

NEWS ITEMS ON CAG/ AUDIT REPORTS (29.09.2022)

1. What needs to be done to bring path-breaking efficiencies in public spending in India (economictimes.indiatimes.com) 29 Sep 2022

In the present public accounting system, which has largely remained unchanged since Independence, the funds against sanctioned budgets are sent from the central to state governments in periodic intervals, ahead of any actual expenditures being incurred by the latter, or on the submission of a statement by the state in the form of a utilisation certificate (UC).

PUBLIC FINANCIAL MANAGEMENT

Spending Wisely, Clearly



Indira Iyer & Soumi Roy Chowdhury

With the recent launch of the Single Nodal Account (SNA) dashboard by Nirmala Sitharaman, reforms in public financial management systems (PFMS) using digital innovations are getting mainstreamed. SNA significantly enhances the effectiveness of the fund-flow architecture of the ₹4.43 lakh crore of centrally sponsored schemes (CSS), or about 11.2% of the 2022-23 Union budget. This digital innovation is key to implementing transparent expenditure flows and, more importantly, to enable 'just-in-time' release of money from the consolidated funds to the implementing agencies and beneficiaries.

In the present public accounting system, which has largely remained unchanged since Independence, the funds against sanctioned budgets are sent from the central to state governments in periodic intervals, ahead of any actual expenditures being incurred by the latter, or on the submission of a statement by the state in the form of a utilisation certificate (UC). In accounting parlance, once money moves from the consolidated funds, it gets booked as GoI's 'final' expenditure. Similarly, state governments, too, book these as 'final' expenditure once they have been further disbursed. In this system, several challenges arise, both in the accounting and accountability of these public funds:

► **Utilisation certificate:** A UC is a document certifying that an expenditure has been incurred. Currently, UCs are themselves based on manual reporting of accounts, not digitally auto-generated in tandem with the expenditure. More importantly, UCs report aggregated figures with no traceable details of actual expenditures incurred. Many states do not even submit UCs for some portion

of the public money spent.

The State Finances Audit Reports of the Comptroller and Auditor General (CAG) point out that as of March 2020, UCs close to ₹5 lakh crore remained outstanding in 28 states and Union territories. Also, the traceability of money is also lost as over one-fourth of expenditure in several states is classified as 'other expenditures', an opaque classification.

► **Fund-floats:** Tracking of public funds lying idle, typically referred to as 'parking' of funds or fund-floats. Substantial funds float across all levels of government — at the GoI level, in the personal deposit and personal ledger accounts of state governments, at the local government level — which is likely to have significant development costs. There is still no systematic way of tracking and measuring the extent of this development cost.

Over the past few years, more efforts have been made to address these issues. Greater efficiencies have now also been built into public spending through the Direct Benefit Transfer (DBT) programme and reforms in PFMS. The newly introduced SNA would also improve efficiencies through 'just-in-time' funding.

Under SNA, all government entities spending money would have zero-balance subsidiary accounts with predefined drawing limits to draw funds against actual expenditures in real time, as and when payments are to be made to the beneficiaries and vendors. This would also lead to the generation of automated UCs with greater details of the public money spent. SNA would enhance the fund-flow tractability in real time and potentially reduce fund-floats.



Visibility is all

Digital innovations need to organically link all transactions along the expenditure chain, from budgeting to sanctions, raising of invoices, approvals and payments, and monitoring. Simultaneously, data standards and metadata registries would need to be put in place. These accounting reforms were recommended by former CAG Rajiv Mehrishi, who advised the president, under Article 150 of the Constitution, to pass an enabling legislation called the Digital Accountability and Transparency Act (DATA).

To address these and related issues in public expenditure management, in consultation with domain experts, we have developed an actionable roadmap under the Digitalisation for Public Expenditure Accountability and Transparency (d4PEAT) framework. Under d4PEAT, the public expenditure reform process is placed under four broad thematic areas:

- The integrity of the accounting framework.
- The efficiency in processes.
- The payments architecture (in which 'just-in-time' funding and SNA are an integral part).
- The setups for institutional transparency, along 14 different dimensions, to bring about greater comparability, tractability, accountability and transparency in public spending.

Unlike the more big-bang reforms in public revenue management, particularly with the roll-out of the various Goods and Services Tax Acts in 2017, reforms in public expenditure management have been more stand-alone initiatives and iterative, both at the central and state government levels. A concerted effort to move the needle for reforms in public expenditure management would need efforts similar to those related to GST, as well as political concurrence at all levels of government. If these efforts are well-coordinated, they will bring about path-breaking efficiencies in public spending in India.

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<https://economictimes.indiatimes.com/opinion/et-commentary/view-what-needs-to-be-done-to-bring-path-breaking-efficiencies-in-public-spending-in-india/articleshow/94517386.cms>

2. **Universal access to electricity** (sentinelassam.com) 29 Sep 2022

Every single household in the country has an electricity connection and an uninterrupted power supply is critical for ensuring inclusive growth. The Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme for rural electrification and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) for providing electricity connections to all households in both rural and urban areas - are two flagship schemes articulated by the Central Government to achieve this goal. A significant increase in the number of electrified households in Assam under these two schemes has changed lives for the better for the beneficiary households. The study hours have increased due to the availability of power supply in the evening or at night, monthly expenditure incurred on operating the generator sets, diesel pumps have reduced due to comparably low electricity charges, the security at night has improved with the availability of power reducing possibilities of theft of livestock, household goods, are some of the benefits listed in an audit report of the Comptroller and Auditor General. The CAG report, however, has brought to light critical gaps in the implementation of the schemes that need to be bridged to achieve the optimal achievement of the objectives. The report highlights that there were 2,339 unelectrified villages and 24,056 partially electrified villages in the State as on 31 December 2014 (before the launch of the DDUGJY scheme), while the number of un-electrified households in the State as on October 10, 2017, before the launch of the SAUBHAGYA scheme was 24,10,348 (46.45% of the total households). The implementation of the scheme has led to an increase in the number of households having electricity connection to 45,59,833 (87.88 per cent of total households) by March this year. However, the CAG investigation found that the devil is in the details. The CAG authorities alleged that the Assam Power Distribution Company Limited (APDCL) which implemented both the schemes in the state, failed to achieve the DDUGJY objective of optimum rostering of power between agricultural and non-agricultural consumers due to no segregation of agricultural feeders. The DDUGJY scheme envisaged separating agricultural and non-agricultural feeders so that it would be possible to provide increased hours of power supply to non-agricultural consumers and assured power supply to agricultural consumers. The APDCL authorities in their reply to audit objections argued that Assam being an agricultural state, most of the feeders except town feeders feed power to the agricultural areas in the state but the CAG authorities provided a counterargument that feeders feeding power to agricultural areas also cater to the needs of domestic, commercial, industrial consumers which are non-agricultural. Strengthening and augmentation of sub-transmission and distribution infrastructure in rural areas, including metering at distribution transformers, feeders and consumers' ends are also included in the objectives of the scheme achieving which is crucial to enhance access to quality power supply for rural households. Apart from providing last mile connectivity to all unelectrified households, the SAUBHAGYA scheme envisages providing Solar Photovoltaic (SPV)-based standalone system for unelectrified households located in remote and inaccessible villages/habitations, where grid extension is not feasible or cost-effective. A huge advantage for Assam in the implementation of the schemes is that 85 per cent of funding is provided by the Central government as a grant. The CAG inspection found anomalies, besides financial issues, in the installation of standalone SPV systems in

346 villages such as the maintenance of the systems being a major issue, systems in some villages not working due to defects in battery/charge controller/solar panels causing power failure, non-availability of technicians of the agency which was awarded the installation work. "Monitoring mechanism for ensuring quality though in place, could not keep pace with the progress of works and resultantly, there were delays in exercising significant and appropriate checks making the monitoring process largely ineffective. Further, there was lack of monitoring on the part of the SLSC (State Level Standing Committee) to sort out issues causing delay incompletion of projects," states the report. The APDCL and the State government acting on the recommendations made by the CAG authorities in the report can help necessary course corrections for smooth implementation of the two schemes. The recommendations include chalking out a necessary plan to take up feeder segregation works for optimum rostering of power supply between agriculture and non-agricultural feeders; strictly following the guidelines and instructions relating to procurement, adhering to prescribed execution to achieve maximum benefits from the schemes and strengthening the monitoring mechanism at the top level to ensure timely execution of quality works. Universal access to affordable, reliable and modern energy services by 2030 is one of the major Sustainable Development Goals set by the United Nations. The DDUGJY and SAUBHAGYA being the two flagship schemes for universal access to electricity in the country, the APDCL ensuring smooth and anomaly-free execution of the two schemes in the state is crucial for the country to achieve the SDG goal. <https://www.sentinelassam.com/editorial/universal-access-to-electricity-615436>

3. Steep rise in food poisoning cases after eating mid-day meals this year: Data (downtoearth.org.in) Sep 28, 2022

Some 979 school students have suffered food poisoning after eating mid-day meals in the first nine months of 2022, according to government data.

The data has been collected by the Union government under the Integrated Disease Surveillance Programme (IDSP), a major health programme that is part of the National Health Mission.

Some 120 students from schools in Karnataka, Andhra Pradesh and Bihar have suffered food poisoning in the last 90 days. These figures are the highest in the last six years.

Schools across the country have now totally eased COVID-19 restrictions and children are being given cooked meals under the mid-day meals scheme. During 2020 and 2021, food grains were given in lieu of cooked food under the scheme.

Some 9,646 cases of food poisoning were reported between 2009 and 2022, data from the IDSP showed.

The highest number of victims between 2009 and 2022 were in Karnataka (1,524), Odisha (1,327), Telangana (1,092), Bihar (950) and Andhra Pradesh (794).

In 2016, 247 students fell ill after consuming khichdi (rice-and-lentils gruel) as a mid-day meal at the zilla parishad school in a village in Maharashtra's Palghar district.

Maharashtra reported 232 cases of food poisoning among school students who had partaken mid-day meals between 2009 and 2022.

The Comptroller and Auditor General of India (CAG) has audited many states in the last decade and has given many reasons for the instances of food poisoning. These include poor infrastructure, inadequate inspections, irregular licences, lack of proper feedback and others.

In 2019, the CAG found that the Food Safety and Standards Authority of India did not inform doctors in Madhya Pradesh to report cases of food poisoning.

The CAG also said in its report that the state's commissioner of food safety did not have information about the cases of food poisoning during the period 2014-19. Some 110 cases of food poisoning were reported in August 2014 at a school in Hoshangabad district, the CAG noted.

These were not recorded by the administration and as a result, no action was taken against those responsible for preparing the food.

The CAG found in 2015-16 that around 14,500 schools in Madhya Pradesh did not have kitchen sheds to prepare mid-day meals. In 2016, 40 per cent of schools in Arunachal Pradesh did not have sheds.

In Chhattisgarh, the CAG found in its survey that in 8,932 schools, the mid-day meal was cooked in unhygienic conditions in open areas.

The minimum temperature of food should be 65 degrees Celsius when it is served to students. The CAG observed in 2018 that the food served by non-profits at schools in Gujarat's Valsad district was not hot and none of the schools the CAG visited had the facility to conduct temperature checks.

The CAG also found that there was an 80 per cent shortage of staff in five districts of the state. In 2014, the CAG found that many schools in Jharkhand did not have a grievance redressal mechanism. So, people did not know as to where they could file a report about children falling ill.

In 2017, the CAG in Himachal Pradesh found that licences and registration certificates were given to 97 and 100 per cent of food business operators, respectively, without inspecting their premises. <https://www.downtoearth.org.in/news/governance/steep-rise-in-food-poisoning-cases-after-eating-mid-day-meals-this-year-data-85177>

STATES NEWS ITEMS

4. CAG report: UPEIDA purchased land for Lucknow-Agra expressway at higher rates in Kannauj (moneycontrol.com) 28 Sep, 2022

For the construction of the Lucknow-Agra expressway, the Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) made excess payment of

Rs 3.65 crore due to execution of sale deeds at higher than approved rates for the purchase of land in Kannauj district, a CAG report has revealed.

The Comptroller and Auditor General (CAG) has suggested the Uttar Pradesh government to investigate and fix responsibility in the matter that took place in 2014 as highlighted in its compliance audit report for the year ended March 2020.

The report, accessed by PTI, was tabled during the recently-concluded monsoon session of the state assembly. The Uttar Pradesh government's order (September 2013) provides that according to the general policy to acquire land for all projects, the land will be directly purchased on the basis of agreement between the landowners and acquiring bodies, the CAG noted.

The compensation for purchase of land for road or expressways projects will be decided by the District Level Rate Fixation Committee (Committee) headed by the District Magistrate of the districts concerned and the rates will be fixed through mutual consent based on prevalent market rate and other related information, it stated. "Further, the Committee will send these rates to the acquiring body with its recommendation for approval, the auditor noted.

UPEIDA, the acquiring body for the land to be used in the construction of the Lucknow-Agra Expressway, was required to comply with procedures defined in the government order. The report noted that the UPEIDA, in its 22nd board meeting (June 17, 2014), authorised its chief executive officer (CEO) to approve the rates decided by the Committee on which the land was to be purchased.

The Committee of District Kannauj finalised (July 2, 2014) the rates (four times of the prevalent circle rates of village concerned for general agricultural land and agricultural land adjacent to population) of land for 50 villages required for the construction of the Lucknow-Agra Expressway. The CEO of UPEIDA approved (July 7, 2014) the rates recommended by the Committee, it added.

"During test check of records, the audit noticed (August 2019) that UPEIDA purchased land in seven villages in Kannauj district and in contravention to the provisions of government order (September 2013), executed 88 sale deeds at the rates higher than that recommended by the Committee and approved by the CEO of UPEIDA, on the grounds that these lands were adjacent to road, the CAG report noted. "The district magistrate of Kannauj in a letter (January 5, 2021) addressed to the CEO, UPEIDA mentioned the fact that in the sale deeds executed, there was no mention about existence of road in 'chauhaddi' hence, these sale deeds were executed on higher circle rate than approved circle rate for which UPEIDA's approval was required but was not taken in these cases.

"Resultantly, UPEIDA paid an excess land value amounting to Rs 3.65 crore to the landowners, it noted. Further, the audit scrutinised sale deeds and noticed that in 40 out of the 88 sale deeds, there was no mention of any road and also acquired land was surrounded (Chauhaddi) by agricultural land only, according to the report.

In the remaining 48 sale deeds, there was a mention of the road, however, these were also surrounded by the agricultural land. But, in none of these 48 cases, pucca

(asphalted) road was shown in the revenue maps prepared (October 2013) for the acquisition of land for the expressway, the CAG noted. UPEIDA, in its reply (May 2021), said the amount of difference in rates was due to the difference in amount of the circle rate for agricultural land and the land situated on the road, according to the report.

"The government needs to investigate the matter for executing the sale deeds at the higher rates and fix the responsibility for the same. The matter was reported to the government (March 2021). The reply is awaited (November 2021), the CAG stated. <https://www.moneycontrol.com/news/business/cag-report-upeida-purchased-land-for-lucknow-agra-expressway-at-higher-rates-in-kannauj-9245491.html>

5. CAG रिपोर्ट में खुलासा, लखनऊ-

आगरा एक्सप्रेसवे के लिए महंगी दरों पर जमीन खरीदी गई, कन्नौज में हुआ खेल
(navbharattimes.indiatimes.com) Updated: 29 Sept 2022

नोएडा: नियंत्रक एवं महालेखा परीक्षक (CAG) की एक रिपोर्ट के अनुसार उत्तर प्रदेश एक्सप्रेसवे औद्योगिक विकास प्राधिकरण (UPEIDA) ने लखनऊ-

आगरा एक्सप्रेसवे के निर्माण के लिए कन्नौज जिले में भूमि खरीद के सिलसिले में बैनामे की स्वीकृत राशि से 3.65 करोड़ रुपये अधिक धनराशि का भुगतान किया। कैग ने उत्तर प्रदेश सरकार को साल 2014 में हु ए इस मामले की जांच करने और जिम्मेदारी तय करने का सुझाव दिया है। कैग ने मार्च 2020 में समाप्त वर्ष के लिए अपनी अनुपालन लेखापरीक्षा रिपोर्ट में इस मामले पर प्रकाश डाला है। 'पीटीआई-भाषा' को मिली यह रिपोर्ट हाल में समाप्त हुए विधानसभा के मॉनसून सत्र में पेश की गई थी। कैग की रिपोर्ट में कहा गया है कि उत्तर प्रदेश सरकार के (सितंबर 2013 के) आदेश में प्रावधान है कि सभी परियोजनाओं के लिए भूमि अधिग्रहण की सामान्य नीति के अनुसार, भूमि मालिकों और अधिग्रहण निकायों के बीच समझौते के आधार पर सीधे तौर पर जमीन खरीदी जानी चाहिए।

रिपोर्ट में कहा गया है कि सड़क या एक्सप्रेसवे परियोजनाओं के उद्देश्य से भूमि क्रय के लिए मुआवजे का निर्धारण संबंधित जिलों के जिला मजिस्ट्रेट की अध्यक्षता वाली जिला स्तरीय दर निर्धारण समिति (समिति) द्वारा किया जाना चाहिए और दरें प्रचलित बाजार दर व अन्य संबंधित जानकारी के आधार पर आपसी सहमति से तय की जानी चाहिए। कैग ने कहा,

“इसके अलावा, समिति को इन दरों को अनुमोदन के लिए अपनी अनुशंसा के साथ अधिग्रहण निकाय को भेजना चाहिए। ”

रिपोर्ट में कहा गया है कि यूपीईआईडीए ने (17 जून, 2014 को) अपने बोर्ड की 22वीं बैठक में मुख्य कार्यकारी अधिकारी (सीईओ) को उस समिति द्वारा तय की गई दरों को मंजूरी देने के लिए अधिकृत किया, जिस पर जमीन खरीदी जानी थी। कन्नौज जिला समिति ने (2 जुलाई को) लखनऊ-

आगरा एक्सप्रेसवे के निर्माण के लिए 50 गांवों में आवश्यक भूमि की दरें (सर्किल दरों से चार गुना अधिक) तय कीं। रिपोर्ट में कहा गया है कि यूपीईआईडीए के सीईओ ने (सात जुलाई, 2014) को समिति की अनुशंसा को मंजूरी दे दी।

कैग की रिपोर्ट में कहा गया है,

"(अगस्त 2019 में) अभिलेखों की जांच में पता चला कि यूपीईआईडीए ने (सितंबर 2013) के सरकारी आदेश का उल्लंघन करते हुए कन्नौज जिले के सात गांवों में जमीन खरीदी। इसके बाद समिति द्वारा अनुशसित और यूपीईआईडीए के सीईओ से मंजूरशुदा दरों से अधिक दरों पर 88 बैनामे कराए। तय दरों से अधिक दरों पर बैनामे कराने का कारण यह बताया गया कि ये भूमियां सड़क से सटी हुई हैं।

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6. लखनऊ-आगरा एक्सप्रेसवे बनाने के दौरान हुई गड़बड़ी?

CAG रिपोर्ट से जमीन सौदे पर उठे सवाल (uptak.in) 28 Sep, 2022

नियंत्रक एवं महालेखा परीक्षक (कैग) की एक रिपोर्ट के अनुसार उत्तर प्रदेश एक्सप्रेसवे औद्योगिक विकास प्राधिकरण (यूपीईआईडीए) ने लखनऊ-

आगरा एक्सप्रेसवे के निर्माण के लिए कन्नौज जिले में भूमि खरीद के सिलसिले में बैनामे की स्वीकृत राशि से 3.65 करोड़ रुपए अधिक धनराशि का भुगतान किया।

कैग ने उत्तर प्रदेश सरकार को साल 2014 में हुए इस मामले की जांच करने और जिम्मेदारी तय करने का सुझाव दिया है। कैग ने मार्च 2020 में समाप्त वर्ष के लिए अपनी अनुपालन लेखापरीक्षा रिपोर्ट में इस मामले पर प्रकाश डाला है।

‘पीटीआई-भाषा’ को मिली यह रिपोर्ट हाल में समाप्त हुए विधानसभा के मॉनसून सत्र में पेश की गई थी।

कैग की रिपोर्ट में कहा गया है कि उत्तर प्रदेश सरकार के (सितंबर 2013 के) आदेश में प्रावधान है कि सभी परियोजनाओं के लिए भूमि अधिग्रहण की सामान्य नीति के अनुसार, भूमि मालिकों और अधिग्रहण निकायों के बीच समझौते के आधार पर सीधे तौर पर जमीन खरीदी जानी चाहिए।

रिपोर्ट में कहा गया है कि सड़क या एक्सप्रेसवे परियोजनाओं के उद्देश्य से भूमि क्रय के लिए मुआवजे का निर्धारण संबंधित जिलों के जिला मजिस्ट्रेट की अध्यक्षता वाली जिला स्तरीय दर निर्धारण समिति (समिति) द्वारा किया जाना चाहिए और दरें प्रचलित बाजार दर व अन्य संबंधित जानकारी के आधार पर आपसी सहमति से तय की जानी चाहिए।

कैग ने कहा,

“इसके अलावा, समिति को इन दरों को अनुमोदन के लिए अपनी अनुशंसा के साथ अधिग्रहण निकाय को भेजना चाहिए।” रिपोर्ट में कहा गया है कि यूपीईआईडीए ने (17 जून,

2014 को) अपने बोर्ड की 22वीं बैठक में मुख्य कार्यकारी अधिकारी (सीईओ) को उस समिति द्वारा तय की गई दरों को मंजूरी देने के लिए अधिकृत किया, जिस पर जमीन खरीदी जानी थी।

कन्नौज जिला समिति ने (दो जुलाई को) लखनऊ-

आगरा एक्सप्रेसवे के निर्माण के लिए 50 गांवों में आवश्यक भूमि की दरें (सर्किल दरों से चार गुना अधिक) तय कीं। रिपोर्ट में कहा गया है कि यूपीईआईडीए के सीईओ ने (सात जुलाई, 2014) को समिति की अनुशंसा को मंजूरी दे दी।

कैग की रिपोर्ट में कहा गया है,

'(अगस्त 2019 में) अभिलेखों की जांच में पता चला कि यूपीईआईडीए ने (सितंबर 2013) के सरकारी आदेश का उल्लंघन करते हुए कन्नौज जिले के सात गांवों में जमीन खरीदी।

इसके बाद समिति द्वारा अनुशंसित और यूपीईआईडीए के सीईओ से मंजूरशुदा दरों से अधिक दरों पर 88 बैनामे कराए। तय दरों से अधिक दरों पर बैनामे कराने का कारण यह बताया गया कि ये भूमियां सड़क से सटी हुई हैं।

रिपोर्ट में कहा गया है,

'कन्नौज के जिलाधिकारी ने यूपीईआईडीए के सीईओ को संबोधित करते हुए (5 जनवरी, 2021) को एक पत्र लिखा, जिसमें उन्होंने इस तथ्य का उल्लेख किया कि बैनामों में, जमीन की 'चौहद्दी' में सड़क के अस्तित्व के बारे में कोई उल्लेख नहीं था, इसलिए ये बैनामे मंजूरशुदा सर्किल दरों से अधिक दरों पर किए गए। इनके लिए यूपीईआईडीए की मंजूरी ली जानी चाहिए थी, लेकिन ऐसा नहीं किया गया।'

कैग के मुताबिक,

'परिणामस्वरूप, यूपीईआईडीए ने भूस्वामियों को 3.65 करोड़ रुपये की अतिरिक्त धनराशि का भुगतान किया।' <https://www.uptak.in/apna-up/cag-report-upeida-buys-land-for-lucknow-agra-expressway-at-higher-rates>

7. यूपी: यमुना एक्सप्रेसवे प्राधिकरण ने रिकॉर्ड में अनुपलब्ध भूखंड के लिए भुगतान किया- रिपोर्ट (thewirehindi.com) Sep 28, 2022

नोएडा: उत्तर प्रदेश सरकार के यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण (यीडा) ने 2015 में गौतम बुद्ध नगर में एक भूखंड खरीदा था, लेकिन भूमि रिकॉर्ड का सत्यापन नहीं करने के चलते उसे 2.71 करोड़ रुपये का नुकसान हुआ। नियंत्रक एवं महालेखा परीक्षक (कैग) की एक रिपोर्ट में यह खुलासा हुआ है।

साथ ही, कैग के मार्च 2020 को समाप्त हुए वित्त वर्ष के लिए ऑडिट रिपोर्ट में यह खुलासा किया गया है कि प्राधिकरण ने रिकॉर्ड में अनुपलब्ध भूखंड की खरीद पर 'स्टांप' शुल्क के रूप में 10 लाख रुपये खर्च किए थे।

हाल में उत्तर प्रदेश विधानसभा के पटल पर रखी गई रिपोर्ट में कहा गया है कि उत्तर प्रदेश पावर ट्रांसमिशन कॉर्पोरेशन लिमिटेड ने (जून 2012 को) प्राधिकरण से 765 केवी की क्षमता वाले सब-स्टेशन के निर्माण के लिए यमुना एक्सप्रेसवे के नजदीक गौतम बुद्ध नगर के जहांगीरपुर गांव में 75 एकड़ जमीन आवंटित करने का अनुरोध किया था।

सब-

स्टेशन के लिए जमीन खरीदने की प्रक्रिया प्राधिकरण के अधिकारियों ने शुरू की और इस सिलसिले में एक प्रस्ताव को उसी महीने तत्कालीन मुख्य कार्यकारी अधिकारी (सीईओ) ने मंजूरी प्रदान की।

प्राधिकरण ने (दिसंबर 2012 से दिसंबर 2015 तक) 150 खसरा में विस्तारित 54.365 हेक्टेयर जमीन के लिए बैनामा किया।

कैग की रिपोर्ट में उल्लेख किया गया है,

‘ऑडिट में पाया गया कि राजस्व रिकॉर्ड के 150 खसरा में 17 खसरा 6.3990 हेक्टेयर था। हालांकि, प्राधिकरण ने भूमि रिकॉर्ड में वास्तविक रूप से उपलब्ध क्षेत्र को नजरअंदाज किया, या जिला पदाधिकारी द्वारा सौंपी गई सत्यापन रिपोर्ट की अनदेखी की और इस 17 खसरा से जुड़े बैनामा के जरिये 7.98935 हेक्टेयर जमीन खरीदी।’

रिपोर्ट में कहा गया है,

‘नतीजतन, 1.59035 हेक्टेयर जमीन के लिए भुगतान किया गया, जो संबद्ध खसरा या सत्यापन रिपोर्ट में असल में उपलब्ध नहीं थी।’

रिपोर्ट के अनुसार,

‘प्राधिकरण ने 7.98935 हेक्टेयर जमीन की खरीद के लिए मुआवजे के तौर पर 13.60 करोड़ रुपये का भुगतान किया। इसके परिणामस्वरूप, प्राधिकरण को 2.71 करोड़ रुपये का नुकसान हुआ।’

इसमें कहा गया है,

‘प्राधिकरण ने रिकॉर्ड में अनुपलब्ध भूमि के लिए 10 लाख रुपये स्टॉप शुल्क पर भी खर्च किया।’

कैग ने इस बात का उल्लेख किया है कि प्राधिकरण ने (जुलाई 2021 को) स्वीकार किया कि 17 बैनामा और राजस्व रिकॉर्ड में जिक्र किए गए क्षेत्र में 1.5935 हेक्टेयर का अंतर है।’

रिपोर्ट के अनुसार, इसके अलावा, यह कहा गया कि भूमि की खरीद जिला प्राधिकरण द्वारा उपलब्ध कराए गए भूमि रिकॉर्ड के आधार पर की गई थी।

हालांकि, कैग ने कहा कि ‘यह जवाब’ कि ये खरीद जिला प्राधिकरण द्वारा उपलब्ध कराए गए भूमि रिकॉर्ड के आधार पर की गई थी,

‘स्वीकार्य नहीं है’ क्योंकि जिला प्राधिकरण की सत्यापन रिपोर्ट में उल्लिखित भूमि उस क्षेत्र से कम थी जिस के लिए भुगतान किया गया था।

लेखा परीक्षक ने कहा,

‘इसलिए, यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण भूमि विभाग के इसके अधिकारियों के उचित ध्यान न बरतने के कारण अनुपलब्ध भूमि खरीदने के लिए पूरी तरह से जिम्मेदार है।’

कैग ने कहा,

‘प्राधिकरण अनुपलब्ध भूमि को खरीदने के लिए पूरी तरह से जिम्मेदार है।’ इसने कहा कि विषय की जानकारी सरकार को मार्च 2021 को दी गई, लेकिन जवाब (नवंबर 2021 तक) नहीं मिल सका था।

गौरतलब है कि उत्तर प्रदेश की पूर्व मुख्यमंत्री मायावती ने 165 किलोमीटर लंबे एक्सप्रेसवे की शुरुआत 2009 में की थी और उनके बाद सत्ता संभालने वाले पूर्व मुख्यमंत्री अखिलेश यादव ने 2012 में इसका उद्घाटन किया था।

मालूम हो कि साल 2019 में केंद्रीय जांच ब्यूरो (सीबीआई) ने 126 करोड़ के यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण भूमि घोटाला मामले की जांच का जिम्मा संभाल लिया था। सीबीआई ने अपनी प्राथमिकी में पूर्व सीईओ पीसी गुप्ता और 20 अन्य को नामजद किया था।

प्राथमिकी में आरोप लगाया गया था कि यीडा ने ग्रेटर नोएडा को आगरा से जोड़ने वाले 165 किलोमीटर लंबे एक्सप्रेसवे के आसपास विकास गतिविधियों के लिए मथुरा के सात गांवों में 57.15 हेक्टेयर भूमि के लिए 85.49 करोड़ रुपये का भुगतान किया था। <https://thewirehindi.com/227378/up-yamuna-expressway-authority-pays-for-land-unavailable-on-record-report/>

8. हाईटेक 573 करोड़ का शुल्क माफ करके फंसे जीडीए के अधिकारी (a marujala.com) Sep 29, 2022

गाजियाबाद। हाईटेक टाउनशिप में कृषि जमीन का भू-उपयोग आवासीय में परिवर्तन करने के मामले में गाजियाबाद विकास प्राधिकरण के अफसरों की गर्दन फंसे गई है। 2007-08 में तैनात रहे अफसरों ने भू-उपयोग परिवर्तन को मंजूरी दी लेकिन इसके बदले इसका शुल्क नहीं लिया। भारतीय नियंत्रक और महालेखा परीक्षक (कैग) की रिपोर्ट में यह शुल्क 573 करोड़ रुपये बताया गया। इसी रिपोर्ट के आधार पर शासन ने विजिलेंस जांच शुरू कराई है। इसकी जानकारी होते ही प्राधिकरण के कर्मचारी हाईटेक टाउनशिप से जुड़े दस्तावेज खंगालने में जुट गए हैं। विजिलेंस ने पूछा है कि भू-उपयोग परिवर्तन शुल्क किसके आदेश पर माफ किया गया?

हाईटेक टाउनशिप योजना वेव ग्रुप की है। इसके तहत दो टाउनशिप विकसित की जा रही हैं। वेव सिटी और सन सिटी। इन योजनाओं के लिए ही भू-उपयोग परिवर्तन किया गया और इसका शुल्क नहीं लिया गया। 2017 में आई कैग की रिपोर्ट में साफ गया है कि शुल्क न लिए जाने से प्राधिकरण को साफ तौर पर 573 करोड़ का नुकसान हुआ। यह रिपोर्ट पांच साल तक शासन में दबी रही लेकिन इसी को आधार पर बनाकर कई लोग लगातार शिकायत करते रहे। इस पर शासन ने पिछले दिनों विजिलेंस जांच कराने का आदेश जारी कर दिया।

इस आदेश से वे सभी अफसर जांच के घेरे में आ गए जिन्होंने भू-उपयोग परिवर्तन करने से लेकर इसका शुल्क जमा न कराने तक की अनुमति दी। प्राधिकरण में उस समय तैनात रहे कर्मचारियों का कहना है कि तत्कालीन अफसरों ने शासन से भी पत्राचार किया था। वहां से कई निर्देश आए थे। इनका हवाला देकर ही भू-उपयोग परिवर्तन शुल्क नहीं लिया गया था। अब जांच का आदेश आते ही उन सभी पत्रों और उनसे जुड़े दस्तावेज को खंगाला जा रहा है।

2005 की योजना, 2017 में ऑडिट और अब जांच

1. हाईटेक टाउनशिप योजना को शासन ने 2005 में मंजूरी दी। गाजियाबाद में एनएच-9 के बराबर में दो योजनाओं को मंजूरी मिली वेव सिटी और सन सिटी। योजना के लिए चिन्हित पूरी जमीन उस समय कृषि की थी।
2. 2006-2007 में शासन ने साफ किया कि भू उपयोग कृषि से आवासीय करने के लिए परिवर्तन शुल्क लिया जाएगा। यह 2005 में आए मास्टर प्लान-2021 के आधार पर होगा। 2007-08 में टाउनशिप के लिए भू-उपयोग परिवर्तन को मंजूरी दी गई।
3. 2010 के अप्रैल महीने में एक और शासनादेश आया। इसके तहत भू-उपयोग परिवर्तन शुल्क लेने की बाध्यता हटा दी गई। लेकिन, यह हाईटेक टाउनशिप पर लागू नहीं था क्योंकि इसे मंजूरी पहले ही मिल चुकी थी।
4. 2017 मई में कैग ऑडिट में साफ कर दिया गया कि भू उपयोग परिवर्तन शुल्क लिया जाना चाहिए था। यह 573 करोड़ रुपये था। ऑडिट में यह भी बताया कि कृषि से आवासीय की गई भूमि पर व्यावसायिक गतिविधियां भी की जा रही हैं।

विजिलेंस ने पूछे सवाल

1. भू-उपयोग परिवर्तन किस आधार पर किया गया? इसके लिए जरूरी दस्तावेज क्या क्या थे? ये सभी उपलब्ध कराए जाएं।
2. भू-उपयोग परिवर्तन शुल्क न लेने का आदेश किसने दिया? यह किस आधार पर दिया गया? क्या इसके लिए शासन से मंजूरी ली गई?
3. हाईटेक टाउनशिप विकसित करने के लिए शासन ने जो गाइडलाइन दी, उसका पालन किया गया या नहीं?
4. हाईटेक टाउनशिप के लिए भू-उपयोग परिवर्तन की प्रक्रिया के दौरान जीडीए में कौन-कौन अधिकारी तैनात रहे?
(इस तरह के कुल 39 सवाल विजिलेंस ने पूछे हैं, इनसे संबंधित दस्तावेज भी मांगे हैं)

अफसरों ने साधी चुप्पी

573 करोड़ के गोलमाल पर जीडीए के अफसरों ने चुप्पी साध ली है। उपाध्यक्ष आरके सिंह का कहना है कि उन्हें विजिलेंस जांच की जानकारी ही नहीं है। हो सकता है कि शासन स्तर से जांच हो रही है, इसलिए स्थानीय स्तर पर जानकारी न हो। अन्य अधिकारियों का कहना है कि इस संबंध में शासन से ही जानकारी की जा सकती है।

हम नियम से चलते हैं

भू-

उपयोग परिवर्तन शुल्क माफ किए जाने के सवाल पर वेव ग्रुप के प्रवक्ता ने कहा कि ग्रुप नियम और कानून का पालन करता है। शासन और प्रशासन ने जो मानदंड तय किए हैं, उनके अनुसार ही टाउनशिप का काम किया जा रहा है। <https://www.amarujala.com/delhi-ncr/ghaziabad/gda-officer-ghaziabad-news-gbd2452496192>

9. After 3-year gap, Bihar moves to auction ghats for sand mining amid zooming prices ([hindustantimes.com](https://www.hindustantimes.com)) Sep 28, 2022

After a three-year break, the Bihar government has initiated the process for regular settlement of ghats (banks) of all rivers for sand mining, officials said, a move that could ease the skyrocketing costs of construction in the state.

In August this year, the state cabinet had cleared a decision to double the royalty on sand mining to ₹150 per cubic metre.

In general guidelines issued to all the districts for settlement of ghats, the state's mining and mineral department on Wednesday barred all those from the tendering process against whom cases of cognizable offences have been lodged. "All bidders or stakeholders of the firms must get character certificates issued by the district magistrates/superintendents of police or the subdivisional officers, certifying that they did not have any cases of cognizable offences lodged in the police," according to the guidelines, which have been seen by HT.

Officials of the mining department said they are planning to go for settlement of ghats for mining for a period of five years, which was discontinued since 2019 due to string of litigations. "Regular settlement of ghats had been suspended due to the orders from National Green Tribunal (NGT). In its absence, the district authorities opted to extend the old leases, until the State Mining Corporation Limited stepped in to auction the ghats this year for three-month duration," said a senior official of the department, who preferred not to be named.

On October 14, 2020, the NGT, acting on a plea filed by a Bihar resident, had ordered that the survey reports on ghats in each district must be prepared through consultants accredited by the National Accreditation Board of Education and Training/ Quality Control Council of India before they are auctioned for mining.

However, in November last year, the Supreme Court allowed the state government to carry on mining activities through the Bihar State Mining Corporation and laid down guidelines to be followed.

In the meantime, prices of red sand went up exorbitantly in the state because of suspension of mining and the resulting shortage.

"Supply of sand will become normal from the next month. District authorities have been directed to settle the ghats in their respective jurisdictions as per the conditions laid

down by the department,” said an assistant director of the mining department, not wishing to be identified.

The conditions also stipulate that the bidders shall have no liability from any of the department or the state government agency. “They should not have been barred from any department or agency of the state and the central government. The successful bidders need to get environmental clearance from the authorities and procure no-objection from the state pollution control board on their own,” say the guidelines.

A section of contractors fear that settlement of ghats might suffer some procedural delays as the state government had launched a crackdown on illegal mining and lodged cases on those involved.

“As many as 212 raids were conducted in Patna alone during the months of April to July and 77 FIRs were lodged for illegal mining. A total of 41 persons were arrested, 572 vehicles were seized and a sum of around ₹49 crore was realised in penalties were realised,” said the officer quoted above.

Sand mining is a major revenue source for the Bihar government.

However, as pointed out by the Controller and Auditor General (CAG) reports, the mines department invariably fails to meet the target collection owing to illegal mining and irregularities in settlement of ghats.

The state government has this year set a target of around ₹2,000 crore in revenue collection from sand mining. <https://www.hindustantimes.com/cities/patna-news/after-3-year-gap-bihar-moves-to-auction-ghats-for-sand-mining-amid-zooming-prices-101664383833931.html>

10. Chandigarh: No lease extension for any shop at govt health facilities from now on ([hindustantimes.com](https://www.hindustantimes.com)) Sep 29, 2022

The lease and licences of all shops, booths and canteens running on the premises of government health facilities in Chandigarh will no longer get extensions, and will have to apply for fresh tenders if they wish to continue, UT health secretary Yashpal Garg said on Wednesday.

The announcement came after the UT health secretary withdrew the previous communications made by his predecessors, which allowed extensions without fresh tenders, based on a 2000 notification by the UT finance department.

The decision came weeks after it came to fore that the same firm has been running the sole chemist shop at Government Multi-Specialty Hospital (GMSH), Sector 16, since 1993 through multiple extensions and renewals, without fresh tendering.

“The lease and licence of some shops, booths and canteens were being extended for a long time on the basis of a finance department notification issued in March 2000, which was amended in 2002. However, the department has clarified that the orders were not meant for shops/booths located on the premises of health facilities. So, we

are now withdrawing all directions issued by the then health secretaries regarding extensions of the licence and lease on the basis of that notification,” Garg said.

The health secretary added, “The administration will also immediately review the ongoing extensions of all shops, canteens and booths at hospitals and take corrective measures with the approval of the competent authority. Also, fresh arrangements will be made to float fresh tenders of such shops, so that allotment can be made through a fair, transparent and competitive bidding process.”

Allowing the same person or firm to continue with the lease and not adopting the transparent bidding process on a regular basis was also objected to by the CAG Audit, indicating huge loss to the government revenue.

The lease of the sole chemist shop at GMSH-16 will also be reviewed. Simultaneously, a four-member UT panel is conducting an inquiry into the alleged encroachment and demolition of passage by the shop after a local court ordered a stay on the chemist’s removal in the absence of any fact-finding inquiry by the health department. <https://www.hindustantimes.com/cities/chandigarh-news/chandigarh-mc-to-spend-5-lakh-on-shifting-generator-when-new-one-costs-just-as-much-101664405890944.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

11. Despite Finance Ministry’s red flags over free ration scheme, Modi Cabinet go ahead ([financialexpress.com](https://www.financialexpress.com)) September 29, 2022

The Cabinet’s decision to extend the free ration scheme was despite the finance ministry’s objection. In an office memorandum dated September 26, it conveyed to the ministry of consumer affairs, food and public distribution, which had pitched for continuance of the scheme till the end of 2022, that since “the pandemic has abated considerably and the distress for which this relief – PMGKAY – was given does not appear to be prevalent”, the latter’s proposal “is not supported”.

The finance ministry also stated that there may not be adequate grain stocks to continue with distribution under PMGKAY indefinitely, as the global food stocks have considerably tightened in the wake of the war in Ukraine. “Continuation of this (PMGKAY) over a long period of time may give an impression of its permanent or indefinite continuation and make it difficult to stop,” the expenditure department in the ministry said, while asking for termination of the scheme on September 30, 2022.

Till now, the government’s expenditure on the scheme launched in April 2020 to provide free food grains of 5 kg/month to to 800 million beneficiaries under the National Food Security Act (NFSA) has been around Rs 3.45 trillion. With an additional Rs 44,762 crore for running the scheme in the October-December 2022 period, the scheme’s total cost will rise to Rs 3.91 trillion.

The finance ministry in its note also observed that “already there is a fiscal pressure due to the Russia-Ukraine war, (its) effect on fuel prices, rise in other subsidies, etc”.

FE had earlier reported that the finance ministry would make a strong pitch for imposing a ceiling on annual food subsidy expenses, the relentless rise of which has become an unsustainable fiscal obligation over the last few years. It may suggest ending the open-ended nature of the heavily subsidised grain supplies under the National Food Security Act, 2013, and ways to bring down the rising economic costs of rice and wheat as incurred by the Food Corporation India (FCI). <https://www.financialexpress.com/economy/despite-red-flags-from-finance-ministry/2694628/>

12. Simple GST structure can check tax evasion (dailypioneer.com) September 29, 2022

The existing GST structures, along with the prevailing income tax slabs and exemptions, need urgent revision to rid our nation's tax system of anomalies

The complicated tax system in India with six-decades-old Income Tax Act, 1961, with too many amendments in the form of a lot of confusing patch-works is in force. Likewise, ever since a reformative step of introducing the Goods & Service Tax (GST) Act has been taken with effect from July 1, 2017, there has been a regular practice of changing tax-structure in an ever-confusing GST regime with too many confusing and complicated provisions incorporated in the system.

An altogether new tax-regime should be introduced without patches of useless and largely misused exemptions. Implementation of Raja Chelliah Committee recommendations to fix the highest tax-slab at 30 per cent to be in tune with most countries in the world had largely abolished the practice of converting black money into white money. Gradually increasing this highest slab also through imposing cess and surcharges has undone the good achieved.

Highest tax slab of 30 per cent should be restored so that people may find it advantageous to bring complete income to books. Rather a permanent Voluntary Disclosure Scheme should be introduced whereby provision may be there in tax-return to declare at highest suggested tax-rate of 30 per cent, any income without disclosing source of income. This will make cash transactions in property deals accounted for if registration fees on them are also reduced to just three per cent. Names of all those disclosing incomes under the suggested highest 30 per cent slab should be on the website according to income disclosed so that status conscious persons may race to disclose more incomes.

Basix tax exemption should be fixed at rupees five lakhs paving way for abolishing most tax exemptions, including on charity, donation, contribution to political parties and even agricultural income, which are largely misused. For instance, an ordinary farmer does not earn more than Rs five lakhs, and the provision is grossly misused by ultra-rich persons, including known celebrities, to declare their unaccounted income as agricultural income through some village land purchased only for the purpose without practically having any agricultural produce.

Income Tax slabs should be 10 and 20 per cent for incomes between 5-10 lakhs and 10-15 lakhs respectively and thereafter 30 per cent for rest. LK Jha committee recommendations to make calendar-year as financial-year should be implemented in

line with most countries of the world, thus abolishing another British legacy of following April-March presently as Fiscal Year.

It is ridiculous to have different Depreciation-Rules for Tax and Corporate audits. Rather there should be a single and unified Tax and Corporate Audit.

Rather than concentrating more on small cash-transactions like through BhimApp, etc., which results in fraud for illiterate persons, all sale-purchases above Rs 10000 may be compulsorily through bank transactions. For this, transaction-charges on credit-cards should be slashed down to just half a per cent (GST-exempted) that too to be borne by central government with all incentives on purchases made through credit-cards abolished.

Presently, high 2 per cent transaction charges on credit cards make traders charge it separately from customers specially where trade margins are low. Such a system will fetch higher tax-revenue for the government, than through half-percent transaction charges to be borne by Government.

Banks issuing credit cards will get much more earning even with half per cent transaction charge because of manifold use of credit cards. Two sets of credit card swiping machines should be compulsory for every GST-registered dealer dealing also in cash so as to avoid payment receipt through credit cards with the usual excuse that swapping-machine is out of order.

The input tax credit system in GST-regime in manufacturing-sector is biggest corrupt practice of tax-evasion where left-out GST-invoices by ordinary customers are sold by traders to consuming manufacturers or producers to avail false Input-Tax-Credit where cash is paid back by traders to those purchasing left-out GST-invoices of actual consumers bringing more currency in circulation. This is the reason for the basic motive of currency-demonetisation being failed where currency in circulation rapidly increased rather than projected decrease.

Annual forensic audit may be made compulsory on claims made for Input-Tax-Credit by manufacturers/producers to avoid false claims of excessive Input-Tax-Credit in these sectors. Rather study should be made if with abolition of an excessively high 18-per cent GST slab, Input-Tax-Credit can be altogether abolished from manufacturing/producing sectors, retaining it only on tradable commodities.

But such reform in Input-Tax-Credit system can be practically possible with drastic reform in GST tax-structure wherein initially only three tax slabs of 6, 12 and 30 per cent may be there abolishing all presently existing GST-rates. India is the only country which has so many GST-rates. Gradually even slabs of 6 and 12 per cent may also be replaced by a new 10-per cent tax structure.

Zero per cent GST may only be retained on totally unbranded raw materials which cannot be consumed without giving a finishing touch like agricultural-products, fish, meat, cotton-yarn, etc. All items of long term use like cars, air-conditioners, TV sets, refrigerators, etc., may attract 30 per cent GST, while their parts may uniformly attract 12 per cent GST.

Unmindful policy framers brought clutch plate and clutch bearing under different GST slabs of 18 and 28 per cent. Likewise similar items sold by confectioners like sweets, biscuits, napkins, etc., attract different GST-slabs with luxury sweets causing diabetes attracts just 5 per cent GST.

To remove confusion and abnormality, invoices for items like gold-jewellery can be drawn in two parts, one for metal and embodied items and the other for making-charges so that suggested 12 per cent GST may be payable only on making-charges. Cess on extra-luxurious items should be replaced by additional GST slabs in multiples of 60 per cent, also bringing petroleum products under GST regime to ensure uniform pricing of petrol and diesel in all states.

Clubbing lower slabs of three and five per cent into single six per cent slabs will be more than compensated by abolishing slabs of 18 per cent. Input-Tax-Credit (ITC) system should not be applicable on non-tradable commodities and services like has been done, and rightly too, in case of car expenses for non-commercial use.

With GST slab of 18 per cent abolished and service sector attracting just 12 per cent GST, those with income of rupees ten lakhs or more (instead of present rupees 20 lakhs) can be brought under GST-regime like was the system before GST-regime. It is totally illogical to keep lawyers out of purview of the GST-regime.

The 18 per cent GST in the service sector is excessively higher where for example those participating in TV panels have to practically pay roughly half of honorarium in tax, including GST and income tax. Useless system of Tax-Deducted-At-Source for GST, which is hardly used in practice, should be altogether abolished. Or otherwise, any such deducted tax should be auto-reflected in GST-accounts of affected ones, abolishing cumbersome and additional practice of filing a new monthly return to get credit for deducted tax. Complete GST structure should be so simplified that small traders/manufacturers/professionals may be able to file their tax-returns by themselves without any need of GST-consultants.

All government payments can be considered to be exempted from GST to avoid unnecessary government-accounting by putting tax from one government pocket to another. <https://www.dailypioneer.com/2022/columnists/simple-gst-structure-can-check-tax-evasion.html>

13. Govt mulls to decriminalise certain offences under GST, lower compounding charges ([livemint.com](https://www.livemint.com)) September 28, 2022

Aiming to decriminalise offences under GST, the government is working on a provision to raise the threshold limit for launching prosecution and lower charges for compounding of offence, an official said on 28 September.

According to the current law, the amount of Goods and Services Tax (GST) evasion or misuse of input tax credit is more than ₹5 crore for launching prosecution against offenders.

"We are working on making the provision under GST Act for prosecution more simpler and friendly for taxpayers. We have Section 132 under CGST Act which criminalises

illegal credit for GST evasion. The threshold level (for launching prosecution) are being reconsidered," finance ministry additional secretary (revenue) Vivek Aggarwal said at an Assocham.

This means commencement of legal proceedings against the offender. With this, the compounding charges for offences under GST would also be lowered, resulting in taxpayers being encouraged to compound their offences instead of going into litigation.

As per the GST Act, the amount payable for compounding of offences shall be 50 per cent of the tax amount involved subject to a minimum ₹10,000. Maximum amount for compounding is 150 per cent of the tax or ₹30,000, whichever is higher, said the official.

"The compounding provision in GST are prohibitive. It requires 50 per cent to 150 per cent as compounding fees which is impossible to pay. That's why there is zero compounding for all cases under GST. That is being relooked at so that it becomes affordable and compounding becomes a first or better choice for taxpayer," Aggarwal said.

Following the robust growth in tax collection both in direct and indirect tax collections, it has paved the way for bringing in more taxpayer friendly reform to ensure ease of doing business and decriminalisation of tax laws., Aggarwal added.

It is expected that the proposed changes in the GST law with regard to changes in prosecution threshold and compounding is likely to be placed before the GST Council in its next meeting. <https://www.livemint.com/news/india/govt-mulls-to-decriminalise-certain-offences-under-gst-lower-compounding-charges-11664372169827.html>

14. GST for Oil & Gas: Fueling the way for India's energy security (energy.economictimes.indiatimes.com) Sep 28, 2022

14.

The Goods & Services Tax (GST) regime has marked a paradigm shift in India's indirect taxation system. Its guiding philosophy and acting mechanism have introduced necessary transparency, simplification and accountability. Despite some hiccups in consolidating fragmented markets, the GST system has increased overall competitiveness and ease of doing business. However, unfortunately, the critical oil and gas sector has been eluded of the benefits of simplified taxation. This needs revision, especially today, as India chases the twin goals of becoming *aatmanirbhar* and achieving energy security.

The basic hydrocarbon and petroleum products, including crude oil, natural gas, aviation turbine fuel (ATF), petrol and diesel have been excluded from the GST ambit until a decision is taken otherwise by the GST Council. This has substantially driven costs incurred along with overall tax payout – which was not the original intent of the government while structuring the GST system and selecting exemptions. Domestic oil and gas companies have been rallying for the consideration of including the sector under the GST system and there is no time more opportune than now as India imports around 86 per cent of its crude oil requirement, spending over \$100 billion annually.

Exploring GST for oil & gas

A strategic sector of national importance, the oil & gas sector has a strong multiplier effect across levels of the economy. It not only fuels industries through derivative demand but also has a positive financial impact in contributing to state and national exchequers. The government too has been cognizant of the sector's critical role and has introduced policy reforms that are premised on a shift from a revenue-generating approach to a paradigm focused on production maximisation.

A similar consideration to expand the ambit of GST and include hydrocarbons is now imminent. The oil & gas sector is currently governed by a complex, multilayered tax system that makes significant contributions in terms of revenue to both the central and state government – including royalty, cess, profit petroleum, and other statutory levies. Now, the exploration & production (E&P) sector in India is entering an exciting phase of undertaking activities with potential investments of over \$20-25 billion for domestic upstream players that is expected to unfold over the next 3-4 years with the objective of sustaining and increasing domestic production. This additional capital investment, in turn, can lead to a reduction in the country's ballooning import bill while also adding revenue through more profitable taxes.

Additionally, E&P businesses are capital-intensive and encounter high risk in securing actual commercial discoveries. These projects also have a long gestation period – from the time of investment in exploration till the time of return to the investor – that tends to dim enthusiasm towards fresh investments in the sector. Now, given the vital role of the sector, we cannot afford to derail capital expenditure projects. Here, including the domestic sector within the ambit of GST can encourage investors by sending positive signals of assurance and security.

Balancing upstream priorities

The upstream oil and gas segment of the petroleum industry incurs steep capital expenditure. This is further exacerbated by its alienation from the GST system. For domestic oil and gas producers, the procurement of its key goods and services attracts charges under GST, while its output is exempt from the benefits of GST. Now, crippled between two parallel systems of indirect taxation, domestic oil and gas producers are unable to cross-utilize tax credits because none of the inputs can avail a set-off. Due to this anomaly, GST paid on input materials and services remains stranded at approximately 10%-11 per cent. This has been leading to immense pressure on the industry with undue cost overrun.

The further spike in the GST rate on capital goods used for petroleum industry from 5 per cent to 12 per cent, as per the recent announcement made in the GST Council in June 2022, leads to an even higher tax burden on the exploration and production sector with cascading taxes to the tune of 14-15%. The unavailability of tax credit is against the basic objective of GST – to minimize cascading impact of taxes. As is evident, a taxation system that excludes major hydrocarbon products will defeat the very purpose it is expected to serve.

Now, rather than including specific elements of the value chain under GST, the entire oil & gas sector should be subsumed under the system. This will streamline the value-

chain in terms of fungibility of taxes by enabling free flow of credits, avoiding stranded taxes, reducing the cost of production, and also limiting compliance burden to multiple tax laws. Going forward, specifically, the Oil Industrial Development Cess paid by upstream companies on production or extraction of crude oil should be subsumed under the GST provisions in the spirit of “one tax”.

Fuel the way ahead

There have been various discussions at industry forums on the possibilities of revising the GST structure and re-considering the exempted hydrocarbons. While at the time of initiation it was necessary to protect the revenues of the Centre and states, it makes little sense to continue to exclude the oil & gas sector now, years after the implementation of GST. Given the large sum of revenue from petroleum products collected by public authorities, arriving at a political consensus will be a difficult proposition – but taking this decision is the need of the hour.

Revenue concerns need to be addressed differently without hindering tax reforms. While the tax slabs can be deliberated, it is certain that the premise of the GST system – i.e., simplification, uniformity and incentivizing fair business – is the desirable way for the oil and gas sector too and would be pivotal in reviving industry confidence.

The oil and gas sector will continue to be a critical pillar of India’s journey towards becoming *aatmanirbhar* and achieving energy security. Especially in today’s time of volatile crude markets and unstable geopolitical relations, reducing import dependence and driving energy security is the need of the hour. And here, our rich hydrocarbon reserves need the support of a conducive and progressive tax structure to shield the country from continued dependency and pave the way for a self-sufficient and secure India. <https://energy.economictimes.indiatimes.com/news/oil-and-gas/opinion-gst-for-oil-gas-fueling-the-way-for-indias-energy-security/94508118>

15. Deficit target in focus despite extra subsidy outgo: Use-or-return norm for funds to help Centre save a tidy sum ([financialexpress.com](https://www.financialexpress.com)) September 29, 2022

Centre retrieves Rs 40,000-cr lying unused with state treasuries for CSS funding

Even though the Centre is regulating non-subsidy revenue expenditures in its bid to keep the fiscal deficit within the target 6.4% of GDP in FY23, state governments and other agencies implementing various schemes may not feel a severe funds squeeze.

This is because the Centre has resorted to certain means to ensure funds are transferred to the implementing agencies, even as budget outflows are regulated. For instance, it has recently retrieved about Rs 40,000 crore lying with state treasuries for the last 2-3 years and devolved these funds to agencies implementing assorted Centrally Sponsored Schemes. In effect, the Centre has made savings of a similar amount from the current financial year’s allocation for these schemes.

Similarly, the Centre will also make some savings on the Central Sector Schemes as it has asked the autonomous bodies/implementing bodies to either use or return the

unutilised funds lying with them as on March 31, 2022, before seeking fresh funds from this year's budget, officials said.

In both these categories of schemes, the Centre's diktat to return or spend the unspent balances accumulated over the years will generate substantial savings from this year's budget allocation. These savings will be used to bridge the budget gap this year as it has announced over Rs 2.4 trillion additional spending on food, fertiliser and fuel subsidies (including Wednesday's Cabinet decision to extend free ration scheme to December end), officials said. Besides this, some Rs 20,000 crore may be provided additionally for LPG subsidy.

Of the total budget size of Rs 39.4 trillion for FY23, the Centre has allocated Rs 4.4 trillion for Centrally Sponsored Schemes and Rs 11.81 trillion for Central Sector Schemes. The revenue expenditure budget for FY23 is Rs 31.9 trillion.

The Centre has mandated that before availing themselves of the Rs 1 trillion interest-free 50-year capex loan, states will have to spend the unused funds under centrally sponsored schemes and have to fully integrate their treasuries with the Centre's Public Financial Management System.

This money (meant for centrally sponsored schemes) was lying with state treasuries and probably being used for other purposes instead of transferring to the implementing agencies. States were given a July 20 deadline, which was later extended to September 30 to transfer the funds to implementing agencies or return to the Centre," an official said. "Around Rs 40,000 crore has moved from state treasuries to implementing agencies, still there is some money left with states which they have to either transfer to agencies or return to the Centre."

In keeping with the focus on capex, the Centre invested Rs 2.09 trillion in April-July of the current fiscal, up 62% on year. A senior official told FE recently the capex target of Rs 7.5 trillion will be achieved or exceeded in FY23.

About a 14% decline in revenue expenditure, led to about a 2% on-year dip in total expenditure in July 2022. In the April-July period of the current fiscal, revenue spending rose by 5% on the year (which did not capture the idle funds being spent now in schemes). The revenue spending in the October-December quarter is seen accelerating as the government will seek Parliament's nod to spend the bulk of the additional subsidy expenditure of over Rs 2 trillion announced earlier this year.

The markets saw a shortage of liquidity for a couple of days last week, leading to speculation that the government has slowed down spending. State Bank of India chief economist Soumya Kanti Ghosh said on Monday that the government cash balances with the RBI could be as high as Rs 4 trillion, following the outflows from the system on account of advance taxes and GST. The Centre's cash balance refers to its fiscal income from tax and non-tax sources from which current expenditures are met.

"Net tax revenues are growing by 26% on the year and the government borrowings are going on as per the calendar, but revenue expenditure growth is muted. It's natural that cash balances go up," said India Ratings chief economist DK Pant. <https://www.financialexpress.com/economy/deficit-target-in-focus-despite->

16. How telecom dues may help reduce India's fiscal deficit ([livemint.com](https://www.livemint.com)) Updated: Sep 28, 2022

India, like the rest of the world, is going through a difficult economic situation, with high inflation, a steep depreciation of the Indian rupee and rising interest rates. The seriousness of these should also be seen in the context of the Union Budget for fiscal year 2022-23, whose fiscal deficit at ₹16.61 trillion, representing 6.4% of gross domestic product (GDP), was already higher than desired. To fund this large deficit, the Reserve Bank of India (RBI) announced a plan to raise ₹14.95 trillion through market securities this year, which will further raise the interest rate on such borrowings.

It is obvious that to tackle this situation, government revenue needs to go up significantly with a corresponding decrease in market borrowings. The question is how? Here is a suggestion to help achieve those two objectives.

The government has receivables from various industries by way of licence fee, revenue share and levies payable by different concessionaires over a period of the licence or concession granted. Examples of such industries where the government would have receivables as on date as well as future receivables through concession agreements include road transport, shipping, telecom, mining, oil fields, airports, among others. For telecom, it is public knowledge that the net present value of dues in respect of spectrum and past adjusted gross revenue (AGR) dues are over ₹3 trillion, which are to be received by the government in annual instalments over the next 10-16 years with interest. There will be similar receivables from other industries. One can safely assume that the overall receivables by the government on this account would at least be in the vicinity of ₹5-6 trillion as of now.

The suggestion is for banks to take over the current receivables on the existing terms and conditions applicable for dues to the government, by extending loans to concessionaires and transferring the money to the government. Such payments can be secured by a sovereign guarantee of the government to provide lenders comfort. The interest rate applicable to borrowers should be the rate that banks would charge for lending backed by a sovereign guarantee. It is important to note that providing such backing does not escalate the risk profile of these receivables, as borne by the Union government, since in any case the risk of these receipts already lies with the Centre. Similarly, the security (example: mining rights or spectrum) shall continue to rest with the government in the event of default.

For the further comfort of banks, the amounts so lent by them against a central guarantee would carry the lowest risk weightage, thus reducing their capital requirements and offering improved capital adequacy ratios.

The advantages of the proposed solution to the economy and government are manifold:

One, since the government guarantee will not be treated as part of its borrowing and the amounts received for licence fees or revenue shares from concessions granted

are to be accounted on "revenue received basis" for the purpose of the Union Budget, assuming that the current receivables are ₹5 trillion, the deficit projected would come down to ₹11.61 trillion from ₹16.61 trillion. This would be a tightening of the Centre's fiscal deficit to 4.47% of GDP, as against 6.4% as per this year's budget.

Two, market borrowings needed by the government this year will reduce by ₹5 trillion, relieving pressure on the yields on government borrowings and reducing overall interest payments by the Centre.

Three, excess liquidity in the Indian banking system, if any, will be sucked out in an orderly and productive manner without disturbing the risk profile of advances made by banks.

Four, in case of default by a concessionaire, banks can invoke the guarantee and transfer the debt back to the Centre along with corresponding securities (like mining rights, rights over oilfields or spectrum).

The extension of guarantees by the government to secure debt to third parties has two recent precedents. First, the Centre used credit guarantees as a tool in various schemes to support and enable economic growth during covid. Such schemes included the Emergency Credit Line Guarantee Scheme, a backstop for credit to micro-finance institutions, a ₹1.1 trillion loan guarantee scheme for covid-affected sectors like health and tourism, etc. Second, the government's recent extension of a ₹15,000 crore central guarantee to the lending banks of BSNL for continuation of credit to it.

No doubt, the approach suggested is out of the ordinary, but then extraordinary situations do demand extraordinary solutions. I am also conscious that an argument would be raised that this suggestion would only amount to 'financial engineering' for 2022-23, as subsequent-year revenues will be lower. My response is that if one can reduce this year's fiscal deficit by ₹5 trillion in one go and then let it increase by about ₹40-45,000 crore each year for, say, the next 12-15 years (the assumed average period of concessions), it would be worth it. With India's GDP slated to grow at a high single digit over the next few years, the percentage-wise impact will keep getting lower anyway year after year.

Note that this fiscal suggestion assumes that the current system of a Union Budget being on 'receipt basis' will continue for at least the foreseeable future, instead of on an 'accrual basis', which is the ideal way forward but is unlikely to be adopted any time soon. <https://www.livemint.com/opinion/online-views/how-telecom-dues-may-help-reduce-india-s-fiscal-deficit-11664383108098.html>

17. Cabinet Okays Rs 10,000-crore 'futuristic' revamp of three railway stations ([business-standard.com](https://www.business-standard.com)) Updated: Sep 28, 2022

The Union cabinet on Wednesday approved the long-awaited redevelopment of the New Delhi, Ahmedabad, and Mumbai's Chhatrapati Shivaji Maharaj Terminus (CSMT) railway stations at a cost of Rs 10,000 crore.

Union Minister for Railways Ashwini Vaishnaw said that the stations will be developed with futuristic design and user convenience at the fore, and the exact breakup of cost will be available once the tenders for these projects are floated in the next ten days.

The redevelopment of these stations will take 2-3.5 years as a framework has to be established to ensure there are no traffic congestion woes in these typically high-density areas.

"Master plan has been prepared for smooth movement of traffic, with adequate parking facilities," the ministry of railways said.

The stations will be equipped with roof-top plazas, consisting of multiple amenities such as waiting areas, entertainment lounges, playing areas, food courts, and recreational facilities. Vaishnaw added that arrangements have been made to ensure that the livelihoods of millions of small business owners in and around the stations are protected after redevelopment.

Challenges are anticipated as the marquee revamping projects involve an overhaul in surrounding Infrastructure such as roads, existing buildings, and bus and metro stations. "A network of elevated roads will be developed to ensure smooth movement," Vaishnaw added.

The redevelopment of CSMT, a Unesco World Heritage site, will be executed by building infrastructure around the station which complements its current design, without interference with the heritage aspect of the station.

However, shifting from its earlier stance, the ministry will no longer be looking at station redevelopment on a public-private-partnership (PPP) basis, the minister said. "The three stations will be developed completely through budgetary means," he added. The projects will be tendered out through the Engineering Procurement Construction (EPC) mode.

This comes after the ministry had earlier floated a tender for the redevelopment of CSMT under the build-operate-transfer (BOT) mode, a form of PPP. After the dissolution of Indian Railway Stations Redevelopment Corporation (IRSDC) last year, the tender was scrapped and the project was back to square one, setting the process back by a year.

Major infrastructure companies such as Adani Railways, GMR Highways, Godrej Properties and Oberoi Realty were in the running for the big-ticket project.

The development assumes significance with respect to the monetisation plans of the railways ministry, which is the second-highest contributor to the Centre's Rs 6 trillion national monetisation pipeline. Half of the national transporters' monetisation target is supposed to be met through railway station projects. https://www.business-standard.com/article/economy-policy/cabinet-okays-rs-10-000-crore-futuristic-revamp-of-three-railway-stations-122092801219_1.html

18. Indian Army to Acquire 12 Drone Swarms for Deployment on Borders ([businessworld.in](https://www.businessworld.in)) Updated: Sep 29, 2022

Acquisition planned under Buy Indian - IDDM category at estimated cost of Rs 700 Crore

The Indian Army has initiated the acquisition of 12 armed drone swarms for deployment on its borders, even as reports suggest the imminent induction of loitering munitions in a separate procurement.

A Request for Information was issued by the Army for Autonomous Surveillance and Armed Drone Swarms (A-SADS) on September 28 to be acquired under the Buy Indian - IDDM (Indigenously Designed, Developed and Manufactured) category of the Defence Acquisition Procedure (DAP) at an estimated cost of Rs 700 Crore.

Each swarm is to comprise 50-75 explosives-laden, artificial intelligence-enabled aerial vehicles capable of vertical take-off and landing and of communicating with control stations as well as among themselves.

Seven of the 12 swarms are meant for deployment along high-altitude borders. The other five are for borders in the desert and the plains.

The RFI stipulates the requirement for Indigenous Content of 50 per cent. The high-altitude swarms are required to have a 30-km operating radius with two-hour endurance and the capability to operate in a Minus 20 Degrees Celsius environment.

Capability requirements for swarm operations in the plains and desert include a 50-km operating radius and an endurance of three hours.

The A-SADS are required with explosive payloads for targeting personnel and “shaped charge top-attack ammunition” to target tanks and armoured columns.

These will, in effect, have a Kamikaze role to target vital points and installations like command-and-control centres, radars, fuel dumps and, air defence sites.

The Automatic Target Recognition (ATR) feature has been stipulated for a quick response and enablement of the command-and-control centre to choose the vector to destroy a target. <https://www.businessworld.in/article/Indian-Army-To-Acquire-12-Drone-Swarms-For-Deployment-On-Borders/29-09-2022-448600/>

19. What the draft telecom policy intends to regulate ([thehindubusinessline.com](https://www.thehindubusinessline.com)) Updated: Sep 28, 2022

What is the new Telecom Bill all about?

The Centre’s new Telecom Bill will replace the Indian Telegraph Act which has been regulating the telecommunications space since 1885. The Bill is part of four laws that the government wants to pass in Parliament to regulate the dynamic digital tech space. So in many ways, this Bill is an addition to past laws and lends clarity on

regulations in the telecom space. The Bill, which is in its draft stage and will likely change during the consultation process, is quite ambitious in its scope.

How different is this Bill in comparison to the previous laws?

There are many proposed changes from the Telegraph Act, which could have implications for the industry. For instance, the Bill has explicitly introduced the word “telecommunication services” in its draft, to refer to telecom networks in the current Act. By providing a definition of telecommunications services, the Bill has also clarified what type of services and technologies will fall under its regulatory ambit. While the Telegraph Act defines any message flowing on its telecom network as falling under its purview, the new Bill specifies the kind of services and technologies which will be considered. This includes broadcasting, voice, and data, as well as internet communication services such as WhatsApp and Zoom, electronic mail.

What else is new in the proposed Bill?

The Bill also puts into law how the government will deal with stressed telecom assets, and has said the government will remain the custodian of spectrum assets owned by a company if it falls into bankruptcy. Currently, insolvency cases under IBC have not had much success because there was no clarity on whether the spectrum owned by the defaulting operator belongs to the Centre or whether banks can take control of it. This clarity will avoid litigation that the Centre encountered in insolvency cases such as R-Com. The Bill also formally introduces a clause that will allow the government to provide waivers to operators who are unable to pay their dues to the government.

Does the Bill provide clarity on spectrum issues?

At present the government provides spectrum to telecom service providers on an ad hoc basis, which has led the courts to intervene (such as the 2G case) -- the Centre clearly wants to take back the power in spectrum management and the Bill has chalked out rules on how spectrum will be managed.

The draft rules allow for spectrum to be assigned administratively,. Here the government seems to looking to maximise utilisation of spectrum instead of revenue.

How is the industry responding to the law?

The Bill is quite expansive in nature and the industry is still deliberating upon its implications. However, there has been criticism on some parts of the Bill. The Bill also proposes to dilute the powers of the regulator the Telecom Regulatory Authority of India (TRAI).

BIF, an industry body, has said that the whittling down of TRAI’s powers could push the industry back into the pre-1997 era (before the creation of TRAI). Civil liberty organisations and certain tech companies have also expressed concerns about the inclusion of OTT services into the regulatory ambit for telecommunications. The government still needs to clarify on which part of the internet communication space falls within the DoT’s purview. More clarity will emerge during the public consultation process.

What is the OTT controversy?

As mentioned before, the Centre has clarified that communication services such as electronic mail or over-the-top internet communication services will be regulated under

the new telecom Bill. This can have major implications, from being subjected to licensing just like a typical operator, to the dissolution of user anonymity and user privacy while utilising these services.

Clauses such as messages being potentially intercepted at the behest of the state could also have implications on privacy and threaten the end-to-end encryption on many of these platforms such as WhatsApp which does not even allow the company to read user messages.

The Centre will have to appraise the extent to which they can regulate internet communication services, as many experts believe licensing or even disclosure of user identity will be challenging for tech companies.

For instance, in order to impose a license fee, the government will have to determine the exact revenue accrued from communication services which for apps such as WhatsApp is essentially free, since it earns revenue from its partnerships with businesses. <https://www.thehindubusinessline.com/blexplainer/bl-explainer-what-the-draft-telecom-policy-intends-to-regulate/article65945891.ece>

20. Centre views urban floods as national problem, allocates ₹3,000 crore to 7 cities ([hindustantimes.com](https://www.hindustantimes.com)) Updated: Sep 28, 2022

With urban flooding increasingly disrupting life in big cities, the central government is looking at it as a national problem and framing short- and long- term policies for the same. Recently, the 15th finance commission gave detailed thought to the matter, and earmarked reducing the impact of floods as critical for disaster management. The commission allocated a sum of ₹3,000 crore to seven cities in India, out of which the two cities of Mumbai and Pune were selected from Maharashtra and allocated ₹100 crore and ₹50 crore per year, respectively.

Head of the disaster management department, Ganesh Sonune, said, “Earlier, cities and state governments were managing floods. But in the last few years, all major cities are facing floods every year so much so that these cities are remaining waterlogged for long hours. There are different reasons for flooding in every city. Instead of carrying out urban flood management in an isolated manner, the central government is looking at it as a national problem. Recently on September 13, representatives from all the seven cities were invited to New Delhi to discuss urban flood management.”

“The Pune Municipal Corporation (PMC) had approved ₹50 crore this year and till 2026, Pune will get ₹50 crore every year. We have instructed that short- and long-term measures be proposed. The maximum funds will be utilised for long-term measures,” Sonune said.

An official from the National Disaster Management Authority on condition of anonymity said, “Due to climate change and variability, cyclonic activity is continuously increasing on both coasts. This activity is bringing excessive rainfall in short spells, inundating the cities. As cities are getting increasingly covered with infrastructure and residential developments, there is insufficient holding capacity for all the rainfall they receive. As a result, the level of inundation increases very fast with flash floods.”

“The growing urban agglomeration is not adequately supported by municipal laws and urban planning regulations. Although the length of roads and density of construction have increased in the cities, there is no corresponding increase in the length of storm water drainage. The rivers, lakes and other wetlands in cities are being increasingly encroached upon for construction, thus reducing the holding capacity for floodwaters. When excessive rainwater is not rapidly drained into the sea or river due to reduced drainage or encroachments, the low-lying areas get immediately flooded,” the official said.

Acknowledging the magnitude of urban flooding, the 15th finance commission made the following recommendations in its report: “While state governments have to address these issues, it requires an approach that brings together urban planning, ecological conservation and disaster management. The state government needs to support a set of interventions that are implemented by multiple urban agencies working together. In view of the regular incidence of flooding and heavy losses, we recommend that a targeted allocation be made to address urban flooding in the seven cities that have a metropolitan population exceeding five million. These cities are Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Ahmedabad and Pune.” <https://www.hindustantimes.com/cities/pune-news/centre-views-urban-floods-as-national-problem-allocates-3-000-crore-to-7-cities-101664389625541.html>

21. OFC Department’s Rs 6-crore mistake (bangaloremirror.indiatimes.com) Updated: Sep 29, 2022

The Optical Fibre Cable (OFC) Department of Bruhat Bengaluru Mahanagara Palike (BBMP) -- often known to allegedly turn a blind eye towards cables laid illegally by telecom service providers -- is now facing flak from citizens for failing to collect crores of rupees from contractors for goods and services tax (GST).

The audit report for 2018-19 by the BBMP Chief Audit Officer found no documents on paying Rs 6,03,14,636 for GST.

“The service providers (contractors) have to pay 18 per cent of the total amount towards the GST but no documents are available. Authorities have to collect the amount from the service producers till they produce the documents of paying the GST,” the Chief Audit Officer said in the audit report.

The audit report also released the details of 396 contracts taken by various contractors during the same period.

Social activists are demanding BBMP authorities to take suitable measures to collect the amount from the contractors and act tough against the officials responsible.

“I wrote a letter to the Prime Minister requesting him to order a probe by the Central Bureau of Investigation (CBI) into the financial irregularities committed by the BBMP. It is observed that more than Rs 500 crore is yet to be paid towards the GST by the BBMP from the date of order on which the GST came into effect,” said BH Veeresh of Mahithi Hakku Adhyayana Kendra.

He said that he had already brought this to the notice of the Principal Chief Commissioner, GST, Karnataka Circle and requested him to initiate appropriate action into this scam. Sai Datta, a social activist, added that the BBMP Chief Commissioner has to take stringent action against those responsible. "I want the BBMP Chief Commissioner and the authorities concerned to initiate measures to collect the amount from the service providers or contractors. If the OFC Department fails to recover the amount from the contractors, the BBMP Chief Commissioner has not only to collect the amount from the OFC engineers but also take criminal action against them," said Datta.

BBMP Chief Engineer (OFC) Yamuna was not available for comment. <https://bangaloremirror.indiatimes.com/bangalore/civic/ofc-departments-rs-6-crore-mistake/articleshow/94517292.cms>

22. Ludhiana streetlights funds embezzlement case: Vigilance arrest another official ([indianexpress.com](https://www.indianexpress.com)) September 29, 2022

A day after the Punjab vigilance bureau arrested two officials posted in Sidhwan Bet block of Ludhiana district for alleged embezzlement of Rs 65 lakh from the government fund for installing streetlights in villages, the third arrest was made in the case, Wednesday.

Ludhiana vigilance SSP Ravinderpal Singh Sandhu said that Teja Singh, village development officer, Sidhwan Bet was also arrested in the case.

Two other accused- Satwinder Singh Kang, block and panchayat development officer (BDPO) and Lakhwinder Singh, chairman block samiti- who were arrested Tuesday, were sent to 3-day police remand by a local court.

SSP Sandhu further said that two other accused — Gaurav Sharma, proprietor of M/s Amar Electrical Enterprises and one Harpreet Singh, were absconding in the case and yet to be arrested.

Vigilance said that the accused had allegedly purchased street lights at double cost than the approved rate, which were to be installed in 26 villages.

A spokesperson of the vigilance bureau said that during investigation it was found that Kang in connivance with Sharma, had deliberately purchased the lights at the rate of Rs 7,288 per piece against the approved rate of Rs 3,325, and caused financial loss to the state exchequer.

Sources in the vigilance further said that arrested BDPO Kang told police that lights were purchased at inflated rates on asking of Harpreet Singh, who has also been nominated as accused in the case. "BDPO has revealed that Harpreet Singh is a close aide of Congress leader Captain Sandeep Sandhu and to benefit his firm, lights were purchased at inflated rates. Also fake completion certificates were issued even as lights were not installed in villages. Probe is on," said a senior officer.

An FIR under the sections 409, 120-B of IPC and Sec 13(1) (a), 13(2) Prevention of Corruption Act has been registered VB police station, economic offences wing,

Ludhiana. <https://indianexpress.com/article/cities/ludhiana/ludhiana-streetlights-funds-embezzlement-case-vigilance-arrest-8179693/>