

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (20.10.2022)**

### **1. India's coal production to touch 900 mt during this fiscal: Pralhad Joshi ([livemint.com](https://www.livemint.com)) OCTOBER 20, 2022**

Union minister of coal, mines and parliamentary affairs Pralhad Joshi on Thursday said India's total coal production will touch 900 million ton (MT) during this financial year, and all efforts are being taken by Coal India Limited and its subsidiaries to attain this goal.

Addressing a function at the Office of the Comptroller & Auditor General of India to release a "Compendium of Asset Accounts on Mineral and Energy Resources", Joshi said mineral exploration norms have been relaxed recently, nine private exploration agencies got accredited so far, and commercial coal mine auctioning process has been made totally transparent by the present government.

Coal import has come down considerably and by 2024 import will be stopped, the minister added.

Complimenting CAG's office for bringing out the first ever compendium of asset account on mineral assets of the country, Joshi said that the report presents comprehensive picture of the mineral resources spread across different States.

He said that the compendium will be of immense value in further strengthening sustainable mining process which is of paramount importance for ecology and future generation. The minister dedicated the compendium to the people of the country on the eve of Azadi ka Amrit Mahostav.

Collating the information of the State Asset Accounts, Government Accounting Standards Advisory Board (GASAB) has prepared the Compendium of Asset Accounts on Mineral and Energy Resources in States.

The compendium includes details of all four fossil fuels, 40 major minerals and 63 minor minerals in 28 States and one UT i.e. Jammu & Kashmir and also covers the innovations and good practices noticed during the course of the study. The publication includes certain areas which will require State Government's intervention.

It also provides some suggestions for the way forward to further improve the overall management of resources and optimize revenue yields besides ensuring sustainability of the resources. <https://www.livemint.com/news/india/indias-coal-production-to-touch-900-mt-during-this-fiscal-pralhad-joshi-11666261148327.html>

### **2. India's Coal Production to touch 900MT, Says Union Minister of Coal ([business-standard.com](https://www.business-standard.com)) OCTOBER 20, 2022**

Union Minister of Coal, Mines and Parliamentary Affairs Pralhad Joshi said that during this financial year India's total coal production will touch 900 million ton (MT) and all efforts are being taken by Coal India Limited and its subsidiaries to attain this goal. He

said that mineral exploration norms have been relaxed recently and nine private exploration agencies got accredited so far.

Addressing a function at the Office of the Comptroller & Auditor General of India to release a Compendium of Asset Accounts on Mineral and Energy Resources, Minister Shri Joshi stated that commercial coal mine auctioning process has been made totally transparent and institutionalized by the present Government. Coal import has come down considerably and by 2024 import will be stopped, the minister added. [https://www.business-standard.com/article/news-cm/india-s-coal-production-to-touch-900mt-says-union-minister-of-coal-122102000825\\_1.html](https://www.business-standard.com/article/news-cm/india-s-coal-production-to-touch-900mt-says-union-minister-of-coal-122102000825_1.html)

### **3. ‘Beti Bachao, Beti Padhao’ scheme: A critical analysis ([orfonline.org](https://www.orfonline.org))** OCTOBER 19, 2022

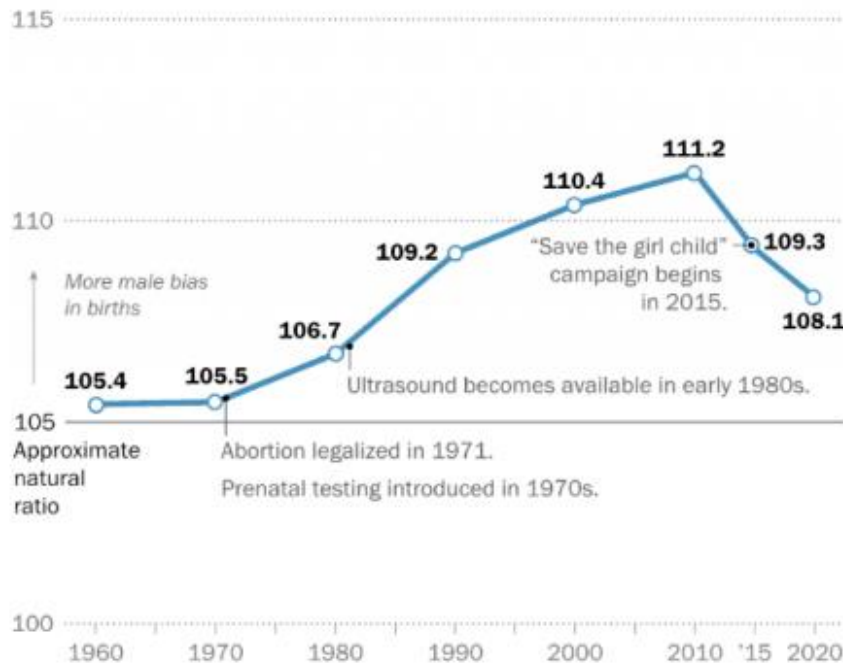
**Despite the BBBP scheme bringing much-needed attention to gender discrimination, the scheme in its present form is at risk of failing its central objective due to poor implementation and monitoring**

Gender parity in terms of survival and education is essential to equitable economic development and a cornerstone for ensuring basic human rights. Through Sustainable Development Goals (SDGs) 4 (Quality Education) and 5 (Gender Equality), there has been a persistent push for better policies aimed at bridging gendered gaps in critical areas of healthcare and education for girls and women.

In India, patriarchal social norms such as son preference and regressive power structures continue to pose hurdles for young girls in terms of survival and education, leading to multiple barriers and missed economic opportunities throughout their lives. According to the United Nations estimates between the years 2000 and 2020, India became one of the countries with the most skewed child sex ratio (CSR), driven by the after-effects of the abortion legislation and the introduction of prenatal diagnostic technology in the 1970s. The trend of sex-selective abortions saw an upward trajectory till about 2011 when India witnessed an overall high of 111 males per 100 females in the 2011 census. However, according to the latest National Family Health Survey (2019-21) the gap has reduced over the last decade, to about 109 males per 100 females and further to 108 males per 100 females. A similar trend has been observed in terms of female literacy rates in the country.

## India's sex ratio at birth has been moving toward balance in recent years

Sex ratio at birth, or the number of male births per 100 female births

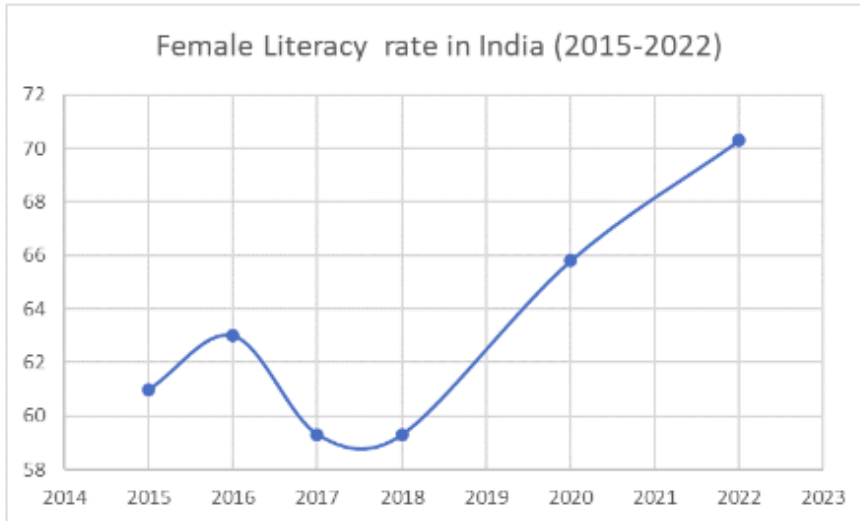


Notes: The natural sex ratio at birth is about 105 boys per 100 girls. Numbers in this chart generally describe the sex ratio of births in the previous five years, except for the 2001 and 2011 numbers, which are from the census and are based on a question introduced in 2001 measuring the sex of babies born in the previous year.

Sources: Census of India, 2001 and 2011; National Family Health Survey, 2015-16 and 2019-21; United Nations, Department of Economic and Social Affairs, Population Division, "World Population Prospects 2019." "India's Sex Ratio at Birth Begins To Normalize"

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According to the Global Gender Gap Report 2022, India was placed at 107th rank among 146 countries in female education which covers literacy and enrolment rates in primary, secondary, and tertiary education. India's position has seen a relatively upward trend since 2018 which can be attributed to massive campaigns and interventions run by the government under its flagship programme 'Beti Bachao, Beti Padhao' (BBBP). The Government of India together with the Ministry of Women & Child Development (MoWCD), Ministry of Health & Family Welfare (MoH&FW), and Ministry of Human Resources Development (MoHRD) launched BBBP in 2015 with the key quantitative objectives of improving the Sex Ratio at Birth (SRB) in selected gender critical districts by two points in a year, reducing gender differentials in under five child mortality rate from 7 points in 2014 to 1.5 points per year and increasing enrolment of girls in secondary education to 82 percent by 2018-19. The scheme was initially launched in only 161 districts and eventually covered all 640 districts of the country. The BBBP scheme has been quoted as a proactive initiative for dealing with gender-based discrimination against the girl child as the 161 districts that have been a part of the initial implementation of the BBBP scheme have witnessed an improving trend of SRB in 104 districts.



Source: Global Gender Gap Reports (2015-2022)

### A critical perspective

Despite the overall positive assessment of the scheme, there exist gaps in terms of budgetary planning and lack of monitoring. A parliamentary committee led by Heena Vijaykumar Gavit, in December 2021, while discussing the report titled ‘Empowerment of Women through education with special reference to ‘Beti Bachao Beti Padhao’ noted that out of INR446.7 released under the scheme during the period from 2016 to 2019, a large portion, nearly 78.91 percent, was spent only on media campaigns and advocacy alone.

The committee found that the overall utilisation of funds under the scheme was below par. Since the inception of the scheme, the total budget allocation under the scheme came down to INR848 crore—this excludes the financial year 2020-21 when the country was affected by the COVID-19 pandemic. The amount released to the states was INR622.48 crore but the amount spent was only INR156.46 crore which was only 25.13 percent of the funds allocated to the states and union territories. The committee also noted that huge spending on national-level media campaigns for the scheme was a clear violation of the INR50-lakh provision earmarked for each district under the scheme for six different components consisting of innovation and awareness building, intersectoral consultation and capacity building, monitoring evaluation, and interventions of health and education.

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A 2017 Comptroller & Auditor General of India (CAG) Report, reiterates the issue of the inefficient allocation of funds and claims that the scheme fell short in social, economic, and general sectors. The report, while highlighting the cases of Punjab and Haryana, claimed issues of under-utilisation of funds, non-compliance to guidelines and infrequent task meetings. In the case of Haryana, from 2015 to 2016, out of the

20 districts in which the scheme was active, three were audited to reveal that only one state meeting took place and none at the district level. It was also noted that instead of awarding schools in the three districts with INR15 lakh only INR1 lakh was awarded. In Punjab, monthly progress reports, and infrequent meetings delayed the proper implementation of the scheme in the year 2015-2016, with only INR 0.91 crores being spent out of the allotted INR6.36 crores.

### **Evaluation of BBBP**

A study conducted by the National Council of Applied Economic Research to evaluate whether BBBP programmes had been able to bring about the desired change in the 161 early-implementation districts found loopholes in the implementation process and identified structural barriers to girls' entry and retention in schools. Presented below are school-level indicators such as initiatives undertaken by the schools to identify the constraints faced by girls in continuing their education as well as to ensure the retention and continuation of girls till the completion of secondary school education. In the survey, 73.5 per cent of schools out of the total surveyed pointed towards the dual burden of care responsibilities, unavailability of clean functional toilets, inability to buy uniforms or books, and lack of safe commuting options as key constraints to girls' education.

Zone/State	Number of Schools	Number of Schools Mentioning Constraints to Girls' Education	Constraints (Number of Schools)			
			School Uniform	Textbooks	Toilets	Transport
<b>Central Zone</b>						
Chhattisgarh	2	1	1	0	0	0
Madhya Pradesh	4	4	1	0	1	3
<b>Sub-total</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>3</b>
<b>East Zone</b>						
Bihar	2	2	0	0	0	2
Odisha	2	0	0	0	0	0
<b>Sub Total</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>North Zone</b>						
Haryana	4	3	2	2	0	0
Himachal Pradesh	2	2	1	0	1	1
<b>Sub-total</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>North-east Zone</b>						
Assam	2	1	0	0	1	1
Manipur	2	2	2	1	1	0
Nagaland	2	1	0	0	1	0
<b>Sub-total</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>South Zone</b>						
Andhra Pradesh	2	2	0	0	1	1
Kerala	2	1	0	0	0	0
Tamil Nadu	2	1	0	0	0	0
<b>Sub-total</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>West Zone</b>						
Goa	2	1	0	0	0	1
Rajasthan	4	4	0	0	0	4
<b>Sub-total</b>	<b>6</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>Grand Total</b>	<b>34</b>	<b>25 (73.5%)</b>	<b>7 (20.6%)</b>	<b>3 (8.8%)</b>	<b>6 (17.6%)</b>	<b>13 (38.2%)</b>

Source: NCAER's calculations based on survey data collected for this study.

The study inquired into the levels of awareness among the sample group and also takes into account the objectives of the scheme and grass root implementation of initiatives under the BBBP scheme such as the formation of "Balika Manch[1]", activated school management committees, and linking out of school girls with back to school alternative education for bettering the enrolment rate, etc.

Zone/State	Number of Schools	Number of Schools				
		Activated School Management Committees (SMCs)	Created a Balika Manch to Encourage Participation of Girls	Linking Out-of-school Girls with Back to School/ Alternative Education	Initiated Campaign/ taken Steps to Re-enrol Dropped-out Girls	Taken Steps for Retention/ Completion of SS through Joint Village Contact Drive
<b>Central Zone</b>						
Chhattisgarh	2	2	2	2	2	2
Madhya Pradesh	4	4	4	4	4	4
<b>Sub-total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>East Zone</b>						
Bihar	2	2	1	2	2	2
Odisha	2	2	2	2	2	0
<b>Sub-total</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>2</b>
<b>North Zone</b>						
Haryana	4	4	4	3	4	3
Himachal Pradesh	2	2	2	2	2	2
<b>Sub-total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>
<b>North-east Zone</b>						
Assam	2	2	2	0	2	2
Manipur	2	1	0	1	1	1
Nagaland	2	0	0	0	0	0
<b>Sub-total</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>3</b>
<b>South Zone</b>						
Andhra Pradesh	2	1	1	2	2	2
Kerala	2	1	1	1	1	1
Tamil Nadu	2	2	2	1	2	2
<b>Sub-total</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>
<b>West Zone</b>						
Goa	2	1	1	1	0	0
Rajasthan	4	4	4	4	4	4
<b>Sub-total</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
<b>Grand Total</b>	<b>34</b>	<b>28 (82.4%)</b>	<b>26 (76.5%)</b>	<b>25 (73.5%)</b>	<b>28 (82.5%)</b>	<b>25 (73.5%)</b>

Source: NCAER's calculations based on survey data collected for this study.

Based on the findings of a comprehensive survey across urban and rural areas of 14 states, the study recommended hiring staff to regularly conduct field inspections and review the implementation at a grassroots level.

## Recommendations for better Implementation

### 1. Digitalisation

Mobile and internet penetration rates have almost skyrocketed since the pandemic. While technology has become essential for most basic functions such as education, payments, and communication, leveraging technology for monitoring and evaluation purposes is imperative. While media campaigns under the BBBP have had exemplary results in raising the issue of son preference, proper monitoring such as regular sampling, and quarterly progress reports on implementations would be essential for forming better state-level and district-level policies aimed at improving the primary conditions that affect the health, survival, and education of girls.

### 2. Increasing the number of female teachers

Incentivising educated females to join schools as teachers could ramp up female enrollment in schools. It would help in bringing in gender parity in terms of staff as well as ease of communication and comfort for female pupils.

### 3. Female participation in the community-led scheme

Implementation of a gender-sensitive scheme should also involve gender representation. Community-level workers who often work in a close nexus with the people and know the community quite well should be the face of this scheme. Local frontline workers such as ASHA workers, Anganwadi workers, and Mahila Mandals should be key players in the implementation of the scheme.

### 4. Training for on-ground personnel involved in community outreach activities

Refresher training and capacity building of the personnel employed on the field for community outreach is also important as they are more aware of the ground realities. Gender sensitisation training for personnel along with basic digital upskilling would go a long way in ensuring better implementation of the scheme.

### 5. Provision of clean, functional toilets

According to a study by the National Council of Applied Economic Research, the unavailability of toilets on school premises has been observed as a major cause of high dropout amongst female students. Ensuring the availability of toilets on public properties such as schools would help boost the enrolment rate.

## Conclusion

Despite the BBBP scheme accomplishing the major task of bringing the issue of son preference to the forefront, the scheme in its present form is at risk of failing its central task due to poor implementation and monitoring. The lack of frequent meetings at the district and state levels can lead to the scheme losing the momentum it has created in the past few years. It is, hence, imperative for the district- and state-level action committees to have representation from community-level workers, cognisance of the challenges faced by the female students such as unavailability of toilets and adept monitoring and evaluation mechanisms in place to have measurable outcomes indicative of the progress made on the objectives of the schemes. <https://www.orfonline.org/expert-speak/beti-bachao-beti-padhao-scheme/>

## **STATES NEWS ITEMS**

### **4. TN could not eliminate revenue deficit during fiscal 2017 to 2021: CAG report ([thehindubusinessline.com](http://thehindubusinessline.com))** OCTOBER 19, 2022

**Capital receipts used to meet revenue expenditure The State was successful in containing fiscal deficit below 3 per cent of GSDP in three out of the five years**

Tamil Nadu could not eliminate the revenue deficit, which has been on an increasing trend during the five year period between 2016-17 to 2020-2021. It increased by



380.76 per cent during the five year period from ₹12,964 crore in 2016-17 to ₹62,326 crore in 2020-21, according to the State Finance Audit Report of the Comptroller and Auditor General of India tabled in the Assembly on Wednesday.

The State was successful in containing fiscal deficit below 3 per cent of GSDP in three out of the five years. The ratio during 2019-20 was 3.35 per cent and stood at 4.90 per cent during 2020-21. The fiscal deficit grew by 56.17 per cent over the previous year and stood at ₹93.983 crore during the current year.

The outstanding fiscal liabilities increased by 22.43 per cent from ₹4,23,743 crore at the end of 2019-20 to ₹5,18,796 crore at the end of 2020-21. The effective increase is by 20.96 per cent considering the exclusion of back-to-back loans of ₹6,241 crore received in lieu of GST compensation from Government of India, the report said.

### **Wrong classification**

Subsidies consumed 14.42 per cent of the State's revenue receipts. The expenditure of subsidies increased by 24.65 per cent from ₹20,144 crore during 2019-20 to ₹25,110 crore in the next fiscal.

Implicit subsidies in the form of marriage assistance, maternity assistance, free supply of laptop and uniform increased by ₹6,746 crore during 2020-21 over the previous year. This is due to disbursement of cash-to-rice family cardholders to the tune of ₹7,903 crore to tackle the Covid lockdown, which was wrongly classified as Grants-in-Aid instead of subsidies, the report said.

### **Increased borrowings**

Liabilities increased by 21.29 per cent compared to the previous year due to increase in market borrowings under internal debt (21.87 per cent), loans and advances from the Centre (53.08 per cent) and deposits under public account (29.62 per cent) during the 2020-21. This was due to increased borrowings to meet the increase in revenue deficit and increase in capital expenditure during the year.

Existence of revenue deficit is a cause of concern as the revenue receipts were not able to meet the revenue expenditure. Moreover, a part of capital receipts was utilised to meet the revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets.

### **Measures needed**

The ratio of fiscal deficit to GSDP during the year 2020-21 stood at 4.94 per cent, indicating that achieving the target of the ratio of 3 per cent by March 31, 2022 as envisaged by the Tamil Nadu Fiscal Responsibility Act, 2003 (TNFR act) would not be possible.

The ratio of total outstanding debt to GSDP was 26.94 per cent at the end of 2020-21, which was much higher than the 25.20 target envisaged in the TNFR act. The back-to-back load of ₹6.241 crore received from the Centre in lieu of GST compensation was not considered as debt for working out the indicator, the report said.

The CAG recommended that the State government initiate measures for creating increased fiscal space through augmenting own revenues to avoid utilisation of capital receipts (borrowings) to meet revenue expenditure, thereby moving towards achieving the target set in the TNFR Act. <https://www.thehindubusinessline.com/news/tn-could-not-eliminate-revenue-deficit-during-fiscal-2017-to-2021-cag-report/article66031254.ece>

## **5. Tamil Nadu's gross state domestic product grew by 5.87% in FY21: CAG report ([business-standard.com](https://www.business-standard.com))** OCTOBER 20, 2022

Tamil Nadu's gross state domestic product GSDP, one of the vital indicators of the state's economy, grew by 5.87 per cent during the period 2020-21 despite the contribution from industries and the services sector between 2016-17 and 2020-21 declining, a report of the Comptroller and Auditor General of India said on Thursday.

The report which was tabled during the Assembly session said the GSDP grew by 5.87 per cent as compared to 2019-20 which stood at 10.25 per cent.

However, the GSDP at 5.87 per cent was against the country's growth rate of a negative 2.97 per cent, the report said.

The GSDP is the value of all the goods and services produced within a state and the growth of GSDP is an important indicator of the economy, as it denotes the extent of changes in the level of economic development of the state over a period of time.

The economy activity of a state is divided into primary, secondary and tertiary sectors which correspond to agriculture, industry and service sectors, the report said.

Accordingly, the contribution of the agriculture sector and services sector between 2016-17 and 2020-21 increased 'marginally' while there was a reduction of 1.63 per cent in the industry sector.

As per the report, the agricultural sector in 2016-17 reported 3.83 per cent which grew to 10.11 per cent in 2020-21 while industries sector which stood at 11.62 per cent in 2016-17 slipped to 2.90 per cent in 2020-21, the report said.

Similarly, the services sector which stood at 10.39 per cent in 2016-17 slipped to 6.37 per cent in 2020-21.

"There was an increase in the sectoral growth of agriculture sector in GSDP during the five-year period while the sectoral growth of industries and services sector has come down," it said. [https://www.business-standard.com/article/economy-policy/tamil-nadu-s-gsdp-grew-by-5-87-per-cent-in-fy21-says-cag-report-122102000571\\_1.html](https://www.business-standard.com/article/economy-policy/tamil-nadu-s-gsdp-grew-by-5-87-per-cent-in-fy21-says-cag-report-122102000571_1.html)

## **6. Tamil Nadu's debt burden grew by 22.43% in FY20-21: CAG report ([moneycontrol.com](http://moneycontrol.com))** OCTOBER 19, 2022

**The report recommended the government to initiate measures for creating increased fiscal space through augmenting its own revenues so as to avoid utilisation of capital receipts to meet revenue expenditure and to achieve the target set in the Tamil Nadu Fiscal Responsibility Act.**

Tamil Nadu's debt grew by 22.43 per cent in 2020-21 and touched Rs 5,18,796 crore, a Comptroller and Auditor General of India report, tabled in the state assembly on Wednesday said. The report recommended the government to initiate measures for creating increased fiscal space through augmenting its own revenues so as to avoid utilisation of capital receipts to meet revenue expenditure and to achieve the target set in the Tamil Nadu Fiscal Responsibility Act.

The capital expenditure of Rs 36,902 crore and the high fiscal deficit for that year was indicative of utilisation of borrowing for financing revenue expenditure and the debt grew by 22.43 per cent. The Debt-Gross State Domestic Product ratio of 26.94 per cent is over and above the threshold of 25.20 per cent as mandated by the TNFR Act, 2003.

If the off-budget borrowing of Rs 633.99 crore, included in the total outstanding liabilities, the ratio of total debt to GSDP will increase further to 27.30 per cent, it said. On the fiscal position, the report said the revenue deficit increased from Rs 12,964 crore in 2016-17 to Rs 62,326 crore in 2020-21 and the increasing trend indicated that it would be very difficult for the state to adhere to the TNFR target.

"Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even the revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources," it said. The state government has to initiate measures for creating increased fiscal space through augmenting own revenues so as to avoid utilisation of borrowings to meet revenue expenditure, thereby moving towards achieving the targets set in the TNFR act, the report recommended. <https://www.moneycontrol.com/news/economy-2/tamil-nadus-debt-burden-grew-by-22-43-in-fy20-21-cag-report-9358371.html>

## **7. TN's GSDP grew by 5.87 per cent in 2020-21 CAG report ([theweek.in](http://theweek.in), [economictimes.indiatimes.com](http://economictimes.indiatimes.com), [theprint.in](http://theprint.in))** OCTOBER 20, 2022

Tamil Nadu's gross state domestic product GSDP, one of the vital indicators of the state's economy, grew by 5.87 per cent during the period 2020-21 despite the contribution from industries and the services sector between 2016-17 and 2020-21 declining, a report of the Comptroller and Auditor General of India said on Thursday.

The report which was tabled during the Assembly session said the GSDP grew by 5.87 per cent as compared to 2019-20 which stood at 10.25 per cent.

However, the GSDP at 5.87 per cent was against the country's growth rate of a negative 2.97 per cent, the report said.

The GSDP is the value of all the goods and services produced within a state and the growth of GSDP is an important indicator of the economy, as it denotes the extent of changes in the level of economic development of the state over a period of time.

The economy activity of a state is divided into primary, secondary and tertiary sectors which correspond to agriculture, industry and service sectors, the report said.

Accordingly, the contribution of the agriculture sector and services sector between 2016-17 and 2020-21 increased 'marginally' while there was a reduction of 1.63 per cent in the industry sector.

As per the report, the agricultural sector in 2016-17 reported 3.83 per cent which grew to 10.11 per cent in 2020-21 while industries sector which stood at 11.62 per cent in 2016-17 slipped to 2.90 per cent in 2020-21, the report said.

Similarly, the services sector which stood at 10.39 per cent in 2016-17 slipped to 6.37 per cent in 2020-21.

"There was an increase in the sectoral growth of agriculture sector in GSDP during the five-year period while the sectoral growth of industries and services sector has come down," it said. <https://www.theweek.in/wire-updates/business/2022/10/20/mcm2-biz-tn-gsdp-report.html>

## **8. Tamil Nadu's debt burden grew by 22.43% in FY20-21: CAG report ([economictimes.indiatimes.com](https://economictimes.indiatimes.com), [latestly.com](https://www.latestly.com)) 19 Oct 2022**

Tamil Nadu's debt grew by 22.43 per cent in 2020-21 and touched Rs 5,18,796 crore, a Comptroller and Auditor General of India report, tabled in the state assembly on Wednesday said.

The report recommended the government to initiate measures for creating increased fiscal space through augmenting its own revenues so as to avoid utilisation of capital receipts to meet revenue expenditure and to achieve the target set in the Tamil Nadu Fiscal Responsibility Act.

The capital expenditure of Rs 36,902 crore and the high fiscal deficit for that year was indicative of utilisation of borrowing for financing revenue expenditure and the debt grew by 22.43 per cent.

The Debt-Gross State Domestic Product ratio of 26.94 per cent is over and above the threshold of 25.20 per cent as mandated by the TNFR Act, 2003.

If the off-budget borrowing of Rs 633.99 crore, included in the total outstanding liabilities, the ratio of total debt to GSDP will increase further to 27.30 per cent, it said.

On the fiscal position, the report said the revenue deficit increased from Rs 12,964 crore in 2016-17 to Rs 62,326 crore in 2020-21 and the increasing trend indicated that it would be very difficult for the state to adhere to the TNFR target.

"Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even the revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources," it said.

The state government has to initiate measures for creating increased fiscal space through augmenting own revenues so as to avoid utilisation of borrowings to meet revenue expenditure, thereby moving towards achieving the targets set in the TNFR act, the report recommended. <https://economictimes.indiatimes.com/news/india/tamil-nadus-debt-burden-grew-by-22-43-in-fy20-21-cag-report/articleshow/94971495.cms>

## **9. Tamil Nadu's debt grew by 22.43% to ₹5,18,796 crore in 2020-21: CAG Report ([inshorts.com](https://inshorts.com)) 19 Oct 2022**

A Comptroller and Auditor General of India report, tabled in the Tamil Nadu assembly, said the state's debt grew by 22.43% in 2020-21 to ₹5,18,796 crore. The report said the capital expenditure of ₹36,902 crore and the high fiscal deficit for that year indicated utilisation of borrowing for financing revenue expenditure. The Debt-Gross State Domestic Product ratio was at 26.94%. <https://inshorts.com/en/news/tamil-nadus-debt-grew-by-2243-to-%E2%82%B518796-crore-in-202021-cag-report-1666197866651>

## **10. Tamil Nadu: AIADMK govt failed to contain fiscal deficit, says CAG ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) 20 Oct 2022**

CHENNAI: The reports on finance and revenue, tabled in the TN assembly on Wednesday, indicted the previous AIADMK regime for failure to contain fiscal deficit below the permitted 3% for 2019-20 and 2020-21.

The report also said the state's revenue deficit grew by 380.8% for the five-year period (2016-21). While the fiscal deficit was 3.4% in 2019-20, it increased to 4.9% during 2020-21. The fiscal deficit grew by 56.2% during 2020-21, over the previous year (2019-20) to stand at 93,983 crore, the report on the state's finances said.

The report noted that the revenue deficit increased from 12,964 crore in 2016-17 to 62,326 crore in 2020-21. The state's outstanding fiscal liabilities had increased by 22.4% from 4.2 lakh crore at the end of 2019-20 to 5.3 lakh crore at the end of 2020-21. The effective increase is by 21% considering the exclusion of loans of 6,241 crore received from the Centre in lieu of GST compensation.

The state registered a decrease of 0.3% in its revenue receipts at 1.74 lakh crore during 2020-21 compared to the previous year, with the annual growth rate of own tax revenue being a negative 1.2% and the component as a percentage of GSDP being 5.6, the report said. Of the total expenditure of 2.7 lakh crore during 2020-21, revenue expenditure was Rs 2.4 lakh crore, capital expenditure was 33,067 crore and loans and advances being 3,835 crore.

A key factor highlighted by the report was the increasing trend of committed expenditure (comprising salaries and pensions among others for state government employees) that stood at 67.82% of the total revenue receipts (1.7 lakh crore) in 2020-21, as against 66.57% during 2019-20. That left less funds for other social and economic activities. Subsidies consumed 14.42% of the state's revenue receipts.

The expenditure on subsidies increased by 24.7% from 20,144 crore during 2019-20 to 25,110 crore in 2020-21. Implicit subsidies such as marriage and maternity assistance, free supply of laptops and uniforms increased by 6,746 crore during 2020-21 over 2019-20 mainly due to the disbursement of cash to 'rice family cardholders' to the tune of 7,903 crore to tackle Covid-19 lockdown, which was wrongly classified as grants-in-aid instead of subsidies.

The burden of interest payments increased from 18.3% in 2019-20 to 21% in 2020-21 as a percentage of revenue receipts, the report said. <https://timesofindia.indiatimes.com/city/chennai/aiadmkgovtfailedtocontainfiscaldeficitcag/articleshow/94974830.cms>

## **11. Delay in sanction of works on removal of sedimentation led to nearly 65.8 tmc ft of water not getting harnessed: CAG ([thehindu.com](http://thehindu.com)) OCTOBER 20, 2022**

### **Absence of periodical capacity surveys led to non-ensuring adequate silt storage and retardation of sedimentation in the irrigation structures**

The Comptroller and Auditor General (CAG) has concluded that about 65.8 thousand million cubic feet (tmc ft) [equal to about 70% of the capacity of the Mettur reservoir] could not be harnessed in three irrigation structures due to the "delay in sanction of works" on removal of sedimentation.

This was stated in a report of the CAG's performance audit of outcomes in surface irrigation with respect to works executed in Amaravathy and Kelavarapalli reservoirs (falling under the Krishnagiri sub-basin) and Radhapuram channel (Hanumanadhi sub-basin) under the Tamil Nadu Irrigated Agriculture Modernization and Water Bodies Restoration and Management (TN IAMWARM) programme for the year ending in March 2020, which was placed on the floor of the Assembly on Wednesday.

The CAG said the "absence of periodical capacity surveys" by the Water Resources Department led to "non-ensuring adequate silt storage and retardation of sedimentation" in the irrigation structures. Increased conveyance efficiency for the Amaravathy reservoir and the Radhapuram channel was only partially achieved. With respect to Amaravathy, nearly ₹75 crore was spent towards channel rehabilitation works. As for Kelavarapalli, the conversion of gap area into fully irrigated area remained unachieved and there was "substantial reduction."

### **Suggestions given**

The CAG recommended that periodical capacity surveys be held to assess the extent of sedimentation. It asked to prioritise sanction of the works on removal of

sedimentation, formulate and update the rules for regulation of water for irrigation systems. It suggested that the development of integrated water resources management system be completed promptly and efforts be made to bridge the gap between the irrigation potential and actual realisation. <https://www.thehindu.com/news/national/tamil-nadu/delay-in-sanction-of-works-on-removal-of-sedimentation-led-to-nearly-658-tmc-ft-of-water-not-getting-harnessed-cag/article66032383.ece>

## **12. Industries, services sector growth declined in 2016-17 to 2020-21 period: CAG ([thehindu.com](https://www.thehindu.com)) OCTOBER 20, 2022**

**‘State’s growth rate of GSDP in 2020-21 at current prices was 5.87% as against India’s growth rate of negative 2.97%’**

Agriculture sector’s contribution to Tamil Nadu’s overall growth had increased, while industries and services sector growth had come down during the five-year period from 2016-17 to 2020-21, according to the State Finance Audit Report of the Comptroller and Auditor General of India (CAG) for the year ending March 2021, which was tabled in the Legislative Assembly on Wednesday.

The Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period. Changes in sectoral contribution to the GSDP is also important to understand the changing structure of the economy, it said.

The economic activity is generally divided into primary, secondary and tertiary sectors, which correspond to the Agriculture, Industry and Service sector, the CAG said. The State’s growth rate of GSDP in 2020-21 at current prices was 5.87% as against India’s growth rate of negative 2.97%.

As per data shared in the CAG report, agriculture sector growth in GSDP was 3.83% in 2016-17, 17.96% in 2017-18, 7.93% in 2018-19, 12.48% in 2019-20 and 10.11% in 2020-21. The industries sector growth in GSDP was 11.62% in 2016-17, 11.86% in 2017-18, 11.16% in 2018-19, 8.24% in 2019-20 and 2.90% in 2020-21. The service sector growth in GSDP was 10.39% in 2016-17, 11.49% in 2017-18, 13.49% in 2018-19, 10.45% in 2019-20, 6.37% in 2020-21. There was a drastic decline in the rate of growth in all three sectors during 2020-21, CAG noted. The year 2020-21 was impacted by the first wave of COVID-19 pandemic. The CAG said Tamil Nadu’s revenue deficit increased to ₹62,326 crore (3.28% of GSDP) in 2020-21 from ₹12,964 crore in 2016-17.

Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even the revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets, it noted. The fiscal deficit grew 56.17% to ₹93,983 crore in 2020-21 from 2019-20, it noted. The report also recommended that the State government had to initiate measures for creating increased fiscal space through augmenting own revenues to avoid utilisation of borrowings to meet revenue expenditure and meet set fiscal targets.

<https://www.thehindu.com/news/national/tamil-nadu/industries-services-sector-growth-declined-in-2016-17-to-2020-21-period-cag/article66032313.ece>

### **13. Growth of Industries, services sector declined in TN from 2016-21: CAG ([knnindia.co.in](http://knnindia.co.in))** OCTOBER 20, 2022

During the five year period from 2016-17 to 2020-21 the growth of industries and services sector had fallen in Tamil Nadu, as per the State Finance Audit Report of the Comptroller and Auditor General of India (CAG) for the year ending March 2021.

The report was tabled on Wednesday in the Legislative Assembly.

While there has been a significant growth in the agricultural sector and its contributions to the state's overall growth.

To understand the changing structure of the economy it is important to note the changes in sectoral contribution to the Gross State Domestic Product (GSDP), said the report.

Corresponding to Agriculture, Industry and Service sector the economic activity is generally divided into primary, secondary and tertiary sectors.

The State's growth rate of GSDP in 2020-21 at current prices was 5.87% as against India's growth rate of negative 2.97%.

The industries sector growth in GSDP was 11.62% in 2016-17, 11.86% in 2017-18, 11.16% in 2018-19, 8.24% in 2019-20 and 2.90% in 2020-21.

While the agriculture sector growth in GSDP was 3.83% in 2016-17, 17.96% in 2017-18, 7.93% in 2018-19, 12.48% in 2019-20 and 10.11% in 2020-21.

The service sector growth in GSDP was 10.39% in 2016-17, 11.49% in 2017-18, 13.49% in 2018-19, 10.45% in 2019-20, 6.37% in 2020-21.

There was a drastic decline in the rate of growth in all three sectors during 2020-21, CAG noted. <https://knnindia.co.in/news/newsdetails/state/growth-of-industries-services-sector-declined-in-tn-from-2016-21-cag>

### **14. CAG compliance audit report points to lapses in revenue collection ([thehindu.com](http://thehindu.com))** OCTOBER 20, 2022

**'Test check records relating to the Goods and Services Tax (GST), commercial taxes, stamp duty and registration fee, and land revenue during the year 2019-20 revealed under-assessments'**

Tamil Nadu: The compliance audit (Revenue) report of the Comptroller and Auditor General of India (CAG) for the year, ending March 31, 2020, which was tabled in the Legislative Assembly on Wednesday pointed out some lapses related to the non/short levy of taxes, interest, penalty among others, involving an amount of ₹180.15 crore.



Test check records relating to the Goods and Services Tax (GST), commercial taxes, stamp duty and registration fee, and land revenue during the year 2019-20 revealed under-assessments, short levy, loss of revenue and other observations in 1,403 cases, it said.

The CAG also pointed out shortcomings in the common portal for e-way bill system in Tamil Nadu. The portal allowed generation of e-way bills by non-filers of return and taxpayers, whose registrations were cancelled. System also allowed generation of multiple e-way bills for the same invoice and e-way bills for goods value quoted as null, it said. An amount of ₹80.78 crore was payable by those taxpayers, whose registrations were subsequently cancelled. Taxpayers who generated e-way bills did not file GSTR 3B return form and did not pay tax amounting to ₹49.43 crore, the report said.

### **‘Short collection’**

Taxpayers who filed NIL returns after generating e-way bills did not pay tax of ₹8.22 crore, it added. It also pointed to a short collection of ₹12.09 crore in one case due to collection of only penalty, instead of the applicable tax and equivalent amount of penalty. Under value added tax, there were irregularities in the claim of Input Tax Credit to the tune of ₹6.43 crore, it noted. CAG also pointed to lapses in Stamp Duty and Registration fee involving a total of ₹2.29 crore, among others. <https://www.thehindu.com/news/national/tamil-nadu/cag-compliance-audit-report-points-to-lapses-in-revenue-collection/article66032700.ece>

## **15. CAG report flags Rs 11.4 crore digitisation scam in Anna University ([newindianexpress.com](http://newindianexpress.com)) 20 October 2022**

CHENNAI: Two Bengaluru-based software companies appointed to digitise educational records of Anna University between 2012 and 2016 were fraudulently paid Rs 11.41 crore for work they have not done, said a compliance audit report of the Comptroller and Auditor General of India (CAG) for 2020-2021.

The CAG report, tabled in the Tamil Nadu Assembly on Wednesday, also flagged huge irregularities in awarding the Rs 65-crore contract to a two-month-old company to print blank certificates on water and tear-resistant paper with additional security features.

In February 2016, Anna University’s Controller of Examinations (CoE) proposed to digitise all educational records of students between 2012 and 2016, including degree certificates, rank certificates, and grade/mark sheets, purportedly to eliminate bogus certificates.

The CoE later entered into an MoU with private companies GA Software Technology Pvt limited and Matrix Technologies Inc. Documents revealed that GA Software Technology was paid to digitise 20.92 lakh records, but digitised only 7.33 lakh documents. Similarly, Matrix Technologies Inc. was paid to digitise 1.2 lakh records but didn’t digitise any.

The Controller of Examinations issued a purchase order, signed MoU, accorded financial sanction, and passed contractor bills of Rs 11.41 crore to both companies

without the approval of the Executive Committee and Syndicate of the University, said the CAG report. Instead of inviting open tenders, the CoE called for quotations from nine firms without mentioning the required quantity and security features.

Varsity purchased 20 lakh blank sheets: Audit report

The contract was given to the lowest bidder - IFF Limited - which was not on the approved panel of the Indian Banks Association (IBA). IFF Limited was paid ₹65.46 crore to supply blank certificates between November 2016 and September 2017.

The audit report said the university, which had been purchasing one year's requirement of blank certificates, has procured 8 to 13 times (1.8 crore blank certificates) the yearly requirement.

The annual requirement of blank certificates to print grade/mark sheets is 11.98 lakh (2016-20). Similarly, 20 lakh blank sheets were purchased as against the yearly need of 1.86 lakh for provisional certificates. For the printing of consolidated and degree certificates, 20.3 lakh and 20 lakh new documents were purchased, while the annual requirement was 1.5 lakh and 1.81 lakh respectively.

"As of September 2021, about 50% of blank certificates worth Rs 34.29 crore are available in stock. In 2016-17, the value of blank certificates procured in excess is Rs 57.14 crore," revealed the report.

The report observed that the CoE did not indicate the exact quantity while submitting the proposal to the convener committee. The annual budget for printing blank certificates was increased to ₹65 crore from ₹15 crore without any objections or clarifications.

The company IFF Limited was incorporated only on August 4, 2016, just a few weeks before getting this purchase order on October 6, 2016. Quoting the database of the Ministry of Corporate Affairs, the audit report said IFF Limited was a sister concern of GA Software Technology, which bagged the order for digitisation in February 2016. The report also said IFF Limited did not print and supply the blank certificates on its own but sourced them from a Maharashtra-based firm.

"CoE did not object to this arrangement. Tacit approval by CoE for subcontracting of work to another supplier proved that the issue of confidentiality cited by her for resorting to limited tender is farce," said the report.

The State Higher Education Department, in its reply to the CAG, said an order was issued in February this year to inquire into the role of the officials in fraudulent payment to contractors for digitising educational records and irregularities in printing blank certificates. However, the CAG report said the government did not specify the details of action taken to recover the payment made to the contractors. <https://www.newindianexpress.com/states/tamil-nadu/2022/oct/20/cag-report-flags-rs-114-crore-digitisation-scam-in-anna-university-2509950.html>

## **16. CAG report points out irregularities at two universities** ([thehindu.com](https://www.thehindu.com)) UPDATED: OCTOBER 20, 2022

### **CAG also pointed out wasteful expenditure of ₹31.66 crore towards construction of two dormitories by the Labour Welfare and Skills Development Department**

Violation of codal provisions of “Anna University” resulted in irregular payments to the tune of ₹11.41 crore for procurement of stores and services, according to report of the Comptroller and Auditor General of India (CAG) on compliance Audit for the year ending March 2021, which was tabled in the Legislative Assembly on Wednesday.

It pertained to the digitisation of records such as degree certificates, grade/mark sheets among others. The Controller of Examinations (CoE) violated stipulated procedures and provision on open tender by calling for quotations from a select list of firms without specifying the basis on which they were selected for the digitisation work, CAG noted. It also found evidences for bid rigging through caterlisation. It also pointed out that irregularities in preparation of tender documents, lapses in tender evaluation and failure to ensure quality of service rendered by the contractor had resulted in wasteful expenditure of ₹10.70 crore and a contingent liability of ₹5.17 crore in development of e-Content and e-Learning portal by Madurai Kamaraj University.

CAG also pointed out wasteful expenditure of ₹31.66 crore towards construction of two dormitories by the Labour Welfare and Skills Development Department. The two dormitories to accommodate construction workers were constructed without any demand survey and tie-up with builders and are lying idle since their completion, it noted.

Violation of procurement procedures by Regional managers of Tamil Nadu Civil Supplies Corporation and failure of internal controls resulted in inadmissible claims of ₹3.22 crore, CAG said.

It also pointed out wasteful expenditure of ₹4.13 crore in respect of uniform supply to 31,152 students in 72 sampled schools that had prescribed their own uniform. Further, uniforms costing ₹2.22 crore, supplied to 21,086 students in 49 sampled schools were only sparingly utilised.

Lapses on the part of three Government hospitals caused delays in site identification for installation of MRI scanners, which resulted in an avoidable expenditure of ₹1.12 crore and delay of over one year in commencement of MRI scan services to needy patients.

The audit report also focused on implementation of the National Mission for Sustainable Agriculture and pointed out some lapses. <https://www.thehindu.com/news/national/tamil-nadu/cag-report-points-out-irregularities-at-two-universities/article66032811.ece>

## **17. Anna University: Irregularities reported in printing digital certificates; CAG says varsity paid Rs 11.41 crore for incomplete work ([edexlive.com](https://edexlive.com)) 20 October 2022**

Two Bengaluru-based software companies appointed to digitise educational records at Anna University between 2012 and 2016 were fraudulently paid Rs 11.41 crore for work they have not done, said the Compliance Audit report for 2020-2021 of the Comptroller and Auditor General of India (CAG).

The CAG report, tabled in the Assembly on Wednesday, October 19, also flagged huge irregularities in awarding the contract worth Rs 65 crore to a two-month-old company to print blank certificates on water and tear-resistant paper with additional security features.

A step towards digitisation

In February 2016, Anna University's Controller of Examinations (CoE) proposed to digitise all educational records of students between 2012 and 2016, including degree certificates, rank certificates and grade/mark sheets. Accordingly, the CEO entered into an MoU with private companies GA Software Technology and Matrix Technologies Inc.

Documents revealed that GA Software Technology was paid to digitise 20.92 lakh records, but digitised only 7.33 lakh documents. Similarly, Matrix Technologies Inc was paid to digitise 1.2 lakh records but didn't digitise any.

The CoE issued a purchase order, signed MoU, accorded financial sanction, and passed contractor bills of Rs 11.41 crore to both companies without the approval of the Executive Committee and Syndicate of the University said the CAG report.

In July 2016, to eliminate bogus certificates, the CoE proposed to print blank certificates on water and tear-resistant paper with additional security features.

Instead of inviting open tenders, the CoE called for quotations from nine firms without mentioning the required quantity and security features. The contract was given to the lowest bidder — IFF Limited — which was not on the approved panel of the Indian Banks Association (IBA). IFF Limited was paid Rs 65.46 crore to supply blank certificates between November 2016 and September 2017.

The audit report said the university, which had been purchasing one year's requirement of blank certificates, has procured 8 to 13 times (1.8 crore blank certificates) the yearly requirement.

The annual requirement of blank certificates to print grade/mark sheets is 11.98 lakh (2016-20). Similarly, 20 lakh blank sheets were purchased as against the yearly need of 1.86 lakh for provisional certificates. For the printing of consolidated and degree certificates, 20.3 lakh and 20 lakh new documents were purchased, while the annual requirement was 1.5 lakh and 1.81 lakh respectively.

What the report revealed

"As of September 2021, about 50% of blank certificates worth Rs 34.29 crore are available in stock. In 2016-17, the value of blank certificates procured in excess is Rs 57.14 crore," revealed the report. The report observed that the CoE did not indicate the exact quantity while submitting the proposal to the convener committee. The annual budget for printing blank certificates was increased to Rs 65 crore from Rs 15 crore without any objections or clarifications.

The company IFF Limited was incorporated only on August 4, 2016, just a few weeks before getting this purchase order on October 6, 2016.

Quoting the database of the Ministry of Corporate Affairs, the audit report said IFF Limited was a sister concern of GA Software Technology, which bagged the order for digitisation in February 2016.

The report also said IFF Limited did not print and supply the blank certificates on its own but sourced them from a Maharashtra-based firm. "CoE did not object to this arrangement. Tacit approval by CoE for subcontracting of work to another supplier proved that the issue of confidentiality cited by her for resorting to limited tender farce," said the report.

The Higher Education Department, in its reply to the CAG, said an order was issued in February this year to inquire into the role of the officials in fraudulent payment to contractors for digitising educational records and irregularities in printing blank certificates. However, the CAG said the government did not specify the details of the action taken to recover the payment made to the contractors. <https://www.edexlive.com/news/2022/oct/20/anna-university-irregularities-reported-in-printing-digital-certificates-cag-says-varsity-paid-rs-11-31744.html>

## **18. Rs 4.13cr loss to eschequer in supply of free school uniforms ([dtnext.in](https://www.dtnext.in))** OCTOBER 20, 2022

**The State government has been supplying four sets of free uniforms every year to government and aided schools.**

CHENNAI: A report by the Comptroller and Auditor General of India (CAG) has revealed that the Tamil Nadu government incurred a wasteful expenditure of Rs 4.13 crore in supplying free uniforms to 31,152 students in the 72 schools sampled. Further, free uniforms costing Rs 2.25 crore, supplied to 21,086 students in sampled 49 schools, are barely used.

## OTHER FINDINGS

■ **Students of 48 out of 66 aided schools sampled in Chennai**

not wearing free uniforms, as the management has prescribed different colour and design

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■ **In 13 other aided schools in Chennai, the students wore free uniform only 1-3 days a week**

(on remaining days wore uniforms prescribed by the school)

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■ **In 3 other districts, free uniforms were not utilised in 24**

out of 148 sampled aided schools and in 36 schools, free uniforms are worn only on certain days

The State government has been supplying four sets of free uniforms every year to government and aided schools. These uniforms are provided to students between classes 1 and 8, enrolled under the National Meal Programme (NMP) and are hence eligible for free uniforms also.

However, in 2022-23 academic year, of the total strength of 47.89 lakh students, 38.41 lakh (80 per cent) were enrolled under NMP. And the TN government incurred an average of Rs 409.63 crore per annum under the scheme between 2018-21.

The audit scrutiny was done at 241 out of 1,425 aided schools in four districts such as Chennai, Vellore, Kancheepuram and Thoothukudi during October and November, 2021.

It was found that in 48 out of 66 aided schools sampled in Chennai, students were not wearing free uniforms, as the school management has prescribed different colour and design. Further, in 13 other aided schools, the students wore the free uniform only one to three days a week (on remaining days wore the uniforms prescribed by the school).

Subsequently, in the case of remaining three districts, free uniforms were not utilised in 24 out of 148 sampled aided schools and in 36 schools, students were wearing free uniforms only on certain days of the week.

Incidentally, the audit calculated that the cost of uniforms supplied during 2019-21 to 72 aided schools in the sampled district, where students wearing a different uniform all through the week, was Rs 4.13 crore. Additionally, the uniform cost supplied during 2019-21 to the sample 49 GA schools where students wore uniforms on select days was Rs 2.25 crore.

Noting the loss, the audit committee recommended the State government to revisit the scheme guidelines and issue free uniforms only to students of schools which furnish specific indents for free uniforms. Also, consider reducing the number of sets of uniforms to students of schools that allow wearing free uniforms only on one of the three days per week. <https://www.dtnext.in/tamilnadu/2022/10/19/rs-413cr-loss-to-eschequer-in-supply-of-free-school-uniforms>

## **19. CAG points hole in implementation of sustainable agri mission ([dtnext.in](https://www.dtnext.in))** OCTOBER 20, 2022

**The aim of NMSA is to promote sustainable agriculture through improved farm practices, livestock and fish cultures, water use efficiency, pest management, nutrient management, agricultural insurance, credit support and others.**

CHENNAI: The compliance audit prepared by comptroller and auditor general (CAG) of India has recommended investigation of irregular sanction of benefits of National Mission for Sustainable Agriculture (NMSA) against the scheme guidelines.

As per the report, responsibility may be fixed, after investigation, in the 252 of irregular sanction of scheme benefits to 24 persons having nanjai land, 80 persons provided with subsidy for construction of shade net houses that were not put to proper use, 92 persons provided with assistance for milch cows against scheme guidelines and 56 persons provided with subsidy without ensuring ownership of the land.

The scheme was launched by the Union government in 2014 as a centrally sponsored scheme with centre and state funding of ratio of 60:40.

The aim of NMSA is to promote sustainable agriculture through improved farm practices, livestock and fish cultures, water use efficiency, pest management, nutrient management, agricultural insurance, credit support and others.

The report points out that the State government did not constitute a standing technical committee having experts, which should be formed as per the guidelines. "Audit observed that in the absence of experts, Tamil Nadu government did not propose any specific activity under component viz., climate change and sustainable agriculture," the report said.

Also, the audit noted that the absence of a district action plan (DAP) for Pudukkottai and Villupuram led to regional imbalance in coverage of the area under the NMSA scheme. As seen from the sampled districts, some districts received higher coverage at the cost of other districts.

Pointing out the suspected misuse of subsidy and unfruitful expenditure, the audit said that thirteen of the 83 sampled farmers had dismantled the shade net houses in full and removed it from their fields. Only three farmers put the shade nets to proper use.

"In addition to chemical fertilisers and biofertilizers, farmers used about 17,000 tonnes of farmyard organic manure every year. It was sought that despite a healthy increase in the usage of biofertilizers, the usage of chemical fertilisers also continued to increase during 2019-2021," it added. <https://www.dtnext.in/tamilnadu/2022/10/19/cag-points-hole-in-implementation-of-sustainable-agri-mission>

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

**20. Clean energy: The great leap backwards** ([thehindubusinessline.com](https://www.thehindubusinessline.com)) October 19, 2022

**Global warming is forgotten as soaring energy prices and supply disruptions drive a return to coal**

If you play the commodity markets, here's a tip — now is the time to go long on coal. Driven by the uncertainties of the conflict in Europe and the resultant supply chain disruptions, as well as soaring energy prices, there has been a global return to this traditional fossil fuel. Coal prices have soared to record levels, as the world's major energy consumers, led by the China, the US and Europe, have rapidly shed their "green" concerns and switched back to anthracite. Global warming can wait.

Coal prices breached the \$200 per short tonne (0.907 metric tonnes) mark in the US, with high grade Northern Appalachia coal averaging \$204.95 in the first week of October — the first time that the oldest fossil fuel known to man had crossed the milestone since coal started being mined in the US back in the 18th century. And it doesn't look like sinking too much in the future either. Currently, March 2024 futures for US coal are trading at over \$220 per metric tonne.



The prices are going up — and staying up — because coal is the most widely available — and cheapest — energy source going around. And when push comes to shove, the big energy consumers are taking care of requirements first, and worrying about the planet later.

China was the first to retract, way back in April, soon after Russia's February 24 blitzkrieg into Ukraine. It announced that it will be adding 300 million tonnes of coal mining capacity. It already holds the world record in coal output, having mined more than 4 billion tonnes in 2021. In the first quarter of 2022 alone, it has created more than 8.6 gigawatt (GW) of thermal power capacity. Bloomberg reported that "the world's biggest energy user is expected to add 270 gigawatts of thermal capacity in the five years through 2025 (China Energy Engineering Corp.)."

China, of course, has a deep economic interest in thermal energy, particularly coal-based plants. Not only is it the world's biggest coal-based power generator, at more than 4,600 terawatt-hour of coal-based power, its capacity is five times as much as that of India, which has about 947 TWH. The US is close behind with 774 TWH, followed by Japan and South Korea. China is also the biggest producer and exporter of thermal power plant equipment, and Chinese banks have financed about 70 per cent of the new coal-based plants being built around the world at the moment.

Europe, till 2020 the leader in the transition to green energy, is not far behind in the turnaround. European coal imports have surged more than 35 per cent this year, as most EU nations re-opened mothballed coal-based power plants and ramped up output in running ones to deal with soaring natural gas prices. Germany is forecast to become the world's third biggest importer of coal, behind China and India, by 2023.

The breach of the Nord2 gas pipeline from Russia has worsened the situation. With winter almost here, coal usage is set to surge further. That's not all. According to the UN, the Nord2 rupture may have led to the largest single release of methane into the atmosphere ever recorded. Global warming, anyone?

#### India's situation

India is not exempt to the global trend too. At last week's IMF-World Bank meeting, Finance Minister Nirmala Sitharaman, while speaking to reporters, pointed out that the western world was moving to coal. "The matter of fact, it (coal) is now reviving itself as a thermal unit. So, it's not just India, many countries have gone back. And coal is now going to be back again, because I think gas cannot be afforded. Or it is not available as much as you want," PTI quoted her as saying.

Given that high capacity storage is still elusive, India's large renewable capacity addition will not be matched by consumption of renewable-based power, given the intermittency issues with solar and wind power.

Power Minister RK Singh has said that India plans to increase its coal-based power generating capacity by 25 per cent by 2030, taking installed thermal power capacity to over 265 GW by the end of this decade.

In addition, India has as many as 99 coal mine projects in the pipeline. These new mines will have a combined production capacity of 427 million tonnes of coal per year

when they are commissioned. In addition, India has offered 16 coal bed methane blocks for auction for exploration licences.

So far, India has managed to stick to its glide path for meeting its nationally determined contributions to reducing greenhouse emissions and cutting back the carbon intensity of its economy. But the conflict in Europe and West's attempt to economically throttle Russia by reducing its energy purchases from that country, have led to spiralling energy prices. Given that increased energy consumption is not only a prerequisite for overall growth but human development, and given that India ranks 104 out of 140 countries in per capita energy consumption, increasing energy consumption is a development imperative for India.

However, India is also one of the most vulnerable countries in the world to climate change. The UN's Intergovernmental Panel on Climate Change (IPCC) report released earlier this year points out that India will be among the nations most "economically harmed" by climate change. The report pointed out that about 35 million people could face annual coastal flooding by the middle of the century, while at the same time, at least 40 per cent of the population will be living with severe water scarcity.

The thing is, while India can control its developmental choices by increasing or decreasing dependence on fossil fuel power, it has little control over climate change mitigation, unless other nations also do their bit. But as recent events have demonstrated, when push comes to shove, it is clearly every country for itself. <https://www.thehindubusinessline.com/opinion/clean-energy-the-great-leap-backwards/article66032334.ece>

## **21. Remarkable Sale! Indian Railways earns over Rs 2,500 crore through scrap sales in 6 months ([financialexpress.com](https://www.financialexpress.com))** October 19, 2022

It has been a good year for the Indian Railways so far as it has registered a remarkable scrap sale till September. Through this sale, it has earned a total of Rs 2,582 crore, almost 29% higher compared to the same period of last financial year 2021-22. According to an official release by the Ministry of Railways, the target for earnings through sale of scraps for the financial year 2022-23 has been fixed at Rs 4,400 crores.

According to the Railways, ferrous scrap of 3,93,421 MT was disposed of in 2022-23 as compared to 3,60,732 MT in 2021-22. "Also 1,751 wagons, 1,421 coaches and 97 locos were disposed in 2022-23 as compared to 1,835 wagons, 954 coaches and 77 locos in 2021-22 up to September 2022. Indian Railways makes all out efforts to optimally utilise resources by mobilising scrap materials and sale through e-auction," the release further read.

The scrap gets generated for the Railways mostly through construction activities of laying new tracks, converting old tracks into new ones, abandoning old structures, among other things. Generation and sales of unserviceable or scrap railway material is an ongoing process and is monitored at the highest level in Zonal Railways and in Railway Board. "In construction projects, scrap is normally generated in Gauge Conversion projects. Released Permanent Way items being offered for scrap are not

reusable on track. These are disposed off in accordance with the Codal provisions of Railways,” the Ministry stated in the release.

In a separate development, amid the ongoing festival season, Indian Railways will be running 2,561 trips of 211 special trains (in pairs) till Chhath Puja this year. The step is being taken for the convenience of rail travellers and to clear extra rush of passengers, the Railways Ministry said. “Special Trains have been planned to connect major destinations across the country on railway routes, like Darbhanga, Azamgarh, Saharsa, Bhagalpur, Muzaffarpur, Firozpur, Patna, Katihar and Amritsar etc. Indian Railways has notified additional 32 special services,” it added. <https://www.financialexpress.com/infrastructure/railways/remarkable-sale-indian-railways-earns-over-rs-2500-crore-through-scrap-sales-in-6-months/2721260/>

## **22. Indian defence companies will get orders worth Rs 8 lakh crore over next 7 yrs, says Army chief ([theprint.in](https://theprint.in)) 20 October, 2022**

Discerning that the Russia-Ukraine war has shown the need to cut dependence on foreign suppliers, Army chief Gen Manoj Pande Thursday said indigenous weapon system is the way forward and that orders worth Rs 8 lakh crore will be placed with Indian companies in the next 7-8 years.

He noted Intelligence, Surveillance and Reconnaissance (ISR) – which includes drones, mobility solutions in forward areas especially the mountains, special armaments like loitering munitions and Artificial Intelligence and encrypted communication – as primary thrust areas for him and the Army.

“The Russia-Ukraine conflict has taught us a lot. One of the things had been on how to be more self-sufficient and not to have foreign dependence even when it comes to sustenance, including ammunition,” Gen Pande said responding to a query by ThePrint, during an interaction with select journalists on the sidelines of DefExpo 2022 in Gandhinagar.

He said the Army has already taken steps towards indigenisation of ammunition while also looking at alternative sources of procurement when it comes to spare parts.

“Indigenous systems are the way forward. In the last 3-4 years, our indigenous procurement has grown three times. In the next 7-8 years, we expect to place about Rs 7-8 crore of orders with Indian firms,” he said.

Gen Pande, who believes that future wars will have to be fought on indigenous systems, said that last year the Army had placed orders worth Rs 47,000 crore with Indian firms.

He underlined that the fourth round of emergency procurement powers, extended to the Services by the government, is exclusively for indigenous systems.

The Army chief noted that in the last three rounds of emergency powers – under which the Services can close procurement deals within Rs 300 crore each without going through the tiring and long winded regular process – the Army had inked deals worth about Rs 6,000 crore.

He also said that emergency powers vested are good for the Services because they cater to their immediate requirements and give them an opportunity to test in field the systems before going in for larger acquisition through the Capital Budget route.

Seeking to allay fears about the focus on indigenisation affecting the preparedness of the armed forces, Gen Pande pointed out that the Indian defence industry has come up with a lot of multiple solutions with capability to deliver in the needed time frame. (rephrased para)

“I would say that to modernise, we need to indigenise. This focus on indigenisation is not an impediment but an opportunity,” he said.

The Army chief said that design, development and manufacturing of defence systems have four foundations – resource allocation, enabling policies, viable market and competition.

“I see the role of the Army as a facilitator of executing government policy and creating a viable market,” he said.

He said that the Army is hand holding a number of private firms working in niche technology while also easing out trial periods, making firing ranges available among others.

“This cannot be a buyer-seller relationship. It has to be a partnership,” he said.

Gen Pande said that the Army is already inducting new long range rockets systems, software defined radios which are less prone to jamming, drones, see through armour and other new technology. <https://theprint.in/defence/indian-defence-companies-will-get-orders-worth-rs-8-lakh-crore-over-next-7-yrs-says-army-chief/1175897/>