

## NEWS ITEMS ON CAG/ AUDIT REPORTS (05.11.2022 to 07.11.2022)

### **1. Viewing policing from the prism of a modern India** (*[dailyexcelsior.com](http://dailyexcelsior.com)*) NOVEMBER 05, 2022

‘Those who don’t take charge of time, time lathi charges them’— Kiran Bedi. Col Satish, Singh Lalotra

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 21 st of October with full pomp and show of 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 21 st 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 to police such a large, complicated and unpredictable nation ready to erupt any moment on issues ranging from cow slaughter, Hindu- Muslim riots, 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 country something of the similar nature is happening at the supreme court of India.

**\* Infrastructue.**

Modern policing methods necessitates 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

The less said the better in this case. Most people believe police to be an arm of oppression unleashed by the GOI. As a result effective policing is just a chimera. 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 combine 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

Specialised investigating the political executive's superintendence over police forces.

Following the directions of supreme court's orders with regard to a case of Prakash Singh 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 within 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 Chattisgarh to Nagaland and Manipur. All these states 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. <https://www.dailyexcelsior.com/viewing-policing-from-the-prism-of-a-modern-india/>

**2. Why it's time for the PSU mollycoddling to end** ([economictimes.indiatimes.com](https://economictimes.indiatimes.com)) NOVEMBER 04, 2022

The Securities and Exchange Board of India (Sebi) was given statutory authority in 1992, around the same time India embarked on the path of economic liberalisation. Since then, Sebi has emerged as a credible securities market regulator. Regulating listed entities being one of

its main roles, it has endeavoured to continuously refine its related regulations in line with market requirements and best global practices.

Listed entities in the private sector have learnt well over time the need for regulatory oversight and discipline. They have also benefited tremendously by raising funds from the market. Some have even successfully ventured to get their American depository receipts (ADRs)/global depository receipts (GDRs) listed in foreign jurisdictions.

Unfortunately, the same cannot be said about government-owned entities. They have all along lobbied for a differential regulatory treatment. Before understanding their logic, it may be instructive to set out some of the dispensations enjoyed by PSUs:

The requirement under the Securities Contracts (Regulation) Rules (SCRR) for having a minimum public shareholding (MPS) in listed companies exists for an obvious reason. The absence of such a float impedes price discovery and leads to market manipulation. In 2013, GoI came out with norms for listed entities to have an MPS of 25%. PSUs were given time up to 2016-17 to meet this requirement. However, this date has been extended time and again, the latest being till August 1, 2024.

Even worse, now, as per a 2021 amendment notification, the government may, in public interest, exempt the applicability of MPS to any PSU. If, indeed, any 'public interest' is served by giving such an exemption, it would be logical to consider the same for similarly placed private sector companies.

There are a number of relaxations for PSUs provided in the Companies Act 2013, though Sebi regulations do not have corresponding provisions. The most significant one pertains to the appointment of directors, including independent ones. As per regulatory norm, this is to be done by the company's board based on the recommendations of the nomination and remuneration committee (NRC). However, for PSUs, it is done by the government. This virtually nullifies the role of NRC and board in this activity.

### **The Unruly Class**

Then there is an inherent conflict of interest. Independent directors, whose role is to protect minority shareholders' interest, can't be appointed by the promoter, in this case, GoI. Imagine, if in a private company, the executive directors, including the managing director and the non-executive directors, were to be parachuted into the board directly by the promoter. The board's role in evaluating the performance of its directors loses relevance in PSUs.

As GoI follows its own bureaucratic procedures for appointing these personnel to PSU boards, such appointments are invariably delayed, leading to violation of regulatory provisions. This amounts to defaulting PSUs, when levied penalties, saying they can't be blamed as they have no role in the appointments of directors.

As the promoter of PSUs, GoI has the right to have nominee directors on their boards. It could convey its views on directors' appointments to the NRCs/boards through their nominee directors instead of getting directly involved in the appointment process. Let the boards take the final call.

In addition to the exemptions enshrined in the Companies Act and SCRR, PSUs routinely seek exemptions under the general clause under different Sebi regulations, especially at the time of

disinvestment or when any PSU intends to initiate a new market-based activity. It is a different matter that many such relaxations may be counter-intuitive and prove counterproductive.

The arguments put forth in favour of PSUs' case often include legacy issues, public purpose, sovereign ownership, strategic reasons, their incorporation under specific Acts, already existing oversight of the Comptroller and Auditor General (CAG), Central Vigilance Commission (CVC), etc. These aren't valid arguments.

But the moot question is whether various dispensations provided to PSUs have really led to desired results. Ultimately, as they say, the proof of the pudding is in the eating.

It is no secret that, in general, listed PSUs have performed worse than their sectoral peers on the stock market. For instance, during the five-year pre-Covid period (FY2015- FY2020), the PSU index's (BSE PSU) return was -30%, compared to the Sensex's return of 32%, and BSE 500's return of 34%.

On the disinvestment front, there has hardly been any significant achievement recently in the listed PSUs space. Air India is an unlisted company. Life Insurance Corporation's (LIC) listing price and current secondary market trading price are about 9% and 37%, respectively, below the issue price. And one PSU buying shares of another PSU shouldn't be counted as divestment.

### **Earn Your Living**

On the asset monetisation front, too, only two PSUs have been able to set up infrastructure investment trusts (InvITs) so far. And one of them managed this only after obtaining a number of relaxations.

There is hardly a case for giving regulatory dispensation to listed PSUs. It is high time they learn to survive and compete with private sector companies on a level playing field. If they can't, they should be made to exit without any further delay, instead of distorting the market and regulatory architecture. <https://economictimes.indiatimes.com/opinion/et-commentary/view-why-its-time-for-the-psu-mollycoddling-to-end/articleshow/95308265.cms>

### **STATES NEWS ITEMS**

**3. Mumbai: Year on, BMC is yet to finish special audit of Rs 1,000-cr work (*mid-day.com*)** NOVEMBER 05, 2022

**After opposition members raised questions over expenses in projects related to COVID, then standing committee chairman Yashwant Jadhav on December 23, 2021, had ordered the audit of proposals worth Rs 1,000 crore**

Nearly a year after the BMC's then standing committee ordered special scrutiny of 150 COVID-related projects, its chief auditor is yet to complete the audit. This comes at a time when the state government has asked national auditor CAG to probe civic proposals worth Rs 12,000 crore. "We are working on that. Audit work is going on," said Municipal Chief Auditor Sitaram Kale.

After opposition members raised questions over expenses in projects related to COVID, then standing committee chairman Yashwant Jadhav on December 23, 2021, had ordered the audit of proposals worth Rs 1,000 crore.

Sources said most of the purchases and tender work during the pandemic had been done by the BMC's central purchase department. "A 12-member team of the audit department is on the job. Work is underway to gather more information about all these proposals," said a source. Between April and December 2021, the BMC used its special powers to spend about Rs 2,500 crore to tackle COVID. In such cases, the administration doesn't need to take approval from the standing committee.

"The BJP had demanded a white paper on expenses for COVID during the pandemic. The chairman had agreed to our demand and directed us to conduct an audit," said Bhalchandra Shirsat, a BJP ex-corporator. "However, the audit has not been done yet. There was a deluge of corruption during the pandemic. Contracts were awarded illegally to inexperienced companies," Shirsat added, "but now CAG audit will reveal corruption." <https://www.mid-day.com/mumbai/mumbai-news/article/mumbai-year-on-bmc-is-yet-to-finish-special-audit-of-rs-1000-cr-work-23253885>

#### **4. Mumbai: Vikhroli road overbridge project lingers due to 'BMC failure'; CAG points out irregularities in contract ([freepressjournal.in](https://www.freepressjournal.in)) November 5, 2022**

**Failure on the part of BMC to complete the bridge in time resulted in lack of connectivity, hardships and inconvenience to public," stated CAG**

The work of Vikhroli road overbridge (ROB) is stuck for years and the contract has been extended for the fourth time up to May 2023.

Comptroller and Auditor General (CAG) of India in its recent report pointed out, "Improper planning, non-preparation of estimates as per site condition, non-removal of encroachments work" as major points behind the delayed work and extended contract.

#### **Lack of connectivity due to delayed work**

Failure on the part of BMC to complete the bridge in time resulted in lack of connectivity, hardships and inconvenience to public," stated CAG in its report submitted to the civic body in June 2022. East-west connectivity in Vikhroli has been an issue ever since the level-crossing gate was shut 10 years ago. After consistent efforts of the local people and activist the work order was issued for the bridge in May 2018. The bridge work was expected to be completed by October 2020. The proposed bridge would connect Eastern Express Highway on east side and Lal Bahadur Shastri marg on west side. But due to various difficulties like non-shifting of utilities, encroachment, acquisition of plot, etc the work was delayed.

#### **CAG's findings**

M/s Technogem was appointed as a design consultant even though its empanelment period expired in July 2017. This action of the department was irregular, stated CAG in its report. It further says, proof consultancy charges paid to IIT Mumbai was Rs. 2.5 times more than approved charges. The justification for payment of these charges at such high rates was called for an audit. Also the contract awarded to M/s H.V. constructions was at 6.93 percent above the estimated cost.

#### **BMC's reply**

The BMC in its reply stated that foundation work and substructure work of ROB was completed. Majority of the time was taken for shifting of various utilities and obtaining tree

permission and acquisition of land. Railways insisted proof checking from IIT Mumbai considering public safety, so it was appointed despite their higher rates. However, the civic body remains silent on the issue of irregular appointment of design contractor.

The proposed bridge - 656-metre-long and 50-metre wide passing over the railway lines is estimated to cost Rs 45 crores.

### **Extensions till date**

The Vikhroli ROB work was extended first till March 2021 and then till May 2022 (due to covid). Later it was again extended to October 2022 and now the extension received is May 2023.

Reacting to the delay, social activist Ganesh Shetty said, "In the past few years many people died while crossing the railway. I have been writing from last few years to BMC and railways for ROB. In four years they had completed only half of the work. I doubt if it can get completed by 2023."

Jayant Dandekar, a local resident said, "The east-west connectivity in Vikhroli has been an issue from years. There is an east-west road overbridge at Ghatkopar and another one at Kanjurmarg station. So to travel east-west or the other way round, Vikhroli residents have to go from Ghatkopar or Kanjurmarg." <https://www.freepressjournal.in/mumbai/mumbai-vikhroli-road-overbridge-project-lingers-due-to-bmc-failure-cag-points-out-irregularities-in-contract>

### **5. Carnac, Hancock bridges: CAG report claims irregularities in demolition, reconstruction works ([indianexpress.com](https://www.indianexpress.com)) Updated: November 6, 2022**

The Comptroller and Auditor General (CAG), in a report, has pointed out irregularities in the planning stage of the demolition and reconstruction works carried out on the Carnac and Hancock bridges, both century-old structures that were declared unfit following structural audits.

The report, published in June, highlighted the money spent on the maintenance and construction of various bridges in Mumbai by the civic body.

The 153-year-old Carnac Bridge is a vital link in south Mumbai that runs over the railway tracks between CSMT and Masjid Bunder station.

While the demolition work on the bridge started in September, the CAG report stated that the proposal for demolishing and reconstructing the bridge was floated in 2014 after IIT Bombay, in one of its reports, had declared it unsafe.

The report said that the work order was awarded to M/S Infrabuild Private Limited in August 2017, for Rs 48.7 crore, which is 18 per cent above the estimated cost. It added that while the deadline for the project was 19 months, when the CAG conducted an audit on April 2022, no demolition work had started.

“Despite the lapse of four-and-a-half years from the date of approval of reconstruction works, demolition was not started. Further, no action was taken to shift residents coming in alignment for new bridge... As demolition of bridge involves removing of utilities, diversion of traffic on alternate roads and other ancillary works, the issue of work order indicates improper planning

and foresight from part of BMC,” the report stated. “Since the tender was approved in 2017... the bridge reconstruction contractor needs to be paid price variation without executing any work,” it added.

Meanwhile, the 135-year-old Hancock Bridge was demolished by BMC and Railways in 2016 after it was found unfit in an internal audit. While the original bridge was made of black stone, the new one, made of steel, is located above the rail tracks between Sandhurst Road and Byculla.

The work order for reconstructing the bridge and creation of a slip road (carriageway) was awarded to M/S Sai Projects (Mumbai) Private Limited in February 2018. The deadline for the project was 19 months. Though the work order was issued four years ago, the bridge was only opened for vehicular movement in August, this year.

The CAG report stated that the scope of work, including mapping of utility channels, got delayed by three years. The contractor was supposed to finish the task by September 2019 but it was not done by April 2022. It added that some of the key factors behind this were delay in approval of temporary arrangement drawings and construction of approach and slip road due to non-removal of encroachment. “The work of creating slip road could not be completed within 19 months, which may have resulted in cost escalation. As BMC was required to coordinate between its departments to ascertain the utilities going from underneath the road and to plan shifting of the existing utilities, the same was not seen in the records, indicating poor planning by the BMC, for execution of work,” said the report.

It added that 36 structures were identified as falling in the alignment of work, of which 26 were eligible for compensation. Since the project-affected persons refused to shift, the BMC decided to pay Rs 11.79 crore as compensation. “For the work, M/S TPF Engineering Private Limited was appointed for a fee of Rs 89.92 lakh in February 2018. The initial fees were Rs 61.68 lakh, which was revised due to increase in work.” <https://indianexpress.com/article/cities/mumbai/carnac-hancock-bridges-cag-report-claims-irregularities-in-demolition-reconstruction-works-8250579/>

## **6. Delay in construction of Srinagar-Leh transmission line causes generation, monetary loss: CAG ([thekashmirimages.com](http://thekashmirimages.com)) November 6, 2022**

Srinagar: The Comptroller and Auditor General of India has slammed the authorities over delay construction of Srinagar-Leh transmission line, saying it not only led to huge cost escalation but also caused a generation loss of 1,602.64 MUs and an extra expenditure of Rs 700.25 crore due to billing of deemed generation to the Power Development Department.

“Due to the delay in taking a decision for construction of the line, not only huge cost escalation had occurred but there was also a generation loss of 1,602.64 MUs and an extra expenditure of Rs 700.25 crore due to billing of deemed generation to Power Development Department,” reads the CAG’s compliance audit of activities of selected Central Public Sector Enterprises.

In 2003, the Government of India announced a special package for J&K comprising a 375 km transmission system project from Srinagar to Leh via Kargil with four substations at Drass, Kargil, Khaltsi and Leh at an estimated cost of Rs 377.52 crore.



However, in September 2004, the scope of the transmission system was revised by shifting the overhead line between Gagangir and Zojila Pass (it being an avalanche-prone area) to an underground line along with a change in the transmission capacity at the Kargil sub-station, which led to an increase in the estimated cost to Rs 633.79 crore, reads the report.

On December 15, 2004, the Government of Jammu and Kashmir accorded its approval for execution of the project by Power Grid Corporation of India Limited (PGCIL); however, the project was put on hold by the Ministry of Power on June 27, 2005.

The project was finally approved by the Government of India in January 2014 at an estimated cost of Rs 1,788.41 crore with a scheduled completion period of 42 months from the date of release of the first installment of funds. The first tranche of money was received on March 01, 2014 and the approved commissioning schedule of the project was September 2017.

The project planned and implemented by PDD, was finally commissioned in January 2019 with a delay of 16 months from the scheduled date.

The CAG has said that due to the time lag in approval/implementation of the transmission system, the completion cost has escalated to Rs 1,583.36 crore from the initial estimated cost of Rs 633.79 crore.

The audit further noticed that in the absence of national grid connectivity due to a delay in the commissioning of the Srinagar-Leh transmission system, Chutak and Nimmo Bazgo hydro-power stations were operated in isolation mode and could not be optimally utilized up to their designed capacity and their generation had to be curtailed to the limited requirements of the Ladakh region only.

“As a result, 1,602.64 MUs of power could not be generated which resulted in generation loss,” the report states.

According to the report, NHPC raised a bill of Rs 1,166.56 crore for deemed generation from these two projects on the PDD.

“Actual generation from these two power stations was only 736.75 MUs (29 percent) against their generation capacity of 2,524.36 MUs. The Central Electricity Regulatory Commission, allowed the NHPC to claim the tariff in respect of deemed generation. Accordingly, NHPC raised a bill of Rs 1,166.56 crore for deemed generation in the Power Development Department (J&K) and received part payment of Rs 267.59 crore from the Power Development Department and the balance amount is yet to be paid,” the report states. <https://thekashmirimages.com/2022/11/06/delay-in-construction-of-srinagar-leh-transmission-line-causes-generation-monetary-loss-cag/>

## **7. Delay in Srinagar-Leh power line project led to Rs 700 crore loss: CAG (freepresskashmir.news) November 7, 2022**

Srinagar: The Comptroller and Auditor General of India has slammed the authorities over the delay in taking a decision for the construction of Srinagar-Leh transmission line, saying it not only led to a huge cost escalation but also caused a generation loss of 1,602.64 MUs and an extra expenditure of Rs 700.25 crore due to billing of deemed generation to Power Development Department.

In its report, the CAG has revealed that delay in taking decision over the construction of the transmission line caused huge financial losses.

“Due to the delay in taking a decision for construction of the line, not only huge cost escalation had **occurred** but there was also a generation loss of 1,602.64 MUs and an extra expenditure of Rs 700.25 crore due to billing of deemed generation to Power Development Department,” reads the CAG’s compliance audit of activities selected Central Public Sector Enterprises.

In 2003, the Government of India announced a special package for JK comprising a 375 km transmission system project from Srinagar to Leh via Kargil with four substations at Drass, Kargil, Leh and Khaltasi at an estimated cost of Rs 377.52 crore.

However, in September 2004, the scope of the transmission system was revised by shifting the overhead line between Gagangir to Zojila Pass to an underground line along with a change in the transmission capacity at Kargil sub-station, being an avalanche-prone area, which led to an increase in estimated cost to ₹633.79 crore,” reads the report.

On December 15, 2004, the Government of Jammu and Kashmir accorded its approval for execution of the project by Power Grid Corporation of India Limited (PGCIL); however, the project was put on hold by the Ministry of Power on June 27, 2005.

The project was finally approved by the Government of India in January 2014 at an estimated cost of Rs 1,788.41 crore with a scheduled completion period of 42 months from the date of release of the first installment of funds. The first installment was received on March 01, 2014, and the approved commissioning schedule of the project was September 2017.

The project was planned and implemented by PDD and commissioned in January 2019 with a delay of 16 months from the scheduled date.

The CAG has said that due to the time lag in the approval/ implementation of the transmission system, the completion cost has escalated to Rs 1,583.36 crore from the initial estimated cost of Rs 633.79 crore.

The audit further noticed that in the absence of national grid connectivity due to a delay in the commissioning of Srinagar -Leh transmission system, Chutak and Nimmo Bazgo hydropower stations were operated in isolation mode and could not be optimally utilized upto their designed capacity and their generation had to be curtailed up to the limited requirements of the Ladakh region only. “As a result, 1,602.64 MUs of power could not be generated which resulted in generation loss,” the report states.

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“Actual generation from these two power stations was only 736.75 MUs (29 percent) against their generation capacity of 2,524.36 MUs.

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₹267.59 crore from the Power Development Department and the balance amount is yet to be paid,” the report states. <https://freepresskashmir.news/2022/11/07/delay-in-srinagar-leh-power-line-project-led-to-rs-700-crore-loss-cag/>

## **8. Srinagar-Leh Transmission Line: CAG Fumes at Delay, Heavy Losses** ([kashmirobsvr.net](http://kashmirobsvr.net)) 05 November 2022

Srinagar- The Comptroller and Auditor General of India has slammed the authorities over delay in taking decision for construction of Srinagar-Leh transmission line, saying it not only led to huge cost escalation but also caused a generation loss of 1,602.64 MUs and an extra expenditure of Rs 700.25 crore due to billing of deemed generation to Power Development Department.

In its report, the CAG has revealed that delay in taking decision over construction of the transmission line caused huge financial losses.

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However, in September 2004, the scope of the transmission system was revised by shifting overhead line between Gagangir to Zojila Pass to underground line along with change in the transmission capacity at Kargil sub-station, being an avalanche prone area, which led to an increase in estimated cost to ₹633.79 crore,” reads the report.

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The audit further noticed that in the absence of national grid connectivity due to delay in commissioning of Srinagar -Leh transmission system, Chutak and Nimmo Bazgo hydro power stations were operated in isolation mode and could not be optimally utilized upto their designed capacity and their generation had to be curtailed up to the limited requirements of the Ladakh

region only. “As a result, 1,602.64 MUs of power could not be generated which resulted in generation loss,” the report states.

According to the report, NHPC raised a bill of ₹1,166.56 crore for deemed generation from these two projects on the Power Development Department.

“Actual generation from these two power stations was only 736.75 MUs (29 percent) against their generation capacity of 2,524.36 MUs. The Central Electricity Regulatory Commission, however, allowed NHPC to claim the tariff in respect of deemed generation. Accordingly, NHPC raised a bill of ₹1,166.56 crore for deemed generation on Power Development Department (J&K) and received part payment of ₹267.59 crore from the Power Development Department and the balance amount is yet to be paid,” the report states. <https://kashmirobserver.net/2022/11/05/srinagar-leh-transmission-line-cag-fumes-at-delay-heavy-losses/>

## **9. HC directs CAG to inquire into State Seeds Corporation’s contract employment method ([thehindu.com](https://www.thehindu.com)) UPDATED: NOVEMBER 04, 2022**

The High Court of Karnataka has directed the Comptroller and Auditor General of India (CAG) to conduct an inquiry into the manner in which persons are employed on contract basis by the Karnataka State Seeds Corporation Ltd., a State-government undertaking.

The CAG should also examine whether manner of employment on contract is a genuine and bona fide transaction or is it a veiled methodology adopted by the corporation, the court said. While asking the CAG to find out whether methodology adopted by the corporation goes against the principles of welfare State as enshrined in the preamble of the Constitution of India, the court sought report from the CAG by October 15, 2023.

Justice Suraj Govindaraj passed the order on the two petitions, one filed by C. Sujatha, who had worked with the corporation on contract basis between 2007 and 2015, and another by the corporation.

After employing her on contract basis, the corporation had deputed her to the Secretariat of the Agriculture Department, where she worked till her services was terminated in 2015 after she asked for salary hike and regularisation of service.

She had raised an industrial dispute before the Industrial Tribunal, which in 2018 awarded her a compensation of ₹5 lakh with 9% interest but rejected her plea for regularisation. While she had moved the High Court seeking regularisation, the corporation had questioned award of compensation to her.

‘Shocking’

The High Court expressed shock after noticing that she was employed as a data entry operator under the four different contract employee service providing firms on a continuous basis between 2007 and 2015.

The court pointed out that it is not known in what manner the tenders were invited by the authorities for contract employees’ services. Whether there was verification on who were the employees of that contractors/service providers, and was a list of workers provided along with the bid, etc., asked the court.

Initially, the court disposed of the petition by directing the corporation to reinstatement her to the post in which she was working. However, when it was brought to the court's notice that she was subsequently employed on contract basis by the Karnataka State Electronics Development Corporation Ltd. and a government undertaking, and deputed her to e-governance Department, the court restricted the relief only for compensation as ordered by the tribunal. <https://www.thehindu.com/news/national/karnataka/hc-directs-cag-to-inquire-into-state-seeds-corporations-contract-employment-method/article66096723.ece>

**10. Bengaluru's potholes: Who's accountable? (*deccanherald.com*) 05 November 2022**

The recent deaths due to potholes and people's efforts to fix them have brought potholes back to the headlines. However, Bengaluru's bad road problem is not new. In 2015, Vijayan Menon, an army veteran based in Koramangala, filed a public interest lawsuit seeking direction from the court to improve the road conditions of the city, with particular emphasis on potholes and ditches.

In the course of seven years, the High Court has tried to fix the accountability on Bruhat Bengaluru Mahanagara Palike (BBMP) by asking it to produce data, file status reports and compliance reports, and to come up with a working system that can monitor road quality.

The court reprimanded BBMP several times for non-compliance and lax attitude in addressing the problems raised in the court-monitored probe. It even mulled a contempt-of-court procedure on BBMP and then felt such proceedings would be a waste of the court's time as BBMP had been defiant all the time. Despite all this, the BBMP, until now, has not been able to come up with a proper system to fix the conditions of roads.

In its July 31, 2019 order, the court even stated explicitly that according to all rules, roads are the responsibility of the BBMP. It held that the 'right to have roads and footways in a reasonable condition is guaranteed under Article 21' and warned of serious consequences if this right is not protected.

It mandated the formation of Ward Committees and asked the committees to monitor roads in their wards, take them up with BBMP for repairs and give monthly reports on the status of roads. The court also said that any citizen who suffers losses due to the failure of the BBMP and its officers to maintain the streets in a good condition can always seek compensation.

Later it pushed BBMP to publish an advertisement to publicise this, though it took multiple hearings, coaxing and reprimands. Today this has found no use. Zonal commissioners have been given the power to give compensation but the BBMP has not entertained the requests, except in one case.

"Those who have filed such applications say the BBMP has not awarded any compensation. This means BBMP has not accepted its fault, despite the court saying that BBMP is solely responsible for the maintenance of roads and pothole problem," says a lawyer, preferring anonymity.

"Citizens are pursuing systemic change, the court is also seeking it, but BBMP is not working in that direction," the lawyer adds.

“If the Ward Committee has the responsibility and authority to keep track of roads and is obliged to report to the courts and people, there will be a much stronger long-term system to monitor roads. We have not got there yet, we are still working on minimising the effect of bad roads, which is short-term, but important because lives are being lost,” says Vijayan Menon.

### **Reasons aplenty**

Menon calls pothole deaths a result of “pure corruption and negligence on part of people who look after the city”.

“Of course, the authorities who laid the road are responsible for pothole deaths. Negligence becomes their responsibility and they are accountable,” says S T Ramesh, former Director General of Police, Karnataka.

Can suo motu cases be filed by the cops? “Yes, suo motu cases can be booked. And I believe they may be doing so too. But how effectively the cases will be investigated since the accused are government officers or contractors becomes important,” he adds.

“Suo motu cases are not generally filed by the cops. If someone complains, we take cognizance and file an FIR. Out of more than 250 accident cases last year, there are about four cases where we have found evidence against civic authorities and charged them. However, the trials are yet to begin,” clarifies Kuldeep Kumar Jain, DCP West (Traffic).

In the court hearings, there were instances where the BBMP blamed it on the contractors. The court asked why the BBMP was not acting against them. The question still remains relevant. “Why is the BBMP not filing cases against erring staff or contractors?”

Why are they not following other methods such as blacklisting contractors and disciplinary action against their engineers? Obviously, they are all hand-in-glove,” says Ramesh.

However, Manjunath, a contractor, says the problem is not because of road quality, as inspections are regularly conducted. “Heavy rainfall, digging by optical fibre cable companies, lack of coordination between BBMP and BWSSB, road-cutting permissions taken by citizens etc cause pothole problems,” he says.

While corruption remains a factor, the lack of coordination between various civic bodies has been highlighted again and again in court orders and CAG reports. But the government is yet to figure out a practical way to solve it.

Court case: Timeline

Oct 2015: First hearing of the PIL filed by Vijayan Menon

Sept 24, 2018: High Court constitutes a two-member committee comprising engineer-in-chief of Military Engineer Services and Legal Services Authority member secretary; asks them to inspect the pothole repair work done.

Oct 5, 2018: HC floats the idea of a dedicated portal to map and monitor road conditions

Oct 27, 2018: The Committee submits its final report. Lists shortcomings, and suggestions. Highlights the lack of coordination between BBMP, and BWSSB. HC advocates proper coordination between BBMP and BWSSB by means of a coordination committee

Dec 11, 2018: Court expresses unhappiness over progress in actual work done. BBMP chief engineers tell the court that they do not check measurement books, as the bills are passed by executive engineers. Court asks them to check and certify measurement books in Mahadevpura Zone

Dec 17, 2018: Court finds that measurement books were not certified by chief engineers despite court direction, and asks them to do it. Co-ordination Committee's scope is expanded by adding BMRCL, BESCOM, KPTCL etc, which also dig up roads.

July 31, 2019: In a detailed order, the court explains how BBMP is solely, legally responsible for road maintenance. It holds that 'right to have roads and footways in a reasonable condition is guaranteed under Article 21' and warns of serious consequences if this right is not protected. Says compensation can be sought from BBMP for any related untoward incidents. Mandates the constitution of Ward Committees, asks them to monitor roads and take it up with BBMP for repair work.

Sept 9, 2019: Court asks BBMP to publicise via advertisements that citizens can seek compensation from BBMP in case of pothole deaths and injuries. Oct 21, 2019: Court warns of contempt of court, as BBMP expresses unwillingness to consider compensations for accidents.

Nov 11, 2019: Court issues show-cause notice over contempt proceedings on BBMP for its reluctance to award compensations. BBMP blames contractors for poor conditions of roads. Court asks BBMP to file a report on action taken against them.

Nov 28, 2019: BBMP says in an affidavit that the KMC Act of 1976 does not have a provision to award compensations for pothole accidents. The court raps BBMP.

Jan 20, 2020: Court once again asks BBMP to comply with court orders.

Feb 6, 2020: Court asks BBMP to appoint IISc's civil engineering department to conduct road audits. Gives a deadline of April 2020 to fix all roads. Feels filing a contempt proceeding on BBMP would be a waste of the court's time, and wonders why the BBMP is so defiant.

Jan 27, 2022: BBMP tells the court that potholes have been filled in 1314 km of major roads and 12,046.82 km of zonal roads. The court expresses displeasure over the quality of pothole filling and the status report.

Nov 2, 2022: HC asks NHAI to inspect pothole repair works. <https://www.deccanherald.com/specials/point-blank/bengalurus-potholes-whos-accountable-1159564.html>

**11. Probe contract labour hires in Seeds Corporation, CAG told ([newindianexpress.com](https://www.newindianexpress.com)) 07 November 2022**

BENGALURU: The Karnataka High Court directed the Comptroller and Auditor General (CAG) to conduct an inquiry on how contract labourers are being hired by the Karnataka State Seeds Corporation Limited (KSSCL), a state government undertaking under the Agriculture Department.

Justice Suraj Govindaraj passed the order for the inquiry by the CAG within 12 months to know whether engaging contract labourers is a genuine transaction or a veiled methodology adopted by KSSCL and whether such a methodology goes against the principles of the welfare state as enshrined in the Preamble.

No procedure followed: HC

The court also confirmed an order of the Labour Court, which directed KSSCL to pay Rs 5 lakh compensation to the petitioner, C Sujatha, a resident of Meenakshi Nagar in the city. “The hire-and-fire policy, which has been resorted to by KSSCL without following any procedure does not bode well for the Corporation which is an instrumentality of the State,” the court observed.

The court said that it is rather shocking that from 2007 to 2015 when Sujatha was engaged as a Data Entry Operator (DEO) with KSSCL, she was on-boarded to different contractors. Sujatha, who was removed by KSSCL seven years ago as DEO, recently joined KEONICS, a service provider, which deputed her to e-Governance Department in March 2022.

Sujatha was appointed as DEO by KSSCL in January 2007 with a consolidated salary of Rs 5,000 per month. After having worked for some time, she was deputed to the Agriculture Department in MS Building. She submitted an appeal to the principal secretary to regularise her services as done in the case of one of her juniors.

Though she was permitted to leave the office at 5.30 pm on June 26, 2015, she was removed from the service, saying she was not available when called for, during the legislative session. <https://www.newindianexpress.com/states/karnataka/2022/nov/07/probe-contract-labour-hires-in-seeds-corporation-cag-told-2515632.html>

**12. Shifting sands ring death knell for Goa’s coast ([heraldgoa.in](https://www.heraldgoa.in)) 06 November 2022**

Rampant development and tourism activities have led to the degradation of several precious sand dune

Once considered pristine, Goa’s coast has seen large-scale changes in its geological and ecological set up over the years, all thanks to tourism and its associated infrastructure requirements, large-scale constructions, and haphazard growth. Sand dune ecosystems, which are over 6,000 years old, have borne the maximum brunt of this “development”.

Nature's line of defence from the forces of the ocean, cyclones and tsunamis, dunes also double up as sand banks, maintaining the dynamic equilibrium of the beach. Experts feel that it is high time the government laid its emphasis on conservation and restoration of these beach dunes to protect Goa’s 105 sq km-long coast.



Several studies by the National Institute of Oceanography (NIO) and the National Centre for Sustainable Coastal Management (NCSCM) have revealed that development and tourism activities have led to destruction and degradation of sand dunes along the coastal belts. The damage is most prominent along the coastal stretches of Betul to Cansaulim in South Goa and Sinquerium to Baga, Arambol, and in the middle of Morjim in North Goa.

“Time and again, we have reiterated that the coast of Goa is under assault. Tourism and related human activities are a major cause. Several coastal areas have changed from virtual wilderness in 1970’s to haphazardly developed stretches, full of concrete buildings and related structures, in the last 30 years. The Baga-Candolim coast is a classic example of frenzied development,” former NIO scientist Antonio Mascarenhas said.

The Coastal Regulation Zone 2011 declared sand dunes as CRZ I(A) areas, which are ecologically sensitive. It also mandated restricted development activities along the dune areas.

Mascarenhas explained that the dune environment is classified as fragile, sensitive, and vulnerable due to its propensity for changes under even slight environmental stress. “Despite that, its onslaught continues with authorities like the Goa Coastal Zone Management Authority (GCZMA) least bothered,” he said.

AgneloBarreto, member of the citizens’ group, Calangute Constituency Forum (CCF), said that several roads laid perpendicular to the coast and across dune belts in Calangute have severely altered, razed, levelled and eliminated a large number of dunes. He also said that for construction of various tourism facilities like toilets and parking lots, sand dunes are destroyed.

“Recently, there have been three cases of sand dune destruction in Candolim as well as in Calangute. The GCZMA, which grants permissions for temporary structures, is least bothered to check whether the applicant sets up temporary or permanent concrete structures,” he said. “There are far better ways to promote tourism while also protecting and conserving ecology.”

### **CAG slap**

The Comptroller Auditor General (CAG), in its recent report, observed that despite the existence of sand dunes, the GCZMA gave permissions for infrastructure development and construction of hotels and residential houses along vulnerable beach stretches.

Citing an example, the CAG observed that the construction of the four-lane National Highway 17-B from Varunapuri to Sada Junction near Baina Beach was recommended by the authority in 2015 despite observations of the site inspection team that Baina beach contained sand dunes covered with vegetation, and that it was prone to annual cycles of erosion which made it ecologically sensitive.

### **Govt’s flip-flop on Sernabatim sand dunes**

Against the backdrop of the state government celebrating the Centre’s approval of the Coastal Zone Management Plan (CZMP) for Goa, the worst fears of environmentalists have come true as the GCZMA has now claimed that there were no sand dunes on Sernabatim beach.

Ironically, the GCZMA had itself ordered the restoration of a sand dune on that very beach in the past, but now insists there aren't any, paving the way for commercial developments on the beach.

The recent notification issued by the Union ministry of environment, forest and climate change was met with scepticism by various green activists who claimed that lakhs of square metres of sand dunes were missing from the CZMP that was approved for Goa despite the same having been verified during the ground-truthing exercise.

While the state government promised to approach the Centre about including the sand dunes that were verified in the GCZMA's ground-truthing exercise, a case has already emerged where the GCZMA had asked the National Green Tribunal (NGT) to dismiss a petition based on its claim that no sand dunes exist on Sernabatim beach.

The Colva Civic and Consumer Forum (CCCF) has raised objections to the approvals granted by the GCZMA to a private company for the construction of cottages and other structures on the Sernabatim coast. It has pointed out that there are reports from 2009, 2014 and 2020 that confirmed the presence of sand dunes on the beach. Two expert members of the GCZMA had also confirmed the existence of sand dunes on Sernabatim, it claimed.

In fact, the forum has gone a step further and provided documentary evidence from the past that not only confirms the existence of sand dunes but also underscores the fact that they are continuous.

There was light at the end of the tunnel for the CCCF when the NGT set aside two prior orders of the GCZMA on the grounds that they were in violation of the authority's own policy on the Beach Carrying Capacity (BCC).

"In view of the policy laid down by the GCZMA through its minutes dated November 15, 2016, it is clear that the GCZMA has decided not to allow any further construction of huts etc in the survey number in question and yet has proceeded to allow the said construction, which appears to be in violation of the said policy," the NGT's Pune bench stated.

"Keeping in view the precautionary principle, we are also of the view that no such construction should have been allowed by the GCZMA in the said area without clearly mentioning as to whether the permission granted of the said construction would fall within the beach carrying capacity or not," NGT added.

Environmentalists now fear that they will have to challenge the CZMP as there could otherwise be similar cases where sand dunes across beaches in Goa will be shown as non-existent and approvals will then be granted for projects on these beaches.

### **Villagers stop destruction of dunes at Velsao**

Local residents of Velsao had recently protested against the construction of a road in a no-development zone (NDZ) area that was allegedly destroying sand dunes there, too. They had demanded that the work near the beach be stopped, and had vowed to remain vigilant if there were further attempts to construct that road near the beach.

The locals also approached various authorities over the issue.

These are incidentally the areas where the fishing community, in particular, suffered during the recent cyclones. They had stressed that it was the sand dunes that offered them protection. Traditional fishermen also pointed out that the state tourism department had done a BCC study and had recommended protecting the rights and livelihoods of the fishing community.

### **Sand dunes cut at Cavelossim**

Earlier this year, the GCZMA confirmed that a total area of 1,100 square metres of sand dunes had been damaged by the proponent of a hotel at Cavelossim.

The authority had been asked by the NGT to file a report after local residents and environmentalists approached the tribunal.

"The sand dune indicated on the draft CZMP has been cut by the project proponent for construction/ widening of the approach road and public beach access," the GCZMA had stated in that report.

This was not the first time that the NGT had to be involved in matters concerning sand dunes at Cavelossim. In the past, it had directed the state government to take immediate remedial measures for the restoration and regeneration of the sand dune ecosystem and riverside areas in Cavelossim.

This was based on a petition by the Cavelossim Village Forum against destruction of sand dunes. However, while the environment department celebrated World Environment Day in the village after supposedly having adhered to the directions of the NGT, environmentalists had maintained that work was incomplete. They had a bigger concern. How were the authorities themselves granting permissions for constructions in the vicinity of sand dunes; violations that are only stopped when locals approach the green courts. <https://www.heraldgoa.in/Review/Shifting-sands-ring-death-knell-for-Goa%E2%80%99s-coast/196258>

### **13. सीएजी ने जीसीजेडएमए में जनशक्ति की कमी का संकेत दिया ([jantaserishta.com](http://jantaserishta.com))** 6 Nov 2022

तटीय पारिस्थितिक तंत्र के संरक्षण पर अपनी प्रदर्शन लेखा परीक्षा रिपोर्ट में, भारत के नियंत्रक और महालेखा परीक्षक (CAG) ने गोवा तटीय क्षेत्र प्रबंधन प्राधिकरण (GCZMA) में जनशक्ति की कमी पर चिंता जताई है, जिसने निकाय को जांच पूरी करने से रोक दिया है। सीआरजेड उल्लंघन और अपराधियों को दंडित करना।

अध्ययन, जिसने 2015 से 2020 तक सीआरजेड अधिसूचना के कार्यान्वयन से जुड़ी गतिविधियों की जांच की, ने पाया कि जीसीजेडएमए और दोनों जिला-स्तरीय समितियों (डीएलसी) में कर्मचारियों की कमी है, और वे अपने जनादेश का सम्मान करने के लिए संघर्ष कर रहे हैं।

DLCs

विशेष निगरानी समितियाँ हैं जिनका गठन GCZMA को CRZ अधिसूचना के प्रावधानों को लागू करने में मदद करने के लिए किया गया है।

गोवा में पर्यावरण के क्षेत्र में कार्यकर्ताओं और विशेषज्ञों का कहना है कि जीसीजेडएमए सीआरजेड मान दंड का उल्लंघन करने वालों के खिलाफ चयनात्मक कार्रवाई कर रहा है, और उसके पास उचित निगरानी तंत्र नहीं है।

अध्ययन रिपोर्ट के अनुसार, जीसीजेडएमए के लिए 73 पदों को अधिकृत किया गया था, जिसकी अध्यक्षता पर्यावरण सचिव करते हैं, और डीएलसी, जिसका नेतृत्व जिला कलेक्टर करते हैं।

रिपोर्ट में कहा गया है,

"यह पाया गया कि जीसीजेडएमए और डीएलसी के लिए स्वीकृत 73 पदों के मुकाबले 58 पद खाली पड़े थे।"

इसने कहा है कि जनशक्ति की कमी ने सीआरजेड अधिसूचनाओं में उल्लिखित तटीय सुरक्षा मुद्दों को संबोधित करना उनके लिए और अधिक कठिन बना दिया है।

"अधिकांश तटीय राज्यों में SCZMA के पास पर्याप्त जनशक्ति नहीं थी। गोवा, आंध्र प्रदेश, कर्नाटक, ओडिशा, तमिलनाडु और पश्चिम बंगाल में, SCZMA के कार्य राज्य पर्यावरण विभाग या राज्य प्रदूषण नियंत्रण बोर्ड के अधिकारियों द्वारा किए गए थे, "कैग ने उल्लेख किया है।

सीएजी की टिप्पणियों से सहमत, जानकार सूत्रों ने कहा कि निकाय के पास राज्य में सीआरजेड उल्लंघनों की पहचान करने और शून्य करने के लिए पर्याप्त संख्या में तकनीकी कर्मचारी नहीं हैं।

सूत्रों ने कहा कि यदि विशेषज्ञता वाले पर्याप्त संख्या में कर्मचारी होते तो सीआरजेड मानदंडों के खुलेआम उल्लंघन के मामलों की जांच की जाती और उनका शीघ्र निपटारा किया जाता।

जीसीजेडएमए के आंकड़ों के अनुसार, जनवरी 2017 और मार्च 2022 के बीच जांच करने के लिए सीआरजेड उल्लंघन के बारे में 469 शिकायतें - या प्राप्त सभी शिकायतों में से लगभग 48% - दोनों जिला-स्तरीय समितियों को संबोधित की गईं।

हालांकि, स्टाफ की कमी के कारण, इनमें से कोई भी शिकायत वापस जीसीजेडएमए को रिपोर्ट नहीं की गई थी।

अध्ययन में यह भी कहा गया है कि सीआरजेड अधिसूचना को लागू करने में एससीजेडएमए की सहायता के लिए सभी तटीय राज्यों में डीएलसी स्थापित किए जाने थे। हालांकि, समितियों के गठन में भी देरी हुई।

"एससीजेडएमए और डीएलसी दोनों ने तटीय क्षेत्र में उल्लंघन की लगातार निगरानी नहीं की। SCZMA ने CRZ उल्लंघनों के खिलाफ सक्रिय कार्रवाई नहीं की, और उन मामलों में जहां उन्होंने उन पर कार्रवाई की, अनुवर्ती कार्रवाई अप्रभावी थी, "कैग ने खुलासा किया है।

रिपोर्ट में पाया गया है कि सीआरजेड अधिसूचना 2011 जारी होने के बाद छह साल की देरी के बाद 2017 में गोवा में डीएलसी की स्थापना की गई थी।

तमिलनाडु में समितियों में स्थानीय पारंपरिक समुदायों की भागीदारी का अभाव था। रिपोर्ट में कहा गया है कि आंध्र प्रदेश में, वे बिल्कुल भी स्थापित नहीं हुए थे।

सीएजी ने कहा है कि निकायों की संरचना और कर्मचारियों की कमी ने डीएलसी को तटीय सुरक्षा के लिए विशेष संगठन बनने से रोक दिया, जिसकी सीआरजेड अधिसूचनाओं में कल्पना की गई थी। <https://jantaserishta.com/local/goa/cag-flags-manpower-shortage-at-gczma-1725752>

#### **14. Congress calls Morbi bridge tragedy an example of 'BJP-created disaster' ([newindianexpress.com](https://www.newindianexpress.com)) 06 November 2022**

AHMEDABAD: Releasing a 22-point charge sheet against the ruling BJP in Gujarat, Opposition Congress on Sunday alleged that the recent Morbi Bridge tragedy is an example of a "BJP-created disaster".

The charge sheet made several allegations against the Gujarat government about the Morbi tragedy.

"It is amply clear only BJP and its cronies are directly responsible for 136 lives lost in that unfortunate incident, it is amply clear that only BJP and its cronies are directly responsible for 136 lives lost in that unfortunate incident," stated the charge sheet.

"The BJP government, adept at shielding the culprits in many such horrible tragedies, is at it again in the Morbi tragedy", it added.

According to the charge sheet, "Gujarat was one of the brightest stars of India's growth story when Congress left office. The state has lost its growth momentum under the successive BJP governments."

Reading out the charge sheet allegation, Gujarat Congress former president Arjun Modhvadiya said, "In 2020-21, Gujarat recorded a negative growth rate of 1.35%". He added that the economic mismanagement by the BJP has led to a loss of confidence amongst investors in the state.

"In 2016-17, Gujarat accounted for nearly one-fourth of the cost of the projects sanctioned by the banks. In 2021-22, its share had halved, falling to 11.9%," he said.

#### **Gujarat's Economic condition**

The document also underlined the economic stress of households and noted, "Gujarat had the highest food inflation among all states in the month of August 2022".

The charge sheet further alleged that "the meagre growth that the BJP government achieved has been fuelled by debt. The government is showcasing growth by mortgaging the state's future. The state's total outstanding liabilities have crossed Rs. 4,00,000 crores by the end of March 2022. The outstanding liabilities have increased three-fold in the past fifteen years."

Quoting the CAG report for the year ending on March 31, 2021, the charge sheet alleged that "In view of the increasing committed expenditure on one hand and revenue deficit on the other, the State Government would have to work out a well-thought-out borrowing repayment

strategy to avoid falling into a debt trap." <https://www.newindianexpress.com/nation/2022/nov/06/congress-calls-morbi-bridge-tragedy-an-example-of-bjp-created-disaster-2515579.html>

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

#### **15. EAC-PM Chairman Bibek Debroy suggests single rate GST, exemption-less taxation (*financialexpress.com*) Nov 07, 2022**

Economic Advisory Council to the Prime Minister (EAC-PM) Chairman Bibek Debroy on Monday said India should have a single rate GST and taxation regime devoid of exemptions. He said the tax collection of the Centre and states combined is just 15 per cent of GDP, while the demand for government spending on public infrastructure is much higher.

“On GST, it is my submission, therefore, there should be a single rate. I don’t think we will ever get it...,” Debroy said at an event here. If the differential tax rates for products of ‘elitist nature’ and those of mass consumption are done away with, it would lessen litigation, he added. “As a polity, we need to recognise that the GST really should be the same regardless of the product. If progressivity is to be introduced, it is best done by direct taxes, not GST, or indirect taxes,” Debroy noted. Debroy also clarified that his speech should not be construed as a recommendation of the PMEAC.

The estimate of the GST revenue neutral rate (RNR) made by the Department of Economic Affairs before the GST rollout was 17 per cent, but the average GST rate at present is 11.5 per cent, he added. “We must be willing to pay tax or we must be willing to settle for reduced delivery of public goods and services,” he said, adding the revenue foregone because of exemptions by the government is 5-5.5 per cent of GDP. “So, the moot question is, should the exemptions at all be there,” he said.

He also said that while tax evasion is illegal, tax avoidance by using exemption clauses to reduce the tax burden is legitimate. “Do we need these tax exemptions? The more tax exemptions I have, the more complicated it becomes... Why can’t we have a simple tax structure devoid of all exemptions? We must at some point agree we will move to a completely exemption-less system,” Debroy added. He also suggested that the ‘artificial difference’ between corporate taxes and personal income taxes (PIT) should be removed. “A lot of unincorporated business pays taxes under personal income taxes. This (removing difference) will also reduce administrative compliance,” he added. <https://www.financialexpress.com/economy/eac-pm-chairman-bibek-debroy-suggests-single-rate-gst-exemption-less-taxation/2781268/>

#### **16. Indirect tax receipts to exceed budget estimate by Rs 50,000 crore (*financialexpress.com*) November 5, 2022**

The Centre’s indirect tax revenues – before devolution to states– may exceed the budget estimate (BE) for the current fiscal by around Rs 50,000 crore, as higher goods and services tax (GST) revenues will more than offset a shortfall in excise revenues, sources told FE.

While Central GST collections could exceed the budget target for FY23 by about Rs 1 trillion, excise duty collections may fall short of the Budget estimate (BE) by Rs 40,000-50,000 crore.

“The excise shortfall could be much less than Rs 85,000 crore estimated after the duty cuts for petrol and diesel announced in May. This is because additional revenues are expected from windfall taxes on petroleum products as well as from an increase in domestic diesel sales (about 5% on year increase so far),” a senior official told FE.

The indirect tax receipts in April-October were Rs 7.25 trillion, 55% of the FY23 target.

The implementation of the budget announcement to levy additional basic excise duty at the rate of Rs 2 per litre on the sale of unblended motor spirit from November 1 will also aid tax collections.

The Centre may garner about Rs 30,000-40,000 crore from windfall taxes on petroleum products. On July 1, it imposed special additional excise duty on crude and export taxes on petrol, diesel and ATF. The tax on petrol was removed subsequently. The levies have since been revised on a fortnightly basis, depending on crude prices and the refining spreads.

The Centre’s excise duty receipts are budgeted to be Rs 3.35 trillion for FY23 while CGST s estimated to be Rs 6.6 trillion.

The Central Board of Indirect Taxes and Customs (CBIC) has instructed filed formations to augment revenues by accelerating the issuance of final orders on tax payment mismatches, taking steps to resolve disputes and faster clearance of goods by customs.

The government is banking on extra tax revenues to fund additional subsidy expenditures to the tune of about Rs 2.8 trillion over the budgeted level.

Also read: Epsilon Advanced Materials to invest Rs 9000 crore for multiple battery material facilities in Karnataka

An expected growth of about 25-30% on year in direct taxes may help the Centre garner Rs 3.8 trillion in extra tax revenues compared with the budget target of Rs 14.2 trillion. Extra direct and indirect tax receipts could fetch the Centre to collect about Rs 4.3 trillion in additional gross tax revenues as against the FY23BE of Rs 27.6 trillion.

The net (post-devolution) tax revenue for the Centre could be around Rs 2.7 trillion higher than the BE of Rs 19.3 trillion. This would give comfort to fund additional expenditure on subsidies even though non-tax revenues may see a shortfall of about Rs 50,000 crore in FY23. <https://www.financialexpress.com/economy/indirect-tax-receipts-to-exceed-budget-estimate-by-rs-50000-crore/2774847/>

## **17. RBI withdrew \$66.73 billion from overseas banks to prop up Re in H1 ([indianexpress.com](https://www.indianexpress.com)) November 7, 2022**

The Reserve Bank of India (RBI) withdrew \$66.73 billion from other central banks and overseas commercial banks in the first six months of the financial year 2022-23 in a bid to prop up the rupee which has been under pressure due to the appreciation of the dollar in the last few months.

The rupee has fallen nearly 11 per cent in 2022 so far as the dollar surged amid the rise in inflation across the globe and central banks, led by the US Federal Reserve, started hiking

interest rates. Foreign portfolio investors have pulled out Rs 1.62 lakh crore (around \$19.75 billion) from Indian markets in the last ten months.

On the other hand, the Reserve Bank's gold holdings went up to 785.35 metric tonnes of gold (including gold deposits of 41.57 metric tonnes), up from 743.84 metric tonnes a year ago.

The RBI pulled out \$58.9 billion from its deposits in other central banks and Bank of International Settlements during the six-month period ended September 2022, bringing down India's deposits in central banks from \$140.53 billion in March 2022 to \$81.63 billion, according to the RBI's half-yearly report on 'Management of foreign exchange reserves'. India's deposits in other commercial banks also declined by \$7.83 billion to \$29.32 billion.

The RBI sells dollars from its forex kitty to prevent a slide in the rupee.

As of September 2022, out of the total foreign currency assets of \$472.81 billion, \$361.84 billion was invested in securities, \$81.64 billion was deposited with other central banks and the BIS and the balance \$29.33 billion comprised deposits with commercial banks overseas, the report said.

While 447.30 metric tonnes of gold is held overseas in safe custody with the Bank of England and the BIS, 296.48 metric tonnes of gold is held domestically. In value terms (USD), the share of gold in the total foreign exchange reserves increased marginally from about 7.01 per cent as at end-March 2022 to about 7.06 per cent as at end-September 2022.

Foreign exchange reserves cover of imports (on balance of payments basis) declined to 10.4 months in June 2022 from 11.8 months at end-March 2022. The ratio of short-term debt (original maturity) to reserves, which was 20.0 per cent at end-March 2022, increased to 22.0 per cent at end-June 2022. The ratio of volatile capital flows (including cumulative portfolio inflows and outstanding short-term debt) to reserves increased from 66.6 per cent at end-March 2022 to 67.6 per cent at end-June 2022, the RBI said.

According to the central bank, the valuation loss, reflecting the appreciation of the US dollar against major currencies, amounted to \$22.7 billion during April-June 2022 as against a valuation gain of \$2.2 billion during April-June 2022.

The central bank has the mandate to invest up to \$5 billion in the bonds issued by the India Infrastructure Finance Company (UK) Limited. As of September 2022, the amount invested in such bonds stood at \$1.323 billion. The foreign currency assets comprise multi-currency assets that are held in multi-asset portfolios as per the existing norms, which conform to the best international practices followed in this regard. It says except fixed deposits with the BIS, commercial banks overseas, central banks and securities issued by supranationals, almost all other types of investments are highly liquid instruments which could be converted into cash at short notice. The Reserve Bank closely monitors the portion of the reserves, which could be converted into cash at a very short notice, to meet any unforeseen/ emergency needs, the report said. <https://indianexpress.com/article/business/economy/rbi-withdrew-66-73-bn-from-overseas-banks-to-prop-up-re-in-h1-8253528/>



**18. Centre may shut down 116 infra projects due to long-term delays: Report** ([moneycontrol.com](http://moneycontrol.com)) November 7, 2022

Nearly 116 infrastructure projects worth Rs 1.26 trillion could be shut down by the government due to unresolved hurdles ranging from land acquisition to Centre-state tussles, Business Standard reported on November 7.

Quoting an internal report prepared by NITI Aayog, the policy think tank of the government, the publication said that these 116 projects feature in the list of those terminated, on hold, or bound for foreclosure. These may be removed from the Centre's project-monitoring system, which has been created to expedite infrastructure execution, it said.

Moneycontrol could not independently verify the report.

“The majority of such projects are from the railways and roads sectors. While in the case of railways, 50 projects have been put on hold (some of them sanctioned 48 years ago) and 15 are yet to be sanctioned, the roads sector has 33 projects lined up for foreclosure, termination, or facing legal issues. Therefore, most of the sunk expenditure incurred is on railways and roads,” the Business Standard said citing policy think tank's report.

The said projects have incurred a cumulative capital expenditure of Rs 20,311 crore. Most of these delayed projects will have to be replaced by new ones despite sizeable infrastructure already in place.

Reportedly, many projects continued to witness cost escalation until the government decided to put them to an end. To put it in perspective, the cost of stuck railway projects escalated by about 49 percent to Rs 88,373 crore, as many of them were put on hold for a long-standing period. The Railways' 72 projects have seen an expenditure of over Rs 8,500 crore so far, the report stated.

On the other hand, the cost escalation for 33 stuck projects at road transport and highways is lower at 6 percent. These had a higher sunk cost than railways, at Rs 11,000 crore.

Moreover, as many as 55 of the 116 projects have been stuck due to land acquisition issues between the Centre and states, and bureaucratic red tape. The ministries concerned have raised issues of state governments either not sanctioning the acquisition of land or not giving the requisite approvals, according to the NITI report.

Nearly 10 projects have been stalled for years due to states renegeing on their cost-sharing agreement.

Some projects have also been delayed due to environmental concerns. Two coal projects, in Chhattisgarh and Madhya Pradesh, may be shelved and removed from the monitoring system because environmental concerns remain unaddressed; there is a sunk capex of Rs 105 crore.

Three projects of the National Highways Authority of India (NHAI) in Tamil Nadu, connecting the Kerala Border to Villukuri and Kanyakumari, have been stalled following environmental concerns raised by the National Green Tribunal (NGT). The projects are now proposed for shelving.

Several projects in ecosensitive areas in Northeastern states are set to be terminated, but no explicit reason has been provided for that, the report said. <https://www.moneycontrol.com/news/india/centre-may-shut-down-116-infra-projects-due-to-long-term-delays-report-9460971.html>

**19. Currency with public rises 71.84% within six years of demonetisation in India** (*livemint.com*) November 5, 2022

Official data have shown that even six years after demonetisation done by the Prime Minister Narendra Modi-led government, the currency with public remains at an all time high. Cash usage remains robust with public wherein it has been made known that currency with public stands at a new high of ₹30.88 lakh crore as of 21 October.

The cash with public is almost 71.84 per cent higher than the level for the fortnight ended 4 November 2016.

On November 8, 2016, Prime Minister Narendra Modi had announced the decision to withdraw ₹500 and ₹1,000 denomination notes with the ultimate aim of reducing corruption and black money in the economy.

The intent of the move, which was criticised by many experts for poor planning and execution, was to make India a "less cash" economy.

As per the fortnightly data on money supply released by the RBI on Friday, the currency with the public increased to ₹30.88 lakh crore as on October 21. The central bank data for Reserve Money had put the currency in circulation at ₹17.7 lakh crore on November 4, 2016.

Currency with public refers to notes and coins used by people to transact, settle trades, and for buying goods and services. The figure is arrived at after deducting cash with banks from the currency in circulation.

Cash usage has been steadily rising in the economy, even as newer and far convenient digital alternatives of payments have become popular. The COVID-19 pandemic, which laid an emphasis on contactless transactions, also gave a fillip to such digital modes.

A 2019 RBI study on digital payments had partly addressed the issue.

"Although digital payments have been growing gradually in recent years, both in value and volume terms across countries, data also suggests that during the same time, currency in circulation to GDP ratio has also increased in consonance with the overall economic growth," it had said.

"... an increase in digital payments to GDP ratio over a period of time does not seem to automatically imply a fall in the currency to GDP ratio of the country," it had added.

It had said that after demonetisation, India has witnessed a significant increase in digital transactions, although the digital payments to GDP ratio in the country has been traditionally low.

In a recent note, economists at SBI had said the currency in circulation (CIC) declined by ₹7,600 crore in the Diwali week, which was the first such decline in nearly two decades if one were to exclude the 2009 festivities, which saw a marginal dip due to the global financial crisis. <https://www.livemint.com/news/india/currency-with-public-rises-71-84-within-six-years-of-demonetisation-in-india-11667730648272.html>

**20. Paving the way for climate in finance** (*financialexpress.com*) November 5, 2022

The possibility of the irreversible adverse effects that may be unleashed by climate change, some of which the world is already witnessing, loom large. RBI's Discussion Paper on Climate Risk and Sustainable Finance broaches the impact that climate change may have on the financial sector. While drawing a link between climate change and financial transactions may not be apparent, the threat of the former on the latter is, in fact, quite obvious. One example of this is a collateral underlying a loan losing its value due to floods which may be caused by climate change. This is, in fact, an emerging possibility in states like Uttarakhand and Himachal Pradesh. Shifting investor sentiment to invest in green financial products on becoming aware of the adverse impacts of climate change is another example. In a recent report by the Climate Policy Initiative, which tracks green investment flows, India falls short in its climate investment targets by a staggering 75%.

Against this backdrop, RBI's Discussion Paper becomes even more relevant and timely. Primarily, it sets out the climate-related financial disclosures that regulated entities (REs) of RBI may be required to make. They appear to be largely in line with the framework set out by the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board and cut across governance, strategy, risk, and metrics-related disclosures. While the proposed framework in the Discussion Paper is an apt signal to the financial sector to take climate risk more seriously, there are two areas that could do with some more work. Need to define what is green

In the context of the Discussion Paper, to facilitate the RE in making the above disclosures, it will be foundational to determine whether its lending or investment activity is linked to climate change mitigation or adaptation. With respect to green financing generally, the foremost question that will arise is whether the financial product or project in question is sufficiently green to qualify as a 'green investment'. To make this determination, a common understanding as to what qualifies as 'green' is necessary, which India currently lacks. Further, the understanding of the term should be common not only for the financial system of India but should be aligned with international standards so as to promote cross-border investments and boost investor confidence.

International precedents in this regard are the green classification systems developed by the European Union as well as South Africa. They define sustainable or green economic activities as those which significantly contribute to defined environmental objectives (such as climate change and pollution control) and comply with technical screening criteria to be conducted by the financial entity. For example, climate change mitigation is a defined objective, and for sectors such as manufacturing (for example, cement), the screening takes into account industry-specific factors, such as significant CO<sub>2</sub> emissions and the potential to contaminate soil as well as groundwater.

As the process of defining green investments is in its nascent stage, the time is just about right for developing such a system or taxonomy. However, some of the challenges may be difficulty

in classifying general credit facilities, which may not have a specified purpose (and thus cannot be taxonomy-aligned), and lack of granular data to assess alignment with the taxonomy.

### **Enhanced role of RBI**

On an overview of the Discussion Paper, it appears that RBI can take on a greater role in the regulation of climate risk. This could be done in four ways: first, it can provide more tangible guidance. For instance, while the Discussion Paper mentions that banks may require accounting for climate risk while determining capital adequacy under the Basel norms, it does not provide guidance on how the same can be done. Further, rather than placing the onus on the RE to determine their own capability in terms of disclosure, the regulator may lay down a tailored approach based on size and activity of the RE. Second, the regulator can adopt a proactive approach and lay down best practices that may be adopted by REs, such as assisting their borrowers in transitioning to carbon neutrality by providing bespoke advisory services and capacity building. Third, it can use fintech for exploring initiatives to boost green financing by building data repositories and platforms which assist in simplifying and aggregating data as well as matching investors with green projects. Lastly, RBI can lead by example by making climate-related financial disclosures in line with the proposed framework, even though it is not meant for central banks. The Bank of England is the flag-bearer in this regard, and the regulator may emulate this unique initiative to truly walk the talk and, in the process, apply its learnings first-hand to fine tune the evolving policy framework on climate risk. <https://www.financialexpress.com/opinion/paving-the-way-for-climate-in-finance/2774790/>

### **21. In big push to Atmanirbhar Bharat, Army approves these 5 Make II projects ([livemint.com](https://www.livemint.com)) Updated: 05 Nov 2022**

Indian Army has approved project sanction orders for five Make -2 projects providing Impetus to Atma Nirbhaarta, the Defence Ministry said in an official statement.

“Indian Army is spearheading actions to provide impetus to “Make Projects” as the prime drivers of infusion of niche technologies through indigenous development. To give a further boost to the ongoing projects, Indian Army has now approved Project Sanction Orders (PSOs) of five Make II projects,” the Ministry of Defence said.

Make -2 projects are essentially industry-funded projects involving design, development and innovative solutions by Indian vendors for development of prototypes, according to the ministry.

These products are High-Frequency Man Packed Software Designed Radio, Drone Kill System, Infantry Training Weapon Simulator, 155mm Terminally Guided Munitions and Medium Range Precision Kill System, it said.

The provision of Make category of capital acquisition in Defence Procurement Procedure is a vital pillar for realising the vision behind the Make in India initiative.

The Indian Army has 43 ongoing projects under the Make II procedure of Capital Acquisition, the statement read.

“17 out of 43 projects have been initiated through suo-moto proposals received from the industry, which has generated enthusiasm and confidence in the Indian defence industry for participation in the “Make procedure”,” it said.

Make II procurement scheme has given an impetus to increase the Design & Development in the defence industry to achieve indigenisation of high end technology systems in various types of weapon systems, ammunition and modern training systems, which are currently not available in the country.

Multiple measures to expedite the ongoing Make II projects have resulted in tangible outcomes. Around 22 out of 43 Make II projects are now in prototype development stage, which is 66 % of the project cost of ₹27,000 crore. <https://www.livemint.com/news/india/in-big-push-to-atmanirbhar-bharat-army-approves-these-5-make-ii-projects-11667618611166.html>