थन किया जाना चाहिए। श्री मुर्मू ने घोषणा की कि केएससी बर्किंग प्रुप्स ने विभिन्न जन-केंद्रित मुद्दों को कवर करते हुए 11 दस्तावेज तैयार किए हैं, जैसे कि प्लास्टिक कचरे का ऑडिट, टिकाऊ परिवहन, जलवायु वित्तपोषण, स्थिरता के मुद्दों का ऑडिट, साइबर सुरक्षा और डेटा संरक्षण, आईटी का ऑडिट

शासन, ऋण प्राधिकरण, चोरी की संपत्ति की वसूली, और सार्वजनिक खरीद में भ्रष्टाचार की रोकथाम। उन्होंने नवंबर 2022 से पहले सार्वजनिक खरीद ऑडिट पर एक नया मार्गदर्शन लाने का भी विश्वास जताया। भारत के सीएजी ने सार्वजनिक क्षेत्र के ऑडिट के कई क्षेत्रों में मूल्यवान उत्पादों को सामने लाकर महसूस की गई जरूरतों को पहचानने और अंतराल को भरने में केएससी की भूमिका को रेखांकित किया। उन्होंने कहा कि केएससी ने न केवल क्या हासिल करना है, बल्कि कैसे हासिल करना है, इस पर भी साई को आधिकारिक और विस्तृत मार्गदर्शन प्रदान करके कोई साई को पीछे नहीं छोड़ने की इंटोसाई की लंबे समय से पोषित स्थिति को बरकरार रखा है। तीन दिवसीय वार्षिक केएससी एससी बैठक काहिरा में 12 से 14 सितंबर 2022 तक आयोजित की जा रही है, जिसे मिस्र के जवाबदेही राज्य प्राधिकरण द्वारा आयोजित किया गया है। बैठक में लगभग 16 सर्वोच्च लेखा परीक्षा संस्थानों के प्रतिनिधि भाग ले रहे हैं।

नई दिल्ली (विप्र)। सर्वोच्च लेखा परीक्षा संस्थानों के काम की प्रमुख चुनौतियों में से एक सतत विकास लक्ष्यों की लेखा परीक्षा है, क्योंकि स्थिरता की जरूरतों और विकास की जरूरतों को विवेकपूर्ण रूप से संतुलित किया जाना है। भारत के नियंत्रक और महालेखा परीक्षक (सीएजी) ने आज काहिरा में ज्ञान साझाकरण और ज्ञान सेवा समिति (केएससी) की वार्षिक बैठक का उद्घाटन करते हुए यह बात कही। श्री गिरीश चंद्र मुर्मू ने इस बात पर जोर दिया कि पारिस्थितिक स्थिरता, अर्थशास्त्र के साथ-साथ सांख्यिकीय आंकड़ों के विश्लेषण की जटिल गतिशीलता की सराहना के साथ हमारी नीति वकालत और मूल्यांकन का समर्थन किया जाना चाहिए। श्री मुर्मू ने घोषणा की कि केएससी बर्किंग प्रुप्स ने विभिन्न जन-केंद्रित मुद्दों को कवर करते हुए 11 दस्तावेज तैयार किए हैं, जैसे कि प्लास्टिक कचरे का ऑडिट, टिकाऊ परिवहन, जलवायु वित्तपोषण, स्थिरता के मुद्दों का ऑडिट, साइबर सुरक्षा और डेटा संरक्षण, आईटी का ऑडिट

4. 11 जन केंद्रित ऑडिट दस्तावेज तैयार, सीएजी की घोषणा (deshbandhu.co.in) September 12, 2022

भारत के नियंत्रक एवं महालेखा परीक्षक ने कहा कि ज्ञान सेवा समिति (केएससी) के कार्यकारी समूह नवंबर से पहले सार्वजनिक खरीद ऑडिट पर एक नया मार्गदर्शन लाएंगे। सीएजी गिरीश चंद्र मुर्मू ने घोषणा की कि केएससी वकिरंग गुप्ता ने विभिन्न जन-

केंद्रित मुद्दों को कवर करते हुए 11 दस्तावेज लाए हैं, जैसे प्लास्टिक कचरे का ऑडिट, टिकाऊ परिवहन, जलवायु वित्तपोषण, स्थिरता मुद्दों का ऑडिट, साइबर सुरक्षा और डेटा संरक्षण, आईटी का ऑडिट शासन, ऋण प्राधिकरण, चोरी की संपत्ति की वसूली, और सार्वजनिक खरीद में भ्रष्टाचार की रोकथाम।

उन्होंने नवंबर से पहले सार्वजनिक खरीद ऑडिट पर एक नया मार्गदर्शन लाने का भी विश्वास व्यक्त किया।

काहिरा में नॉलेज शेयरिंग एंड नॉलेज सर्विसेज कमेटी (केएससी) की वार्षिक बैठक का उद्घाटन करते हुए उन्होंने कहा कि सर्वोच्च ऑडिट संस्थानों के काम की प्रमुख चुनौतियों में से एक सतत विकास लक्ष्यों की ऑडिट है, क्योंकि स्थिरता की जरूरत है।

उन्होंने इस बात पर जोर दिया कि पारिस्थितिक स्थिरता, अर्थशास्त्र के साथ-साथ सांख्यिकीय आंकड़ों के विश्लेषण की जटिल गतिशीलता की सराहना के साथ नीति समर्थन और मूल्यांकन का समर्थन किया जाना चाहिए।

सीएजी ने सार्वजनिक क्षेत्र के ऑडिट के कई क्षेत्रों में मूल्यवान उत्पादों को सामने लाकर महसूस की गई जरूरतों को पहचानने और अंतराल को भरने में केएससी की भूमिका को रेखांकित किया। <https://www.deshbandhu.co.in/news/leadstory-11-public-centric-audit-documents-prepared-cag-announced-296573-1>

STATES NEWS ITEMS

5. CAG asks Mizoram government to book defaulters of public funds (eastmojo.com, nenow.in) September 12, 2022

Aizawl: The Comptroller and Auditor General of India (CAG) has asked the Mizoram government to book defaulters involved in misappropriation, losses and theft of public funds amounting to more than Rs 400 lakh.

The CAG report, which was tabled in the state assembly on September 7 by Chief Minister Zoramthanga, revealed that there were a number of cases of misappropriation, losses and theft, among others, in three government offices or departments during 2020-21 fiscal.

The total amount of public money affected by these cases was Rs. 435.21 lakh, the report said.

The misappropriation, losses and theft cases were reported from the office of the deputy commissioner of Siaha district (Rs.2.50 lakh), department of food civil supplies and consumer affairs (431.33 lakh) and urban development and poverty alleviation department (Rs.1.38 lakh), the report stated.

“The state government should make all efforts to bring the defaulters to book and also strengthen the internal control mechanism to ensure that such cases do not go undetected,” the CAG’s state finance audit report for the year ending March 2021 stated.

The Central agency also asked the state government to ensure timely submission of Utilisation Certificates (UCs) of grants to three Autonomous District Councils (ADCs) in the southern part of the state. The CAG in its report said that 151 Utilisation Certificates (UCs) in respect of grants aggregating Rs. 172.17 crore given to three ADCs during the period up to March 2020 were not submitted to the Principal Accountant General by the three entities.

“11 annual accounts of three ADCs and two government bodies due for audit up to 2020-21 had not been submitted. Similarly, 21 annual accounts of three departmental undertakings were yet to be received,” the report stated, adding that 28 Abstract Contingent bills amounting to Rs. 85.49 crores relating to previous years were pending for adjustment. <https://www.eastmojo.com/mizoram/2022/09/12/cag-asks-mizoram-government-to-book-defaulters-of-public-funds/>

6. CAG ने मिजोरम सरकार से सार्वजनिक धन के बकाएदारों पर मामला दर्ज करने को कहा (jantaserishta.com) 12 September 2022

आइजोल: भारत के नियंत्रक एवं महालेखा परीक्षक (CAG) ने मिजोरम सरकार से 400 लाख रुपये से अधिक के सार्वजनिक धन की हेराफेरी, नुकसान और चोरी में शामिल बकाएदारों के खिलाफ मामला दर्ज करने को कहा है।

मुख्यमंत्री जोरमथंगा द्वारा 7 सितंबर को राज्य विधानसभा में पेश की गई सीएजी रिपोर्ट से पता चला है कि वित्त वर्ष 2020-21 के दौरान तीन सरकारी कार्यालयों या विभागों में अन्य के साथ-साथ गबन, नुकसान और चोरी के कई मामले सामने आए हैं।

इन मामलों से प्रभावित सार्वजनिक धन की कुल राशि रु. रिपोर्ट में कहा गया है कि 435.21 लाख।

सियाहा जिले के उपायुक्त कार्यालय (2.50 लाख रुपये), खाद्य नागरिक आपूर्ति और उपभोक्ता मामले विभाग (431.33 लाख) और शहरी विकास और गरीबी उन्मूलन विभाग (1.38 लाख रुपये) से हेराफेरी, नुकसान और चोरी के मामले सामने आए।), रिपोर्ट में कहा गया है।

मार्च 2021 को समाप्त होने वाले वर्ष के लिए सीएजी की राज्य वित्त लेखा परीक्षा रिपोर्ट में कहा गया है, "राज्य सरकार को चूककर्ताओं को बुक करने के लिए सभी प्रयास करने चाहिए और आंतरिक नियंत्रण तंत्र को भी मजबूत करना चाहिए ताकि यह सुनिश्चित हो सके कि ऐसे मामलों का पता न चले।"

केंद्रीय एजेंसी ने राज्य सरकार से राज्य के दक्षिणी हिस्से में तीन स्वायत्त जिला परिषदों (एडीसी) को अनुदान के उपयोगिता प्रमाण पत्र (यूसी) समय पर जमा करना सुनिश्चित करने के लिए भी कहा। सीएजी ने अपनी रिपोर्ट में कहा है कि कुल 5,000 करोड़ रुपये के अनुदान के संबंध में 151 उपयोगिता प्रमाणपत्र (यूसी) हैं। मार्च 2020 तक की अवधि के दौरान तीन एडीसी को दिए गए 172.17 करोड़ तीन संस्थाओं द्वारा प्रदान महालेखाकार को प्रस्तुत नहीं किए गए थे।

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21 तक के लिए तीन एडीसी और दो सरकारी निकायों के 11 वार्षिक खाते ऑडिट के लिए जमा नहीं किए गए थे। इसी तरह, तीन विभागीय उपक्रमों के 21 वार्षिक खाते अभी तक प्राप्त नहीं हुए थे, "रिपोर्ट में कहा गया है कि 28 सार आकस्मिक बिलों की राशि रु। पिछले वर्षों से संबंधित 85.49 करोड़ स मायोजन के लिए लंबित थे। <https://jantaserishta.com/local/mizoram/cag-asks-mizoram-government-to-register-case-against-defaulters-of-public-money-1560179>

7. मृत कर्मचारियों के वेतन-

पेंशन बिल पास हो गए: टैक्स भी कटा, ऑटो मोड सिस्टम से कोषागार व उपकोषागार का गणित गड़बड़ाया (bhaskar.com) Sep 13, 2022

जयपुर।

जलदाय विभाग के पंप ऑपरेटर महेंद्र सिंह पंवार 2020 में, उमेश नारायण गुर्जर 2021 में, दुर्गालाल शर्मा 2018 में, सहायक अब्दुल हाकिम 2013 में तथा फिटर सुरजा राम 2019 में रिटायर हो चुके हैं। लेकिन इनके खातों में वेतन भुगतान हो गया। इतना ही नहीं, इनके वेतन से जीपीएफ और आरपीएमएफ की कटौतियां भी हो गईं।

यह सब हो रहा है प्रदेश में कोषागार और उपकोषागार के सिस्टम को आईटी से बदलने के चक्कर में। ऑटो प्रोसेस सिस्टम के कारण वेतन बिलों में भारी गड़बड़ियां सामने आ रही हैं। न सिर्फ सेवानिवृत्त कर्मचारियों के खातों में पेंशन के साथ वेतन भुगतान (आहरित) कर दिया गया बल्कि जिन कर्मचारियों की मृत्यु हो चुकी है उनके खातों में भी वेतन व पेंशन का भुगतान हो गया।

सीएजी ने भी उठाई थी आपत्ति, संवैधानिक प्रावधानों के विपरीत तर्क करार दिया था 2021 में मृत्यु, खाते से कटा इनकम टैक्स झुंझुनूं में शारीरिक शिक्षक उर्मिला खीचड़ का निधन 2021 में हो गया। लेकिन उनके वेतन व पेंशन दोनों आ गए। इससे उनके खाते से इनकम टैक्स, जीपीएफ, आरपीएमएफ की कटौतियां तक कर ली गईं। अब यह पैसा सरकार वापस कैसे और किससे वसूलोगी?

डीए 11 हजार था, आ गया 70 हजार

डीए की गणना में भी भारी गड़बड़ी है। कई विद्यालयों में डीए 31% की जगह 70% दे दिया गया। कुशलगढ़ में एक शिक्षिका के खाते में डीए के मद में 70,664 रुपए डाल दिए गए जबकि उनका डीए 11,832 रुपए ही बनता था। अब उनके वेतन से इसकी वसूली की जा रही है।

डीपीसी 1971 एक्ट के खिलाफ- सीएजी

सीएजी ने अकाउंटिंग सिस्टम में बदलाव की वित्त विभाग की कोशिशों को संवैधानिक प्रावधानों के विपरीत बताया। इसे लेकर राज्य सरकार की ओर से भेजी गई पत्रावली के जवाब में सीएजी ने इसे डीपीसी एक्ट 1971 के प्रावधानों के खिलाफ बताया था। <https://www.bhaskar.com/local/rajasthan/jaipur/news/tax-also-deducted-auto-mode-system-messed-up-the-math-of-treasury-and-sub-treasury-130309512.html>

8. 'कई सुपरटेक अभी भी मौजूद हैं; दोषी अधिकारियों के खिलाफ कार्रवाई हो' (hindi.newsclick.in) 12 September 2022

9 अगस्त को नोएडा में सुपरटेक टावरों को गिराए जाने के मद्देनजर राष्ट्रीय राजधानी क्षेत्र में रियल एस्टेट घोटालों को कैसे रोका जाए, इस पर भारत के नियंत्रक और महालेखा परीक्षक (CAG) की रिपोर्ट तो तुरंत अमल में लाया जाना चाहिए। सीएजी के महानिदेशक (प्रत्यक्ष कर) से सेवानिवृत्त और रियल एस्टेट नियामक प्राधिकरण (रेरा) के पूर्व सदस्य रहे राजीव भूषण सिन्हा कहते हैं कि सरकारी अधिकारी और भ्रष्ट बिल्डरों की मिलीभगत होती है, इसलिए दोनों पर कार्रवाई होनी चाहिए और मुकदमे भी चलने चाहिए।

Video Link: <https://hindi.newsclick.in/there-are-many-supertechs-says-cag-officials-responsible-must-be-punished>

9. Aparajita alleges massive corruption in mining (dailypioneer.com) 13 September 2022

BHUBANESWAR: Active connivance of the State Government machinery with the private players in the newly-auctioned private mines led to massive corruption and loss to the State exchequer worth thousands of crores, alleged Bhubaneswar BJP MP Aparajita Sarangi at a Press meet here on Monday.

Sarangi said the share of low-grade iron ore in 2019-2020 was 23 per cent of ores which increased to 95% in financial year 2021-2022. The high-grade ore of 65% Fe and above, which fetches the highest value used to constitute 28% of production in 2019-2020 dropped to 2% only in 2021-2022.

She further claimed that the Shah Commission, set up by the Centre in November 2010, gave its report regarding various irregularities including Odisha Government's turning a blind eye to illegal mining in different mines of the State. Following Shah Commission's report, the Comptroller and Auditor General (CAG) of Odisha slapped Rs 65,000 crore penalty on defaulting iron ore and manganese mine owners in the State.

However, private miners and Government officials are yet to take their stand on the issue.

She further said, "The Shah Commission stated that the extent of irregularities in the mining sector in Odisha was to the tune of Rs 59,000 crore. It was expected that after Shah Commission's report, illegal mining in Odisha would stop and the State Government would make sincere attempts to check irregularities. But the corruption and irregularities, instead of being checked, found new ways under the BJD Government."

Sarangi also alleged under-utilisation of the District Mineral Fund and said the basic purpose of DMF has failed. The intended objective of the funds to improve the quality of lives, provide basic amenities and improve infrastructure of districts in mineral rich States have been lost sight of either by idling of funds or because of rampant corruption in execution of projects.

The State Government should come out with a detailed status note on how it plans to utilise the funds and how it will positively contribute to the wellbeing of the people of mineral rich districts of Odisha, she demanded. <https://www.dailypioneer.com/2022/state-editions/aparajita-alleges-massive-corruption-in-mining.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

10. Need for self-reliance and indigenisation has become even more acute amid the Russia-Ukraine war (economictimes.indiatimes.com) Sep 13, 2022

Emphasising how the importance of indigenisation and self-reliance has become more acute and needs immediate attention in the backdrop of the Russia-Ukraine war, Vice Admiral Sandeep Naithani, AVSM, VSM, Chief of Materiel, Indian Navy, said the launch of the aircraft carrier, Vikrant, was a big honour for the Navy. “Kudos to the Navy for what has been an absolute service to the nation. India has the capability to do each and everything possible,” he said, while delivering his keynote address at the PHD Chamber of Commerce and Industry (PHDCCI)’s forum on “Indigenisation requirements of the Indian Navy” in the capital on Monday.

Talking about self-reliance and its benefit to the MSME sector, Naithani highlighted that we have to work on optimally utilising our talent pool to achieve such an objective. “Such talent needs to be made an efficient part of the ecosystem in becoming atmanirbhar, especially in the MSME sector. The Navy has always gone ahead and helped the industry and will continue to do the same,” he said.

The Vice Admiral also mentioned that credible testing facilities, which were a major challenge earlier, have now met world standards. “Modernisation is an ongoing process. Procurement of new equipment, including several indigenous cases under the Make in India initiative, has contributed towards a mix of state-of-the-art vintage and contemporary weapons, sensors and equipment,” he said, adding how underwater ranges, marine turbines, documentation and quality issues have all been worked upon thereby converting each challenge into an opportunity.

Explaining more about how self-reliance in defence manufacturing is one of the key objectives of the Department of Defence Production, Naithani said we have to take the first steps and build the in-house capability to manufacture materials, components and assemblies. “We look forward to India becoming self-reliant in defence production and also a leading exporter of defence equipment to other countries,” he said.

Other dignitaries at the event lauded the Indian Navy for its efforts in technology development and upgradation in various areas. KV Kuber, Director (Aerospace & Defence), Ernst & Young LLP, said the Indian Navy has acquired adequate expertise in the hull design and construction of various types of warships. “In the field of propulsion systems (barring marine gas turbines and propulsion diesel engines) and related auxiliaries, support services like air conditioning, production capabilities are available in the country. Till the recent past, indigenisation was focused on import substitution through reverse engineering and was limited to components/subsystems. This method remained saddled with decades old technology. Indigenisation strategy is, therefore, primarily focused on technology development in gap areas rather than requirement based indigenisation,” said Kuber, a retired Colonel.

Also speaking at the forum, Pradeep Multani, President of PHDCCI, said indigenisation meant having the capability of developing and producing any defence equipment within the country for the dual purpose of achieving selfreliance and reducing the burden of imports.

A series of B2B meetings were organised with the industry, including MSMEs, at the event. More than 70 B2B meetings took place with Indian Navy officers and the event saw the participation of over 200 industry delegates. <https://economictimes.indiatimes.com/small-biz/sme-sector/need-for-self-reliance-and-indigenisation-has-become-even-more-acute-amid-the-russia-ukraine-war/articleshow/94167781.cms>

11. States to have Niti Aayog-like bodies soon ([financialexpress.com](https://www.financialexpress.com)) September 13, 2022

The Niti Aayog, the think-tank at the Central level, will handhold each state to set up similar bodies, replacing their outdated planning boards, for faster and inclusive economic growth, in tandem with the national vision of becoming a developed nation by 2047.

The move is in recognition of the fact that except for sectors like defence, railways and highways, the national gross domestic product (GDP) growth is an aggregation of states' rates of growth.

Health, education and skilling are primarily with the state government. The Niti Aayog notes that state governments' role is critical to improving ease of doing business, land reforms, infrastructure development, credit flows and urbanisation, all of which are vital for sustained economic growth.

In his Independence Day speech last month, Prime Minister Narendra Modi set an ambitious target of making India a developed nation by 2047.

The Niti Aayog has already got cracking on the "state support mission" by holding a meeting of state planning secretaries on September 6. The think-tank, which will likely extend support to states including experts from IIMs and IITs, has received positive responses from states, according to sources. Initially it aims for 8-10 states to set up such bodies, before reaching out to all by March 2023.

Four states — Karnataka, Uttar Pradesh, Madhya Pradesh and Assam — have already begun work in this regard while Maharashtra, Odisha, Andhra Pradesh and Gujarat will likely commence work soon, sources said.

It has been seven years since the 65-year-old Planning Commission was replaced with the Niti Aayog by the Modi government in January 2015, mainly as a think-tank for forging a national vision on development. The government has since given the plan fund allocation powers to the Union finance ministry.

However, most states so far have done little to rejuvenate their planning departments/boards, which were earlier dealing with the central Planning Commission and preparing parallel, state five year-plans with the Centre.

"Most states' planning departments, with huge manpower, are almost defunct and have no clarity what work they will do," a senior official said. "A plan has been chalked out by the Niti Aayog to help in the creation of teams that will examine the existing structure of state planning boards, and in the next 4-6 months conceptualise the State Institution for Transformation

(SIT).” Lateral entry of professionals will be encouraged in SITs to undertake high-quality analytical work and policy recommendations.

Besides reorienting the state planning boards as SITs, a blueprint will be prepared on how it will guide the states in policy formulation, take up monitoring and evaluation of government policies and programmes, as well as suggest better technology or models for delivery of schemes.

The Niti Aayog and the proposed SITs will play a critical role in India achieving goals set for 2047, the 100th year of independence. The Centre has set up 10 working groups under various secretaries to set those socio-economic goals to achieve sustainable, inclusive and job-creating high growth, while addressing carbon footprint and energy security. <https://www.financialexpress.com/economy/states-to-have-niti-aayog-like-bodies-soon/2664442/>

12. A change for better? (*millenniumpost.in*) 12 Sept 2022

A proposed Bill to introduce significant changes in the electricity sector has elicited varied views from industry insiders.

The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha on August 8. It proposes significant changes related to contract enforcement, payment security, energy transition and the need to provide a choice to consumers — wherein they can choose among multiple licensees to promote competition.

Integration of renewables

A target for integration of renewable energy (RE) has been provided in the Bill and State Electricity Regulatory Commission (SERC) will decide how they want to achieve it, said SP Gon Chaudhuri, a veteran of India's RE sector.

"Some states don't encourage the generation of renewables and buy it from other states instead. There is a penalty clause in the Bill, so if any distribution company (discom) fails, a penalty will be imposed on them," Chaudhuri said.

West Bengal has committees on RE and climate change, but it insists on depending Deocha Pachami, the largest coal block in the country, he stated as an example.

"Now, the state will be penalised if it does not follow a fixed percentage. Incidentally, the percentage hasn't been mentioned in the Bill. So, all states will be under pressure, which means they will either generate renewables or buy them," Chaudhuri added.

The Bill entrusts a central agency, National Load Dispatch Centre (NLDC), with increased authority for improved scheduling, dispatch and efficient grid operations, said Disha Agarwal, programme lead, Council on Energy, Environment and Water (CEEW).

"This will enable integration of renewables, optimise the cost of procuring power and balance reserves," Agarwal said.

Enabling NLDC with the power to exercise control over the inter-regional and inter-state transmission network may lead to the dispatch of power on a merit basis at the central level,

said Abhishek Moza, deputy secretary, Uttar Pradesh Electricity Regulatory Commission (UPERC).

"This will enable a flow of cheaper power despite any contractual agreement between the discoms and generating stations," he said.

The proposed provision regarding mandatory payment security mechanism for scheduling and dispatch of electricity will lead to ease of grid transactions, said Moza. "However, it may also lead to a situation where the generators, in the absence of such a security, will have to sell power to a party other than the beneficiary."

This may lead to a scenario where a generator cannot sell power and will suffer a loss. It may affect the financial condition of discoms as they may not have enough money to pay the generators on a monthly basis, Moza added.

Moreover, most generators are not in sync with the recent late payment surcharge rules being notified by the Centre.

Therefore, it would be difficult to say that transactions would be smooth, he said. There are many enabling provisions in the contract, too, including the opening of a payment security mechanism which is enforceable by the court of law. However, most of them have not been implemented till now, explained Moza.

Moreover, the order related to the payment security mechanism was issued by the Centre by a circular issued on June 28, 2019. Later, it was observed that generating companies have provided consent to schedule the power without any security, the UPERC official said.

Violation of rules will book the doors of courts. Therefore, we will have to see whether this will resolve the issue as generators will ultimately have to sell their power under the Power Purchase Agreement, warned Moza.

Is the Bill a policy enabler?

Another issue raised is whether this Bill will help enable policies to take decisions on matters that concern the RE sector — such as wind repowering and demand aggregation for rooftop solar.

The Bill introduces provisions that can enable retail-level open access, i.e. providing consumers with the power to choose their electricity supplier, said Agarwal.

Inducing competition in the distribution sector can introduce discipline and efficiency in operations and finances. It can also bring in incentives for discoms to revisit their power procurement contracts and reduce the cost of purchase, she added.

If Delhi discoms had procured from alternate sources like the power exchange or a round-the-clock RE source instead of Dadri Stage I between April 2019 and November 2020, they would have saved Rs 1,050 to Rs 1,098 crore, largely due to avoided fixed costs, CEEW research has found.

"With competition, discoms may think of leveraging distributed RE resources to manage their peak power demand more cost-effectively, giving the required impetus to rooftop solar, and lowering the overall cost to consumers," it said.

The inherent benefits of a rooftop solar system in Delhi's BSES Rajdhani's (BRPL) distribution area outweigh its revenue loss, a CEEW study found. BRPL stood to gain Rs 0.22/ kiloWatt per hour for every unit of electricity being generated from rooftop solar.

The efficiency of power consumption by industries depends on tariff, stated Chaudhuri — the more the tariff, the more companies opt for measures to conserve energy. However, if the tariff is increased, then industries go for captive power generation, where electricity is less expensive.

For instance, solar PV is now less expensive; therefore, most industries will go in for captive power generation. "Due to the introduction of this Bill, the price of electricity will be high, more so as coal will be imported for the power plant. In such a scenario, industries will opt for renewables," Chaudhuri added.

He feels that with this Bill, industries will be encouraged to put up captive power solar plants. The discoms that have not been interested till now but will be compelled to buy solar from different producers or from states producing solar owing to the Bill.

Due to open access, many industries will be able to procure solar from power producers. Moreover, it is an opportunity to buy clean energy from any coal-based/clean energy company, which is not the case now. If one wants to buy clean energy currently, one can only purchase captive, which must be approved by the discom.

Taking powers of the Commission to fix Renewable Purchase Obligations (RPOs) can mean stricter RPO's and this may lead to more flow of renewables, according to Moza.

Challenges ahead

However, there are issues, admitted Chaudhuri. "Since privatisation will be inevitable, the government's role in power distribution and power control management will be lesser."

Issues such as independence of the regulatory Commissions, the distance of discoms from the government and restructuring of distribution licensees haven't been addressed, said Moza.

The Bill proposes to amend Sections 60, 42 and 14 of the Electricity Act, which will allow multiple distribution licensees to function in an area. The power procurement cost to be borne in proportion by existing and new distribution licensees. This may enable competition in retail power distribution, but it will not bring any significant changes, he said.

This is because the distribution network will be operated by the same distribution licensee where inefficiencies persist. Also, competition is envisaged for supply licensee for power purchase.

On the other hand, power is procured by discoms through competitive bidding and adopted by the Commission if such a tariff is discovered through a transparent bidding process.

Therefore, once the existing licensee procures power, how the new licensee will procure cheaper power is debatable, said Moza. In most states, there is no return on equity/interest on a loan to the distribution licensee for power purchase; therefore, playing on these margins will not be possible.

The above view considered that the role of other licensees would be limited to the supply of electricity as nothing else has been explained in the proposed amendment, he clarified.

Way forward

Since NDLC is being given powers to monitor the grid in real-time, it may enable the induction of new technologies like energy storage despite being fraught with issues, said Moza.

Fundamental reforms can enable operators/power suppliers to leverage big data, digital innovations and new technologies for efficient grid management, said Agarwal. <http://www.millenniumpost.in/opinion/a-change-for-better-492737>

13. The takeaways from RBI paper on climate action ([livemint.com](https://www.livemint.com)) 13 Sep 2022

Six key questions have been raised in RBI's paper. Implementation timelines and the prioritization of qualitative versus quantitative metrics are crucial.

The recently released climate risk discussion paper by the Reserve Bank of India (RBI), to encourage the country's financial sector to prioritize green-transition financing and ensure long term systemic stability by addressing the growing threat of climate challenges, is most welcome. It diligently elucidates both (i) physical climate impact risks and (ii) transition loss risks that further complicate the credit, concentration, operational, liquidity and market risks for regulated entities in the banking, financial services and insurance (BFSI) sectors.

Refreshingly, the consultation paper offers broad guidance, illustrative examples and good practices for regulated entities around governance, disclosures, strategy, processes and the risk management structure to address climate risks, with valuable insights for consideration of boards.

More emphasis could however have been laid on the numerous financing opportunities that our climate transition holds for regulated entities, considering the billion dollar investments required this decade itself, to hasten the buy-in of entities before any mandated targets kick in. Secondly, foreign capital for the promotion of environmentally sustainable business through sustainability-linked loans and bonds will require incentivization to aid the green transition from 'Take-Make-Dispose' linear economy models to a 'Reuse-Reduce-Recycle' circular economy model, which by reconditioning end-of-life products could reduce the use of non-renewable resources and wastage across agriculture and industry. Regulators need to pull out all stops to support financiers and avert the disconcerting possibility of overseas capital bypassing India Inc, given that developed economies are also competing for transition investment.

Six key questions have been raised in RBI's paper. In this regard, implementation timelines and the prioritization of qualitative versus quantitative metrics are crucial.

Fast warming ocean and land temperatures, extreme flooding or drought-like events that impact water availability and soil quality, and India's 2021 ranking among the ten worst affected countries by an important climate risk index call for quick action by India Inc and its financiers.

To enable regulated entities to proactively manage the uncertain timing and severity of climate risk challenges and to support our net zero goal, it will be prudent to swiftly incorporate both qualitative and quantitative aspects upfront, simultaneously. Such implementation should be done concurrently across different parameters, with metrics tightened progressively in phases.

Nevertheless, RBI must tread carefully by taking a balanced approach, considering that banks and other regulated entities are already saddled with multiple capital commitments, liquidity buffer burdens, cash reserve requirements, priority sector lending (PSL) targets, corporate social responsibility obligations and possibly future green energy usage government mandates. Yet, any goal without numerical targets would not move the needle and would only be beating around the bush. Therefore, a tough act of jugglery confronts regulators.

Qualitative issues: (a) Assimilating information on basic climate-impact parameters from corporates during the credit appraisal stage should be mandated, which in addition to helping regulated entity managements take informed lending or investment decisions, will over time also generate accurate data to help improve climate default risk forecasting models. (b) Due to the absence of qualitative data on climate change default probabilities, stress testing, forecasts or scenario analysis could be prescribed as a short-term proxy for loss estimates of lending and investment portfolios. (c) Regulators may also ask regulated entities to strengthen capital buffers or incentivize climate-positive sectors through lower risk capital weightages.

To conclude, corporates and regulated entities in India can beat the challenges of climate change if they embed sustainability at the core of their business strategy and manage transition implementation, tracking and reporting commitments proactively. <https://www.livemint.com/opinion/online-views/rbis-paper-on-climate-action-has-suggestions-worthy-of-adoption-11663001599435.html>