

NEWS ITEMS ON CAG/ AUDIT REPORTS (21.10.2022)

1. Most states failed to collect data on mining operations, says new report (economictimes.indiatimes.com, theshillongtimes.com) October 20, 2022

No states, barring Chhattisgarh and Odisha, have started the system of collecting data related to mining operations and failed to detect production loss and verify the mineral output claimed by miners, according to a report. Besides, states like Gujarat, Kerala, Rajasthan, Uttar Pradesh and West Bengal could not furnish the extraction figures of major minerals, said the Natural Resource Accounting report.

The report prepared by the government accounting standards advisory board under the aegis of Comptroller and Auditor General of India further said that since states like Gujarat, Kerala, Meghalaya, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal could not provide the extraction figures of major minerals, their accounts had to be based on production figures only.

Further, Madhya Pradesh did not have extraction as well as production figures and accordingly their asset accounts were based on dispatch figures only.

"Consequently, these states remained unaware about the production loss depicted and claimed by the lessees," it said.

The royalty is collected on the minerals dispatched and therefore more the production loss, higher is the revenue leakage.

Moreover, cases of irregular claims of production loss also remained undetected on account of such system lacunae.

Only Chhattisgarh could provide the detailed position of extraction, production and dispatch of resources along with the production loss, which was within five per cent.

Most of the states have not prepared a comprehensive mineral map of the state.

States, it said, should be encouraged to prepare the mineral maps as it would be the first step towards effective management of mineral resources.

Besides, there are funds earmarked for this purpose under the National Mineral Exploration Trust (NMET) for carrying out the surveys.

There is no system for issuance of permits/transit passes for coal on advance payment of royalty, which is a pre-requisite as per the MMDR Act, 1957.

There is no control and monitoring of the mining officers on production and dispatch of coal from the mine head. The lessees have their own system of issuing permits/passes and weigh-bridges for measurement, which has no involvement of mines department personnel, it said.

The department also do not have any weigh-bridges or check gate to monitor actual dispatch of coal.

Assessment of revenue is done solely on the basis of returns furnished by the lessees.

"This system is highly susceptible to illegal mining, pilferage of minerals leading to windfall gains to the lessees and connected parties and commensurate loss to the state exchequer," it said.

The state government may take suitable action to establish control and monitoring system and may also look into any case of pilferage of resources leading to revenue loss to the state exchequer. <https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/most-states-failed-to-collect-data-on-mining-operations-says-new-report/articleshow/94989280.cms>

2. States not keen on mining surveillance ([livemint.com](https://www.livemint.com)) Oct 20, 2022

States have shown a lackluster attitude towards installation of mining surveillance system for detection of illegal mining, according to a report by the Comptroller and Auditor General of India (CAG)

In a report released on Thursday, CAG said that in the absence of the surveillance system instances of levy of penalty at rates lower than the royalty involved remained undetected.

"The states did not install a system of proper recording of details of illegal mining as evident from the fact that vital details like names of mineral detected, volume of mineral illegally mined and detected, amount of royalty involved, quantum of penalty levied were not captured in the offence reports," it said.

Titled 'Compendium of Asset Accounts of Mineral And Energy Resources in State 2020-21', the report said: "None of the states installed a separate MSS for detection of illegal mining of minor mineral as suggest by the GoI (Government of India) except for some states opting for drone technologies for monitoring illegalities on case to case basis."

The report further said that several states could not provide any data relating to illegal mining.

The mining surveillance system (MSS) is a satellite-based system developed by the Indian Bureau of Mines and the union ministry of mines.

According to the report, apart from the development of the surveillance mechanism for detection of illegal mining of major minerals, Centre has taken a number measures like amendment of the MMDR Act to provide for stringent penal measure, enable special courts in states, period reports on illegal mining from states. It said that state governments have been suggested to install similar MSS mechanism for controlling illegal mining of minor minerals.

The CAG report further highlighted that most of the states did not institute a system of ascertaining the stock of minor minerals including riverine resources. Similarly, the average sales prices of these minor mineral and riverine resources were not being monitored by the states, it added.

Further, the survey showed that most of the states have not prepared a comprehensive minerals map of the respective state.

“States may be encouraged to prepare the mineral maps as it would be the first step towards effective management of mineral resources.”

Another major finding of the report was that states did not have a readily available database of district mineral foundations (DMF). Some states could not provide district wide DMF data even till the finalization of the state reports, it said.

“A number of major mineral bearing states like Karnataka, Maharashtra, Telangana, did not have the figure of DMF realizable for the year 2020-2021.”

Further, in cases where state government provided DMF realizable, there were gaps in DMF realized leading to shortage or non-realization of DMF like Chhattisgarh, Jammu and Kashmir, Meghalaya, Punjab and Rajasthan. <https://www.livemint.com/news/india/states-lag-in-installation-of-surveillance-system-to-curb-illegal-mining-cag-report-11666276902011.html>

3. Most states failed to collect data on mining operations: Report ([millenniumpost.in](https://www.millenniumpost.in)) Oct 20, 2022

No states, barring Chhattisgarh and Odisha, have started the system of collecting data related to mining operations and failed to detect production loss and verify the mineral output claimed by miners, according to a report.

Besides, states like Gujarat, Kerala, Rajasthan, Uttar Pradesh and West Bengal could not furnish the extraction figures of major minerals, said the Natural Resource Accounting report.

The report prepared by the government accounting standards advisory board under the aegis of Comptroller and Auditor General of India further said that since states like Gujarat, Kerala, Meghalaya, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal could not provide the extraction figures of major minerals, their accounts had to be based on production figures only.

Further, Madhya Pradesh did not have extraction as well as production figures and accordingly their asset accounts were based on dispatch figures only.

"Consequently, these states remained unaware about the production loss depicted and claimed by the lessees," it said.

The royalty is collected on the minerals dispatched and therefore more the production loss, higher is the revenue leakage.

Moreover, cases of irregular claims of production loss also remained undetected on account of such system lacunae.

Only Chhattisgarh could provide the detailed position of extraction, production and dispatch of resources along with the production loss, which was within five per cent.

Most of the states have not prepared a comprehensive mineral map of the state.

States, it said, should be encouraged to prepare the mineral maps as it would be the first step towards effective management of mineral resources.

Besides, there are funds earmarked for this purpose under the National Mineral Exploration Trust (NMET) for carrying out the surveys. There is no system for issuance of permits/transit passes for coal on advance payment of royalty, which is a pre-requisite as per the MMDR Act, 1957.

There is no control and monitoring of the mining officers on production and dispatch of coal from the mine head. The lessees have their own system of issuing permits/passes and weigh-bridges for measurement, which has no involvement of mines department personnel, it said.

The department also do not have any weigh-bridges or check gate to monitor actual dispatch of coal.

Assessment of revenue is done solely on the basis of returns furnished by the lessees.

"This system is highly susceptible to illegal mining, pilferage of minerals leading to windfall gains to the lessees and connected parties and commensurate loss to the state exchequer," it said.

The state government may take suitable action to establish control and monitoring system and may also look into any case of pilferage of resources leading to revenue loss to the state exchequer. <http://www.millenniumpost.in/business/most-states-failed-to-collect-data-on-mining-operations-report-496585>

4. Most states don't have data related to mining operations: Report (psuwatch.com) Oct 20, 2022

Only Chhattisgarh and Odisha have started the system of collecting data related to mining operations whereas other states have failed to detect production loss

Only Chhattisgarh and Odisha have started the system of collecting data related to mining operations, whereas other states have failed to detect production loss and verify the mineral output claimed by miners, according to a report. Besides, states like Gujarat, Kerala, Rajasthan, Uttar Pradesh and West Bengal could not furnish the extraction figures of major minerals, said the Natural Resource Accounting Report.

7 states do not have extraction figures for major minerals

The report prepared by the government accounting standards advisory board under the aegis of the Comptroller and Auditor General (CAG) of India said that states like Gujarat, Kerala, Meghalaya, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal could not provide the extraction figures of major minerals. Further, Madhya Pradesh did not have extraction as well as production figures. Their asset accounts were solely based on dispatch figures. "Consequently, states remained unaware about the production loss depicted and claimed by the lessees," it said.

The royalty is collected on the minerals dispatched. Hence, more the production loss, the higher is the revenue leakage. Moreover, cases of irregular claims of production loss also remained undetected on account of such system lacunae.

Only Chhattisgarh could provide the detailed position of extraction, production and dispatch of resources along with the production loss, which was within five percent.

Most states don't have a comprehensive mineral map

Most states have not prepared a comprehensive mineral map of the state yet.

The report said, states should be encouraged to prepare mineral maps as it would be the first step towards effective management of these resources.

Besides, there are funds earmarked for this purpose under the National Mineral Exploration Trust (NMET) for carrying out the surveys.

There is no system for issuance of permits/transit passes for coal on advance payment of royalty, which is a pre-requisite as per the MMDR Act, 1957.

There is no control and monitoring of the mining officers on the production and dispatch of coal from the mine head. The lessees have their own system of issuing permits/passes and weighbridges for measurement, which has no involvement of mines department personnel, it said.

The department also does not have any weighbridges or check gates to monitor actual dispatch of coal.

System highly susceptible to illegal mining: Report

Assessment of revenue is done solely on the basis of returns furnished by the lessees.

“This system is highly susceptible to illegal mining, pilferage of minerals leading to windfall gains to the lessees and connected parties and commensurate loss to the state exchequer,” it said.

The state government may take suitable action to establish control and monitoring system and may also look into any case of pilferage of resources leading to revenue loss to the state exchequer. <https://psuwatch.com/most-states-dont-have-data-related-to-mining-operations-report/>

5. CAG study faults Bengal's coal block monitoring, surveillance systems ([thehindubusinessline.com](https://www.thehindubusinessline.com)) October 20, 2022

Lack of proper surveillance system has made the State susceptible to illegal mining and pilferage of minerals at the cost of exchequer

States have not installed a system of proper recording of illegal mining or have any record of the same with mining surveillance system hardly present across major mineral bearing States, the CAG said in a report released on Thursday. In fact, the CAG has referred to poor surveillance and monitoring systems of West Bengal which makes it “susceptible to illegal mining, pilferage of minerals and windfall gains of lessees” at the cost of the exchequer.

The study, Compendium of State Asset Accounts on Mineral and Energy Resources, released by the Union Mines Minister, Pralhad Joshi, also pointed out to the discrepancies in coal production shared by the State governments (including West Bengal) and the Indian Bureau of Mines. Discrepancies arose because of “non-submission of regular returns by the lessees”. As a result, State governments are sourcing data from the lessees and there was no State-wise data base available.

Illegal Mining

Referring to West Bengal, the study said, there is no system of issuance of permits or transit passes for coal — on advance payment of royalty — which “is a pre-requisite” as per the MMDR Act. However, such a system does exist in the State for non-minor minerals.

Accordingly, the CAG report observes that “there is no control and monitoring of the mining officers” on production and dispatch of coal from the mine head. The lessees have their own system of issuing permits or passes; and weigh-bridges for measurement. Mining department officers are not present for supervision either. The State mining department also does not have any weigh bridge or check gates to determine the actual dispatched amount of coal. In the absence of any such system, the assessment of revenue is done solely on the basis of returns furnished by lessees.

The study found that district authorities “did not assess the demand for coal lessees” who have not submitted returns; and there has been non realisation of rent, cess, and some other mandatory realisations. All this has led the system being susceptible to illegal mining and pilferage; which in turn caused windfall gains to the lessees and “connected parties”.

Irregularities in data

Across some other States, like Karnataka, there exists “huge variations between actual extractions vis-a-vis those uploaded in the ILMS (Intergrated Legal Monitoring System) database; while in Andhra Pradesh there was mis-classification of revenues realised on fuel minerals and variations in iron-ore production numbers shared by the State government and the Centre. In Chhattisgarh, the online system of issuing permits and making payments are facing connectivity issues. <https://www.thehindubusinessline.com/companies/cag-study-faults-bengals-coal-block-monitoring-surveillance-systems/article66035962.ece>

6. ज्यादातर राज्य खनन कार्यों पर आंकड़े एकत्रित करने में विफल रहे: रिपोर्ट (hindi.theprint.in, ndtv.in, navbharattimes.indiatimes.com) October 21, 2022

छत्तीसगढ़ और ओडिशा को छोड़कर किसी भी राज्य ने खनन कार्यों से संबंधित आंकड़े एकत्रित करने की प्रणाली शुरू नहीं की है। इसके साथ ही राज्य उत्पादन हानि का पता लगाने और खननकर्ताओं द्वारा किए गए खनिज उत्पादन के दावों को सत्यापित करने में विफल रहे हैं। एक रिपोर्ट में यह जानकारी दी गई।

प्राकृतिक संसाधन लेखा रिपोर्ट में कहा गया है कि गुजरात, केरल, राजस्थान, उत्तर प्रदेश और पश्चिम बंगाल जैसे राज्य प्रमुख खनिजों की निकासी के आंकड़े नहीं दे सके।

भारत के नियंत्रक और महालेखा परीक्षक (कैग) के तत्वावधान में सरकारी लेखा मानक सलाहकार बोर्ड द्वारा तैयार की गई रिपोर्ट में आगे कहा गया कि चूंकि गुजरात, केरल, मेघालय, राजस्थान, तमिलनाडु, उत्तर प्रदेश और पश्चिम बंगाल जैसे प्रमुख राज्यों ने खनिज निकालने के आंकड़े नहीं दिए। इसके उनके खाते सिर्फ उत्पादन के आंकड़ों पर आधारित हैं।

इसके अलावा मध्य प्रदेश में निकासी के साथ ही उत्पादन के आंकड़े भी उपलब्ध नहीं थे, इसलिए उनके खाते सिर्फ खनिज आपूर्ति के आंकड़ों पर आधारित हैं।

रिपोर्ट में कहा गया,

”नतीजतन ये राज्य पट्टेदारों द्वारा दिखाए गए और दावा किए गए उत्पादन नुकसान के बारे में अनजान रहे।”

आपूर्ति किए गए खनिजों पर रॉयल्टी जमा की जाती है और इसलिए जितना अधिक उत्पादन नुकसान होता है, राजस्व रिसाव उतना ही अधिक होता है। <https://hindi.theprint.in/india/economy/most-states-failed-to-collect-data-on-mining-operations-report/413093/>

7. Coal import to be stopped by 2024, says Coal Minister Joshi (millenniumpost.in, business-standard.com, dailypioneer.com) 21 Oct 2022

Coal minister Pralhad Joshi on Thursday said that the import of dry fuel which has declined considerably will be stopped by 2024.

Speaking at an event at the office of the Comptroller & Auditor General of India here to release a 'Compendium of Asset Accounts on Mineral and Energy Resources', the minister said commercial coal mine auction which was institutionalised by the present government has made the auctioning process totally transparent.

Joshi also complimented CAG's office for bringing out the first ever compendium of asset account on mineral assets of the country.

The minister said that the report presents comprehensive picture of the mineral resources spread across different states in the country.

He said that the compendium will help in further strengthening sustainable mining process which is of great importance for ecology and future generation.

Collating the information of the state asset accounts, the government accounting standards advisory board 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 Union Territory Jammu & Kashmir, and also covers the innovations and good practices noticed during the course of the study. <http://www.millenniumpost.in/business/coal-import-to-be-stopped-by-2024-says-coal-minister-joshi-496592>

8. Coal import to be stopped by 2024: Minister Pralhad Joshi (tribuneindia.com, ndtv.com, outlookindia.com, economictimes.indiatimes.com, financialexpress.com) Oct 20, 2022

Coal minister Pralhad Joshi on Thursday said that the import of dry fuel which has declined considerably will be stopped by 2024.

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9. Coal imports to stop by 2024: Minister (newindianexpress.com) October 21, 2022

India is likely to stop coal imports by 2024, Coal minister Pralhad Joshi on Thursday said. The country's total coal output will touch 900 million tonne (MT) this fiscal, the minister added.

While speaking at an event at the office of the Comptroller & Auditor General of India, he said efforts are being made by Coal India and its subsidiaries to attain this goal.

"Commercial coal mine auctioning process has been made transparent and institutionalised by the government. Coal import has come down and by 2024 import will be stopped," he said. He added mineral exploration norms have been relaxed recently and 9 private exploration agencies got accredited so far.

This comes after India faced a major coal crisis, which led to power outages in many states in past 2 years. In 2021, stocks at power plants touched lowest to 7.23 MT. In May 2022, at the peak of summer, several states complained their thermal power plants were running out of coal. Subsequently, the government had to issue two 6 MT tenders for importing coal.

This time, the government claims to have sufficient coal. As per Central Electricity Authority (CEA), nearly 77 power plants have critical stock till October 20. Meanwhile, Joshi has complemented CAG's office for bringing out the first-ever compendium of asset accounts on mineral assets. He said the report presents a picture of the mineral resources spread across different states. <https://www.newindianexpress.com/business/2022/oct/21/coal-imports-to-stop-by-2024-minister-2510437.html>

10. Coal imports to stop by 2024: Pralhad Joshi (thehindubusinessline.com) 20 Oct 2022

Import of coal, which has declined considerably, will be stopped by 2024, the Union Minister of Mines, Pralhad Joshi said on Thursday.

Speaking at an event at the Comptroller & Auditor General of India's office, where he released the 'Compendium of Asset Accounts on Mineral and Energy Resources,' the minister said, commercial coal mine auction institutionalised by the present government has brought in "complete transparency" to the auctioning process.

"We have been able to bring down coal imports considerably except maybe this year when the demand peaked post Covid. However, by 2024, imports of coal of all substitutable category will stop," he said.

According to Joshi, coal production this fiscal is expected to touch 900 million tonne.

Comprehensive report

Joshi said the report on mineral assets of the country presents a comprehensive picture of the available resources spread across States. Collating the information of the State Asset Accounts, the 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 available fossil fuels, 40 major minerals and 63 minor minerals in 28 States and one UT. It also covers the innovations and good practices noticed during the course of the study. <https://www.thehindubusinessline.com/economy/coal-imports-to-stop-by-2024-pralhad-joshi/article66036112.ece>

11. कोयला आयात 2024 तक बंद हो जाएगा: जोशी (navbharattimes.indiatimes.com, hindi.theprint.in, livehindustan.com) October 20, 2022

कोयला मंत्री प्रल्हाद जोशी ने बृहस्पतिवार को कहा कि कोयले का आयात उल्लेखनीय रूप से घटा है और 2024 तक तो इसका आयात बंद कर दिया जाएगा।

नियंत्रक एवं महालेखा परीक्षक कार्यालय के एक कार्यक्रम में जोशी ने कहा कि वाणिज्यिक कोयला खदान नीलामी को मौजूदा सरकार ने संस्थागत रूप दिया है जिससे नीलामी की प्रक्रिया पूरी तरह से पारदर्शी हो गई है।

कैग कार्यालय ने कार्यक्रम में सार-

संग्रह के रूप में 'खनिज और ऊर्जा संसाधनों की परिसंपत्तियों का ब्योरा' जारी किया। इसके लिए जोशी ने कैग कार्यालय की प्रशंसा करते हुए कहा कि यह रिपोर्ट देश के विभिन्न राज्यों में खनिज संसाधनों की एक व्यापक तस्वीर पेश करती है।

उन्होंने कहा कि यह संग्रह सतत खनन प्रक्रिया को और मजबूत करने में मददगार होगा।

इस संग्रह में 28 राज्यों और एक केंद्रशासित प्रदेश के सभी चार जीवाश्म ईंधन,

40 प्रमुख खनिज और 63 अन्य खनिजों का विवरण है। इसमें खोज और बेहतर गतिविधियों का भी उल्लेख किया गया है। <https://navbharattimes.indiatimes.com/business/business-news/coal-imports-to-stop-by-2024/articleshow/94991929.cms>

12. India's Coal Production to Touch 900 Million Ton (MT) during this Fiscal, says Union Minister Sh. Pralhad Joshi (pib.gov.in) October 20, 2022

Union Minister of Coal, Mines and Parliamentary Affairs Shri 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 here today 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 institutionalised 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, Shri 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 Azadika 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.

GASAB has been hand holding the States through Accountants General Offices in preparing their first Asset Accounts on mineral and energy resources through monthly meetings since October 2021, regular trainings of State Government departmental officers and staff including

State specific workshops besides numerous advisories to the State Governments. Resultantly, all States and one UT (J&K) completed preparation of the Asset Accounts on Mineral and Energy Resources for 2020-21. The Accounts have been duly validated by the State Governments and test checked to ensure that these are prepared based on documents/datasets available on record.

Comptroller and Auditor General of India (CAG) Shri Girish Chandra Murmu and members of senior management attended the function. Secretaries of Mines of selected States, their Commissioners of Geology & Mining and the Accountants General of these selected States, members of Consultative Committee members were also present. <https://pib.gov.in/PressReleasePage.aspx?PRID=1869532>

13. India's coal production to touch 900 MT this fiscal: Pralhad Joshi (cnbctv18.com) October 21, 2022

The Narendra Modi government on Thursday, October 20, said India's coal production will touch 900 million tonnes (MT) during this fiscal.

For the current fiscal year, the domestic coal output target is 911 MT, up 17.2 percent over the previous year. In 2021-22, the country produced record-breaking coal production at 777 MT.

Speaking at the office of the Comptroller & Auditor General of India to release the 'Compendium of Asset Accounts on Mineral and Energy Resources,' Pralhad Joshi, Union Minister of Coal, Mines And Parliamentary Affairs said all efforts are being taken by Coal India Ltd and its subsidiaries to attain this goal.

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

The minister stated that the commercial coal mine auctioning process has been made totally transparent and institutionalised by the present government and coal import has come down considerably and by 2024, import will be stopped.

Joshi said the report on the mineral assets of the country presents a comprehensive picture of the mineral resources spread across different states.

Speaking on the compendium, he said spoke about importance of further strengthening the sustainable mining process, which is of paramount importance for the ecology and the future generation, dedicating the compendium to the people of the country on the eve of Azadika Amrit Mahotsav.

Collating the information of the State Asset Accounts, the 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, and also covers the innovations and good practices noticed during the course of the study. <https://www.cnbctv18.com/economy/indias-coal-production-to-touch-900-mt-this-fiscal-pralhad-joshi-14990931.htm>

14. India's Coal Production to Touch 900 Million Ton (MT) During This Fiscal, Says Union Minister Sh. Pralhad Joshi (orissadiary.com, indiablooms.com) October 20, 2022

Union Minister of Coal, Mines and Parliamentary Affairs Shri 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 here today 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 institutionalised 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, Shri 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 Azadika 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.

GASAB has been hand holding the States through Accountants General Offices in preparing their first Asset Accounts on mineral and energy resources through monthly meetings since October 2021, regular trainings of State Government departmental officers and staff including State specific workshops besides numerous advisories to the State Governments. Resultantly, all States and one UT (J&K) completed preparation of the Asset Accounts on Mineral and Energy Resources for 2020-21. The Accounts have been duly validated by the State Governments and test checked to ensure that these are prepared based on documents/datasets available on record.

Comptroller and Auditor General of India (CAG) Shri Girish Chandra Murmu and members of senior management attended the function. Secretaries of Mines of selected States, their Commissioners of Geology & Mining and the Accountants General of these selected States, members of Consultative Committee members were also present. <https://orissadiary.com/indias-coal-production-to-touch-900-million-ton-mt-during-this-fiscal-says-union-minister-sh-pralhad-joshi/>

15. India's coal production to touch 900 million tonnes during this fiscal: Pralhad Joshi (psuwatch.com) October 20, 2022

Union Minister of Coal Pralhad Joshi said that India's total coal production will touch 900 million tonnes during this financial year. He also said that 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 and nine private exploration agencies got accredited.

Comptroller and Auditor General of India (CAG) Girish Chandra Murmu and members of senior management attended the function. Secretaries of mines of selected states, their commissioners of Geology & Mining and the Accountants General of these selected states, members of consultative committee members were also present.

By 2024, India will stop coal import: Pralhad Joshi

Joshi stated that commercial coal mine auctioning process has been made totally transparent and institutionalised by the present Government. Coal import has come down considerably and by 2024 import will be stopped, the minister added.

Joshi said that the report presents a comprehensive picture of the mineral resources spread across different states. He said that the compendium will be of immense value in further strengthening the 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.

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GASAB has been hand-holding the states through Accountants General Offices in preparing their first asset accounts on mineral and energy resources through monthly meetings. Since October 2021, regular training of state government departmental officers and staff including state-specific workshops besides numerous advisories to the state governments. As a result, all states and one UT (J&K) completed the preparation of the asset accounts on Mineral and Energy Resources for 2020-21. The accounts have been duly validated by the state governments and test-checked to ensure that these are prepared based on documents/datasets available on record. <https://psuwatch.com/indias-coal-production-to-touch-900-million-tonnes-during-this-fiscal-pralhad-joshi/>

16. India's Coal Production to Touch 900 MT during This Fiscal: Pralhad Joshi (pragativadi.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.

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Complimenting CAG's Office for bringing out the first ever compendium of asset account on mineral assets of the country, Shri 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 Azadika Amrit mahostav.

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Comptroller and Auditor General of India (CAG) Shri Girish Chandra Murmu and members of senior management attended the function. Secretaries of Mines of selected States, their Commissioners of Geology & Mining and the Accountants General of these selected States, members of Consultative Committee members were also present. <https://pragativadi.com/indias-coal-production-to-touch-900-mt-during-this-fiscal-pralhad-joshi/>

17. CAG plans annual fiscal sustainability reports for states ([financialexpress.com](https://www.financialexpress.com)) October 21, 2022

Move amid reports of rising off-budget borrowings by some states

With the finances of many state governments under stress, the Comptroller and Auditor General (CAG) of India has decided to prepare state-specific fiscal sustainability report cards from the current fiscal, where the off-budget liabilities and hidden subsidies will be captured with precision, sources told FE.

Normally, CAG finalises states' annual financial accounts and appropriation accounts and examines whether they have followed the approved accounting standards and public expenditure management parameters. "From this year, CAG will be analysing state finances in a more focused manner to check the veracity of their accounts," a senior official said.

The top public finance auditor's move comes in the wake of high indebtedness of some states and a rising tendency among some of them to resort to off-budget borrowings to fund government schemes and infrastructure.

According to an RBI report in July, the most indebted states were Punjab, Rajasthan and Bihar. According to the revised estimate for FY22, debt-GSDP of Punjab was the highest at 53.3%, followed by Rajasthan at 39.5%, Bihar (38.6%), Kerala (37%) and West Bengal (34.4%). According to various scenarios built in the report, if contingent liabilities are fully invoked, Rajasthan will see an additional 8.6% debt-GSDP, followed by Punjab (5.3%), Kerala (3.9%), Bihar (3.4%) and West Bengal (0.9%).

"There are many hidden subsidies (kept by states) which need to be identified," the official said. The CAG will track revenue expenditure patterns, analyse their own tax and non-tax revenue performance and examine if buoyancy in tax collections improving or deteriorating.

Hidden subsidies are sometimes spread across schemes. For example, some states give discounts on electricity bills to households or farmers through their power distribution firms, but are not captured in state budgets and escape scrutiny.

From FY22, the CAG is not certifying states' accounts if those are not maintained properly. Instead, it is giving attestation to such states' accounts with certain observations and qualifications.

The Fifteenth Finance Commission has recommended that, in the interest of transparency, states need to make full disclosure of off-budget borrowings. For example, the off-budget borrowings of Karnataka from various banks as on March 31, 2021 stood at Rs 86,260 crore for which principal and or interest would be serviced out of the state budget. This was, however, not disclosed in the state budget.

In June, the Centre decided to lift a virtual freeze on borrowings by some states with large off-Budget liabilities. It has, however, decided to strike off at least 25 basis points (bps) from the NBC of 3.5% of GSDP of these states in FY23, in case off-balance-sheet borrowings in FY22 exceeded 25 bps of projected GSDP in the current fiscal. The balance debt, so estimated, will be brought above the line over three years to FY26 in equal tranches.

One way of gauging stress in state budgets is to look at the use of various facilities from the RBI such as the Special Drawing Facility, Ways and Means Advances and overdraft facilities. States which use these facilities more often do have stress in managing their cash balances and are spending more than they are earning in the normal course.

According to a study by the Bank of Baroda economist Sonal Badhan Andhra Pradesh, Telangana, Rajasthan and Punjab have been seeking recourse quite often in fairly good quantities from the RBI in April-August of 2022, possibly giving an early warning indicator of their finances. <https://www.financialexpress.com/economy/cag-plans-annual-fiscal-sustainability-reports-for-states/2722720/>

STATES NEWS ITEMS

18. Panel for SCs recommends CAG investigation into scholarship scam (tribuneindia.com) Oct 21, 2022

Punjab: The National Commission of Scheduled Castes (NCSC) has recommended to the Comptroller and Auditor General (CAG) to look into the alleged scam in the implementation of Post-Matric Scholarship Scheme for Scheduled Caste in Punjab.

Also, the commission will get the matter investigated by a retired judge of the HC.

Officials stone-walling investigation

In an apparent cue from the highest level, officials have also adopted a non-cooperative attitude towards the commission's probe. Vijay Sampla, chairman, NCSC

"The NCSC has recommended to the CAG to look into the implementation of the scheme," commission chairman Vijay Sampla said on Thursday. He said the government had been evading and trying to stymie the probe.

He said it was ironic and unfortunate that on the one hand, the government criticised the Centre for not releasing money, on the other, it returned the funds due to non-utilisation.

He said the alleged corruption in the scheme's implementation had several dimensions. Hence, the matter would be probed by a retired judge of the HC, he said, adding that the terms of reference of the proposed judicial probe would be decided in due course.

The commission has sought a panel of names of judges from the HC. One name will be selected from the panel to head the probe. Sources said the High Court had assured the commission regarding sending a panel of five names. <https://www.tribuneindia.com/news/punjab/panel-for-scs-recommends-cag-investigation-into-scholarship-scam-443258>

19. Punjab Post-Matric Scholarship Scheme: NCSC seeks CAG probe into 'irregularities', may order judicial probe (tribuneindia.com) Oct 20, 2022

Cheesed off by alleged "stone-walling" by the Punjab Government to probe by the National Commission of Scheduled Castes (NCSC) into the alleged scam in implementation of post-

matric scholarship scheme for Scheduled Castes students, the latter has now recommended to Comptroller and Auditors General (CAG) to look into the matter.

Also, the Commission will get the matter investigated by a retired Judge of the Punjab and Haryana High Court.

“The NCSC has recommended to the CAG to look into the financial aspect of the welfare scheme implementation of the scheme,” NCSC Vijay Sampla informed on Thursday.

He said the Punjab government, including its highest echelon, has been evading, avoiding, and at times road-blocking the probe by the Commission.

“In an apparent cue from the highest level, the officials concerned have also adopted an attitude of non-cooperation towards the Commission’s probe,” Sampla said, and added that due to the involvement of financial dimension in the alleged scandal, the matter has been eventually referred to the CAG.

Sampla said that it is ironic and unfortunate that while on the one hand the Punjab government has been wading into litany of complaints against the Centre for not releasing funds for the scheme. On the other hand it returned the funds on non-implementation of the scheme.

The Commission is of the view that even if a smidgen of the scheme was implemented, there were rabbit holes of alleged financial and other corruption, to which the state government is unwilling to clear the air, even in the face of complaints from public and probe into them by a Constitutional body, Sampla said.

He underlined that the Commission will act as per its remit to ensure the welfare of the SCs, no matter how much gobbledegook state governments paper over the misdeeds with regard to welfare schemes.

He further said that the alleged corruption in Punjab in the scheme’s implementation has several dimensions. Hence, the matter will be probed by a retired judge of the Punjab and Haryana High Court to get to the bottom of its entire gamut.

The terms of reference of the proposed judicial probe will be decided in due course.

The Commission has sought a panel of names of judges from the High Court. One name will be selected from the panel to head the probe.

Sources said the High Court has assured the Commission. A panel of five names is likely to be sent by the court.

An alleged scam involving financial corruption regarding the scheme surfaced in 2019 during Captain Amarinder Singh government, and the same had become a campaign issue in the last Assembly election in the State.

The complaint, among others, was that about Rs 17 crores were disbursed to errant and fake institutions.

The Commission has also received a number of complaints in the matter. <https://www.tribuneindia.com/news/punjab/punjab-post-matric-scholarship-scheme-ncsc-seeks-cag-probe-in-alleged-scam-commission-mulling-judicial-probe-as-well-443167>

20. कैग ने हायर एजुकेशन विभाग की परफॉर्मेंस रिपोर्ट की जारी:पंजाब में 10 साल में कॉलेज 14% बढ़े, पर दाखिलों में 28% गिरावट (punjabmedianews.com) October 21, 2022

पंजाब में हायर एजुकेशन विभाग की परफारमेंस की ताजा आडिट रिपोर्ट में कंट्रोलर एंड ऑडिट जनरल (कैग) ऑफ इंडिया ने अहम खुलासे किए हैं। पंजाब में 2010-11 में 973 कॉलेज थे जो कि 2019-20 में 1111 हो गए। इस तरह प्रति 1 लाख जनसंख्या पर 29 से 35 कॉलेज हैं।

कॉलेजों की संख्या में 14.18 फीसदी की बढ़ोतरी हुई है। कॉलेजों की डेंसिटी 20.69% बढ़ी लेकिन हकीकत ये भी है कि कॉलेजों में दाखिले 2010-11 से 2019-20 तक 28% घट गए हैं। पंजाब में कॉलेजों में 3 को ही नैक की रैंकिंग मिली।

कैग ने अपनी रिपोर्ट में सिफारिशों की हैं, जिनका पालन करके पंजाब सरकार हायर एजुकेशन में सुधार ला सकती है। हकीकत ये भी है कि 33 सब डिवीजनों में से केवल 17 में सरकारी कॉलेज हैं। जबकि 10 सब डिवीजनों में एक भी कॉलेज नहीं है। कैग ने दाखिलों में बढ़ोतरी व डियोग्राफिमल मैपिंग करके नए कॉलेज खोलने की सिफारिशों की हैं।

कैग ने मार्च 2021 से अगस्त 2021 तक पंजाब में 38 कॉलेजों का आडिट किया। इस आडिट में पंजाबी यूनिवर्सिटी पटियाला, जीएनडीपी अमृतसर, राजीव गांधी यूनिवर्सिटी शामिल रही है।

कैग ने पाया

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2015 से 2020 तक स्टेट मैरिट स्कालरशिप स्कीम में 632 स्टूडेंट्स को लाभ दिया गया। इस पर 7 लाख खर्च हुए।

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उक्त अवधि में पोस्ट मैट्रिक स्कालरशिप स्कीम में 3,36,624 स्टूडेंट्स को लाभ दिया गया। जिस पर 702 करोड़ रुपए खर्च हुए।

सिफारिश

एक डिवीजन में न्यूनतम 1 कॉलेज खोला जाए।

स्टूडेंट्स का दाखिला बढ़ाने के लिए प्लान बनाएं। यूनिवर्सिटीज में होस्टल की कैपेसिटी जरूरत के अनुसार अपग्रेड की जाए।

नैक के बैचमार्क के अनुसार सिलेबस बने।

अभी 49 स्टूडेंट्स के लिए 1 टीचर उपलब्ध है। जबकि 20 स्टूडेंट्स पर 1 टीचर होना चाहिए।

स्टेट लेवल क्वालिटी एश्योरेंस सैल बने। जो कि नैक की रैंकिंग से कॉलेजो को जोड़े।

टीचरों के पद 27 फीसदी से लेकर 54 फीसदी तक खाली पड़े हैं। इन्हें भरा जाए।

7 सब डिवीजनों में कॉलेज ही नहीं

कैग ने पाया कि 7 सब डिवीजन ऐसे थे जहां कॉलेज उपलब्ध नहीं है। वजह ये है कि पंजाब में जियोग्राफी कल मैपिंग करके तय नहीं हुआ कि कहां-

कहां पर कॉलेज खोलना है। सिर्फ सरकारी 3 कॉलेज नैक की रैंकिंग में हैं।

इसकी कमी की वजह है साफ्ट स्किल की कमी, टीचरों की कमी, प्री प्लेस में ट्रेनिंग नहीं होती, इंडस्ट्री के साथ सरकारी कॉलेजो का लिंक कमजोर। कॉलेजो में मैनेजमेंट इनफारमेशन सिस्टम की कमी है। कॉलेजो की मॉनिटरिंग और इवैल्यूएशन का सिस्टम नहीं है। जिससे शिक्षा में बराबरी, गुणवत्ता तथा प्रशासन प्रबंधन में कमियां हैं <https://punjabmedianews.com/india/punjab/jalandhar/cag-released-the-performance-report-of-higher-education-department/>

21. Viewing Policing From the Prism of A Modern India (risingkashmir.com) October 21, 2022

The humans, kept at the highest pedestal of evolution by 'Charles Darwin' the famous scientist known for his theory of 'Survival of the fittest' are always in a state of flux constantly trying to come to the grips of change wrought by the tide of time and events. Collectively forming a society, humans need peace of mind and a conducive atmosphere to progress. Disturbed and anarchic societies dissipate themselves to no end. Ordered to fall in line and conform to the change dynamics of the world requires an organization fit enough to ensure a sense of security, safety, and order in a society. This is where the role of police comes into play to shield, protect and direct the energies of a society in a constructive and calibrated manner. The term police has been derived from the Latin word 'Politia' which means the condition of a state. The term inter alia means a system of regulations for the preservation of order, and regulation of law of the land. Policing is the science of maintaining peace & order in an ever changing society as mentioned above. Therefore policing philosophy, methods and attention of those responsible for the policing of society remains uppermost in the minds of mandarins of power.

Hence the topic of my present write up which lays stress on policing as viewed from the prism of a modern India which has undergone tectonic changes since independence. History of Indian policing on modern lines dates back to the dawn of the 19th century. The idea of a regular police force as it exists today was never in consideration before the British period and for a considerable time even after the commencement of the rule. It was only in 1774 that 'Warren Hastings' introduced for the first time under the company's rule several measures for police reforms which lasted and later on culminated in the 'Police act of 1861'. This system was based on three major principles as under—

- The police must be completely separate from the army.
- They must act independently as a body.

-Assist the collectors in the administration of law and order in their area of responsibility.

Be that as it may, the 'National police day' is however celebrated every year on 21st of October with full pomp and show off course tinged with a sense of solemnity. It remembers the sacrifice of the 10 policemen who were martyred in the line of duty on the present eastern Ladakh boundary with our adversary i.e. China. At a place called as 'Hot springs' in eastern Ladakh located between 15000 to 16000 feet, on 20th October 1959 three parties of police were launched for an area reconnaissance mission. Two parties of this mission returned safely having executed their task with no sign of the third party. It fell to the lot of the third party a day after on 21st October 1959 to take up the onerous task of locating the missing persons. A strong team under DSP/DCIO Shri Karam singh left their base for the task but were caught off guard after some time by the Chinese army due to absence of any cover. Caught in the open the party was bombarded by Chinese grenades causing injury to 7 persons with 10 reported deaths. The bodies of these 10 dead Indian police men were detained by the Chinese and returned after 3 weeks of hectic negotiations at the Karakorum pass along with the injured personnel in a very bedraggled condition. They were later cremated with full dignity at Hot springs by the Indian police. It is pertinent to mention here that way back in the 50s the indo -China border management task was delegated to a mix of authorities with actual foot patrolling and surveillance being undertaken by the police forces under the ministry of Home Affairs and superintendence of these activities under the overall command of the MEA (Ministry of external affairs), not a healthy mix with China being the adversary across the Himalayas. It was only this incident and another one in the eastern sector at a place called as 'Longju' in 1959 that the GOI did a serious rethink of its border management policy prompting it to hand over the onerous task to the Indian army as such.

Cutting back to the present times the police is a state governed subject falling within the gambit of 7th schedule of List II of the constitution of India (1861 police act). State draw rules, regulations and guidelines for the police in the state police manual. The organization structure in the police forces of the country is fairly uniform in all the states which I will not dwell much into this article of mine. The reader is well aware of the command and control structure in our police forces too. In addition to the above each state has two streams of police forces i.e. the civil police and the state armed police force with the later augmenting the police effort in case of serious breach of security to include communal riots, major natural disasters often supplemented by the SDRF (State disaster relief force) as the case may be. The country has on its rolls a parallel police force in the form of CPOs i.e central police force to include ITBP, BSF, CRPF, Assam rifles, SSB to name a few with its remit and charter strictly under the purview of the central government. While India is renowned as the world's largest democracy, little is known about how it has managed police to such a large, complicated and unpredictable nation ready to erupt any moment on issues ranging from cow slaughter, Hindu- Muslim riots, and language divides, to farmer's agitation etc. Some of the problems being faced by the police forces in modern times of the country are –

Overburdened forces and vacancies

There are several vacancies in the state police forces and some CPOs which occur from time to time. If I take the data of the year 2020, then overall sanctioned strength of the force was little more than 25 lakhs with about 25% vacancies (625000). This high percentage of vacancies results into a very high problem of overworked officers on ground. Given India's low police strength per lakh population in comparison to international standards, each police officer is also responsible for a huge group of people. India's sanctioned strength of police is 181 per

lakh compared to the UN's suggested standards of 222 police per lakh of population. AS a result there is a pendency of cases in all the police stations of the countrysomething of the similar nature is happening at the supreme court of India.

Infrastructure

Modern policing methods necessitate effective communication, cutting edge or modern weapons and a high level, of mobility. On numerous counts the CAG and the BPRD (Bureau of police research and development) have found flaws. The weapons in use by the beat sentry on ground is a pathetic Lee Enfield .303 bolt action rifle which are no match to the sophisticated weaponry fielded by the ultras. Leaving aside the police of Jammu and Kashmir rest all the police forces are still grappling with their bolt action rifles. The CAG discovered that numerous police forces across the country had very lengthy and bulky purchasing procedure for the fire arms, resulting in scarcity of arms and ammunition. Police vehicles are in short supply with an equal short supply of good drivers on ground.

Pole Net (Police Telecommunication Network)

The central Govt had in 2002 sanctioned the project of POLENET for the country's police and paramilitary communication based on a satellite that will be a faster way of communicating with each other. Unfortunately that is lying in a state of dereliction and in a state of disuse in many states. The underutilization of money is a big red flagging done by the CAG.

Relationship between Police and the Public

Effective policing is very important to build trust between people and the public. More trust deficit has to be removed between the two parties to be of any use.

Investigation of Crime

Police forces of India still rely on the archaic system of investigation of a crime scene. This has to change. They do not have the necessary training to be armed for such a highly digital and sophisticated society as found obtained in our country nowadays. Mid-course transfers of police officers in a crime scene is another bane to be tackled head on to make the system more responsive.

Police Accountability

In a country as diverse like India the accountability chart is more or less absent from our police force. Constant political interference, threat of punishment postings, bad working conditions all combines to make the accountability factor a misnomer.

Some of the solutions which can be a panacea for the above ills could be the following:

- Community policing policy.
- Specialized investigating units.
- Limiting the political executive's superintendence over police forces.

Following the directions of supreme court's orders with regard to a case of Prakashsingh vs Union of India (2006) It says the following...

-Every state should have a state security commission to set policies regarding its police forces operations, review police performances, and ensure the state does not exert pressure on the force to exert undue influence.

-Police complaints authorities should be given more powers to have their say in such matters.

-Separate the investigative and law enforcement officers which are commonly intermixed.

-Have more integrated training of the paramilitary forces with in the area of their responsibility to avoid mass casualties which have been the order of the day in Mao infested areas.

The current state of affairs in the country calls for an integrated approach to sort out the multi level threats ranging from Jammu and Kashmir to Chhattisgarh to Nagaland and Manipur. All these estates have been in the throes of militancy for the last so many decades. Time for the police force to not waste time. As Kiran Bedi said....Those Who Don't Take Charge of Time, Time Lathi Charges Them.! <http://risingkashmir.com/viewing-policing-from-the-prism-of-a-modern-india>

22. 22.34% rise in Tamil Nadu's debt..!? CAG report..! (indiaherald.com) Oct 20, 2022

Tamil Nadu's debt has risen by 22.43 percent to Rs 5,18,796 crore in FY 2022-21, a report by the Auditor General of India released on Wednesday said. CAG reports Tamil Nadu avoids using capital receipts to raise sufficient funds for its revenue expenditure. It has also recommended to the government achieve the target set under the Tamil Nadu Fiscal Responsibility Act.

The capital Expenditure of Tamil Nadu in FY 2022-21 is Rs 36,902 Crore, and the fiscal deficit has been increased by borrowings taken by the State government to meet this. With this, the debt level of Tamil Nadu has increased by 22.43 percent. Similarly, the debt-gross domestic product ratio of the state is 26.94 percent. It should be 25.20 percent as per the provisions of the Tamil Nadu Fiscal Responsibility Act 2003, a report by the Auditor General of India suggested that this target should.

The CAG report also stated that if the Tamil Nadu government's extra-budgetary debt of Rs 633.99 crore is included, the debt-gross domestic product ratio will be 27.30 percent. Also, the annual revenue deficit was Rs 12,964 crore in 2016-17, and it will be Rs 62,326 crore in the financial year 2020-21. It has risen to Rs. Achieving the TNFR target of 25.20 percent is very difficult as Tamil Nadu's annual revenue deficit continues to rise.

The Tamil Nadu government is in a position to find ways, methods, and sectors to attract more revenue to address its revenue shortfall. If the government led by Stalin announced many schemes for the welfare of the people, it is imperative to manage the finances well. <https://www.indiaherald.com/Politics/Read/994543734/-rise-in-Tamil-Nadus-debt-CAG-report>

SELECTED NEWS ITEMS/ARTICLES FOR READING

23. The need for a fiscal council ([financialexpress.com](https://www.financialexpress.com)) October 21, 2022

The freebies debate has underscored the need for a body that keeps a check on the fiscal excesses of the Centre and the states

Prime minister Narendra Modi's comment over political parties resorting to promising freebies, such as free power and free transportation services, to get elected led to heated discussion. While the strategy of doling out freebies is politically attractive, it raises several questions on economic grounds. RBI's Annual State Finances Report 2021-22 noted that the state governments have managed to keep the gross fiscal deficit (GFD) less than the target of 3% for most of the last 15 years. There are three financial years in the last 15 years when the deficit exceeded the target—in FY10, due to the global financial crisis, and in FY16 and FY17, due to the power reforms. However, the fiscal scenario changed sharply during the 2020 pandemic as GFD touched 4.7% in FY21 and was expected to be 3.7% in FY22. The GFD has increased on account of declining growth in states taxes and lesser devolution of resources from the central government. On analysing the GFD of individual states, most states have overshoot the target of 3%.

Most state governments do not have the fiscal bandwidth to distribute basic public goods, much less freebies. However, the political scenarios have evolved in such ways that they are pushing political parties to promise freebies. The heated discussions have also brought the Supreme Court and the Election Commission of India to the podium as well. The EC even released a model code of conduct to political parties on promises made in election manifestos.

One institution that could have added insight is missing from the ongoing discussions as we do not have this—a fiscal council. Economists have written on the need for a fiscal council for a long time now, but the suggestion has been ignored by successive governments. A fiscal council is an agency created by the government to assess the sustainability of government finances, macroeconomic stability, and other official objectives. Such an agency periodically reviews the various government policies and publishes the assessment in the public domain for further discussion. As per the International Monetary Fund, 49 countries have fiscal councils as of 2021. Another statistic is that 105 countries have fiscal rules that are frameworks adopted by the governments to keep a check on their fiscal positions. This shows that while 100+ countries have adopted fiscal rules, only half of them have appointed fiscal councils to watch whether there is adherence to these rules. The pandemic tested both fiscal councils and fiscal rules as taxes declined and governments were forced into high expenditure, leading to significant deviation of the deficits and debt levels from the targets. Experiences also show that it is difficult to reverse the deviation, leading to multiple problems.

How does India compare on this front? Even India has a fiscal rule, in the form of the Fiscal Responsibility and Budget Management Act (FRBM Act), but there is no fiscal council. As a result, the government has found it much easier to first abandon the FRBM during the 2008 crisis and then not readopt it for a long time after the crisis was over. The FRBM was finally readopted in 2018, but in a much weaker avatar compared to the original. The fiscal council may not have prevented abandonment and weaker readoption of fiscal rule, but as a watchdog, it would have constantly pressurised the government to stick to the fiscal rules.

How does the fiscal council come into the freebies discussion? If there were a fiscal council, it could have studied the impact of freebies on different state budgets. Such an analysis would have added insights to the debates that are happening sans any fiscal arithmetic. There is one problem, however, when it comes to instituting a fiscal council in India. India already has a constitutional body in the form of the Finance Commission, whose role is to give recommendations on the distribution of tax revenues between the Union and the states, and amongst the states themselves. Ideally, the Finance Commission is perfectly placed to play the role of a fiscal council, given its expertise. However, it is a temporary body, reconstituted every five years. The Finance Commissions have suggested the creation of a permanent secretariat to keep analysing public finances of the Union and states and assist future commissions. But this has been ignored as the Union government fears it will keep a check on its fiscal action and only lead to more transfer of resources to the states. Having a new fiscal council outside of the Finance Commission will be like having a Monetary Policy Committee outside the central bank. It is high time that the government creates a fiscal council within the Finance Commission. The new body can then deliberate on the complex topic of the impact of freebies on public finance, as well as many other areas. <https://www.financialexpress.com/opinion/the-need-for-a-fiscal-council/2722822/>

24. India pushing for valuation of \$7.7 billion for state-owned IDBI Bank ([business-standard.com](https://www.business-standard.com)) October 21, 2022

India is pushing for a valuation of around 640 billion rupees (\$7.7 billion) for state-owned IDBI Bank Ltd. in what could be the biggest sale of the government's stake in a lender in decades

India is pushing for a valuation of around 640 billion rupees (\$7.7 billion) for state-owned IDBI Bank Ltd. in what could be the biggest sale of the government's stake in a lender in decades, according to a person familiar with the matter.

The government earlier this month invited bidders for a 60.72% stake in the Mumbai-listed lender. The valuation target means the administration is seeking a premium of roughly 33%, based on IDBI Bank's market value of about \$5.8 billion as of Thursday close.

Shares of IDBI Bank rose as much as 3% on Friday after the Bloomberg News report.

IDBI Bank's improved profitability could support the valuation target, said the person, who asked not to be identified as the information is confidential. Potential investors ranging from domestic and foreign banks to non-banking financial companies and private equity funds have expressed initial interest in the asset, the person added.

Bidders could get regulatory approvals and security clearances after November as the process proceeds, according to the person. A sale of the majority stake could be completed as soon as in the next fiscal year starting from April 1, the person said. The federal government and the state-owned Life Insurance Corp. of India together own about 95% in IDBI Bank.

A spokesperson for the finance ministry declined to comment.

The IDBI Bank stake sale is a test case for Prime Minister Narendra Modi, who has committed to divest from most large businesses India owns, and use the funds to bolster public finances. After years of trying, the government has only been able to privatize national carrier Air India

Ltd. and introduce outside backers to LIC, while its plans to sell refiner Bharat Petroleum Corp Ltd. hit a wall as bidders struggled to find partners.

The government has been slow in raising funds from disinvestment this year. The annual budget earmarked 650 billion rupees from asset sales for the current fiscal year, but it has raised just over a third of the target, primarily from the \$2.7 billion initial public offering of LIC in May.

Just four years ago, IDBI Bank had the highest bad-loan ratio among banks in the nation. Rakesh Sharma, the lender's chief executive officer, came out of retirement in 2018 to helm a revamp. About 195 billion rupees of bad debt could be recouped, Sharma said in an interview in August. The bank reported a 25% jump in net income from a year ago for the three months ended June. It's due to release its second-quarter earnings on Friday.

IDBI Bank was penalized by the central bank in 2017 with several restrictions on lending after its bad-loan ratio surged and capital ratios depleted. LIC acquired 51% of the lender in 2019 in a government bailout of the firm. The Reserve Bank of India removed sanctions on the bank last year paving the way for its proposed sale. https://www.business-standard.com/article/economy-policy/india-pushing-for-valuation-of-7-7-billion-for-state-owned-idbi-bank-122102100319_1.html

25. MoD plans to buy 1,000 spy copters, 80 mini aircraft (newindianexpress.com) 21 October 2022

In a bid to carry out seamless round-the-clock surveillance capability during the current dynamic volatile situation along the Northern Borders and Line of Control the Ministry of Defence intends to procure 1,000 Surveillance Copter with accessories through fast Track Procedure under Emergency Procurement and seeks participation in the procurement process from prospective Bidders subject to requirements in succeeding paragraphs. Another RFP has been issued to procure 80 Mini Remotely Piloted Aircraft (RPAs).

Explaining the urgency, the MoD said, "For surveillance needs of Indian Army, expeditious procurement of Surveillance Copter for meeting urgent operational requirement is an operation imperative, where undue/unforeseen delay is seen to be adversely impacting the capacity and preparedness of the Indian Army." Surveillance Copter is an ideal multi-sensor system, to carry out day and night, real-time reconnaissance and surveillance of an area of interest.

"The system will provide high-resolution imagery to enable target detection, recognition, identification and accurate location of adversaries' build up, mortars/ guns, movement of troops and vehicles during border management tasks and active operations," the RFP says. RFP is a process to elicit technical and financial responses from potential bidders.

The MoD has decided to apportion the quantity between L1 (first lowest bidder) and L2 (second lowest bidder) Bidder(s) in the ratio of 60:40 with L2 matching the negotiated price and terms & conditions of L1 vendor. In case L2 vendor does not agree to the price and terms and conditions quoted by/ negotiated with L1 vendor, the entire quantity shall be supplied by L1 vendor.

The Ministry of Defence, Government of India, intends to procure quantity 80 Mini Remotely Piloted Aircraft (RPA) System with Control and Communication Equipment for the Army

through Fast Track Procedure under Emergency Procurement and seeks participation in the procurement process from prospective Bidders subject to requirements in succeeding paragraphs. The bidder will have to provide week-long training at Leh.

IAF to get armed with new version of BrahMos by 2025

New Delhi: The Indian Air Force will get armed with the BrahMos NG (next generation) versatile supersonic cruise missile system by 2025. The missile is under the design and development stage with the infrastructure being created at Lucknow node of Uttar Pradesh Defence Corridor for setting up of missile-making units. BrahMos Aerospace GM (Air Version) Group Captain MK Srivastava (Retd) said: “We are looking for a range close to 300km and since we are still in the design stage there is a possibility of tweaking the range. It could be plus or minus three km here and there.” <https://www.newindianexpress.com/nation/2022/oct/21/mod-plans-to-buy-1000-spy-copters-80-mini-aircraft-2510401.html>

26. Takeaways from global hunger report

([thehindubusinessline.com](https://www.thehindubusinessline.com)) October 20, 2022

The Indian economy is typified by dualism. We can take credit for being the fastest growing economy. Our potential is vindicated by the large flows of foreign investment over the years. India will remain probably the top three fastest growing nations for at least another decade.

But we also have witnessed growing inequality where the disparity between the haves and have nots has exacerbated over time. The trickle-down theory has not quite worked.

There is impatience when it comes to achieving something new — roads, technology, high speed trains and the like. In this haste we tend to ignore the concept of quality of life. This is what is reflected in the Global Hunger Report.

The indignation expressed over the GHR (an index where India has been ranked 107 out of 121 with a ‘serious’ malnutrition score) is probably justified. The report is based on a survey of 3,000 people which may not be representative of the true picture. But then even the Ease of Doing Business ranking (which has been withdrawn due to methodological issues), that gave us a big promotion to 63 in 2019, had a sample of less than 100. So clearly all these methodologies have limitations.

Need for introspection

But we need to do some introspection to address the issue, as a country that has made remarkable strides in growth numbers, the trickle down effects are weak. The silver lining is that with effective policies we can tackle the problem.

It has been counter-argued that the government has been spending a lot on welfare which is true. There is the PM Kisan scheme where cash is transferred and the PMGKAY scheme which has provided support to over 800 million people in the last two years and continues to do so. The challenge is to make this money work better.

The GHR looks at the level of malnutrition (across population) and associated height and weight of children besides infant mortality. A theorist would question the criteria as these

variables are related to each other and hence involves multiple counting. Yet the question to be asked is whether we can do better.

The onus is really on all three levels of government — Centre, States and local (municipals or panchayats) to ensure that delivery of a food package is available to all children. This is important because the country does have the advantage of a favourable demographic composition. A prerequisite for earning any dividend from this transition is a healthy young population. We do have some effective templates which are already being implemented in some States.

Mid-day meals

First, States such as Maharashtra, Tamil Nadu, Andhra Pradesh have been running a mid-day meal scheme for children which have made an impact. The idea is to spread this scheme to all States. In fact, it may make sense for the Finance Commission to specify a proportion of the Budget to be allocated for mid-day meal schemes.

Alternatively if it is Centrally sponsored, it can be earmarked for this purpose. The meals must adhere to strict quality norms linked with calorie intake, where the frequency can be increased to twice a day.

Second, the Centre can consider revamping the PM-Kisan Scheme where annual outlays are around ₹60,000-68,000 crore. Around half of this allocation should be set aside for promotion of nutrition for children through a meal scheme that covers all government-run schools. The panchayats can be assigned the task of providing meals in the homes of the children who do not go to school.

Third, it is mandatory for corporates to keep aside 2 per cent of profits for CSR. They usually channelise funds to schools where water coolers or computers are provided. This has added value for sure.

As part of this exercise of improving nutrition levels of children, an alternative could be to map all corporates involved in schools to deploy this 2 per cent of profits to specific schools in remote areas and tie up with kitchens which provide the meals.

The government would also be helping to set up kitchens formally across the country that would cater to these requirements. Despite the methodological shortcomings, there may, after all, be some useful takeaways from the GHR. <https://www.thehindubusinessline.com/opinion/takeaways-from-global-hunger-report/article66037137.ece>

27. Global Hunger Index: A lesson in how not to measure hunger ([indianexpress.com](https://www.indianexpress.com)) October 21, 2022

The world seems to have gone index-happy. Happiness Index, Ease of Doing Business Index, Calmness Index, you name it. The problem with this mini-industry of index creation is that it has the potential to both influence government action and generate aggressive pushback. The experience with the Global Hunger Index provides a salutary lesson in the latter.

Recently, Concern Worldwide released the Global Hunger Index. India ranked 107 out of 123 countries, dropping from the rank of 101 in 2021. The government has responded sharply to the publicity surrounding this, rejecting the methodology employed by the researchers and noting the substantial efforts made by the government to improve access to foodgrains by India's poor. The rebuttal by the government rests on valid grounds — about a third of the index rests on the Food and Agricultural Organisation's estimates of the proportion of undernourished in the population. Digging deep, we see that these estimates are based on Gallup World Poll's survey of 3,000 households in India (and 1,000 households in smaller countries).

In addition to its small size, the Gallup sampling methodology does not follow the usual processes used in India. This suggests a need to evaluate the representativeness of the sample. Unfortunately, we cannot easily do this because the underlying data are located behind a paywall. To ensure transparency, it is essential that international agencies only use data that are freely available in the public domain along with key characteristics such as education, residence and age of the respondents. In this case, the uncritical use of questions is particularly problematic because FAO has not released standard errors for their estimates, making it difficult for us to evaluate whether the growth in the proportion of households experiencing hunger in India, from 14.8 per cent in 2013-15 to 16.3 per cent in 2019-21, is statistically significant. This is very important given the difficulties in collecting data during the pandemic.

However, quibbles about this one indicator obfuscate the larger question: Is this index genuinely measuring hunger, or is it lumping together various indicators with only a weak relationship with hunger? The index rests on four indicators: Proportion of undernourished in the population, under-five mortality rate, prevalence of stunting (low height-for-age) and wasting (low weight-for-height) in children under five. The last three indicators come from the National Family Health Survey for India. Proportion undernourished and child mortality contribute 1/3 each to the index, while stunting and wasting contribute 1/6 each.

How good are these indicators in picking up on hunger? While the first, if well collected, could presumably identify the proportion experiencing hunger, the latter three are only partially related to hunger.

Child mortality depends heavily on a country's disease climate and public health systems. Today, 40 of 1,000 children in India die before their fifth birthday; 27 of these deaths occur in the first month of life. This suggests that many child deaths are associated with conditions surrounding birth, congenital conditions, or delivery complications. These are not necessarily markers of hunger.

Similarly, the relationship between stunting (low height-for-age), wasting (low weight-for-height), and hunger is not apparent. As UNICEF notes in an article titled 'Stop Stunting', poverty is not a clear cause of stunting as there are stunted children even among the wealthiest households. Various factors contribute to stunting, such as infant and child care practices, hygiene, dietary diversity and cultural practices surrounding maternal diet during pregnancy. Food insecurity contributes to child stunting, but its relative importance in determining stunting is not established. Wasting is associated with both recent illnesses and low food intake. The two are closely related; children suffering from diarrhoea are less likely to eat, and poor nutritional status makes them more susceptible to disease.

Thus, while all three indicators of child health are related to poor food intake, none of them is solely determined by hunger. Moreover, trends in all three reflect somewhat different patterns. Between 1998-99 and 2019-21, National Family Health Survey 2 and 5 show that the child mortality rate fell from 95 deaths per thousand to 40 per thousand. This is a significant improvement attributable to improved immunisation coverage and increased hospital delivery. Child stunting decline was also substantial, from 51.5 per cent to 35.5 per cent, possibly due to improved water and sanitation systems. Wasting has not changed, barely budging from 19.5 per cent to 19.3 per cent.

Despite this progress, we need to continue our effort to reduce child mortality and find ways of reducing stunting and wasting. However, whether the reduction in hunger is either necessary or sufficient to improve nutrition remains unclear.

In an intriguing article published in 2009, Angus Deaton and Jean Dreze try to reconcile these puzzles and find that average caloric intake has severe limitations as a nutrition indicator. They argue that “close attention needs to be paid to other aspects of food deprivation, such as the intake of vitamins and minerals, fat consumption, the diversity of the diet, and breastfeeding practices.” My research using data from the India Human Development Survey, organised by the National Council of Applied Economic Research and the University of Maryland, supports this. This study found that holding household incomes constant, with access to the public distribution system, skewed consumption towards cereals, reduced dietary diversity, and failed to improve anthropometric outcomes.

Thus, the Global Hunger Index is riddled with inadequate and poorly described data and a lack of conceptual clarity. The problem with indices of this type is that it directs governmental attention to cross-national comparisons, sometimes resulting in the rejection of underlying issues and sidetracking the public discourse. In a way, this episode illustrates the concern that Amartya Sen, one of the principal consultants to the Human Development Report, 1990, expressed. He has argued that concentrating too much on the Human Development Index or any other index would be a great mistake. The Global Hunger Index is one example in which the weapon has backfired, detracting attention from the very real challenges of improving nutrition and reducing child mortality. <https://indianexpress.com/article/opinion/columns/global-hunger-index-a-lesson-in-how-not-to-measure-hunger-8221721/>