

NEWS ITEMS ON CAG/ AUDIT REPORTS (22.12.2022)

1. CAG flags poor maintenance of tracks, bad driving, over speeding as key reasons for train derailments (timesofindia.indiatimes.com) Dec 21, 2022

NEW DELHI: The federal auditor, CAG, has found deficiency in maintenance of tracks, deviation of track parameters beyond permissible limits and bad driving and over speeding as the main reasons for train derailments. The performance audit of train derailments between 2017-18 and 2020-21 has also flagged a huge shortfall in inspection by Track Recording Cars (TRCs) in the range of 30% to 100%.

The inspection by TRCs is necessary for the objective assessment of the geometry and components of tracks. The report said the track machines remained idle for want of required traffic blocks by the operating departments, divisions not planning the blocks and operational issues. It said the shortfall in TRC inspections had adverse consequences on the quality of assets with implications on safe operation of trains on routes. Railway ministry insiders said during this period the focus was more on improving punctuality of trains and getting traffic blocks was a huge challenge.

Citing an example, the CAG has referred to the inquiry report of derailment of Seemanchal Express in February 2019 in which it was pointed out that TRC run over the section, where the accident took place, was overdue by four months. The TRC inspection could have given vital inputs for defects in track. “The main reasons assigned for the shortfall in the inspections was non-receipt of the programme for the running of TRCs to be prepared and finalised by Research Designs and Standards Organisation (RDSO), Lucknow. Thus, non-deployment of TRCs over the planned sections, as per schedule, led to non-checking of track parameters having implications on overall safety of train operations including derailments,” the report said.

The audit has also revealed that 23 factors were responsible for derailments in the selected 1,129 cases or accidents in 16 railway zones. The maximum derailments (395) were in the ‘engineering department’ followed by ‘operating department’ (173).

The audit report has also flagged how in 540 cases, which comes to around 63%, the ‘inquiry reports’ were not submitted to the accepting authority within the prescribed time schedule. There was also delay in the acceptance of the reports by accepting authorities in 421 cases (49%).

According to the report, the allotment of funds for track renewal works and the expenditure on high priority works from the rail Sanrakshan Kosh (RRSK) showed a declining trend during 2017-20. “The funds allocated to track renewal works were also not fully utilised. There was incorrect booking of expenditure to RRSK to the tune of Rs 48.21 crore. Out of 1,127 derailments during 2017-21, 289 derailments (26%) were linked to track renewals,” it said. <https://timesofindia.indiatimes.com/india/cag-flags-poor-maintenance-of-tracks-bad-driving-over-speeding-as-key-reasons-for-train-derailments/articleshow/96406760.cms?from=mdr>

2. 1,127 Derailments during 2017-21, Poor Maintenance of Tracks Major Cause: CAG Report (swarajyamag.com) Dec 22, 2022

Holding Engineering Department of Indian Railways mainly responsible for majority of derailments, Comptroller and Auditor General of India has pointed out that lack of maintenance of tracks, slow rate of track renewal among other reasons for train accidents.

CAG tabled its reports on “Derailment in Indian Railways” in Parliament on 21 December.

The report covers issues, such as, inspection and maintenance of track to prevent derailments, investigations on derailments/collisions and implementation of the preventive recommendations, utilisation of Rashtriya Rail Sanraksha Kosh (RRSK) fund for ensuring safety of track etc.

CAG has observed that there were shortfalls ranging from 30-100 per cent in inspections by Track Recording Cars. Track machines remained idle for want of required traffic blocks by the Operating Department, blocks not planned by Divisions and operational problems etc.

Analysis of ‘Inquiry Reports’ of derailment accidents revealed that 24 factors were mainly responsible for derailments. The total damages/loss of assets in these cases was reported as Rs 32.96 crore.

According to CAG, Engineering Department, Operating Department and Mechanical Department accounted for 422, 275 and 182 derailments respectively.

The major factors responsible for derailments were ‘maintenance of track’, ‘deviation of track parameters beyond permissible limits, incorrect setting of points’, ‘wheel diameter variation and defects in coaches/wagons etc.

In 540 cases (63 per cent), the ‘inquiry reports’ were not submitted to the accepting authority within the prescribed time schedule. There was also delay in the acceptance of the reports by accepting authorities in 421 cases (49 per cent).

The allotment of funds for Track Renewal works and the expenditure on high priority works from RRSK showed a declining trend during 2017-20.

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Out of 1,127 derailments during 2017-21, 289 derailments (26 percent) were linked to track renewals.

The Standing Committee on Railways (2016-17) observed that the track should be maintained in a safe and fit condition. The Committee also observed that the target kept for track renewals were not commensurate with the actual requirement on ground.

Audit observed that the target for complete track renewal was not achieved during 2017-2020.

In regard to comments of the Standing Committee on the increasing trend of accidents due to failure on the part of Railway Staff, Audit noted that there were 128 SPAD (Signal Passing at Danger) cases during 2017-21.

As per the information available, there were 20,471 Manned Level Crossings (MLCs) in Indian Railways. Out of these, only 2,908 MLCs (9 per cent) targeted for elimination during 2018-21.

Audit observed that out of 2,908 MLCs, 2,059 MLCs (70 per cent) were eliminated. <https://swarajyamag.com/news-brief/1127-derailments-during-2017-21-poor-maintenance-of-tracks-major-cause-cag-report>

3. Irregularities in corporation tax assessments of high value cases: CAG ([business-standard.com](https://www.business-standard.com)) Dec 21, 2022

A CAG audit report on Direct Taxes drew attention to 57 instances of significant errors and irregularities in corporation tax assessments of high value cases involving tax effects of Rs 6,304.56 crore.

The report of the Comptroller and Auditor General on Direct Taxes of the Union Government for the year ended March 2021, tabled in Parliament on Wednesday, contains 467 audit observations having a tax effect of Rs 8,413.10 crore.

As per the CAG report, 319 high value cases pertaining to corporation tax with tax effect of Rs 7,788.98 crore have been pointed out. These cases mainly pertained to arithmetical errors in computation of income and tax, errors in levy of interest, irregularities in allowing depreciation/business losses/capital losses, incorrect allowance of business expenditure, unexplained investment/cash credit, etc.

The Ministry/the ITD accepted 165 cases involving tax effect of Rs 5,845.39 crore but did not accept eight cases involving tax effect of Rs 114.73 crore.

However, out of 319 cases, the ITD has completed remedial action in 183 cases involving tax effect of Rs 6,506.10 crore and initiated remedial action in 27 cases involving tax effect of Rs 345.34 crore. In the remaining 109 cases, the ITD had not taken/initiated any action as of July 2022, said the report.

"Out of 319 high value cases cited, we draw attention to 57 instances of significant errors/irregularities in corporation tax assessments involving tax effect of Rs 6,304.56 crore," said the CAG report.

It observed that the collections from corporation tax decreased by 17.8 per cent, from Rs 5.57 lakh crore in FY 2019-20 to Rs 4.58 lakh crore in FY 2020-21 and Income Tax decreased by 2 per cent from Rs 4.80 lakh crore in FY 2019-20 to Rs 4.71 lakh crore in FY 2020-21.

The arrears of demand decreased from Rs 16.2 lakh crore in FY 2019-20 to Rs 15.1 lakh crore in FY 2020-21. Though total arrears of demand in FY 2020-21 decreased by 6.63 per cent as compared to FY 2019-20, demands classified as "difficult to recover" increased marginally to 98.26 per cent of the total arrears of demands in FY 2020-21 as compared to 97.61 per cent in FY 2019-20, said the audit report.

The CAG recommended application of incorrect rates of tax and surcharge, errors in levy of interest, excess or irregular refunds etc. point to weaknesses in the internal controls in the ITD, which need to be addressed. https://www.business-standard.com/article/economy-policy/irregularities-in-corporation-tax-assessments-of-high-value-cases-cag-122122101149_1.html

4. CAG report discloses irregularities in corporation tax assessments of high value cases (*thestatesman.com, dailypioneer.com, newsroomodisha.com*) Dec 21, 2022

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The CAG recommended application of incorrect rates of tax and surcharge, errors in levy of interest, excess or irregular refunds etc. point to weaknesses in the internal controls in the ITD, which need to be addressed. <https://www.thestatesman.com/business/cag-report-discloses-irregularities-in-corporation-tax-assessments-of-high-value-cases-1503140046.html>

5. CAG report discloses irregularities in corporation tax assessments of certain 'high value' cases ([ibtimes.co.in](https://www.ibtimes.co.in)) Dec 22, 2022

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Comptroller and Auditor General (CAG) of India is empowered to audit all expenses from the combined fund of the union or state governments.

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However, out of 319 cases, the ITD has completed remedial action in 183 cases involving tax effect of Rs 6,506.10 crore and initiated remedial action in 27 cases involving tax effect of Rs 345.34 crore. In the remaining 109 cases, the ITD had not taken/initiated any action as of July 2022, said the report.

Finance Ministry

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The CAG recommended application of incorrect rates of tax and surcharge, errors in levy of interest, excess or irregular refunds etc. point to weaknesses in the internal controls in the ITD, which need to be addressed. <https://www.ibtimes.co.in/cag-report-discloses-irregularities-corporation-tax-assessments-certain-high-value-cases-855168>

6. CAG report on 'Sabka Vishwas Legacy Dispute Resolution Scheme' discloses deficiencies ([moneylife.in](https://www.moneylife.in)) Dec 22, 2022

The CAG's Performance Audit report on "Sabka Vishwas Legacy Dispute Resolution Scheme 2019" has revealed certain deficiencies, mainly related to inadequacies in designing the online system, following legal provisions, CBIC instructions, disposal of disputed cases, and keeping the tax evaders in the tax net.

The Comptroller and Auditor General's Performance Audit Report on 'Sabka Vishwas Legacy Dispute Resolution Scheme 2019' (Report No. 14 of 2022) on Goods and Services Tax, Central Excise and Service Tax, tabled in the Parliament on Wednesday, found that irregular relief of Rs 109.81 crore in 28 declarations was extended to declarants who sought relief with respect to ineligible goods.

This Performance Audit was conducted in 52 selected Commissionerates.

As per the report, the Designated Committees irregularly processed 21 declarations, involving tax dues of Rs 7.01 crore under the 'Voluntary Disclosure' category, though the declarants were subjected to enquiry, investigation, audit, and filed returns. The Designated Committees rejected 14 eligible declarations, also resulting in probable loss of revenue of Rs 8.72 crore, it said.

The CAG report said that irregular processing of 17 declarations under the 'Litigation' category instead of 'Arrears' resulted in excess relief amounting to Rs 5.1 crore to the declarants. In 65 declarations involving tax dues of Rs 90.51 crore, evidence of pre-deposits or deposits had not been verified properly, after due linking with the cases concerned.

The audit report said that the SVLDRS portal accepted multiple declarations in 208 cases involving tax dues of Rs 273.53 crore, which resulted in processing of certain cases multiple times.

The CAG recommended that the Department may take effective steps to pursue, in a time bound manner, those cases which were rejected under the scheme as well as the 28,825 cases for which Discharge Certificates could not be issued, especially due to non-payment of the estimated payable amount. In particular, Voluntary Disclosure Cases where liability was not discharged should be vigorously pursued to protect the interest of the revenue. Arrears are confirmed demands and have no expiry date and it is possible that many of the declarants might have migrated to the GST regime as assesseees, and therefore recovery actions are pursuable, it said. <https://www.moneylife.in/article/cag-report-on-sabka-vishwas-legacy-dispute-resolution-scheme-discloses-deficiencies/69270.html>

7. Pursue cases rejected under 'Sabka Vishwas' scheme: CAG (economictimes.indiatimes.com) Dec 22, 2022

The Comptroller & Auditor General of India (CAG) has asked the revenue department to take effective steps to pursue, in a time bound manner, cases rejected under the indirect tax dispute settlement scheme Sabka Vishwas Legacy Dispute Resolution Scheme 2019.

The CAG also asked the department to investigate 28,825 cases for which discharge certificates could not be issued due to non-payment of the estimated payable amount. In a report tabled in

Parliament, CAG said in particular, 'Voluntary Disclosure' cases where liability was not discharged, should be vigorously pursued to protect the interest of revenue.

"Arrears are confirmed demand and have no expiry date and it is possible that many of the declarants might have migrated to the Goods and Services Tax regime as assesseees and therefore recovery actions are pursuable," it said.

The key aim of the 'Scheme' was to unload the baggage relating to the legacy cases viz. Central Excise and Service Tax that have been subsumed under GST. Irregular relief of ₹109.81 crore in 28 declarations was extended to declarants who sought relief with respect to ineligible goods, it said, adding that the SVLDRS portal accepted multiple declarations in 208 cases involving tax dues of ₹273.53 crore, which resulted in processing of certain cases multiple times.

Direct Taxes

In a separate report, the CAG asked the Central Board of Direct Taxes to address certain issues. "Application of incorrect rates of tax and surcharge, errors in levy of interest, excess or irregular refunds etc. point to weaknesses in the internal controls in the income tax department, which need to be addressed," it said. <https://economictimes.indiatimes.com/news/india/pursue-cases-rejected-under-sabka-vishwas-scheme-cag/articleshow/96407478.cms>

8. One To Five Year Delays in Building Infrastructure to Secure Naval Ports: CAG (businessworld.in) Dec 22, 2022

The Cabinet Committee on Security's approval in February 2009 to beef up the security of all coastal and offshore naval assets within three years in the aftermath of the 26/11 Mumbai attacks was "diluted" due to delays in creating the enabling framework, according to the Comptroller and Auditor General (CAG).

According to the report by the CAG, Fast Interception Crafts (FICs) were inducted into the Sagar Prahari Bal (SPB) with a delay of 13 to 61 months and the infrastructure envisaged by the Cabinet Committee on Security (CCS) was not available until June last at a few naval ports. The report was introduced in Parliament on Tuesday.

"The urgency in CCS's sanction (February 2009) following the 26/11 terror attack for establishing a maritime force (Sagar Prahari Bal, SPB) within three years to provide security to all coastal and offshore naval assets has been diluted due to delays in creating the enabling setup (Fast Interception Crafts and manpower infrastructure)," the CAG said in a press statement.

According to the report, "FICs were inducted into SPB with a delay of 13 to 61 months and infrastructure for basing of FICs and SPB was still not available (June 2021) at a few naval ports envisaged in the CCS's sanction (February 2009) and manpower deployment at the officers' level was deficient."

Following the 2008 Mumbai terror attack, in which over 166 people, including 28 foreigners from ten countries, were killed by a group of Pakistani terrorists, the Indian security establishment initiated a series of measures to strengthen India's coastal security.

"The operational availability and exploitation of FICs at designated ports have been suboptimal since their induction," the CAG stated.

Another observation made by the CAG was that Boost Gas Turbines (BGTs) were held in excess of the quantity prescribed by existing naval instructions.

“The ships' impending decommissioning and stock position were not taken into account when placing orders for BGT procurement. This resulted in an excess of newly acquired BGTs worth Rs 213.96 crore,” it stated.

According to the CAG, the repair and overhaul of a naval helicopter were inordinately delayed due to time taken in accordance with the Ministry of Defence's Approval in Principle (AIP) (260 weeks) and contract conclusion (95 weeks).

According to the report, this caused the helicopter to be grounded for more than ten years.

The CAG also stated that the chief engineer (Navy) in Mumbai signed a contract to construct a security wall around defence land that was not free of encroachment.

As a result, the contract was cancelled in June 2017 after spending Rs 2.19 crore, according to the report.

The CAG also investigated the execution of specific work by the IAF involving an expenditure of Rs 8,922 crore from 2014-15 to 2018-19.

The CAG stated that it evaluated whether the planning and execution of work services were capable of achieving quality output in a timely manner and whether the work services tendering process was capable of ensuring quality, optimum price and fair play.

“Over the last five years, the approval of the annual major works programme has been significantly delayed in each year, which has had an adverse effect on the chain of sanctioning, tendering and execution of works,” it said.

The CAG also provided specific examples of rule violations. “In one case, relating to runway works, the award of work to an ineligible contractor led to premature failure of the runway, which in turn required fresh sanctioning and execution of work through another contractor for the same work.”

“As a result, fresh runway resurfacing at the AF station was completed at the cost of Rs 37.40 crore in six years rather than the prescribed period of 10-12 years,” it said. <https://www.businessworld.in/article/One-To-Five-Year-Delays-In-Building-Infrastructure-To-Secure-Naval-Ports-CAG/21-12-2022-458965/>

9. CAG flags delays in implementation of measures to strengthen security of coastal (*[dailyexcelsior.com](https://www.dailyexcelsior.com)*) Dec 22, 2022

An approval accorded by the Cabinet Committee on Security in February 2009 to beef up security of all coastal and offshore naval assets within a period of three years in the aftermath of the 26/11 Mumbai attacks was “diluted” due to delays in creating the enabling framework, national auditor CAG has said.

It said Fast Interception Crafts (FICs) were inducted into the Sagar Prahari Bal (SPB) with a delay of 13 to 61 months, adding the infrastructure envisaged by the Cabinet Committee on

Security (CCS) was not available till June last at a few naval ports, according to the report by the Comptroller and Auditor General.

The report was tabled in Parliament on Tuesday.

“The urgency in CCS’s sanction (February 2009) following the 26/11 terror attack for setting up a maritime force (Sagar Prahari Bal, SPB) within a period of three years so as to provide security to all coastal and offshore naval assets, was diluted due to delays in creating the enabling setup (Fast Interception Crafts, FICs, and manpower infrastructure),” the CAG said in a press statement.

It said, “FICs were inducted into SPB with a delay of 13 to 61 months, (and) infrastructure for basing of FICs/SPB was still (June 2021) not available at a few naval ports envisaged in the CCS’s sanction (February 2009) and manpower deployment at the officers’ level was deficient.”

The Indian security establishment initiated a series of measures to strengthen India’s coastal security after the 2008 Mumbai terror attack in which over 166 people, including 28 foreigners from 10 nations, were killed by a group of Pakistani terrorists.

“The operational availability and exploitation of FICs since their induction at designated ports were sub-optimal,” the CAG said.

In another observation, the CAG said Boost Gas Turbines (BGTs) were held in excess of the quantity prescribed as per the extant naval instructions.

“The imminent decommissioning of the ships and stock position were not considered while placing orders for procurement of BGTs. This resulted in excess holding of the newly procured BGTs worth Rs 213.96 crore,” it said.

The CAG said the repair and overhaul of a naval helicopter were inordinately delayed due to time taken in accordance with Approval in Principle (AIP) by the Ministry of Defence (260 weeks) and conclusion of contract (95 weeks).

It said this resulted in the helicopter being grounded for over 10 years.

In another observation, the CAG said the chief engineer (Navy) in Mumbai concluded a contract for the construction of a security wall around defence land, which was not free from encroachment.

As a result, the contract was rescinded in June 2017 after incurring an expenditure of Rs 2.19 crore, it said.

The CAG also examined the execution of certain work by the IAF involving an expenditure of Rs 8,922 crore during the period from 2014-15 to 2018-19.

The CAG said it assessed whether the planning and execution of work services were able to achieve quality output in a timely manner and also whether the tendering process in work services was able to ensure quality, optimum price and fair play.

“The approval of annual major works programme got significantly delayed in each year during the last five years which in turn had an adverse effect on the chain of sanctioning, tendering and execution of works,” it said.

The CAG also gave specific examples of deviations from laid down rules.

“In one case, relating to runway works, award of work to an ineligible contractor led to premature failure of the runway, which in turn required fresh sanctioning and execution of work through another contractor for the same work.

“Thus, fresh runway resurfacing at the AF station was executed at a cost of Rs 37.40 crore within a span of six years instead of the prescribed period of 10-12 years,” it said. <https://www.dailyexcelsior.com/cag-flags-delays-in-implementation-of-measures-to-strengthen-security-of-coastal/>

10. Measures to strengthen security of coastal, offshore naval assets delayed: CAG (etvbharat.com) Dec 21, 2022

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It said Fast Interception Crafts (FICs) were inducted into the Sagar Prahari Bal (SPB) with a delay of 13 to 61 months, adding the infrastructure envisaged by the Cabinet Committee on Security (CCS) was not available till June last at a few naval ports, according to the report by the Comptroller and Auditor General. The report was tabled in Parliament on Tuesday.

"The urgency in CCS's sanction (February 2009) following the 26/11 terror attack for setting up a maritime force (Sagar Prahari Bal, SPB) within a period of three years so as to provide security to all coastal and offshore naval assets, was diluted due to delays in creating the enabling setup (Fast Interception Crafts, FICs, and manpower infrastructure)," the CAG said in a press statement. It said, "FICs were inducted into SPB with a delay of 13 to 61 months, (and) infrastructure for basing of FICs/SPB was still (June 2021) not available at a few naval ports envisaged in the CCS's sanction (February 2009) and manpower deployment at the officers' level was deficient."

The Indian security establishment initiated a series of measures to strengthen India's coastal security after the 2008 Mumbai terror attack in which over 166 people, including 28 foreigners from 10 nations, were killed by a group of Pakistani terrorists. "The operational availability and exploitation of FICs since their induction at designated ports were sub-optimal," the CAG said.

In another observation, the CAG said Boost Gas Turbines (BGTs) were held in excess of the quantity prescribed as per the extant naval instructions. "The imminent decommissioning of the ships and stock position were not considered while placing orders for procurement of BGTs. This resulted in excess holding of the newly procured BGTs worth ₹ 213.96 crore," it said.

The CAG said the repair and overhaul of a naval helicopter were inordinately delayed due to time taken in accordance with Approval in Principle (AIP) by the Ministry of Defence (260

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In another observation, the CAG said the chief engineer (Navy) in Mumbai concluded a contract for the construction of a security wall around defence land, which was not free from encroachment. As a result, the contract was rescinded in June 2017 after incurring an expenditure of ₹ 2.19 crore, it said. The CAG also examined the execution of certain work by the IAF involving an expenditure of ₹ 8,922 crore during the period from 2014-15 to 2018-19.

The CAG said it assessed whether the planning and execution of work services were able to achieve quality output in a timely manner and also whether the tendering process in work services was able to ensure quality, optimum price and fair play. "The approval of annual major works programme got significantly delayed in each year during the last five years which in turn had an adverse effect on the chain of sanctioning, tendering and execution of works," it said.

The CAG also gave specific examples of deviations from laid down rules. "In one case, relating to runway works, award of work to an ineligible contractor led to premature failure of the runway, which in turn required fresh sanctioning and execution of work through another contractor for the same work. "Thus, fresh runway resurfacing at the AF station was executed at a cost of ₹ 37.40 crore within a span of six years instead of the prescribed period of 10-12 years," it said. <https://www.etvbharat.com/english/national/bharat/measures-to-strengthen-security-of-coastal-offshore-naval-assets-delayed-cag/na20221221090039751751896>

11. Even after 13 years since the deadly Mumbai terrorist attack, there is still an extreme lack of safety and security in the country's ports: CAG (sanatanprabhat.org) Dec 22, 2022

After the terrorist attack on Mumbai on 26th November 2008, the Union Cabinet Committee issued some directives to protect the Indian coastline. However, there was a delay of 13 to 61 months to complete these directives. To make matters worse the necessary security facilities for some ports were not provided till June 2021. As per a report by the Comptroller and Auditor General (CAG) permission to supply the facilities was given in February 2009, i.e. 13 years ago. This report has been handed over to the Central Government.

According to the CAG report

1. After the attack on Mumbai, there was a delay ranging between 13 to 61 months in supplying the 'Fast Interceptor Crafts' (Speedboats) for the 'Ocean Sentinel Force', and in the ports where they were deployed, they were hardly being used. In many places it was found that there were not enough staff to operate them.

2. The Navy stocked up on more than the required amount of 'Boost Gas Turbine'. The stock was also not checked when it was being purchased. Hence they were bought in large quantities. This resulted in an additional expenditure (waste) of Rs 213.96 crore. <https://sanatanprabhat.org/english/68187.html>

12. Ensuring food security for all (thehindubusinessline.com) Dec 21, 2022

India's development report cards have long been plagued by high incidence of malnutrition, making it an often-cited example of the nation's growth conundrum. With the country being home to more than one-third of undernourished children, it is evident that the problem

underlines the need for a targeted and multi-sectoral approach, with the benefits of the government programmes reaching the farthest first.

The National Food Security Act (NFSA) of 2013 is critical to achieving food security. NFSA aims to nourish two-thirds of the population with subsidised foodgrains through Targeted Public Distribution System (TPDS) under two categories — Antyodaya Anna Yojana (AAY) and Priority Households (PHH). It reinforces Article 47 of the Constitution, which recognises the citizen's right to enhance their level of nutrition and standard of living.

Criteria modified

As per Section 10 of NFSA, the responsibility for the identification of beneficiaries lies with the States/UT Governments. While the criteria for identifying AAY beneficiaries are already specified in the AAY guidelines, every State/UT is required to evolve criteria for identifying PHH within the determined number. Accordingly, for PHH identification purposes, most of the States/UTs have modified the SECC (Socio-Economic and Caste Census) criteria and have also added certain inclusion/exclusion criteria such as residential vulnerability, age, disabilities and income, among others.

The process of inclusion or exclusion of beneficiaries under the NFSA is an ongoing exercise. During 2014-2021, several initiatives have been taken to improve the access to PDS such as technology-driven PDS reforms, including digitisation of ration cards, de-duplication process, etc.

This has enabled States/UTs to weed out around 42.8 million ineligible/bogus ration cards against which new ration cards are regularly issued by States/UTs within their defined coverage of NFSA.

While many States have already reached their defined coverage limit, some States/UTs, such as Chandigarh, Himachal Pradesh and others are still unable to meet their defined NFSA quota. Hence, out of the total NFSA coverage limit of 813.5 million, nearly 13.2 million remain unutilised. Efficient and equitable implementation of the NFSA would imply that it leaves no eligible beneficiary behind.

However, the different inclusion and exclusion beneficiary identification criteria adopted by the States/UTs have led to ambiguity in the adaptation of terminologies, indicators, and approaches resulting in inclusion-exclusion errors that hampers the national objective of an inclusive food safety net. There are two main reasons:

Same indicator — different definition: The “income/earnings” criterion is used for beneficiary inclusion in 15 States/UTs, while it is used for exclusion in 25 States/UTs. Further, its categorisation depends on the terminology defined by the State. In Bihar, for instance, any HH member earning more than ₹10,000 per month in rural areas are excluded, whereas, in Delhi, any HH with annual income of less than ₹1 lakh is included.

Therefore, the same criterion is being used for exclusion in Bihar and for inclusion in Delhi. Similarly, Andhra Pradesh defines disability as being physically challenged, whereas Madhya Pradesh identifies it as deformity and mental retardation.

Such instances result in eligible beneficiaries enjoying benefits in one State/UT while getting deprived in another, leading to exclusion errors.

Different numbers of indicators being adopted as identification criteria: While some States/UTs have both inclusion and exclusion criteria for identifying PHH, some have either only exclusion or only inclusion criteria to identify PHH beneficiaries. For instance, Maharashtra identifies PHH beneficiaries only based on “income/earnings” criterion resulting in exclusion of vulnerable households that would be eligible based on other indicators such as residential vulnerability, disability, etc. Such variations lead to unequal coverage of vulnerable groups across States/UTs.

The CAG report (2015) on “Preparedness of Implementation of NFSA, 2013” highlighted that most of the implementing States did not identify AAY and PHH beneficiaries as per the provisions of NFSA but used the old database of beneficiaries for extending the benefits and projected themselves as NFSA compliant, resulting in variations.

The CAG report categorises such variation as an indicator of the risk of inclusion and exclusion errors in the identified list of beneficiaries.

Revisiting the criteria

A plausible solution to minimise this inclusion/exclusion error under NFSA could be to adopt standardised criteria with proper definitions across all States/UTs. Section 38 of NFSA permits the Central Government to provide directions to States/UTs from time to time to ensure effective implementation of the Act. Accordingly, the Ministry of Consumer Affairs and Public Distribution may thus develop standardised inclusion and exclusion criteria and their terminology for PHH identification, which shall apply uniformly to all States/UTs.

In addition, revisiting the beneficiary identification criteria would also entail inclusion of vulnerable categories such as illness/debilitating disease, differently-abled people, and so on, and thereby helps in achieving food security for all. <https://www.thehindubusinessline.com/opinion/ensuring-food-security-for-all/article66289558.ece>

13. New pension scheme with assured returns by May-June ([financialexpress.com](https://www.financialexpress.com)) Dec 22, 2022

The Pension Fund Regulatory and Development Authority (PFRDA) will roll out the world’s first minimum assured return scheme (MARS) by May-June next year under the National Pension System (NPS), guaranteeing 4-5% annual returns on the pension corpus for ten years, its chairman Supratim Bandyopadhyay told FE.

The minimum annual contribution for MARS would be Rs 5,000/annum and the upper age for subscribers would be below 50 years, keeping in mind the retirement age of 60, Bandyopadhyay said.

Currently, the schemes under NPS do not guarantee any kind of returns or benefits as they are market-determined. Of course, the government-backed Atal Pension Yojana guarantees a minimum monthly pension of Rs 1,000-5,000 to the subscribers based on their contributions.

The guaranteed returns from MARS would be nearly half of the actual returns under the market-linked NPS schemes and it would also come with a higher fund management fee. Because of the risks involved in guaranteeing returns, the fund management fee could be

around 25 basis points (bps) compared with a maximum of 9 bps under other NPS schemes, yet lower than 150 bps charged by insurance companies for their insurance products.

Fund managers would have a solvency ratio of 1.5 (asset/liabilities) for MARS, meaning there will be requirement for them to infuse additional capital to run the scheme. No solvency ratio is prescribed under the market-return-based NPS schemes.

So, to make such a product attractive, the PFRDA will give the flexibility to fund managers in the investment ratio of the MARS corpus in government securities, corporate bonds and equities to generate higher returns over and above the guaranteed rate.

“In India or internationally, there is no product like this. We are going to give a basic return guarantee anywhere between 4% and 5% and all the upsides in market returns will go to the subscriber,” Bandyopadhyay said.

The average returns on NPS corpus have been around 10% in the past 13 years for the central government and state government employees, who form the bulk of the subscribers’ AUM corpus (about 80% of Rs 8.5 trillion as of December 17, 2022).

Currently, subscribers get Rs 50,000 deduction annually under the Income Tax Act for their NPS contribution over and above Rs 1,50,000 allowed under Section 80C.

According to extant norms, at the time of exit from NPS, a subscriber gets 60% tax-free lump sum and the balance 40% must be used to buy annuities for regular income till death of subscriber and his/her spouse; thereafter, principal amount is returned to nominees. Similar benefits will be available for MARS too.

The product is being launched more than nine years after the PFRDA Act 2013 mandated the regulator to launch a MARS product. It took time as there was no such product globally for reference.

“Depending on the market response, the MARS scheme may be modified at a later stage,” Bandyopadhyay said.

After ten years, the corpus could be reinvested in MARS again at the prevailing minimum return guarantee rate or get invested in normal NPS schemes without guarantee at the choice of the subscribers.

The product will be open for subscription initially for non-government subscribers and will be extended to government employees after the Centre and States notify the product as an option for their staff.

In the past, the Comptroller and Auditor General of India had criticised PFRDA for not rolling out a MARS, in compliance with the provisions of the PFRDA Act. As per the Act, the subscriber shall have the option to invest his funds in such schemes providing MARS as may be notified by the Authority. <https://www.financialexpress.com/money/new-pension-scheme-with-assured-returns-by-may-june/2922546/>

14. Delving Into the Rafale Deal's Many Opaque Aspects (thewire.in) Krishnan Srinivasan | Dec 22, 2022

In *The Rafale Deal: Flying Lies*, authors Ravi Nair and Paranjoy Guha Thakurta have examined in forensic detail the Indian negotiations with France over the purchase of the Rafale fighter jets for the Indian Air Force and concluded that many opaque aspects remain to be clarified if doubts about the probity of the deal are to be laid to rest.

A precis here of the history of the purchase might be necessary. Concluding a commercial bidding process that began in 2007, by 2012 the purchase of 126 Rafale aircraft from Dassault was decided upon with 18 planes in fly-away condition and the remainder to be assembled in India by HAL. By 2015, the negotiations were said to be 95% complete though Dassault was disinclined to guarantee the HAL planes. In a dramatic intervention on April 10, 2015, Prime Minister Narendra Modi in Paris announced he had asked French President Francois Hollande for 36 'fly-away' Rafales on terms better than the ongoing process, which was considered superseded. This was a political decision, not a commercial one, that had not been approved by the Defence Acquisition Committee headed by the defence minister nor the Cabinet Committee on Security.

This new contract was implemented without seeking competitive bids, bank guarantee, an anti-corruption clause, obligation to transfer technology or manufacturing in India. The arbitration centre would be in Geneva and not India. Anil Ambani's Reliance Aerostructure Ltd., though the company was financially stressed and "brought neither funds nor knowhow to the venture" other than political influence, was chosen as the offset partner by Dassault, which arrangement was worth about Rs 30,000 crore. Hollande first claimed that Ambani had been proposed by India and later recanted. A formal inter-government contract was signed for €7.8 billion in September 2016 with a 5-year maintenance warranty. According to the authors, the cost was nearly Rs 900 crore more per aircraft though with an added new missile, and Rs 20,000 crore was paid in advance.

Three out of seven in the Indian negotiating team dissented on the price hike. The government pleaded a secrecy accord with France and security sensitivity to protect information about the costs. It removed the CBI director from initiating an enquiry, and before the Supreme Court claimed a clearance from the Comptroller and Auditor General, who by then had not yet tabled his conclusions in Parliament. In December 2018, the court dismissed the petitions for an enquiry, which closed down the investigation into corruption allegations. The Indian negotiating team and Cabinet Committee on Security approved the deal post facto.

The main questions the authors pose are: why were only 36 planes acquired whereas the original requirement projected was 126? Who approved the deal? Why had the price escalated? Why was Anil Ambani's company taken as the offset partner?

Commendably, in the interest of equity, the authors have included a 42-page robust defence in 2020 of the 36-plane Rafale deal by retired Air Marshal R. Nambiar, who states that the prescribed procedures being complex and time-consuming, IAF's need became progressively more pressing. The Dassault-HAL arrangement had broken down over the man-hours required, and the French company would not take responsibility for the 108 planes HAL was manufacturing. He asserts that the IAF had asked for at least 36 planes as an emergency procurement and the defence minister was aware of Modi's intention to purchase 36 fly-away Rafales and their price since India did not have the money for 126 planes. Modi did not break

procedures; in Paris, he only announced an intention, not a contract; the procedures were fulfilled later. Nambiar also claimed that the inter-government price was better pro rata than the commercial package, and was approved by the Defence Acquisitions Committee guided by the Indian negotiating team. As for the letter of comfort rather than a sovereign guarantee, Nambiar claimed that this covered only the offsets which were a commercial contract. Dassault had wanted an extra 0.35% for any bank guarantee which was unreasonable. And Geneva was accepted as the seat of arbitration since the inter-government process was entirely different from the commercial deal envisaged earlier.

The BJP government predictably accused the opposition of anti-national behaviour by undermining the military through formulating a “selective and incomplete picture”, and the Congress party and HAL for delaying the purchase pre-2014. There’s no denying that despite the IAF’s shortages, delays were caused by defence minister A.K. Antony, who repeatedly had the Dassault agreement reviewed. In any event, the original deal for 126 planes was unaffordable since there was no budget. There is no money trail, the CBI did not investigate the deal and the government refused a joint parliamentary committee, so corruption accusations are hard to level. Ambani’s preferential treatment can be ascribed to habitual crony capitalism. Indian media has lost interest and public engagement died with the 2019 election.

Modi, the ultimate event manager, loves the dramatic gesture, the big announcement – his unpredictability is his USP as one Delhi-based editor has written. In this case, precedents and procedures were set aside for the prime minister to appear a decisive nationalist. In the wake of this, the BJP and the cabinet engaged in mixed messaging, false leaks, contradictions, double-speak, half-truths and equivocations – a travesty for a party and leader who take pride in connecting seamlessly with the people.

French anti-corruption agencies were approached by an NGO called Sherpa in 2021 and a judge started an investigation into French malpractice, though it will be blunted by the French government’s plea of secrecy and will have marginal impact on the authors’ queries. The main French media platform making enquiries is Mediapart, whose target is a family headed by Brij Mohan Gupta, Dassault agents, who, it is claimed, received money for influence pedalling, and no less than 1 million Euros for producing 50 model replicas of Rafale.

The authors’ dedication and diligence are remarkable; this work is fully referenced and the sources are in the public domain, but the approach is one of an advocate’s brief which makes it difficult to engage. A summary of each chapter would have been advisable for readers who did not need, or wish, to encounter such granular detail. But the salient argument remains – that the ruling party has a case to answer and many doubts to clear. For this, the authors are to be commended.

Krishnan Srinivasan is a former foreign secretary.

<https://thewire.in/books/book-review-rafale-deal-flying-lies>

STATES NEWS ITEMS

15. Mumbai: BMC sends notice to CAG, says audit not in its purview (freepressjournal.in) Dec 22, 2022

Mumbai: The BMC’s law department has issued a legal notice to the Comptroller and Auditor General (CAG), stating them it cannot conduct an audit of expenditure made by the civic body

during the Covid-19 pandemic when the Epidemic Act 1897 and the Disaster Management Act 2005 were in force.

Confirming the notice, BMC commissioner Iqbal Singh Chahal said that the notice was sent six weeks ago. The Free Press Journal on Dec 8 reported that audits of health expenses during the pandemic are not in the CAG's purview. Sources had then said that during the pandemic it's not possible for officers to follow each and every rule of tender process as the focus is on saving lives.

On Oct 29, Chief Minister Eknath Shinde had issued directions to the CAG to audit BMC projects to the tune of Rs12,000 crore undertaken from Nov 28, 2019 to Feb 28, 2022, when the Maha Vikas Aghadi government was in power. The probe was ordered following the BJP's corruption allegations against contracts awarded during the pandemic.

Transactions of at least 10 departments are expected to be probed by the CAG. Following the CM's order, a team comprising 8-10 members had visited the BMC headquarters in Nov-end and had met Mr Chahal and other senior officers. The CAG has been tasked to finish the audit before the year ends. <https://www.freepressjournal.in/mumbai/mumbai-bmc-sends-notice-to-cag-says-audit-not-in-its-purview>

16. 'BMC no to CAG audit height of unaccountability' (timesofindia.indiatimes.com) Dec 22, 2022

MUMBAI: The opposition led by Congress and Samajwadi Party and former top bureaucrats slammed the BMC over its legal notice to the Comptroller and Auditor General (CAG) pointing out the latter cannot audit or probe any spending done during Covid-19 under the Epidemic Diseases Act, 1897, and Disaster Management (DM) Act, 2005. Former Congress MP Milind Deora said this was the height of civic unaccountability. Samajwadi Party MLA Rais Shaikh said the BMC was running away from the probe and this amounted to defying the state and central governments.

"The height of civic unaccountability. Now, India's richest municipality seeks immunity from CAG auditing a whopping Rs 3,500 crore spent during Covid. How long will Mumbaikars foot the bill for BMC's corruption and misgovernance? Identify the guilty & bring them to book," Deora tweeted.

"If there is nothing to hide, why is the BMC running away from a probe? If there is nothing to hide, why is BMC scared of a probe? BMC chief Iqbal Chahal is defying the state government and also challenging the central government since CAG is a central audit agency. The ED Act and the DM Act are meant to help tackle disasters and emergencies. They are not a licence to loot the city, its taxpayers and throw all rules out of the window. It looks like there is match-fixing between the government and babus of BMC," Shaikh said.

Former Congress corporator Ravi Raja said Chahal can't grant immunity to all his officers. "I wonder how can the BMC chief grant immunity to its officers under Disaster Management Act and tell them not to cooperate with CAG. The CM has asked CAG to conduct a probe into Covid spending of Rs 3,538 crore. How come the BMC chief is defiant against the order of CM? If Covid spending proposals were sent to the standing committee for information, then why can't he send them to CAG? If nothing wrong is done, then what is the problem? The CM and DCM must look into it and ensure a probe will take place," Raja said.

Former municipal commissioner Subodh Kumar too said, "Immunity under the Act for actions that restrict the freedom of people, or adverse consequences of decisions taken, including that of vaccination or treatment etc, is not a licence to indulge in gross financial irregularities."

The BMC's legal notice has taken the steam out of the CAG probe into BMC spending since out of the Rs 12,000 crore spending CAG is probing, over Rs 3,500 crore is related to Covid-19. "This notice is a big setback for the Shinde-Fadnavis government ahead of the BMC polls. The BJP was banking on the probe to tarnish the Shiv Sena (UBT) image of good work done in Covid before the polls," a political observer said. <https://timesofindia.indiatimes.com/city/mumbai/bmc-no-to-cag-audit-height-of-unaccountability/articleshow/96411761.cms>

17. What's Nagpur land allotment 'scam' & why MVA wants Shinde to resign over it (theprint.in) 22 Dec 2022

The opposition Maha Vikas Aghadi (MVA) has demanded the resignation of Maharashtra Chief Minister Eknath Shinde over the Nagpur Improvement Trust (NIT) land allotment row, days after the Bombay High Court ordered status quo on the matter.

The MVA — comprising the Nationalist Congress Party (NCP), the Congress and the Shiv Sena (Uddhav Balasaheb Thackeray) — has alleged that in April 2021, Shinde, as Urban Development minister, allotted over 4.5 acres reserved for slum dwellers at a 'throwaway' price to 16 private individuals, despite the matter being sub-judice.

The CM, however, has denied any wrongdoing and claimed that he wasn't aware of the matter being sub-judice in the high court as NIT and urban development (ministry) officials did not brief him about it. Meanwhile, Uddhav Thackeray, during whose tenure as the CM the decision was taken, has said that "if the decision is wrong, it is wrong."

So, what is the land allotment case about and why is the MVA demanding Shinde's resignation now. ThePrint explains:

What is the case

The matter dates to 2004 when activist Anil Wadpalliwar filed a petition in Nagpur bench of the Bombay High Court after the Comptroller and Auditor General (CAG) found irregularities in the allotment of land parcels by NIT and public utility lands.

In 2002, a cooperative housing society wanted to regularise 52 plots, including the land under the NIT. The NIT had gone to the Nagpur Municipal Corporation (NMC) for permission as the area was under the civic body. But the permission was denied.

In 2017, the high court set up a one-man committee under retired judge M.N. Gilani to study and investigate the matter. The initial findings of the Gilani committee pointed out that the NIT had framed Sakkadara Street Scheme in 1964 — sanctioned by the state government in 1967 — which included 42.8 acres of land plot, which was with one Kheta family till 1975. Eventually, the land was awarded to NIT in 1981 and remained under its possession.

The committee had also found irregularities and violations in the land allotment process by the NIT.

The Gilani committee report stated “prima facie this (illegal allotments) is a blatant misuse of public property. It is also noticed that 3.61 acres of land is under encroachment. Allowing the land for encroachment is an act of sheer negligence and dereliction of duty on the part of officers.”

“It is strange that none of the allotments were for removal of slum conditions in unauthorised layouts. Complete deviation of object cherished behind before acquisition proceedings,” the report added.

In 2018, the matter came to light again when Nagpur-based Right to Information (RTI) activist Kamlesh Shah wrote to the NIT chairman over the ‘illegal allotments’ issue as the matter was pending in the high court. He, then, moved the Anti-Corruption Bureau, Nagpur, and submitted all the documents relating to the case. The ACB, Nagpur, forwarded the complaint to its Mumbai unit from where it went to principal secretary, Urban Development, Shah told ThePrint.

Shah said that despite back and forth correspondence, he did not get any response and instead of replying and answering to him over his queries, the ACB Nagpur kept on passing the file forward.

On April 20, 2021, Shinde, as the urban development minister, passed an order directing the NIT to execute lease and hand over possession of the land acquired for housing development of slum dwellers to 16 builders. ThePrint has a copy of the document.

The land handed over was allegedly Rs 2 crore instead of the market price of Rs 83 crore.

“Now they (the government) say that they don’t know anything, but my complaint has been there since 2018. And in 2021, Shinde passed the order himself. He was in the top position. Either the officials were at fault or the minister since my complaint is still pending, and the Gilani report is also there. Why was the report not given to Shinde?” Shah contended.

On December 14, taking cognisance of news reports submitted by amicus curiae advocate Anand Parchure, the Nagpur bench of the Bombay High Court ordered status quo on Shinde’s decision of giving the plot to private persons.

“The learned amicus submits that if the news items are true, there is a possibility of the state government had interfered in the administration of justice by this court when the very issue is pending before this court. We would request the state government to submit its response,” the court said, asking the government to submit its response by the next hearing on 4 January.

Ruckus in Assembly

Following the HC order, the assembly session, which commenced on 19 December, saw the opposition up in arms against the Eknath Shinde-led coalition government.

Amid the opposition’s demand for the CM’s resignation, Deputy CM Devendra Fadnavis Tuesday told the Assembly that Shinde had implemented a 2007 decision taken by the Congress government under Vilasrao Deshmukh. He also informed the House that the government has, now, withdrawn the allocation of the land.

On Tuesday, Shinde informed the Assembly that he has already cancelled the land allotment and claimed that he was unaware of the case being sub-judice.

Uddhav Thackeray, who is also the member of Legislative Council, held a media briefing Tuesday, where he demanded that Shinde should step down as CM for a fair trial. “If all is well, then why did the government cancel the land allocation? Is it okay for such an individual to hold office after such observations were made by the court? There are precedents of ministers quitting after allegations. The practice should be followed,” he said.

When questioned that the decision was taken during his rule, Thackeray said, “So what? If a decision is wrong, then it is wrong.”

The MVA raised slogans inside and outside the assembly on Wednesday as well.

The opposition leaders protested with banners reading the message of ‘Bhukhanda cha Shrikhand (kickbacks for land allotment)’ outside the assembly, while MVA leaders Prithviraj Chavan, Jitendra Awhad and Chhagan Bhujbal flagged the topic for discussion inside the House. But the government steered away from the discussion, saying the matter is sub-judice.

“If Shraddha Walkar case and (Maharashtra-Karnataka) border row can be discussed despite being sub-judice, then why not the NIT matter,” asked an MVA leader. <https://theprint.in/india/whats-nagpur-land-allotment-scam-why-mva-wants-shinde-to-resign-over-it/1275120/>

18. Land given on lease to 16 influential people: Petitioner (hindustantimes.com) 21 Dec 2022

Nagpur: In 2003, the Comptroller and Auditor General of India (CAG) came out with strictures against the “illegal” allotments of land by the Nagpur Improvement Trust (NIT), pointing out 28 such cases. The local newspapers carried in-depth stories on this.

One Anil Wadpalliwar, a social worker-cum-RTI activist, sent all the newspaper cuttings to the administrative judge of the Nagpur bench of the Bombay high court in 2004, requesting him to treat it as a public interest litigation (PIL).

The high court treated the letter, along with the newspaper cuttings, as a PIL and appointed a senior Nagpur-based lawyer, Anand Parchure, as amicus curiae. The PIL is still pending in the Nagpur bench of the Bombay high court.

Wadpalliwar, the petitioner, said that the court appointed a committee headed by Justice M N Gilani to investigate the case four years ago. The Gilani Committee later observed that there were violations and loss to the urban poor.

The NIT had acquired 42.88 acres of land owned by Shamjibhai Kheta on July 23, 1981. However, a cooperative society, Ujjwal Cooperative Housing Society, submitted an application to NIT, demanding regularisation of 52 plots, including the said land situated in Mouza Harpur, under the Gunthewari Act on May 17, 2002. NIT sent the application to the Nagpur municipal corporation (NMC) as the area was under its jurisdiction. The civic body rejected the application on August 22, 2002.

On December 20, 2010, the then NIT chairman rejected a second application of the society to regularise the said land. “Moreover, the said layout is also involved in my PIL,” said Wadpalliwar, who challenged the proposed regularisation of the said layout on the ground that the case was still pending.

The housing scheme for the poor had been proposed by NIT under the Pradhan Mantri Awas Yojana (PMAY) on this land owned by it. The decision to give the land on lease to 16 influential people was bad in law, Wadpalliwar pointed out. <https://www.hindustantimes.com/cities/mumbai-news/land-given-on-lease-to-16-influential-people-petitioner-101671648790095.html>

19. Supreme Court constitutes SIT to probe NRHM fund misuse allegations in Nagaland ([hindustantimes.com](https://www.hindustantimes.com)) Dec 22, 2022

The Supreme Court has directed a panel of three senior IPS officers to probe allegations of misuse of National Rural Health Mission (NRHM) funds by Nagaland and submit a report to the competent court within six months.

Deciding a petition filed by social activist, Rosemary Dzuwichu, a bench of justices Surya Kant and JK Maheshwari in its order of December 6 said, “The most appropriate recourse would be to constitute another SIT comprising three senior IPS officers, preferably direct recruits, to further investigate the allegations and if any substance in such allegations is found, to submit a supplementary charge-sheet.”

The petitioner had alleged that the engineering division of NRHM made bulk advances in cash against various fictitious works and kick-backs were allegedly paid to high ranking NRHM officials.

“Instead of extending helping hand to pregnant women or lactating mothers and little children at the public health centres, the funds provided by the government of India were allegedly spent on purchasing of high-end luxury vehicles,” said senior advocate Colin Gonsalves appearing for the activist.

The top court felt that it will be inappropriate for it to make any expression on the issue as the matter is pending trial before a competent court where charge-sheet has already been filed.

“This Court is not the correct forum for the investigation or to reach any logical conclusion with respect to the veracity of the allegations levelled by the appellant. Similarly, the impartiality, objectivity and fairness of the investigation carried out by the SIT will be considered by the court of competent jurisdiction in due course of time,” the bench said.

The Nagaland advocate general senior advocate KN Balagopal denied the allegations of the petitioner and said that a thorough probe had already been conducted by an earlier SIT and part of the allegations made by the petitioner were turned down by the comptroller and auditor general of India (CAG).

As regards the allegations substantiated, he pointed out that a chargesheet has been filed after completion of investigation by the SIT based on a first information report (FIR) registered in 2014.

By consent of both sides, the bench felt the allegations could be revisited by the fresh SIT to be headed by deputy inspector general (DIG), Nagaland Police M Roopa.

The three-member SIT will also comprise of Sanmeet Kaur (DIG, Planning and Development, Nagaland Police) and superintendent of police (organised crime) Amit Nigam.

The bench said, “The SIT, so constituted, shall look into all the allegations and will further consider the CAG Report, and make an endeavour to conclude the further investigation as early as possible and preferably within six months and submit its report to the court of competent jurisdiction whereupon, the law will take its own course.

The petitioner had in 2013 first approached the Kohima bench of the Gauhati high court seeking an independent probe by the central bureau of investigation (CBI).

However, the high court on June 16, 2014 disposed the petition being satisfied by the efforts taken by the state to probe the allegations.

Prior to SIT probing the matter, the Nagaland police had held preliminary enquiries by two senior police officials to examine the allegations of misuse of funds.

But the petitioner was not satisfied and had approached the top court in 2014 seeking a probe into allegations of alleged fund embezzlement as provided in the CAG report.

With this order, the top court also disposed the proceedings in the appeal pending since 2014 granting liberty to the SIT to file its report before the competent trial court where charge-sheet in related allegations are pending. <https://www.hindustantimes.com/india-news/supreme-court-constitutes-sit-to-probe-nrhm-fund-misuse-allegations-in-nagaland-101671701574666.html>

20. Shahpur Kandi project: CAG flags ₹ 42-crore ‘avoidable payment’ for idle machinery, labour (*hindustantimes.com*) Dec 21, 2022

The Comptroller and Auditor General on India (CAG) has found alleged irregularities in the construction of the Shahpur Kandi dam project on river Ravi in Punjab.

The Principal Accountant General (Accounts and Entitlements), in its annual review of the working of public works division of water resources department in the state, has pointed out “avoidable payment” of ₹ 42 crore on account of compensation and interest to a private contractor. Of this, ₹ 38.64 crore was compensation for “idle machinery and labour” and ₹ 3.37 crore given as interest for delayed payment.

The award and commencement of work without ensuring settlement interstate dispute resulted in avoidable payment of compensation as well as delayed payment of interest, according to the report based on the annual review as well as central audit of the water resources department for the financial year 2021-22. The work for construction of main dam comprising overflow section and non-overflow sections, head regulator of Shahpur Kandi hydel channel (balance work) was awarded to the contractor on March 8, 2013, for a period of 42 months for completion of work.

As per the agreement, the site free of all encumbrances along with the available access route was required to be handed over to the contractor for execution of work. The project, however, got stalled in August 2014 due to inter-state issues, including the enactment of the Punjab Termination of Agreement Act, 2004. “Passage of this act along with huge delay in construction of the Shahpur Kandi project by the Government of Punjab and certain structural alterations by it in the original design led to reservations from J&K regarding sharing of water as envisaged in original agreement,” according to the annual review report.

The work on the ₹ 2,793 crore dam, which will generate power and irrigate 36,000 hectares of land in Punjab and J&K, was restarted in 2018-19 and is slated to get completed next year. The annual review has also flagged the alleged “undue favour” shown to a contractor in tax calculation and sought justification. Water resources department officials did not respond to calls.

The Shahpur Kandi dam is part of the Ranjit Sagar Dam (RSD) project conceived in the last 1970s. Punjab and J&K signed an agreement in 1979 to build the two projects. Though RSD was completed in March 2001, the Shahpur Kandi dam, which was to be constructed by the Punjab government, got delayed due to paucity of funds and was declared a national project in February 2008. A senior officer in the PAG office said the purpose of the review is to bring to light the important and recurrent irregularities and deficiencies. “Necessary remedial actions are required to be taken by the state government to remove the irregularities and deficiencies pointed out in the review,” he said. <https://www.hindustantimes.com/cities/chandigarh-news/shahpur-kandi-project-cag-flags-42-crore-avoidable-payment-for-idle-machinery-labour-101671645782719.html>

21. CAG plugs holes in child care institutions’ functioning in Odisha (thestatesman.com) 21 Dec 2022

The percentage of utilisation of funds available for Child Care Institutions (CCIs) in Odisha was continually decreasing from 70.47 per cent in 2016-17 to 31.60 per cent in 2020- 21, according to the Comptroller and Auditor General of India (CAG)’s latest audit report.

Baseline surveys for identification of vulnerable children and their institutionalisation were not conducted by seven out of eight test checked districts. Further, only two per cent of the vulnerable children identified in the surveys were put in CCIs. However, the criteria used for selecting children for institutionalisation were not shared with Audit, it pointed out.

Inadequacies in physical infrastructures, dormitories, dining halls, kitchen, open space, etc., were noticed. Security measures in the CCIs, particularly, perimeter security walls were not proper. Escape of children from CCIs through broken perimeter wall was detected in the Audit.

Out of the 3,181 children (boys: 1,695 and girls: 1,486) in the CCIs of the eight test checked districts, only 48 children (1.51 per cent) were identified for foster care and of these, only 11 (23 per cent) were actually placed under such care.

Although the state level monitoring committee had been formed, the department had not developed state specific indicators against which the implementation of the ICPS scheme could be evaluated.

Further, no information was made available to audit on the number of review meetings conducted by the committee and on whether annual review Compliance Audit Report for the year ended March 2021 of the implementation of ICPS at the level of the Chief Secretary had been conducted during the period 2016-17 to 2020-21.

The Centre enacted the Juvenile Justice (Care and Protection of Children) Act, 2000 (JJ Act), amended in 2006, which, inter alia, provides for constitution of Child Protection Units at both State and District levels.

A Centrally sponsored scheme – Integrated Child Protection Scheme (ICPS) – was introduced in 2009 which aimed at building a protective environment for children in difficult circumstances, as well as other vulnerable children, through Government-Civil Society Partnership, the report stated. <https://www.thestatesman.com/india/cag-plugs-holes-in-child-care-institutions-functioning-in-odisha-1503139880.html>

22. Gauhati High Court refers CAG report to Assembly committee ([sentinelassam.com](https://www.sentinelassam.com)) 22 Dec 2022

GUWAHATI: The Gauhati High Court has directed the state government to place for examination by the Public Accounts Committee (PAC) of the Assam Legislative Assembly a CAG report regarding embezzlement of a large amount of public funds under the Health and Family Welfare Department of the state. The state government has been asked to take the necessary steps within eight weeks.

A Division Bench comprising Chief Justice RM Chhaya and Justice Soumitra Saikia passed this order while disposing of a Public Interest Litigation (PIL) filed by an NGO named Amguri Naba Nirman Samity. The petitioner has alleged that large-scale embezzlement of public funds took place during implementation of various schemes under the Director of Health Services during the financial years 2009-2010 to 2019-2020. The petitioner inter alia requested the court to direct the authorities concerned to conduct an enquiry into the matter through a high level enquiry committee, identify the government officials and contractors/any other person involved in misappropriation of public funds and then start appropriate proceedings for their punishment and also for recovery of the misappropriated funds from them.

Appearing in the matter on behalf of the state government, Assam's Advocate General Devajit Saikia contended that the PIL is not maintainable. Saikia stated that the submissions made in the PIL are based entirely upon the audit report of the Accountant General (Audit), Assam, and it is the function of the PAC of the Assam Legislative Assembly to examine such reports submitted by the CAG and take remedial steps, if any discrepancy is found.

Saikia also referred to an earlier judgment of another Division Bench of the High Court in a similar case pertaining to the Social Welfare Department on May 19 this year, which had directed placing of the relevant CAG report for consideration by the PAC.

The Division Bench comprising Chief Justice Chhaya and Justice Saikia concurred with this argument and directed that the matter be placed before the PAC for consideration. <https://www.sentinelassam.com/topheadlines/gauhati-high-court-refers-cag-report-to-assembly-committee-6292223>

23. Accounts of Ranganatha Swamy Temple Are Properly Audited, No Need to Conduct CAG Audit- Madras High Court ([verdictum.in](https://www.verdictum.in)) Dec 21, 2022

The Madras High Court while dealing with a writ petition filed in respect of the control over the secular and non-secular affairs of Shri Ranganatha Swamy Temple, Srirangam, Trichy ruled that the accounts of the said temple are properly audited and therefore, there is no need of any audit by CAG (Comptroller and Auditor General).

A Bench comprising Acting Chief Justice T. Raja and Justice D. Krishnakumar stated –

"Apart from the above, it is seen that the accounts of the Srirangam Arulmighu Ranganatha Swamy temple are properly audited and the audit has been completed upto Fasli 1430, namely, 30.06.2021. Moreover, the accounts of the temple are audited by the Audit Department of Hindu Religious Institutions, which is under the control of the Finance Department, Government of Tamil Nadu. This apart, a perusal of The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (in short "the Act") shows that if any authority or body has to be audited by the CAG, the said authority or body should fall within the provisions of the Act."

The Bench further said that the audit by the CAG invoking the powers under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, does not arise, for, the temple in question under the control of the HR&CE Department is not established/created under any statute.

The Petitioner Rangarajan Narasimhan appeared in person, while Senior Counsel V. Giri appeared for Respondent No. 1, Advocate General R.Shunmugasundaram appeared for Respondents 2 and 3 and many other Counsels appeared for other parties before the Court.

The Bench while dismissing the petition observed, "Besides, it is to be noted that in the State of Tamil Nadu, the assets and financial accounts of the temples are being audited by the respective temples and this is being scrutinized by the separate Audit Department Unit under the control of the Indian Civil Service Officer and Finance Department of the Government of Tamil Nadu, hence, the prayer of the petitioner seeking a direction to the CAG to conduct an audit of the temple in question is not legally sustainable, hence, the same is liable to fail."

Facts of the Case – The petitioner named Rangarajan Narasimhan is an ardent practitioner of Sanatana Dharma and a follower of Sri Vaishnava tradition who sought the issuance of a writ of mandamus against the respondents i.e., The Board of Trustees of the temple, The Commissioner of the Hindu Religious & Charitable Endowments Department and The Executive Officer/ Joint Commissioner of the temple. The petitioner sought the following reliefs before the Court –

1. to conduct an audit in the temple from 2000 till date;
2. to appoint a committee of trustworthy persons headed by the Hindu Judge of the Court comprising experts for a period of 3 years;
3. to conduct daily Poojas, Utsavas and other religious activities in the temple as laid down by the Agama Shastras and Sri Vaishnava Sampradhaya; and

4. to direct the Commissioner to remove the Executive Officer as per the order passed by the Court

The petitioner submitted before the Court that he is interested in the preservation of the religious institutions and sanctity of the Sanathana Dharma religion and claimed that he does not have any personal interest. He further submitted that the respondents have formed a league among themselves and they have been ruling the temple with no regard to the age-old tradition. He argued that the Board of Trustees misused the powers and appointed numerous touts in the temple who have no connection with the affairs of the temple and also made several changes in the physical structure of the temple including the celestial body of the main deity of Shri Ranganatha Swamy.

Therefore, left with no other remedy, the petitioner filed such Public Interest Litigation. It was also submitted by the petitioner that when several complaints were made to the official respondents, they never bothered to acknowledge any of his complaints. He also claimed that the respondents are acting against the philosophy of Sri Vaishnava Sampradhaya and they have even denied the right to worship as guaranteed under the Constitution of India to many devotees.

The Court with regard to the first grievance of the petitioner said, "... since the person concerned got transferred and that in his place, one Mr. Marimuthu has been appointed as Executive Officer of the temple in question, the allegation made by the petitioner has become infructuous."

While considering the second grievance of the petitioner that the activities of the respondents are against religious affairs and the Hindu Judge be appointed, the Court noted that such an allegation has been replied to by the Joint Commissioner in his counter affidavit and the petitioner has neither challenged the scheme of administration upheld by the Court nor the orders of the Board, hence, the present writ petition is not legally maintainable.

With respect to the third grievance of the petitioner that some of the daily poojas are not performed by the respondents, the Court observed, "... no evidence has been produced how the regular poojas performed by the temple authorities have been given up or modified. On the other hand, the counter affidavits filed by the authorities would depict that they have been performing the poojas in all the auspicious and festival days in accordance with Agama Sastras and in all those days, many devotees have been allowed to exercise their right to worship from morning to night. Therefore, these are the matters to be delved into by the competent Civil Court so that the parties can very well adduce their oral and documentary evidence and hence, this Court sitting under Article 226 of the Constitution of India cannot intervene in a religious matter."

The Court while dealing with the fourth grievance regarding the audit of the temple said that the Commissioner in his counter-affidavit mentioned that the Government is providing financial assistance to various religious institutions as a grant for its maintenance and therefore, for those temples, an audit cannot be done by the CAG and elicited some of the financial assistance granted to the temple by the Government.

The Court concluded, "... there is no any material evidence produced to show mal-administration or malafide functioning of the temple in question. Thus, for all the reasons stated above, we are of the considered view that the writ petition is devoid of any merit..."

Accordingly, the Court dismissed the petition after finding no merit in the same. <https://www.verdictum.in/court-updates/high-courts/audit-srirangam-temple-comptroller-auditor-general-madras-high-court-1453565?infinitemscroll=1>

24. Plea in Kerala High Court Challenges Appointment of NUALS Registrar (*livelaw.in*) 22 Dec 2022

A plea has been filed in Kerala High Court by a lawyer, challenging the appointment of the Registrar of the National University of Advanced Legal Studies (NUALS) Mahadev M.G.

In the plea filed by Advocate Sanjai D. Rajan, it has been averred that the appointment of the Registrar of NUALS was made in violation of the University Grants Commission Regulations and mandates.

According to the petition, Mahadev M.G. only has 2 years and 8 months of experience as Deputy Registrar, 1 year and 1 month experience as Assistant Registrar, and less than 4 years and 2 years experience as Private Secretary to the Vice Chancellor. He does not have the requisite minimum qualifications, the plea argues.

The NUALS Regulations stipulate that the essential qualifications for appointment to the post of Registrar are - a 1st or 2nd class Master's degree or equivalent qualification, and at least 3 years teaching experience at the University level or 3 years administrative experience in a responsible post. It has been further stipulated that a degree in law from a recognized University would also be desirable.

However, the plea points out that the UGC Notification on Revision of Pay Scales, Minimum Qualifications for Appointments of Teachers in Universities, Colleges and Other measures for the Maintenance of Standards, 1998 further provides in Appendix III under Regulation 4 the following minimum qualifications for direct recruitment to the posts of Registrar, Deputy Registrar and Assistant Registrar:

1. A Master's Degree with at least 55% of marks or its equivalent grade of B in the UGC seven point scale.
2. At least 15 years of experience as Lecturer (Sr. Scale)/Lecturer with 8 years in Reader's grade along with experience in educational administration. Or Comparable experience in research establishment and/or other institutions of higher education Or 15 years of administrative experience of which 8 years as Deputy Registrar on an equivalent post".

It has been submitted that the said notification has been adopted and implemented in the State vide Government Order dated 21.12.1999.

"Hence, qualifications prescribed for direct recruitment of Registrar in the ... NUALS regulations whereby the requirement of administrative experience is reduced from 15 years to a mere 3 years and further the requirement of 8 years of experience as Deputy Registrar is done away with, is bad in law. Therefore Annexure III under Chapter XII Clause 5 of the NUALS Regulations, 2006 to the extent the qualifications prescribed for direct recruitment to the post of Registrar as 3 years of administrative experience in a responsible post is per se illegal and unsustainable in law", the petition avers.

The petition argues that the Registrar is drawing the scale of pay as notified by the UGC despite not having the requisite qualifications, which had also been objected to by the Comptroller and Auditor General (CAG), since the impugned appointment was in "derogation" of the UGC norms.

"It is humbly submitted that once the University is accepting grants from the UGC and implemented the scale of pay as per the UGC schemes, irrespective of adoption of the UGC Regulations/Notifications by the University, the same are mandatory and are liable to be implemented by the University without fail. Hence, the minimum qualifications for direct recruitment for Registrars are mandatory," it has been submitted.

The petition thus prays that a writ of quo warranto or other appropriate order be issued to quash and set aside the appointment of the respondent as the Registrar of NUALS. It also seeks refund of the pay and other allowances drawn by him in the UGC pay scale, over and above the State scale of pay to the University within a time frame fixed by the Court.

Additionally, it is also prayed that the records leading to the NUALS Regulations 2006 be called for and set aside to the extent it is contrary to the UGC norms specifying minimum qualification for direct recruitment to the post of Registrar. <https://www.livelaw.in/news-updates/plea-filed-kerala-hc-challenging-appointment-nuals-registrar-217319>

SELECTED NEWS ITEMS/ARTICLES FOR READING

25. Budget 2023 | Widen tax base, do away with cess and surcharges: Experts ([financialexpress.com](https://www.financialexpress.com)) Updated: December 22, 2022

Widening of the tax base, doing away with cess and surcharge, improvement in compliance and moderation in tax for emerging sectors are some of the suggestions submitted to the Finance Ministry ahead of the Budget by Think Change Forum (TCF). Experts are of the opinion that there is a need to grow tax revenues for the government to drive economic growth and make investments in developmental activities, TCF, the think tank said in a statement.

Towards this end, poor compliance was identified as a weak link in achieving targeted collections leading to complex issues like overtaxing, complicated tax structures, rising litigation, among others. Experts during the deliberation stressed on better compliance processes to be put in place backed by technological support which in turn will enable tax widening and need for strategies to strengthen tax collections from Tier 2 towns and cities to widen the tax net.

Participating in the debate, former chairman of Central Board of Indirect Taxes and Customs (CBIC) PC Jha said "enforcement agencies are working hard to check the illicit trade, but tax evaders are ahead of curve and using innovative techniques to smuggle goods into our country. There is a need to deploy modern technology, install more scanners at ports and use artificial intelligence to address the counterfeiting issue." Goods with higher profit margins like gold, tobacco and alcohol which are highly taxed, lead to tax evasion and smuggling.

'Brace for tariff walls on exports': Budget to set 25-year template, says FM Sitharaman
As per a recent study, the estimated tax loss to the government in two highly regulated and taxed industries, tobacco products, and alcoholic beverages is over Rs 28,500 crore, he said.

Capacity enhancement programmes of enforcement agencies and the use of cutting-edge technologies will certainly create a sense of fear amongst those who wish to indulge in smuggling and tax evasion activities and curb the illicit trade, he added.

According to Sanjaya Baru, former media adviser to Manmohan Singh and Advisor, Think Change Forum, a large section of individuals escapes and avoids taxes without being punished for it. “In India only a small percentage pays taxes. If we compare our Tax GDP ratio with other rapidly developing economies it is below par. We also need to leverage technology to cast the net wider and increase compliance. Predictability in the taxation system is equally important to ensure compliance,” Baru said.

Moreover, Swapan Sarkar, Owner Sarkar and Associates said, Income Tax in India has several components other than the tax rate such as surcharge and cess.”This is paid by individuals as well as corporates on top of tax paid on earned income. This increases the total tax payout which can go as high as 42 per cent in the case of individuals as the surcharge on individual taxation is around 10 to 35 per cent,” Sarkar said.

He demanded that the Government should completely do away with cess and surcharge as it is responsible for an overall increase in direct tax payout and disturbs the federal structure of the country as well. <https://www.financialexpress.com/economy/budget-2023-widen-tax-base-do-away-with-cess-and-surcharges-experts/2923319/>

26. Need urgent police reforms ([financialexpress.com](https://www.financialexpress.com)) December 22, 2022

The legal and institutional framework governing police matters in India was inherited from the British, and had been established by the latter to stifle the freedom movement. However, even after 75 years of Independence, the police force and its corresponding legal framework has not undergone reforms to reflect the democratic aspirations of the people of India.

The current legal framework, comprising the Police Act 1861 and other state specific laws, is deficient in establishing an accountable police force. While multiple reform proposals have been recognised by the Government of India and the Supreme Court, such reform has not been achieved or implemented to the desired extent.

Prime minister Narendra Modi has in the past called for making the police a SMART force i.e., Strict and Sensitive, Modern and Mobile, Alert and Accountable, Reliable and Responsive, Tech Savvy and Trained. Various studies indicate that when police officers treat citizens with dignity, allow them an equal voice in interactions and are guided by considerations of transparency and accountability, it strengthens people’s compliance with laws, ameliorating conditions for commission of crimes.

On the other hand, distrust in police officers as well as reports of corruption and police abuse undermine faith in the force and cause citizens to question the legitimacy of justice institutions.

Since policing is a State subject under the Constitution, states have been entrusted with the power to enact their own legislations governing the police. Most States have continued to legitimise the status quo by following the 1861 Act and showcasing political indifference towards calls for police reforms. For instance, the Model Police Act, 2006, born out of recommendations from the Police Act Drafting Committee, and the Supreme Court’s directives

in the Prakash Singh judgement, has still not been uniformly implemented across states, with certain state Acts being in blatant disregard of the apex court's directives.

The Police Act 1861 is deficient on multiple accounts. Section 3 of the Act vests the superintendence of the police in the state government. Similarly, Section 23 of the Act places a duty on every police officer to promptly obey and execute all orders and warrants lawfully issued to him by a competent authority, thereby making the officer subservient to those wielding political power in the state or occupying higher ranks. These political affiliations prevent the police from discharging their functions independently. It also interferes with the exercise of democratic freedoms by those who form the political opposition in a particular state.

The Act is silent on matters concerning transfer and promotion of police officers due to which officers who resist political interference are often transferred to remote locations or their promotions are wrongfully withheld. Further, the list of duties to be discharged by police officers enlisted under Section 23 is rudimentary and does not recognise a role of the police in upholding human rights, reducing opportunities for the commission of crimes or promoting amity in the society.

On the institutional front, State Police Complaints Authorities (SPCAs), constituted to investigate complaints of misconduct against police officers, have proved woefully ineffective in establishing external accountability. Despite the requirement of setting up such bodies at the district level, most states have set up single-tier bodies in the capital, overburdening the Commission and deterring complainants from reporting misconduct. In most states, the complaints authority lacks the power to monitor departmental inquiries, and very few states provide for stringent time limits within which the authorities must complete their inquiry.

Police reforms are crucial to hold the structure of the criminal justice system together. The 1861 Act must be amended, in accordance with the Supreme Court's directives and the Model Police Act, 2006. Since the appointment of the director general of police, i.e., the chief of the police in a state, is pivotal to the police's administration, there is a need to devise a transparent and merit based procedure for such appointments. Further, providing a minimum tenure for posts like the director general of police, and other officers, along with clear legal provisions governing transfers and promotions, may insulate the police's functioning from political interference.

A new Act must also lay down a legally binding charter of duties to be observed by the police in their discharge of duties. Provisions on sensitising police officers towards vulnerable sections of the society should also be incorporated to make the force more responsive to the needs of minority communities.

Additionally, SPCAs must be constituted and operated so that they have the necessary power to independently investigate allegations of police misconduct. They are currently constituted by serving police officers and civil servants, which undermines the independence of these bodies. To promote accessibility, such authorities should also be established at the district level within each state.

While re-imagining a police force which performs its functions without fear or favour is a long haul, it is about time that positive steps are taken in the right direction to initiate this change. <https://www.financialexpress.com/opinion/need-urgent-police-reforms/2922613/>

27. Gujarat Government Lost Rs 25 Cr Revenue Due to the Steel Slag Mafia In Hazira (theblunttimes.in) Dec 22, 2022

The steel slag mafia operating in the coastal belt of Surat has illegally lifted steel slag to the tune of over Rs 25 crore from the government-owned land on the Hazira seashore, incurring huge losses to the government exchequer in the last few days.

Steel slag, a byproduct of iron and steel production, has a high market value due to the re-processing method and is suitable for ballast material for construction projects, road construction projects, and so on. The steel slag mafia, who have been active in Hazira for the last many years, are lifting the slag free-of charge in the name of waste material and selling the material in the open market to earn crores of rupees.

A 10-kilometer stretch of the Hazira seashore has been dumped with steel slag on government owned land falling under the Coastal Regulation Zone (CRZ) for many years. The steel slag mafia in Hazira came under the spotlight after they mobilised a huge amount of machinery, including JCBs, Pokelan machines, and hundreds of transport trucks, to lift the steel slag from the seashore.

The Blunt Times was the first to publish the article exposing the nexus of the steel slag mafia with politicians and government officials in carrying out their ill motives.

Sources in Hazira informed the network of lifting steel slag from the seashore in Hazira is run by one Sanjay Patel alias Sajlo and Janak Patel. The duo is on good terms with the giant industries in Hazira and deals in the scrap and other waste products generated by the industries. One Mukesh Soni is also involved in the racket.

Sajlo, who is also a member of Hazira village panchayat, is acting as the middleman for a few companies in Hazira and has been notorious for taking decisions in favour of the companies at the expense of the innocent residents in the affected area.

Dipak Patel, an activist in Hazira, told TBT, “Sanjay Patel alias Sajlo is the main kingpin in the entire racket of lifting steel slag from the government land and incurring huge losses to the state government. ” “I have submitted a complaint to the District Collector, demanding thorough inquiry into this issue. The steel slag dumped in Hazira is capable of earning huge amounts of revenue for the State Government.” <https://theblunttimes.in/gujarat-government-lost-rs-25-cr-revenue-due-to-the-steel-slag-mafia-in-hazira/26942/>