

NEWS ITEMS ON CAG/ AUDIT REPORTS (04.02.2023 to 06.02.2023)

1. **Need for global collaboration to deal with cybercrime: CAG at SCO-SAI** (telecom.economictimes.indiatimes.com, devdiscourse.com, newsdrum.in) 6 February, 2023

Governments also need to balance the requirement to protect sensitive information with the need to collaborate with private sector partners to improve cybersecurity, he added. Inaugurating the conference, Uttar Pradesh Governor Anandiben Patel said federal auditors play an important role in maintaining transparency in governance and proper utilisation of public funds.

Observing that cybercrime has become a major economic threat, CAG GC Murmu on Monday underlined the need for supreme auditing institutions (SAI) to forge cooperation to deal with this menace. Cybersecurity threats often do not respect national boundaries, so international cooperation is vital to protecting against them, Murmu said while addressing the 6th Shanghai Cooperation Organisation (SCO)-SAI meeting here.

"Governments must work together with SAIs to share information and best practices, and to coordinate efforts to combat cyber threats," he added.

High-level delegations from eight SCO member countries are participating in the three-day multilateral event that is deliberating on issues related to cyber security and artificial intelligence, and the role of auditors of the SCO nations.

India currently holds the SCO presidency, which annually rotates among member countries. India's 2023 theme is 'Towards a Secure SCO', where it will work with the delegation of federal auditors from these eight countries.

Addressing federal auditors of SCO nation, Murmu said cybercrime has become a major economic threat, costing the global economy an estimated USD 6 trillion annually, which is projected to reach nearly USD 10 trillion by 2025.

Cybercriminals have a history of embracing cutting-edge technologies, and AI is no exception, he added.

There are reports of AI-powered malware being developed to even evade twofactor authorisations like One-time Passwords (OTP), security software and spam filters, he said.

AI algorithms are being used to guess passwords and analyse social media profiles, he said, adding cyber criminals are now using AI to create convincing fake images, audio, and video to deceive their targets.

These malicious AI applications make it easier for criminals to gather information, trick people and steal sensitive information, thereby increasing the need for robust cybersecurity measures, he noted.

Thus, one of the main challenges is the constant evolution of cyber threats, which makes it difficult for governments to keep up with the latest risks and vulnerabilities, he said.

Additionally, he said governments often have limited resources to devote to cybersecurity, which can further hinder their ability to protect their systems and networks.

Talking about other challenges, the Comptroller and Auditor General of India (CAG) said many governments face the presence of legacy systems based on older technology, which may not be able to withstand modern cyber threats.

Upgrading these systems can be costly and time-consuming, which makes it difficult for governments to keep their systems secure, he added.

Governments also need to balance the requirement to protect sensitive information with the need to collaborate with private sector partners to improve cybersecurity, he added.

Inaugurating the conference, Uttar Pradesh Governor Anandiben Patel said federal auditors play an important role in maintaining transparency in governance and proper utilisation of public funds.

She also urged the SAIs to collaborate and cooperate in dealing with cybercrime. <https://telecom.economictimes.indiatimes.com/news/need-for-global-collaboration-to-deal-with-cybercrime-cag-at-sco-sai/97643953>

2. CAG Girish Chandra Murmu addresses delegates on opening day of 6th Meeting of Heads of Supreme Audit Institutes of SCO Member States ([newsonair.com](https://www.newsonair.com)) 6 February, 2023

Comptroller and Auditor General of India, Girish Chandra Murmu has called for global cooperation to combat cyber security threats to auditing. He also said that governments need to collaborate with private sector partners to improve cyber security. Mr Murmu was addressing delegates on the opening day of the 6th Meeting of the Heads of Supreme Audit Institutes (SAIs) of Shanghai Cooperation Organisation(SCO) Member States in Lucknow today.

He noted that the adoption of information technology in the public sector has brought concerns related to cyber security to the forefront. Therefore, it has become imperative for SAIs to develop the adequate capacity to audit cyber security issues. Mr Murmu informed that SAI India, that is, the Comptroller and Auditor General of India (CAG) is utilising Artificial Intelligence (AI) techniques in the audit process. He said that this allows for a more efficient and effective to process, and can improve the overall quality of the audit.

Speaking on the occasion, the Governor of Uttar Pradesh, Anandiben Patel said the SAI Leaders' meeting offers a platform to the SCO Member States to share their experiences and the best practices to protect against cyber threats, further improve the quality of auditing and promote greater transparency in the audit process. AIR correspondent covering the event reports that out of the eight SCO Member States, the heads and delegations of Supreme Audit Institutions (SAI) from four countries – Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan, are taking part in the three-day multilateral event.

Comptroller and Auditor General of India, Girish Chandra Murmu is leading the discussions on the theme 'Integrating Emerging Technologies in Audit'. The delegates are expected to hold discussions and share experiences on Artificial Intelligence and Cyber Security as well as

concerns of digital technology. <https://newsonair.com/2023/02/06/cag-girish-chandra-murmu-addresses-delegates-on-opening-day-of-6th-meeting-of-heads-of-supreme-audit-institutes-of-sco-member-states/>

3. CAG SAI Meet: Our Focus is Cyber Security, Artificial Intelligence, Says GC Murmu ([aninews.in](https://www.aninews.in), [latestly.com](https://www.latestly.com), [bignewsnetwork.com](https://www.bignewsnetwork.com)) 6 February, 2023

India's membership into the Shanghai Cooperation Organisation (SCO) reaffirms its ageold connection with the region, Comptroller and Auditor General (CAG (/topic/cag)) of India, Grish Chandra Murmu said on Monday.

He was speaking at the 6th SCO SAI Leaders meeting SCO Supreme Audit Institutions (SAI) meet. The three-day event was inaugurated today at Lucknow by Uttar Pradesh Governor Anandi Ben Patel.

The countries which participated in the event are namely, India, China, Russia, Kazakhstan, Tajikistan and Uzbekistan, while only Pakistan participated online.

The CAG during his address said that Shanghai Cooperation Organization (SCO) is an eight-member multilateral organization, established on June 15, 2001, in Shanghai, China by the leaders of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan when the Declaration of Shanghai Cooperation Organization, was signed.

"In June 2002 the heads of the SCO Member States signed the SCO Charter which expounded on the organization's purposes, principles, structures and forms of operation and established it in international law. At the July 2005 Astana Summit, India was granted Observer status. On June 9, 2017, at the historic summit in Astana, India officially joined SCO as a full- member," he said.

Girsh Chandra Murmu said that India shares time-honoured historical and cultural ties with the SCO region.

"This vast land of diverse people and landscapes has hugely contributed to the progress of mankind. The network of routes that crisscrossed the terrain was not only vital for the exchange of goods and trade, but also served as an important link for transmitting ideas and fostering intellectual pursuits like science and art. India's membership into SCO in 2017, therefore reaffirms its age-old connection with the region," he said.

He further said that the Supreme Audit Institutions (SAIs) play a critical role in promoting good governance and accountability in government.

"Independent bodies are responsible for auditing government finances and operations to ensure that public funds are being used efficiently, effectively and in compliance with laws and regulations," he added.

Highlighting the roles played by SAIs, he said, "It provides valuable insights to national governments by identifying areas of improvement, highlighting inefficiencies, and identifying potential areas of fraud or corruption.

"To take forward our common responsibilities, and after five successful meetings, we have gathered to deliberate and take forward the agenda of 'Integrating Emerging technologies in Audit' with the themes of Artificial Intelligence and Cyber Security," he said

He further stated that Artificial Intelligence (AI) refers to the simulation of human intelligence in machines that are programmed to think and learn like humans.

"AI is a broad field that encompasses many different techniques and approaches, including machine learning, natural language processing, computer vision, and expert systems. These techniques are used to build intelligent systems that can perform a wide range of tasks from the simple to complex, such as recognizing speech, identifying objects, making predictions, and playing games," he said.

CAG Murmu said that technology in general and Artificial Intelligence, in particular, are impacting each and every aspect of our lives, and technology has the capacity to address the world's thorniest challenges climate, poverty, food, fuel, health and safety.

"Governments around the world are using AI in a variety of areas, including healthcare, transportation, crime and security, innovations in agriculture, provision of government services as well as environmental conservation efforts. AI can aid government agencies, including SAIs, in automating tasks, analyzing data, improving efficiency, not only reducing costs, and providing more effective services but also in predictive analytics, automation of routine tasks, smart cities, public safety, fraud detection and prevention, citizen services, and healthcare," he further said.

India is rapidly rising as a technology powerhouse, as the Information Technology sector and the Digital Economy are key drivers of the country's economy, contributing over 13% to its GDP. India's technology industry reached an all-time high in growth, reaching \$227 billion in revenue in the financial year 2022, an increase from \$200 billion the previous year.

The country's IT spending is estimated to rise by 7 per cent to USD 101.8 billion in 2022-23. With the second largest telecommunications sector in the world, boasting 130 million internets and about 1.2 billion mobile users, he said.

"At the same time, a fairly good number of users have experienced malware or other attacks. This is particularly dangerous as trillions of online transactions are carried out while billions of dollars are invested every year online. These challenges are to be faced not only by policymakers, and executives implementing programmes and projects but SAIs also have an important role to play as they evaluate the policy of risk mitigation measures," he added.

"I am happy to share that SAI India is utilizing Artificial Intelligence techniques to gain insights from the data collected from the audited entities," he said.

He further pointed out that the risk areas or areas of interest identified through the application of AI techniques are used to identify audit objectives and develop Audit Design Matrix during the Audit Planning stage. This allows for a more targeted and efficient approach to the audit process.

In addition to this, SAI India is also using AI techniques to identify a specific and focused set of sample units for in-person audit, CAG Murmu said.

"This allows for the collection of corroborative evidence in support of potential deviations identified from the data. The organization is also working towards receiving data periodically from audited entities and incorporating feedback from substantive checks to improve the model. This allows for the incorporation of new data sources and further training and refining of the AI model," he added.

The CAG said that SAI India sees the use of AI not as a one-off process for a specific audit assignment, but as building an evolving AI model for quicker and more detailed analysis during both the Audit Planning and Execution stages.

"This allows for a more efficient and effective approach to the audit process and can improve the overall quality of the audit. With any new technology, there are debates echoing utopian dreams as well as dystopian nightmares. The use of AI by the government also raises ethical and governance concerns, including issues related to data privacy and security. The need for unbiased AI must also be addressed," he said.

However, CAG Murmu also said that the digitization of government operations and adoption of advanced/emerging technologies has also brought its own challenges and responsibilities and protecting against AI-powered advanced malware.

"AI is being used in cyber-security as well for offensive and defensive roles as there are threats from AI-powered advanced polymorphic malwaretrojan possessing the capacity to change their behaviour and bypass security defences," he said.

The CAG said that Cybercrime has become a major economic threat, costing the global economy an estimated USD 6 trillion annually which is projected to reach nearly USD 10 trillion by 2025.

"Cyber criminals have a history of embracing cutting-edge technologies, and AI is no exception. There are reports of AI-powered malware being developed to even evade two-factor authorisations like 'OneTime Passwords' (OTP), security software and spam filters. AI algorithms are being used to guess passwords and analyse social media profiles. Cybercriminals are now using AI to create convincing fake images, audio, and video to deceive their targets," he said.

Girsh Chandra Murmu said that these malicious AI applications make it easier for criminals to gather information, trick people, and steal sensitive information, thereby increasing the need for robust cybersecurity measures

"Thus, one of the main challenges is the constant evolution of cyber threats. which makes it difficult for governments to keep up with the latest risks and vulnerabilities. Additionally, governments often have limited resources to devote to cybersecurity, which can further hinder their ability to protect their systems and networks. Another challenge that governments face is the presence of legacy systems," he further said.

The CAG said that many government systems and networks are based on older technology, which may not be able to withstand modern cyber threats.

"Upgrading these systems can be costly and time-consuming, which makes it difficult for governments to keep their systems secure. Governments also need to balance the need to protect sensitive information with the need to collaborate with private sector partners to improve cybersecurity," he said.

Stressing the need for international cooperation, he said, "Cybersecurity threats often do not respect national boundaries, so international cooperation is vital to protecting against them. Governments must work together with SAIs to share information and best practices and to coordinate efforts to combat cyber threats."

"I look forward to engaging and fruitful discussions on the use of Artificial Intelligence by governments and public sector undertakings for promoting good governance, catalysing social and economic development and providing the required oversight and underlining the need for equipping Supreme Audit Institutions in use of pioneering technologies for efficient and effective audits," he said.

Girish Chandra Murmu said, "I am of the firm view that the adoption of Information Technology in the public sector has brought the concerns related to cybersecurity, to the forefront and it is thus becoming imperative for SAIs to develop an adequate capacity to audit cybersecurity issues."

India currently holds the SCO presidency, which annually rotates among member countries. India's 2023 theme is "Towards a SECURE SCO".

The concept of SECURE stands for: 'S' for security for citizens, 'E' for economic development, 'C' for connectivity in the region, 'U' for unity, 'R' for respect of sovereignty and integrity, and 'E' for environment protection.

Within the theme, the participating delegates are expected to hold dialogues and share experiences on two of the biggest global developments as well as concerns of digital technology today - Artificial intelligence & Cyber security. <https://www.aninews.in/news/national/general-news/cag-sai-meet-our-focus-is-cyber-security-artificial-intelligence-says-gc-murmu20230206134615/>

4. Meeting of Heads of Supreme Audit Institutes of SCO Member States begins in Lucknow ([newsonair.com](https://www.newsonair.com)) 6 February, 2023

Comptroller and Auditor General of India, Girish Chandra Murmu has called for global cooperation to combat cyber security threats to auditing. He also said that governments need to collaborate with private sector partners to improve cyber security. Mr Murmu was addressing delegates on the opening day of the 6th Meeting of the Heads of Supreme Audit Institutes (SAIs) of Shanghai Cooperation Organisation(SCO) Member States in Lucknow today.

He noted that the adoption of information technology in the public sector has brought concerns related to cyber security to the forefront. Therefore, it has become imperative for SAIs to develop adequate capacity to audit cyber security issues. Mr Murmu informed that SAI India, that is, the Comptroller and Auditor General of India (CAG) is utilising Artificial Intelligence (AI) techniques in the audit process. He said this allows for a more efficient and effective approach to the process, and can improve the overall quality of the audit.

Speaking on the occasion, Governor of Uttar Pradesh, Anandiben Patel said the SAI Leaders' meeting offers a platform to the SCO Member States to share their experiences and the best practices to protect against cyber threats, further improve the quality of auditing and promote greater transparency in the audit process. AIR correspondent covering the event reports that out of the eight SCO Member States, the heads and delegations of Supreme Audit Institutions (SAI) from four countries – Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan, are taking part in the three-day multilateral event. Comptroller and Auditor General of India, Girish Chandra Murmu is leading the discussions on the theme “Integrating Emerging Technologies in Audit”. The delegates are expected to hold discussions and share experiences on Artificial Intelligence and Cyber Security as well as concerns of digital technology. <https://newsonair.com/2023/02/06/meeting-of-heads-of-supreme-audit-institutes-of-sco-member-states-begins-in-lucknow/>

5. CAG to sign bilateral pacts with Kazakhstan, Tajikistan at SCO-SAI meet (telegraphindia.com, news18.com) 5 February, 2023

Comptroller and Auditor General of India (CAG) G C Murmu will sign bilateral agreements with counterparts of Kazakhstan and Tajikistan on the sidelines of the Shanghai Cooperation Organisation federal auditors' meeting, beginning Monday in Lucknow.

SCO-Supreme Audit Institutions (SAI) meeting will be graced by Uttar Pradesh Governor Anandiben Patel, the CAG office said in a statement.

High-level delegations from eight SCO member countries will participate in the three-day multilateral event that will deliberate on issues related to cyber security and artificial intelligence and the role of auditors of SCO nations.

CAG Murmu will lead the discussions on theme 'Integrating Emerging Technologies in Audit'.

India currently holds the SCO presidency, which annually rotates among member countries. India's 2023 theme is 'Towards a Secure SCO' where it will work with the delegation of federal auditors of these eight countries.

“The concept of Secure stand for: 'S' for security for citizens, 'E' for economic development, 'C' for connectivity in the region, 'U' for unity, 'R' for respect of sovereignty and integrity, and 'E' for environment protection,” it said.

SCO was launched by China and Russia in Shanghai in 2001 to promote regional cooperation among six countries namely China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

India was granted 'observer' status at the SCO in 2005 and later in 2017, it became a full member. Pakistan is the eighth member. <https://www.telegraphindia.com/india/comptroller-and-auditor-general-to-sign-bilateral-pacts-with-kazakhstan-tajikistan-at-shanghai-cooperation-organisation-supreme-audit-institutions-meet/cid/1914481>

6. CAG to ink pacts with Kazakhstan & Tajikistan at SCO-SAI meeting ([millenniumpost.in](https://www.millenniumpost.in)) 5 February, 2023

Comptroller and Auditor General of India (CAG) G C Murmu will sign bilateral agreements with counterparts of Kazakhstan and Tajikistan on the sidelines of the Shanghai Cooperation Organisation federal auditors' meeting, beginning Monday in Lucknow.

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SCO was launched by China and Russia in Shanghai in 2001 to promote regional cooperation among six countries namely China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. India was granted 'observer' status at the SCO in 2005 and later in 2017, it became a full member. Pakistan is the eighth member. <https://www.millenniumpost.in/business/cag-to-ink-pacts-with-kazakhstan-tajikistan-at-sco-sai-meeting-507671>

7. CAG to sign MOUs with Kazakhstan, Tajikistan at SCO-SAI meeting in Lucknow tomorrow (theprint.in, aninews.in, bignewsnetwork.com) 5 February, 2023

The Comptroller and Auditor General of India (CAG) is going to host the sixth Shanghai Cooperation Organisation (SCO) SAI Leaders' Meeting in Lucknow beginning Monday.

Uttar Pradesh Governor Anandiben Patel will inaugurate the meeting. The heads of the Supreme Audit Institutions (SAI) of SCO member countries will be participating in the meeting.

Comptroller and Auditor General of India GC Murmu will sign bilateral agreements MOU with counterparts of Kazakhstan and Tajikistan on the sidelines of the Shanghai Cooperation Organisation federal auditors' meeting, sources said.

India currently holds the SCO presidency, which annually rotates among member countries. India's 2023 theme is 'Towards a SECURE SCO'.

The concept of SECURE stands for: 'S' for security for citizens, 'E' for economic development, 'C' for connectivity in the region, 'U' for unity, 'R' for respect of sovereignty and integrity, and 'E' for environment protection.

The participating delegates are expected to engage in discussions and exchange experiences related to Artificial Intelligence and Cyber Security, two of the most significant current global advances as well as issues with digital technology.

The Shanghai Cooperation Organisation (SCO) was set up in Shanghai on June 15, 2001 with the aim of promoting mutual regional cooperation. It was established by the leaders of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan with the Declaration of Shanghai Cooperation Organization.

While India was granted 'Observer' status at the SCO in 2005, it became a full member in 2017 at the historic Astana summit. <https://theprint.in/politics/cag-to-sign-mous-with-kazakhstan-tajikistan-at-sco-sai-meeting-in-lucknow-tomorrow/1355885/>

8. CAG to host 6th Shanghai Cooperation Organisation SAI Leaders' Meeting in Lucknow ([newsonair.com](https://www.newsonair.com)) February 5, 2023

The Comptroller and Auditor General of India, CAG, is hosting the 6th Shanghai Cooperation Organisation (SCO) SAI Leaders' Meeting in Lucknow beginning tomorrow, February 6.

Out of the eight SCO Supreme Audit Institutions (SAI) member country delegations participating in the event, the heads of SAIs from four countries – Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan, alongside the CAG of India, are expected to take part in the three-day multilateral event.

Comptroller and Auditor General of India, Girish Chandra Murmu will lead the discussions on the theme "Integrating Emerging Technologies in Audit". Governor of Uttar Pradesh Anandiben Patel will inaugurate the meeting. AIR correspondent covering the event reports that the participating delegates are expected to hold discussions and share experiences on Artificial Intelligence and Cyber Security as well as concerns of digital technology.

<https://www.newsonair.com/2023/02/05/cag-to-host-6th-shanghai-cooperation-organisation-sai-leaders-meeting-in-lucknow/>

9. कैग कजाकिस्तान, ताजिकिस्तान के साथ करेगा द्विपक्षीय समझौते ([hindi.theprint.in](https://www.hindi.theprint.in), [bhasha.ptinews.com](https://www.bhasha.ptinews.com), [abc24.in](https://www.abc24.in)) 5 February, 2023

भारत के नियंत्रक एवं महालेखा परीक्षक (सीएजी) जी सी मुर्मू कजाकिस्तान और ताजिकिस्तान के अपने समकक्षों के साथ द्विपक्षीय समझौतों पर हस्ताक्षर करेंगे।

दोनों देशों के साथ समझौते लखनऊ में सोमवार से शुरू हो रहे शंघाई सहयोग संगठन (एस सीओ) के संघीय लेखा परीक्षकों की बैठक के समय होंगे।

सीएजी कार्यालय ने एक बयान में कहा कि एससीओ-

प्रधान लेखा परीक्षक संस्थान (साई) की बैठक में उत्तर प्रदेश की राज्यपाल आनंदीबेन पटेल भी शामिल होंगी।

इस कार्यक्रम में एससीओ के आठ सदस्य देशों के उच्च स्तरीय प्रतिनिधिमंडल भाग लेंगे। इस दौरान साइबर सुरक्षा और कृत्रिम मेघा से संबंधित मुद्दों और एससीओ देशों के लेखा परीक्षकों की भूमिका पर विचार-

विमर्श किया जाएगा। <https://hindi.theprint.in/india/economy/cag-will-sign-bilateral-agreements-with-kazakhstan-tajikistan/467406/>

10. Special ASI committee to trace 24 ‘missing’ monuments ([thehindu.com](https://www.thehindu.com)) Feb 6, 2023

The Archaeological Survey of India (ASI) has decided to form a special committee to trace and certify 24 protected monuments which have gone “missing”.

The decision comes after repeated red flags by a Parliamentary Committee as well as criticism from the Economic Advisory Council to the Prime Minister.

Citing a performance audit of the CAG which had included a joint physical inspection along with the Archaeological Survey of India of over 1,655 monuments and sites, the Rajya Sabha Standing Committee on Transport, Tourism and Culture had said that it was “perturbed” to find that the Barakhamba Cemetery in the very heart of the capital city was among the untraceable monuments.

Minister of Culture G. Kishan Reddy informed the Rajya Sabha on Thursday that the performance audit report of the Comptroller and Auditor General of India in 2013 had stated that 92 protected monuments were missing. However, ASI has traced 68 monuments and 24 are not yet traced.

Some of the other missing monuments besides the Barakhamba Cemetery include ruins of a temple circle at Uttar Pradesh’s Mirzapur dating to 1000 AD, two Kos Minars – one at Faridabad’s Mujesar and another at Kurukshetra’s Shahabad, a 12th century temple at Rajasthan’s Baran and the Inchla Wali Gumti at Mubarakpur Kotla in the capital.

The Economic Advisory Council to the Prime Minister has also in a report last month said there was an urgent need to “rationalise” the list of monuments of national importance. It had asked the ASI to evolve substantive criteria and a detailed procedure for declaring monuments to be of national importance.

The council had said that the ASI should periodically review and rationalise the existing list by evolving criteria taking a leaf out of the operational guidelines for the selection of UNESCO world heritage sites.

There are at present 3,693 centrally-protected monuments and sites in the country.

Sources in the Culture Ministry said that the committee would be formed of internal experts of the ASI and would be headed in all probability by the Director General of the ASI. It would survey the missing 24 monuments and certify them as ‘found’ or ‘not found’.

In case a monument is ‘not found’, then a process would be initiated to denotify them through the parliamentary procedure, sources said.

The sources said that the challenges facing the committee would be identifying the geographical indications and markings which are as old as the 1920s and most have since then disappeared.

A case in point is the Barakhamba Cemetery, which in the 1920s notification is said to be in the Imperial City, surrounded by railway lines on all sides, the ASI official says, pointing out the location could be both near New Delhi and Nizamuddin as apart from railway stations, both have records of the presence of Barakhamba or 12 pillars. <https://www.thehindu.com/news/national/special-asi-committee-to-trace-24-missing-monuments/article66474342.ece>

11. Monuments of National Importance – A Question of India’s National Identity – Part – II (timesofindia.indiatimes.com) Feb 3, 2023

Nehruvian conception of a Monument of national Importance

The Nehruvian State conceptualized national importance in a particular way. Nehru identified two principles, Unity in diversity and History, as the two elements important for nation-building & hence defined the monuments of modern India as enduring symbols.

In a speech delivered at the centenary celebrations of the ASI (Archeological Survey of India) on 14 December 1961, Nehru had asked:

In this highly utilitarian age, how does one justify archaeology? He said, as there was a direct conflict between the claims of today in the sense of practical utility, and the claims of the past, it was inevitable that we should ultimately decide in favour of the present. (J. L. Nehru 1964, Speeches, Vol. IV, 1957-63 New Delhi: Publications Division, GOI, p. 180).

In the process however, the Nehruvian State denied the existence of 5000 years of glorious heritage of the country, which incidentally is a common heritage of all belonging to different religious faiths, including all those who historically were converted to different religious faiths.

This Nehruvian consensus survived for a long time, till the party under the leadership, primarily those from the Nehru-Gandhi family remained firmly in power. This continued till the Ram Janam Bhoomi Agitation in 1990s for restoration of the Ram Mandir in Ayodhya, ending a continuing struggle since 1528, in the demolition of the disputed structure i.e., Babri Masjid. The existing Ram Mandir, the agitators had claimed, was demolished by Mir Baki, a Noble of Babar by replacing it with the Babri Masjid.

The fallacy of Nehruvian Consensus

It is alleged that monuments belonging to the Muslim rulers during their rule are only being targeted. However, the history is replete with examples of destruction of Hindu Religious Places by Muslim Invaders, starting with the destruction of Somnath Temple in Gujarat by Mahmud of Ghazni to the Mughal era, including the Ram Temple in Ayodhya & Gyanvapi Mosque to name a few. It must be understood, in both these cases, particularly in case of Ram mandir at Ayodhya, the archeological findings had conclusively proved the existence of a Temple at the site before it was destroyed by Mir Baki. These attempts by Muslim Invaders were a direct assault on one of the oldest surviving civilizations of the world, the Hindu Civilization.

The Nehruvian State in its enthusiasm to project its supposedly secular credentials denied the important role played by Hinduism in keeping the Indian Society Secular in the real sense of the term, denigrating in the process the rich secular tradition of Hinduism. This was primarily done to appease the upper crust of the Minority communities, particularly the Muslims for petty political gains.

Nehru's assertion was that the reconciliation between a direct conflict between the claims of today (meaning what exists today) and the claims of the past (meaning the remnants of the glorious past, the civilizational heritage) can be brought about only by deciding in favour of the present. This resulted in a disproportionate importance given to the monuments erected by the Invaders, who actually destroyed the monuments, primarily the religious monuments of the majority community, the Indic Religions i.e., the Religions that originated in the Indian subcontinent.

The monuments erected by Hindus over the 5000 years of its existence but destroyed by the foreign invaders, mainly Muslim, primarily have become the casualty because of the partisan attitude of the Nehruvian State. The fact is exemplified by the Supreme Court Verdict in the case of the Ram Janm Bhoomi – Babri Masjid dispute. Another case in the court has been the case regarding the Gyanvapi Mosque.

In this connection, it is worthwhile to have a look at some other observations of the Council.

-India currently has 3,693 monuments of national importance (MNI) and their protection and upkeep is the responsibility of the Archaeological Survey of India(ASI). However, a large number of these do not seem to have National Importance or have any Historical or Cultural Significance. The report estimates that around a quarter of the current list of 3,695 MNI may not have 'National Importance' per se. It mentions around 75 graves and cemeteries of British officers and soldiers that have neither architectural significance nor historical or cultural importance are on the list.

-As many as 24 "untraceable" monuments are still being considered as Monuments of National Importance (MNI).

-The report also has cited a 2013 audit by the Comptroller and Auditor General declaring 92 monuments as missing after a first-of-its-kind physical verification exercise undertaken after Independence.

The Central Government it is hoped gives serious thought to the observations & the recommendations of the Economic Advisory Council, particularly the following:

-Take steps to Rationalize i.e., to bring into accord with reason or reasonableness, India's list of Monuments of National Importance;

-Government should have a relook at the criteria for declaring monuments to be of National Importance.

Accordingly, the ASI should evolve substantive criteria, i.e., those having a firm basis in reality and so, important, meaningful or considerable. ASI should then evolve a detailed procedure for

declaring monuments to be of national importance. While doing this, the preservation of the cultural heritage of the ancient Hindu Civilization must be the priority which has been sacrificed at the altar by the Nehruvian State. <https://timesofindia.indiatimes.com/blogs/truth-lies-and-politics/monuments-of-national-importance-a-question-of-indias-national-identity-part-ii/>

12. Sitharaman delivered a milestone budget ([dailypioneer.com](https://www.dailypioneer.com)) 06 February 2023

In the years to come, Budget 2023 may be looked back on as a game changer which helped India take a giant leap

The world is watching India more closely. India is on the course to hit the \$5 trillion economy bar soon. By 2035, India is poised to become the third largest economy in the world. India has to aim to take the second slot soon after. The journey of the Indian economy for the next 25 years is paved with several opportunities. The Union Budget presented by Finance Minister Nirmala Sitharaman is thus a milestone.

There must now not be any doubt in any quarter about the undiluted commitment of Prime Minister Narendra Modi in his statecraft of 'India First'. The country is the top commitment for the government. The thought process of the Modi government is to take India forward. There is no scope for compulsions. India must march ahead. Fundamentals of the economy must remain robust. There should be no harm to the fundamentals of the economy at the cost of the interests of the next generation.

In 2008, the Centre headed by Manmohan Singh as Prime Minister had unveiled the Union Budget to ensure that Congress was positioned well in the 2009 Lok Sabha Elections. The United Progressive Alliance (UPA) government came out with the farmers' loan waiver scheme in the 2008 Budget.

The burden on the exchequer was in excess of Rs 63000 crores. The Congress-led UPA retained power and formed the government for another five years. The Comptroller and Auditor General (CAG) came out with an exhaustive report on the way the farm loan waiver scheme was implemented. The report remains a case study in blundering away the financial assets of the country in search of a short cut by the ruling political party to win elections. The banks were burdened. Undeserving people who may not have ever done farming pocketed the money of the national exchequer.

In the second tenure of the UPA government, the 2008 vote buying Budget measure became a template for governance. Crony capitalism became the policy mantra of the Manmohan Singh government. The banks advanced loans to private companies on flimsy assessments and valuations. By the time the UPA left office, the public sector banks were destroyed. They were sent into the ICU.

In such circumstances, PM Modi took charge of the policy management of the country. He set out to retrieve the critical banking sector out of the ICU so that the engines of the economy can begin functioning to their optimum capacities.

In 2023 Sitharaman presented the Union Budget with zero freebies. There is not even one proposal which can be called a freebie. She outlined 'Saptrishi', the seven guiding principles

of the Union Budget. Each principle is a spoke in the wheel of the Indian economy accelerating to take the coveted position in the global supply chains.

During the tenures of the UPA government, the newspapers tired of headlining the cases of suicides committed by the farmers. The farm loan waiver scheme failed to arrest the cases of farmers' suicides. Even the rather affluent sugarcane farmers were faced with arrears. The sugar mills didn't make the payments to the farmers.

The Modi government through the budgetary proposals sought to cure the Indian agriculture of several ailments. The PM Kisan Samman scheme empowered the farmers, who had no compulsions to go to the money-lenders. With careful designing of several schemes in the past nine Budgets, the Modi government has worked to take the welfare interventions to the saturation levels.

Several countries and economics laureates argued for India to print currency and distribute to the people after the outbreak of the Covid-19 pandemic. But the Modi government was clear-headed that the vulnerable sections be protected. That was done through the Pradhan Mantri Garib Kalyan Anna Yojna. The government ran the scheme for 80 crore people. It was subsumed in the National Food Security Scheme only when it became evident that the purpose had been achieved and the people started demanding that the intervention be relooked after the fulfilment of the objective.

Thus, the food subsidy bill has been lowered in the Budget proposed by FM Sitharaman. There are measures unveiled in the Union Budget which seek to rationalize the fertilizer subsidies. This is in contrast to the reckless proliferation of fertilizer and food subsidies in the past.

With 33 per cent enhancement in the budgetary allocation for infrastructure through public expenditure, which is now Rs 10,00,000 crores, FM Sitharaman has reiterated the 'India First' commitment of the Modi government. The policy thrust is to create the next generation infrastructure across the country. New airports will connect the tier II cities with the world. The tier III cities will also connect with the economic engines of the country. This should facilitate the emergence of a closely knit India where the people can find employment close to their habitations. This also aims that the people don't have to migrate to bigger cities.

The metropolitan cities are already beyond their carrying capacities. It had been argued for years that the economic activities must spread out across the country. The Modi government's nudge to the state governments to promote one district one product programme would immensely benefit from the accelerated infrastructure development in the country. The access to reliable infrastructure will also act as a pull to the investments which may come to states which have lagged the developed regions of the country so far.

In addition, FM Sitharaman has committed the Pradhan Mantri Kaushal Yojna 4.0. The skilling of the youth to the needs of the emerging industrial requirements along with the well-funded incentives and financial support by the government will help the country gain from a skilled workforce. This is much needed. India through bilateral pacts with Germany, Australia and the UAE is seeking greater access to the trained manpower of India in their markets. At a time when the world is facing the shortage of trained manpower, the Budget commits to the priority to rapidly skill the manpower in the country.

In another reiteration of the ‘India First’ commitment of the Modi government in the Union Budget, FM Sitharaman has laid out a well-planned blueprint for adoption of the next generation technology such as artificial intelligence (AI). This is path-breaking. The Budget proposal will give a major fillip to the accelerated adoption of the technologies in diverse areas. There is a greater competition worldwide in adoption of AI in healthcare, defence, agriculture and other sectors. India has committed to its adoption by giving centre stage to AI in the Budget.

This is indeed ‘India First’ Budget. FM Sitharaman has carefully taken a closer look at the items which are being imported in the country. She has made distinctions between raw materials, which are needed for the manufacturing in the country along with intermediaries and the finished goods. This distinction by imposing duties accordingly is a signal to the Indian manufacturers to scale up the domestic manufacturing.

In years to come, the Budget unveiled by FM Sitharaman may be looked back on as a milestone, which laid the foundation of a major leap for India in the coveted global space. <https://www.dailypioneer.com/2023/columnists/sitharaman-delivered-a-milestone-budget.html>

13. More Than the Budget, Its the Union Government's Account Audit Reports That Deserve Attention (thewire.in) Feb 6, 2023

A look at these reports by the CAG help understand the political economy behind additional expenditure and compare them to quality of spending and outcome achieved.

As Union finance minister Nirmala Sitharaman delivered her budget speech on February 1, there was rapt attention not just in the parliament, but also in newsrooms. Undoubtedly, this has been a no brainer for many years, since the day of budget presentation in parliament is the day when India’s finance minister lays down a roadmap of financial planning for the next fiscal year.

It remains a question as to whether parliamentarians and newsrooms display the same attentiveness to details and fine prints on the day when the audited accounts of the fiscal year and the audit report on the Union government’s finance accounts are presented in parliament.

Why is there such a contrast?

The following table might help us understand why the above question is an important one.

Fiscal Year	Date on which CAG signed the audit	Date on which report was shared with government	Date it was tabled in parliament
2020-21	December 7, 2022	Not available	December 21, 2022
2019-20	July 16, 2021	July 16, 2021	November 29, 2021
2018-19	July 31, 2020	August 4, 2020	September 23, 2020
2017-18	February 1, 2019	January 22, 2019 (?)	February 12, 2019
2016-17	November 29, 2017	Not available	December 19, 2017
2015-16	December 2, 2016	Not available	December 16, 2016
2014-15	Not available	Not available	December 22, 2015
2013-14	April 28, 2015	Not available	May 25, 2015

All the dates that appear in the above table are compiled from the official website of India's national auditor, the CAG of India.

As we can see, the time taken to finalise these reports has differed. In the case of the fiscal year 2017-18, the information on the website appears to be an obvious data entry error no one has taken care to fix.

From budget estimates to expenditure outcomes

Of late, within the academic discipline of public finance management, the debate has moved from engaging with budget study to drawing comparisons between how much the finance minister allocated to a specific welfare schemes this year compared to what she had allocated to the same scheme last year.

But we need to examine expenditure outcomes with much more attention, since what interests us is not the quantity of expenditure but the quality of expenditure.

Thus, the crucial question is not how much was spent but how well the money was spent and what outcomes were achieved with that spending.

What concerns emerge from the latest audit report on fiscal 2020-21?

One of the major concerns that emerges is “cases of significant savings and excesses over budgetary provisions”, despite several instructions and reminders to line departments to prepare demands for grants in a realistic manner.

The audit report notes:

“Public Accounts Committee (PAC) (10th Lok Sabha 1993-94) in its 60th Report had observed that savings of ₹100 crore or above are indicative of defective budgeting as well as shortfall in budget performance in a Grant or Appropriation. In its 16th Report, PAC (13th Lok Sabha

2000-2001) again observed that such savings are a result of injudicious formulation of budget and held that these could have been significantly reduced by making realistic budgetary projections. Consequently, MoF advised (through a communication dated 20th July 2001 and reiterated on 22nd July 2015) Ministries/ Departments to make a more careful formulation of plans/ schemes and make a realistic assessment of fund requirement”.

Let’s examine one instance of excess expenditure over budgetary provision and understand the political economy behind such an additional expenditure in terms of quality of expenditure and outcome achieved through such a sleight of hand.

The Department of Food and Public Distribution had received budgetary allocation worth Rs 4,35,596.24 crore, but it ended up spending Rs 5,54,244.84 crore during the fiscal year 2020-21. If our interest in public finance management does not transcend beyond staring at fiscal figures, we may end up giving those in charge of public money a long rope to explain such excess by stating, “India was facing a pandemic, we had a huge social responsibility to ensure no one remains hungry during lockdown”.

When we read the remarks by CAG auditors, we realise how lazy the above reasoning would be. In a year, when pandemic put a stress on public expenditure on actual food distribution, the Union government found an opportunity in what is clearly crisis-generated perception management to repay the outstanding balance of an National Social Security Fund loan extended to Food Corporation of India.

Does this sound like a left-leaning conspiracy theory?

The CAG Audit Report on Union government accounts for the fiscal 2020-21, which entered public domain after considerable delays, states:

“The chief component of excess was on account of subsidy payable to Food Corporation of India (FCI). This was because the Government of India made complete repayment of outstanding balance of NSSF loan grant to FCI, stating that the excess shall be regularized at appropriate time by obtaining Parliament’s approval, in consultation with MoF.

“Audit observed that while the original provision was Rs 77,928.54 crore, the Department of Food and Public Distribution was allocated Rs 2,50,162.13 crore through 2nd and final batch of supplementary demands for Grants on 26th March 2021 for regular repayment/advance repayment of NSSF loan to FCI. Later, on 30th March 2021, the MoF directed the Department to release further amount of Rs 1,18,712 crore to repay the complete balance of NSSF loan to FCI.”

Raising the audit objection, the CAG of India notes:

“Considering that the loan details were known quantity, the reasons for excess did not explain the need for excess expenditure done, despite the opportunity to take Parliament’s Approval through Supplementary demands for Grants for complete repayment of the loan.”

The most disturbing fact emerging from the above audit observation is that “at Grant level, this has been the highest excess expenditure in the last five years at least”!

In March 2021, while taking the above decisions, if the Ministry of Finance sought parliamentary approval to prioritise the complete repayment of outstanding loan, the government would have faced heat from opposition parties for finding “opportunities in crises”.

This is just one instance of the many of implications of not paying the same attention to finance and appropriation accounts of the Union Government and the audit remarks over the same. <https://thewire.in/economy/finance-ministry-account-audit-budget>

14. 'Numbers gamble': Why no one should be thrilled with 12%, 33% rise in SC, ST budget (counterview.net) Feb 4, 2023

The Union Budget 2023-24 is Rs 45,05,097 crore, an increase of 14% over the budget estimate of 2022-23, Rs 39,44,909 crore For Scheduled Castes, it is around a 12% increase; in the year 2023-24, it is Rs 1,59,126 crore compared to Rs 1,42,342 crore in the year 2022-23. For Scheduled Tribes, it is about 33%; in 2023-24, it is Rs 1,19,510 crore compared to Rs 89,265 crore in the year 2022-23.

The budget is not only a mathematical figure; no one should be thrilled about mathematics. It is qualitative programs that make a difference in the lives of the people. It can be said the government of the date is misusing its privilege to misguide Dalits and Adivasi through these mathematical figures. The facts produced by CAG and DASAM are evidence of it.

S. No.	Sub Head Name	Sanction Provision	Actual Disbursement	Savings / Unspent
Programs related to Scheduled Castes				
1	2230.01.789.20- Social Security Schemes	961.66	609.45	352.21
2	2230.02.789.03- Employment Promotion Scheme	426.08	271.45	154.63
3	2810.00.789.05- Grid Interactive Renewable Power	406	198.84	207.16
4	2802.80.789.01- DBT for LPG	3,154.84	2,057.66	1,097.18
5	3601.06.789.45- Pradhan Mantri Krishi Sinchayee Yojana - Integrated Watershed Development Component	332.01	156.05	175.96
6	2225.01.789.05- National Fellowship for SCs	300	119	181
7	4225.01.789.02- National Finance Development Corporation for Weaker Sections (SC)	220	40	180
	Total - Scheduled Castes	5,800.59	3,452.45	2,348.14
Programs related to Scheduled Tribes				
1	2230.01.796.20- Social Security Schemes	498.21	325.37	172.84
2	2230.02.796.03- Employment Promotion Scheme	222.8	122.32	100.48
3	2810.00.796.03- Grid Interactive Renewable Power	423	196.49	226.51
4	2802.80.796.01- DBT For LPG	1,631.23	1,064.41	566.82
5	3601.06.794.01- Umbrella Programme for Development of Scheduled Tribes: Special Central Assistance	1,210.01	707.5	502.51
6	3601.06.796.37- Umbrella Programme for Development of Scheduled Tribes: Vanbandhu Kalyan Yojana	264.99	144.8	120.19
7	3601.08.796.05- Welfare of Scheduled Tribes- Grants Under Proviso to Article 275(1) Of the Constitution	1,198.51	718.1	480.41
8	4225.80.796.03- Umbrella Programme for Development of Schedule Tribes: Support to Tribal Institutions	150	0	150
9	5052.80.796.01- Purchase of Ships (Goa)	124.5	0	124.5
	Total - Scheduled Tribes	5,723.25	3,278.99	2,444.26
	Total - SC + ST	11,523.84	6,731.44	4,792.4

Mathematically, it sounds like good advancement, especially for STs and then for SCs. The Comptroller and Auditor General of India (CAG) has examined some facts in its test audits. "Accounts of Union of India, Report No. 31 of 2022 (Financial Accounts)" clarifies the allocation and expenditure of the year 2020-21.

There are five schemes for SCs in the audit report, mostly direct benefit oriented. In these five schemes, the total fund allocated was Rs 5,801 crore, and expenditure was Rs 2,348 crore, meaning Rs 2,348 crore (40%) lapsed. Similarly, for ST, out of the total allocation of Rs 11,523.84 crore in nine programs, Only Rs 6,731.44 crore was spent, and the remaining Rs 4,792.4 crore lapsed.

Report No 20 of the year 2021 (Performance Audit), Ministry of Education, Union of India has another discrimination figure in higher education in the IITs. Funds are being allocated for IITs which are funded from SC/ST welfare funds at a large scale.

In the year 2023-24, allocation from the SC welfare fund is Rs 565 crore, and from the ST fund, it is Rs 274 crore. Total Rs 849 crore from SC/ST welfare fund. But the shortfall in enrollment is 56% for SC and 87% for ST in Ph.D. Programs during 2014-19. The shortfall in PG programs is 15% for SCs and 41% for STs.

Year-wise representation of category-wise student representation in Postgraduate / Ph.D. courses for the five-year period of 2014-19						
IIT	Percentage of Shortfall in enrolment in PG courses			Percentage of shortfall in enrolment in Ph.D courses		
	OBC	SC	ST	OBC	SC	ST
IITBBS	No shortfall	7	37	8	28	65
IITGN	5	30	69	37	68	84
IITH	No shortfall	25	34	1	25	73
IITI	12	No shortfall	13	10	70	97
IITJ	No shortfall	12	55	16	60	100
IIT Mandi	13	23	66	32	61	96
IITP	No shortfall	6	54	No shortfall	61	85
IIT Ropar	6	18	7	36	75	94

Manual Scavengers position in the Union Budget 2023-24

Detailed Demands for Grants (DDG): This document has not been available on the Ministry of Social Justice & Empowerment portal since 2020-21. Figures given in available DDG from the year 2016-17 to 2019-20 are as follows:

Year	Self-Employment Scheme for Rehabilitation of Manual Scavengers			National Safai Karmchari Commission			NER - Self Employment Scheme for Rehabilitation of Manual Scavengers			NSKFDC		
	Estimate	Revised	Actual	Estimate	Revised	Actual	Estimate	Revised	Actual	Estimate	Revised	Actual
2016-17	9.00	0.90	0.00	4.09	2.75	2.20	1.00	0.10	0.00	136.22	136.22	138.00
2017-18	4.50	4.50	5.00	4.50	4.50	4.55	0.50	0.50	0.00	125.64	125.64	128.21
2018-19	19.60	69.60		5.92	5.92		0.40	0.40		137.39	137.39	
2019-20	107.80			9.46			2.20			180.00		

Other Schemes: In the papers on the parliament floor, it is stated that there are several schemes for manual scavengers incorporated in the budgeted programs. Some of the schemes are as follows:

-Recognition of prior learning (RPL): It is for training and upskilling for mechanized sewer cleaning.

-Workshop: They are likely to be conducted by the local urban body's officers, engineers, sanitary inspectors, supervisors and contractors for safety measures and awareness of the Manual Scavengers Act

-Health camps by NSKFDC

-Swachchhata Udyami Yojana (SUY) is a loan for manual scavengers by NSKFDC.

Government expenditure on sewer cleaning through contractors: The budget allocated for cleaning sewers in Delhi is a classic example.

The government pays money to contractors. Government and contractors employ cleaners in different nomenclatures like government daily wages, government temporary, private daily wages, private temporary, regular, permanent, etc., for the same work.

These laborers from the community need help understanding the meanings and differences between different nomenclatures, as they are primarily concerned with food on their table and their daily needs. Looking into everything in mind, Honourable Gujarat High Court has asked government bodies not to privatize the permanent nature of municipality works.

The interpretation and order of the High Court exist nowhere on the ground. An example of the government budget that almost goes to contractors is as follows in Delhi Government:

Year	2018-19	2019-20	2020-21	2021-22
Contractual sewer cleaning budget / expenditure	535	523.25	825	825

Ground reality of Manual Scavengers: DASAM findings

DASAM surveyed 150 Manual Scavengers in Delhi. In the records of the Delhi government, they are pronounced as Safai Karmachari in the categories like permanent, temporary, regular, daily wage laborer, contractual labor, private labor, etc. From the viewpoint of the work at a place, the meaning of these terminologies is unclear to any safai karmachari. Even DASAM is puzzled as to understand the purposes behind usage of these different terminologies; new breed of labor categories.

No manual scavenger stated about any workshop or health facilities mentioned in the paper laid on the floor of Parliament. Workshop on Manual Scavengers Act means participants should know about their wages, safety training, grievance redressal mechanism, access facilities, live a dignified life, protect themselves from deprivation, etc. Survey reveals that no manual scavenger has received their minimum wage, and they don't know what to do to get a full wage. No manual scavengers informed that they have received any training or workshop to solve the problems they face at the workplace.

No manual scavenger could get entrepreneurial training (for their work) from government officials, as stated in the paper laid in the Parliament.

Delhi Government published a tender stating that family members of deceased manual scavengers will be given preference in awarding the mechanized cleaning tasks. But no Vendor Development Program was organized by the government. It is to be noted that as per government policy notification 2012 government has to conduct vendor development programmes for targeted groups.

Manual scavengers contacted 9 MLAs in Delhi elected from reserved constituencies and expressed their concerns before them. Nothing could be resolved yet.

No manual scavengers were found to be the beneficiary of the decision given by the Honorable Gujarat High Court, i.e., the government should not privatize the regular nature of work.

Media report: The "Outlook" coverage states the same thing that DASAM has witnessed. The problems of manual scavengers are the same, but "Insanitary Latrine" is no sewerage cleaning without safety kits. They do it for their survival. They can't get a job in another occupation; perhaps their education syllabus is romanticized for its futility to make them capable of living with dignity at the workplace. It is not the only story; it multiplies in millions throughout India. The government's expenditure on them is arbitrary; it controls the mechanical arrangements of "DIGITAL INDIA" that belong to digitized people.

Manual scavengers have neither education nor the money to get digitized. It is not sure that a person living real life will be willing to get digitized in Digital India. For example, the stories of DASAM's findings and media belong to Digital India in 2022 and the recent presiding years. Digitization speaks for the justice, welfare and development of people living in the lowest social hierarchy rank. Still, these people either can't get space or, at most, can get rare spaces. Perhaps, because their pain is not suitable for the romantic world in Digital India.

CAG Observation: These observations differ from State to State. Excerpts are taken for two States, namely Delhi and Arunachal Pradesh, to understand the manner and spirit in which these programmes are being implemented.

Delhi Government: Only financial aspects could be found that reveal the savings (unutilized). In two heads total of Rs 4.30 crore was allocated, and expenditure was zero. The clarification was pending from the central ministry.

No. and Name of Grant	Total Provision	Actual Expenditure	Saving out of Original Provision	Reasons for Savings
2225.80.789.95 Implementation of prohibition of employment as manual scavenger and their rehabilitation (SCSP)	2.00	0.00	2.00	Pending clarification from the Govt. of India, Ministry of Social Justice
2225.80.800.65 Implementation of prohibition of employment as manual scavenger and their rehabilitation	2.30	0.00	2.30	Pending Clarification from the Govt. of India, Ministry of Social Justice

Excerpts from Report No. 2 of the year 2018, Delhi Government, Page 54:

“National Safai Karamcharis Finance and Development Corporation (NSKFDC) allocated rupees 166.80 crore during 2012-17. The Company, however, could draw Rupees nine crore only (5.39 percent) in March 2016 from NSKFDC for implementing various schemes for this target group (having annual income of up to Rs 1.20 lakh) which remained unutilized. The audit also did not see any action plan for the disbursement of unutilized funds to Safai Karamcharis, which were kept invested with the Bank.

“The Company stated that funds could not be utilized as Apex Corporation did not inform specific eligibility guidelines. The reply is not tenable as the Company failed to obtain or resolve the issue with the Apex Corporation in this respect for five years.”

Arunachal Pradesh: Excerpts from Report No. 2 of 2022, Arunachal Pradesh, Page 24:

“Section 19 (a) of the Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013 (MS Act 2013) envisages that no person is engaged or employed as a manual scavenger within their jurisdiction. The septic tank technology was adopted for the IHHL (Individual Hose Hold Latrine) construction in SBM(U). The Department did not conduct a feasibility study or survey before the introduction of septic tank technology. The high water demand for septic tank technology is one of the disadvantages in hilly states like Arunachal Pradesh. In the absence of infrastructure for emptying and transporting septage from septic tanks in households of urban areas, the IHH in urban areas resorts to the engagement of

manual scavengers in violation of the MS Act 2013. During physical verification of 200 IHHs in sampled urban centers, 126 IHHs (63 percent) admitted the facts of engagement of manual scavengers.

“While accepting the facts, the Department stated (October 2021) that it had been facing acute shortage of resources and absence of separate fund allocation for the feasibility study. Without a feasibility study, the Department resorted to utilizing the technology per the local conditions using local resources. The Department also stated that they are aware of the problem and exploring and introducing the techniques, i.e., building septic management plants with the available funds and resources. Further, desludging vehicles were procured for the capital region to utilize the engagement of the manual scavengers.”

Conclusion

The budget is not only a mathematical figure; no one should be thrilled about mathematics. It is qualitative programs that make a difference in the lives of the people. It can be said the government of the date is misusing its privilege to misguide Dalits and Adivasis in mathematical figures. The facts produced by CAG and DASM are evidence of it. <https://www.counterview.net/2023/02/numbers-gamble-why-no-one-should-be.html>

STATES NEWS ITEMS

15. PIL seeks CBI probe into Rs 2 l-cr ‘scam’ in Bengal ([sundayguardianlive.com](https://www.sundayguardianlive.com)) Feb 4, 2023

A petition filed in the Calcutta High Court last month has alleged a “massive financial scam” by the West Bengal government. The petition claims that the state government has spent Rs 229,099 crore of public money without proper documentation, leading to allegations of misappropriation.

The Comptroller and Auditor General (CAG) of India has found the lack of Utilisation Certificates (UCs), which verify government funds were spent properly, to be at risk of misappropriation. The petition also accuses state officials of supporting the alleged scam.

“A report submitted by the CAG of India for the year ended 31 March, 2021 with respect to the finances of the State of West Bengal points out various glaring incongruities and irregularities which point towards the misappropriation and perpetration of a financial scam of massive proportions by which the public exchequer has been defrauded,” the petition filed before the Calcutta High Court has stated.

The petition has been filed by three individuals, Jagannath Chattopadhyay, journalist and general secretary of West Bengal state BJP unit, advocate Suman Shankar Chatterjee and retired Army personnel Ritwick Paul on 20 January 2023, after they got to know from the published CAG report that the West Bengal government was not reporting and documenting the expenditure of the funds given by the Central government to the Bengal government.

“From the report of the CAG of India, it can be seen that UCs (Utilisation Certificates) to the tune of Rs 2,29,099 crore are yet to be received from various departments of the Government of West Bengal with the biggest defaulters being the Departments of Urban Development and Municipal Affairs, School Education, Panchayat and Rural Development with each such

Department failing to submit UCs to the extent of Rs 30,693 crore, Rs 36,850 crore, Rs 81,839 crore respectively. Thus, effectively Rs 2,29,099 crore of the public exchequer's money have been spent without there being even an iota of any documentation such as UCS which are mandatorily required," the petitioners said in their prayer before the Calcutta High Court.

Utilisation Certificates are required to be submitted by the state governments to the Central government to ascertain whether the funds or grant in aid given by the Central government to the state government was utilised for the purpose it was given to the state.

The CAG's State (West Bengal) Finance Audit report for 2021, which The Sunday Guardian has seen, says, "In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were given. This assumes greater importance as pendency in non-submission of UCs is fraught with the risk of misappropriation."

The petitioners allege that a scam of massive proportions causing loss of hundreds of crores to the public exchequer is being committed with impunity because of the tacit as well as active support of the officers belonging to the state administration.

Jagannath Chattopadhyay, one of the petitioners and general secretary of the West Bengal unit of the BJP, told The Sunday Guardian that he, along with three others, has filed the petition not as a member of the BJP, but as a journalist, as according to him, in his two-decade-long journalistic career, he has never seen such a huge amount of public money being unaccounted for.

"Since this government (TMC government) has come to power in 2011, CAG has identified that the state government has not filed UCs for Rs 2 lakh 30,000 crore, this is a huge amount of money. CAG has identified this as a misappropriation of fund, because they could not even audit this amount. Despite CAG asking repeatedly for the UCs, the Bengal government has not been able to provide them. Apart from this, there is no record of Rs 5,000 crore in the personal deposit account of the state government. In Bengal, every block in the state has Rs 235 crore of money for which there is no accounting. There are bureaucrats and IAS officers who are involved in this. We have informed the court that this is a clear cut scam and now after the CAG report is out, nobody can say this is not."

Chattopadhyay further added, "This is the first ever biggest scam in the history of West Bengal. This is also the first instance where we are being able to show through documentary evidence that such a large amount of money has been officially looted by the state government. This is public money, money given to the state by the Central government."

The CAG report also pointed out that Detailed Contingent (DC) bills amounting to the tune of Rs 3,400 crore were pending in various departments of the West Bengal government till March 2021, reflecting on the state's "accounting indiscipline" by the government functionaries and controlling authorities, leading to risk of fraud, temporary misappropriation and embezzlement of funds.

The CAG in its report also further stated, "WBTR (West Bengal Treasury Form) requires that advances drawn through AC bills are to be adjusted through Detailed Contingent bills (DC bills) within one month from the date of completion of the purpose for which the advance was drawn. In no case, this should exceed 60 days from the date of draws of the AC bill."

The petitioners have prayed before the Calcutta High Court to initiate a CBI investigation into this alleged massive “scam” since the state police would not do a fair investigation against its own government. The Calcutta High Court in the last week of January this year, while admitting the petition, had asked the Finance Secretary of West Bengal and the CAG to be parties to the case. The court has also heard the petitioners and is currently scheduled to hear arguments of the state government. The next date for hearing has been scheduled for Monday. <https://www.sundayguardianlive.com/news/pil-seeks-cbi-probe-rs-2-l-cr-scam-bengal>

16. The curious case of the 2023 Kerala budget ([thenewsminute.com](https://www.thenewsminute.com)) Feb 5, 2023

Instead of taking remedial measures to collect the tax lacuna of over Rs 70,000 crore, the government has dug into the pockets of the poor who are already burdened by the financial crisis, writes former Congress MLA KS Sabarinadhan.

The presentation of the annual Kerala budget by the state Finance Minister KN Balagopal in recent years has been a very insipid affair. The previous Finance Minister, the verbose and venerable Dr Thomas Isaac, used to season his budget with poetry and quotes, and the post budget discussions would inevitably be on the niceties around the budget. Dr Isaac would drift from one newsroom to the other, charming everyone with his intellectual might, ambitious plans, and romantic optimism, dismissing any questions on financial uncertainties. Balagopal tends to be media neutral and more matter-of-fact, and to his credit, is far more welcoming and accepting of the pathetic affairs of the state’s coffers. So on budget day this year, as the pundits and public were preparing for a dry budget with a few tax suggestions and austerity moves, his radical income generating measures of taxing the poor not only blindsided everyone but also infuriated the government’s closest allies.

There are no two ways about it, Kerala is in an extremely bad financial state. The debt has mounted to almost Rs 4,00,000 crore and this small state has overtaken most of the Indian states in most of the financial indicators. The debt/GDP ratio has spiralled to upwards of 37% and a 2022 RBI report titled ‘State finances: A risk analysis’ indicates ominous signs for the state. The major reason for the crisis is the inefficient handling by the successive Pinarayi Vijayan administration. Being a consumer state with virtually no big projects, the state is solely dependent on tax revenues. The ill-effects of GST, floods, and Covid, and the improper implementation of GST has resulted in over Rs 70,000 crore of tax money not being collected.

In 2017, the state had relaunched an ambitious off-budget infrastructure development scheme under the Kerala Infrastructure Investment Fund Board (KIIFB), essentially aimed at circumventing the budgetary loan taking restrictions imposed by the Kerala Fiscal Responsibility Act under the Fiscal Responsibility and Budget Management Act, 2003. The source of KIIFB will be cess on petrol, motor vehicle tax, loans, and grants from the government. After six years, KIIFB has turned out to be a damp squib. 962 projects worth Rs 75,000 crore were announced, but only projects worth Rs 6,300 crore have been completed by February 2022. Projects worth Rs 20,000 crore are in early stages of completion. The Comptroller and Auditor General of India in a report later declared that all off-budget borrowings form an integral part of state finances, thus landing all KIIFB projects in a self-created mess. The Congress-led opposition maintained a stance that KIIFB was irksome since the huge debt would be an essential component of our loan limits. The uncertainty over KIIFB

has delayed all big projects resulting in an open revolt by MLAs from the Left stable, something hitherto unheard of in Left circles.

The discriminatory actions of the Union government is also to blame. The states' share of the central tax revenue pool, which was 42% in the 14th Finance Commission, has been reduced to 41% in the 15th Finance Commission. The shareable net proceeds to Kerala have been falling considerably. During the 15th Finance Commission, the share of horizontal devolution to Kerala has shrunk from 2.5% to 1.925%.

The only saving grace in these years of financial crisis was that the welfare measures, including social security schemes, were protected. Around 60 lakh people in Kerala receive monthly pensions of Rs 1,600, a practice started years back and taken forward very well by all governments. Even though the major social pension was protected, there have been recent complaints of smaller schemes meant for those with disabilities, tribals, orphans, and single mothers that have been affected due to the financial crunch.

While it was expected that a few tax rates would be increased to service the social sector obligations, Balagopal surprised everyone by indiscriminately increasing the tax and cess rates in areas that directly affect households. A few of them are listed below:

- > Social security cess of Rs 2 per litre on petrol and diesel
- > Rs 20 extra for each bottle of Indian-made foreign liquor (IMFL) with an MRP of Rs 500-999
- > Rs 40 extra for each bottle of IMFL with an MRP of above Rs 1,000
- > One-time tax on new cars and bikes up by 1% and 2% depending on vehicle cost
- > Fair value of land increased by 20%
- > Stamp duty on flats and apartments raised from 5% to 7%

In addition to these budgetary blows, the water rates have been hiked by almost Rs 10 per unit while the electricity rates and public transportation rates also saw a steep hike in recent months.

Instead of taking remedial measures to collect the tax lacuna of over Rs 70,000 crore and declaring austerity measures, the government has dug into the pockets of the poor and the middle-class who are already burdened by the financial crisis. This doesn't fit any model of socialism espoused by the Left government. The budget also disappointed the public by rehashing and remixing projects listed in earlier budgets. The Minister still doesn't have an answer to how the state is going to achieve these capital intensive projects.

The opposition led by the Congress is out on the streets and there are widespread agitations across the state as I write this article. The public sentiment is very high and there is a major backlash on social media platforms. These protests cannot be seen in isolation. There is an already growing disgruntlement against the government in its handling of the economy, the spending extravaganza, and the appointment of party loyalists in government positions at high salaries. Unemployment is higher than the national average, but party workers are getting backdoor entries without any qualifications. The budget has added fuel to this fire.

Let's hope that better sense prevails and the government rolls back these decisions. And on a lighter note, the state was happier when Balagopal spoke less. When the reticent Minister spoke for over 2 hours and 18 minutes this time, it unleashed mayhem. <https://www.thenewsminute.com/article/curious-case-2023-kerala-budget-172884>

17. Kerala budget chooses fiscal thrift over profligacy (timesofindia.indiatimes.com) Feb 04, 2023

The Kerala budget for 2023-24 signals that the state is changing its approach from profligate spending to fiscal consolidation. Whether or not it is forced by the Union government and the CAG's stand on off budget financing through KIIFB, it is a welcome change as the previous path was taking the state towards a fiscal crisis that would have badly affected future generations.

The new approach to budget making shows respect for fiscal discipline.

The finance minister has focused on raising revenues through a slew of tax hikes and expenditure rationalization. The fiscal deficit is projected to come down to 3.5% of state GDP as per the cap set by the finance commission. But it is disappointing to see the revenue deficit creep up from 1.96% of state GDP to 2.1%. It means that, in spite of the revenue gains from tax hikes, the state continues to prioritise short term spending over investments.

While there are funds allocated in a number of important areas, it is of concern that the education budget has fallen by a massive 30% from Rs 2,546 crore allocated last year to Rs 1,773 crore in this budget. At a time when there are reports of exodus of students from the state, lower funds for education is the last thing we need. Presumably this is because of a cut in the centrally sponsored component of the education budget, but nevertheless the government has to take imaginative action to revitalize the higher education sector in particular and that too with limited funds.

The big mystery is why the budget chose to impose a new cess on petrol and diesel which is going to stoke inflation. This may undo the finance minister's allocation of Rs 2,000 crore for market interventions to fight inflation. The same people who benefit from the market interventions (presumably food subsidies) are going to be hurt by higher prices of other items. But overall, the fiscal compression of the government needs to be applauded.

The need of the hour is to complement it with improvements in the ease of doing business (where the state lags behind most states of India), so that the private sector can do the heavy lifting of economic activity. Schemes like Make in Kerala may not really change this, unless there are big bang reforms. While Kerala has been very successful in encouraging small establishments and start-ups, significant growth and job creation can come only from large private investments.

<https://timesofindia.indiatimes.com/city/kochi/kerala-budget-chooses-fiscal-thrift-over-profligacy/articleshow/97595464.cms?from=mdr>

18. Banks, industries extension officer at fault, says corp (timesofindia.indiatimes.com) Feb 06, 2023

Thiruvananthapuram: In the wake of CAG draft report on irregularities in the loan subsidy scheme for joint liability groups and individuals, the civic body has reported that the industries extension officer (IEO) and the banks involved in the disbursement of loan were equally at fault.

The civic body has furnished a response to the draft report of the CAG. In the response note, it has been mentioned that the banks associated with the subsidy scheme handled the loan applications casually. The banks and the IEO failed to confirm whether the individuals and the groups who were sanctioned loans actually started business ventures or not, the report said.

While the CAG pegged the loss at Rs 5 crore, the civic body has not agreed to the loss of this magnitude.

“The actual amount can be ascertained only after proper scrutiny. Lack of proper documents, papers where signatures are missing can be rectified. It is possible to levy the amount with interest from those who have not started the business venture even after the stipulated time. Legal action can be taken against those who committed forgery to draft documents and avail the loan and amount can be levied from them,” corporation reported in the response statement.

The civic body has further reported that during the spread of Covid 19, it was not possible to summon each individual to the corporation office for personal scrutiny and verification. Some people took advantage of this situation and pursued fraudulent ways to avail loan subsidies, the report said.

The corporation has communicated that since IEOs belong to the department of industries, the corporation could not take disciplinary action against them and that the civic body has asked the parent department to initiate action against the officials responsible for it.

In 2020-21, the civic body allocated an amount of Rs 8.4 crore for 28 schemes. About 161 applications were scrutinised and given to banks. In 2021-22, the civic body allocated an amount of Rs 3.6 crore for 27 schemes and 1,221 applications were forwarded to five banks.

The CAG and the local fund audit have unearthed a set of irregularities in the loan subsidy scheme. It was found that 40 applicants forged documents to pose themselves as scheduled caste beneficiaries and availed the loan amount. Loans were disbursed in some cases for incomplete applications. One beneficiary figured in different groups and availed loans. Credits were even given to those who were not even included in the beneficiary group, the findings said.

Mayor Arya Rajendran has sought the service of IEO on all days and cited the requirement of additional staff to process the applications in a thorough manner. At present IEO serves in the corporation office only two days a week and according to the corporation, this time period is insufficient to process the applications. <https://timesofindia.indiatimes.com/city/thiruvananthapuram/banks-industries-extension-officer-at-fault-says-corp/articleshow/97633220.cms>

19. Punjab govt likely to fall short of revenue targets this fiscal year ([hindustantimes.com](https://www.hindustantimes.com)) Feb 04, 2023

The revenue receipts of the state government in the first nine months stood at 63% of the target for the current year, according to the data on fiscal indicators for the April-December 2022 period released by the comptroller and auditor general (CAG)

The Punjab government may fall short of its revenue targets in the financial year 2022-23.

The revenue receipts of the state government in the first nine months stood at 63% of the target for the current year, according to the data on fiscal indicators for the April-December 2022 period released by the comptroller and auditor general (CAG). Against the budget estimates of ₹95,378 crore for the financial year, the state has garnered ₹60,096 crore from tax and non-tax revenues as well as grants-in-aid from the central government in the first three quarters.

Between April and December, the state achieved 65.86% of its tax revenue target which includes goods and services tax, state excise, stamps and registration, sales tax, state's share of union taxes, land revenue and other taxes. In its first budget, the Aam Aadmi Party (AAP) government had set a tax revenue target of ₹60,345 crore for this fiscal, against which ₹39,742.83 crore has been generated so far as per the unaudited provision figures. At this rate, the state government may find it a bit difficult to achieve the tax revenue target in the remaining three months. Tax revenue figures mean that the state government would need to garner almost 34% of its full-year target in the last quarter to match the collection estimated in the budget. A finance department official said the revenue targets were based on estimates and would be achieved in all likelihood. "Past experience shows a trend of rise in government revenue collections in the last quarter. Also, the state's share of central taxes is a major part of revenue receipts, and the way it is structured, a significant portion comes in the later part of the year," said the official, who did not wish to be named. The government is also counting on the release of grants-in-aid. Finance and taxation minister Harpal Singh Cheema didn't respond to the calls.

Tax mop-up higher than last year

The tax revenues in the first three quarters are, however, significantly higher than the collection during the corresponding period last year. At ₹13,309.15 crore, the collection of goods and services tax, a major contributor to the government's coffers, is only 64.76% of the full-year target of ₹20,550 crore, but it is way above ₹10,672 crore collected between April and December last year. Similarly, stamp duty and registration, state excise duties, land revenue and the state's share of union taxes are all higher this time as compared to the previous year when the Congress was at the helm in the state. There is, however, a drop in the revenue from sales tax to ₹4,346 crore this time from ₹5,569 crore garnered in the previous fiscal as the previous Charanjit Singh Channi-led Congress had in November 2021 slashed the value-added tax on petrol and diesel by ₹10 per litre and ₹5 per litre, respectively. The present government on Friday imposed a cess of 90 paise per litre on petrol and diesel, which will shore up its revenue. At ₹3,376 crore, the non-tax revenue in the nine-month period is also significantly higher than last year, but below the target for this year. The revenue expenditure is 69.60% of the targeted expenditure. The government's net borrowing is ₹19,540 crore, which comes to 81.98% of the full-year target, and a major portion of it has gone into payment of interest. <https://www.hindustantimes.com/cities/chandigarh-news/punjab-govt-likely-to-fall-short-of-revenue-targets-this-fiscal-year-101675454972677.html>

20. Goa records highest violations of rules to guard coasts in 5 years ([hindustantimes.com](https://www.hindustantimes.com)) Feb 6, 2023

Goa among all states in India leads in the number of violations of coastal zone regulations, which were as high as 1,878 in the past five years, the environment ministry has informed the Rajya Sabha.

“About 1,878 cases of violation of the CRZ (coastal regulation zone) notifications have been reported during the last five years and action has been taken accordingly,” junior environment minister Ashwini Kumar Choubey said in Parliament on February 2 in response to a query raised by YSR Congress parliamentarian S Niranjana Reddy.

Goa reported 974 violations in the past five years, followed by 556 in Maharashtra, 101 in Karnataka and 84 in Tamil Nadu, among other coastal states, the minister said.

Coastal zones are defined as an interface between land and the sea that comprises coastal land, intertidal area, and coastal ecosystems including rivers, estuaries, marshes, wetlands and beaches. India has a coastline of about 7516 km. The CRZ notification classifies coastal areas into different zones to manage developmental activities in an integrated manner.

There has been institutional lapses in this regard as well, according to the Comptroller and Auditor General of India. The environment ministry has not notified the national coastal zone management authority as a permanent body with recommended members, the government’s auditor said in a report tabled in Parliament in August 2022.

Instances were also found where expert appraisal committees granted environmental clearances despite the absence of domain experts during the project deliberations, the performance audit said. Activities forming a part of the mitigation plans like mangrove conservation and replantation, biodiversity conservation plan, rainwater harvesting plan failed to be included in the environment management plan in many cases, the statutory watchdog reported.

Coastal zone management authorities, both at the national and state levels, must share details for their deliberations with the public in a uniform manner, the auditor recommended. The environment ministry also must ensure that project proponents submit a viable environment management plan, addressing all the risks to the environment, the CAG said. Such plans with impact prediction analyses should be coherent and mitigation measures should be clearly spelled out, along with the costs involved, it suggested.

The environment ministry issued a notification on November 24, allowing temporary shacks and structures on the beach during non-monsoon months and manual removal of sandbars in intertidal areas abutting the coast. The notification consolidates and reconciles changes made in coastal regulation zone laws over the years, made with an eye on boosting tourism, though environmentalists said it was important to understand the impact of projects on these areas, among the most fragile environmentally, and especially in the context of the climate crisis.

The notification also delegated the responsibility of approving some projects in coastal areas considered most critical from an environmental perspective and areas with seawater to the state coastal zone management authorities. These projects include stand-alone jetties, salt works, slipways, temporary structures, and erosion control measures.

“In a climate stressed world, coastal areas are considered to be one of the most vulnerable geographies. This makes it even more critical for countries like India to use regulatory frameworks like the CRZ to map vulnerabilities and carefully examine the extent to which coastal lands and marine areas can be stretched,” said Kanchi Kohli, legal researcher at the Centre for Policy Research, a think tank. “In doing so, the a precautionary approach should not be an option, but as an essential tenet of coastal planning.”

Major infrastructure projects have been planned in the ecologically fragile Great Nicobar island, HT reported on November 28, 2022. The central government on November 11 granted environmental clearance to an international container transshipment terminal, a 450 MVA gas and solar power plant, an airport and associated townships over 166.1 sq. km in Great Nicobar, according to documents seen by HT.

The project will involve diversion of around 130.75 sq. km of forests in three phases. The forest loss is likely to be compensated for by the project proponent by taking up compensatory afforestation in Haryana’s Aravallis and in Madhya Pradesh, if required. <https://www.hindustantimes.com/india-news/goa-records-highest-violations-of-rules-to-guard-coasts-in-5-years-101675622592026.html>

21. Meghalaya: Congress accuses NPP of ruining state finances (uniindia.com) Feb 04, 2023

Shillong: Congress on Saturday alleged that the NPP-led Meghalaya Democratic Alliance government has ruined the state finances through poor fiscal mismanagement and scams in its five years of reign and termed the ruling combine major as “Non Performing Party”

Levelling the allegations, All India Congress Committee media coordinator. Mathew Antony said the CAG report at the close of March 2021 showed that 215 Utilisation Certificates amounting to Rs 1765.86 crore remained outstanding in the books of the Accountant General. 62 projects in Meghalaya are piled up without achieving completion.

The Meghalaya Govt. has suffered a loss of Rs 1166.89 crores because of cost escalation due to delays in completing the projects.

He added that in absolute monetary terms, the overall debt of Meghalaya has increased by 51.60 percent from Rs 8983.50 crore during 2016-17 to Rs 13,618.74 crore during 2020-21.

As a percentage of GSDP, the overall debt was 32.74 percent in 2016-17 but has increased considerably by almost eight-percentage points to 40.73 percent in 2020-21.

Talking about the coal issue, Mathew said that Judge B. P. Kataki in his report stated that "13 lakh metric tonnes of coal was illegally mined, transported and discovered which the state sought to pass off as coal mined prior to the imposition of the ban".

“According to our calculations, the loss to the state exchequer from the illegal mining and transportation of coal is an estimated Rs 650 crores. Just imagine how many welfare schemes could have been funded from this money.,” Mathew said.

Meghalaya Pradesh Congress Committee Vice President Ronnie V Lyngdoh said if voted to power Congress will set up a State University for job-oriented and market-ready courses such as IOT (Internet of Things), Block Chain Technology, IT and ITES.

“To give a fillip to the tourism sector in Meghalaya, especially the service industry, our party will also develop a comprehensive plan through which local youths can be trained in a vocation of their choice, as per their educational and professional qualifications”, Lyngdoh added.

He said that the Congress in the state will elaborate on all these in its manifesto which will be released shortly. <http://www.uniindia.com/meghalaya-congress-accuses-npp-of-ruining-state-finances/east/news/2910351.html>

22. Congress tags NPP as ‘Non Performing Party’ (themeghalayan.com) Feb 5, 2023

SHILLONG: The opposition Congress on February 4 referred to the NPP as a ‘Non Performing Party’ as it has failed on all fronts.

Addressing media persons, AICC media coordinator Mathew Anthony has also termed the NPP People’s Document as a “manifesto of lies”.

He said that the NPP had claimed in its manifesto that it will work towards timely sanction of development funds to minimise the delay in implementation of projects but the reality is that according to CAG report at the close of March 2021, 215 Utilization Certificates amounting to ₹ 1765.86 crore remained outstanding in the books of the Accountant General. 62 projects in the state of Meghalaya are piled up without achieving completion. He said Meghalaya government has suffered a loss of Rs 1166.89 Cr because of cost escalation due to delay in completing the project.

On the NPP’s claim to formulate an economic development policy, Mathew said that the economy of the state is in doldrums and Meghalaya is in a debt trap.

As per CAG’s report, in absolute monetary terms, the overall debt of State of Meghalaya has increased by 51.60 per cent from Rs 8983.50 crore during 2016-17 to Rs 13,618.74 crore during 2020-21.

“As a percentage of GSDP, the overall debt was 32.74 per cent in 2016-17, but has increased considerably by almost eight-percentage points to 40.73 per cent in 2020-21. State failed to achieve the target of 28 per cent (Total Outstanding Liabilities to GSDP ratio) as set by the MFRBM Act, 2006 during the period 2016-17 to 2020-21,” he said.

Referring to the claim of the NPPP to streamline the system of revenue collection to minimise revenue loss, the Congress leader said that reality is that the Meghalaya High Court had appointed retired Gauhati High Court Judge BP Kayakey, who in his report stated that “13 lakh metric tonnes of coal was illegally mined, transported and discovered which the state sought to pass off as coal mined prior to the imposition of the ban”. The report was scathing in its observation that the illegal mining and transportation of Coal from Meghalaya could not have happened without “state participation and even encouragement”.

“According to our calculations, the loss to the state exchequer from the illegal mining and transportation of coal is an estimated Rs 650 crores. Just imagine how many welfare schemes could have been funded from this money,” he said adding “This proves the Congress party’s charge, that there has been a huge scam in illegal mining and transportation of coal to the tune of hundreds of crores and this ill-gotten money is being used by NPP and all the constituent partners of MDA, to fund their luxurious campaigns and “purchase” MLAs of other parties.”

Also slamming the NPP-led government over the alleged Covid scam, Mathew said that the Health Minister James Sangma has replied in the Assembly during the last session in September 2022 that Rs 816 Cr was spent by the government for 96785 confirmed covid cases and 1624 covid deaths.

“If we deduct the ex-gratia payment of Rs 50,000 which the govt had promised to the relatives who had died of covid, then an amount of 8.12 Cr would have been disbursed. There is no information furnished by this govt of the status of the ex-gratia relief,” he said.

He further added, “Now compare this with Manipur which had more covid cases (1.4 lakh) and deaths (2149) deaths than Meghalaya and spent a measly amount of only Rs 78 Cr. So Meghalaya expenditure for lesser number of covid cases and deaths was more than 10 times than that of Manipur. In rupee terms, Meghalaya spent Rs 83,484 per person suffering from covid as against Rs 4803 per person spent by Manipur.”

“The Director of Health Services, Dr Aman War under whose watch the covid scam happened is now contesting as an UDP candidate from Shillong North constituency. We would like the people of Meghalaya to draw their own conclusions,” he alleged.

On the other hand, Congress leader and MDC Ronnie V Lyngdoh said under the MDA government, Meghalaya’s school dropout rates have deteriorated to one of the highest in the country.

He said according to data published by the Union Education Ministry, Meghalaya’s dropout rate in primary standard (Classes 1 to 5) has deteriorated from 7.4 percent in 2020-21 to 9.8 percent in 2021-22. Meghalaya’s dropout rates at secondary school level is even dismal at 21.68 percent against the national average of 12.61 percent.

“Seeing such a dismal state of education in our state, the Congress party proposes a State University for job oriented and market ready courses such as IOT (Internet of Things), Block Chain Technology, IT and ITES,” he said.

Lyngdoh said to give a fillip to the tourism sector in Meghalaya, especially the service industry, our party will also develop a comprehensive plan through which local youths can be trained in a vocation of their choice, as per their educational and professional qualifications.

“They would be the backbone of the entire service industry requirement which would involve getting youths trained in short-term courses such as basic service techniques (waiters/waitresses etc), cooking techniques (train novices to become trainee chefs/cooks), office executives, guest relations executives, housekeeping executives etc,” he said.

According to him, there is a huge dearth of such professionals which is why the tourism potential of Meghalaya has not been realised.

The Congress party will elaborate on all these in our Manifesto which will be released shortly, he added. <https://themeghalayan.com/congress-tags-npp-as-non-performing-party/>

23. Arappor Iyakkam wants probe into coal deal involving Adani Group (timesofindia.indiatimes.com) Feb 6, 2023

Chennai: The NGO Arappor Iyakkam wrote to chief minister M K Stalin requesting to begin investigation into the alleged coal scam to the tune of 6,066 crore, involving Adani firms during the previous AIADMK government. This comes in the backdrop of Hindenburg's negative report on Adani Group.

In their complaint which has been submitted to the finance minister as well as the DVAC, Arappor Iyakkam said that it has already submitted complaint along with supporting documents in 2018 and 2019, but the investigation agency did not register any FIR so far.

Jayaram Venkatesan, the convenor of the Arappor Iyakkam, said, "DVAC has the standard response that they would look into the complaint., but there is no follow-up action." He said the inquiry into the malpractices can no longer be delayed in the light of Hindenburg report against Adani Group.

In their complaint, the organisation has named former AIADMK minister Natham Viswanathan and others, and submitted supporting documents as to how the tender conditions were changed after 2011 in order to favour Adani Global Pte Ltd and a small coterie of firms importing coal.

The complaint has attached evidence of how Adani Global Pvt Ltd and a few others were handed over tenders at least \$15 to \$20 more than the market rate per metric tonne of coal and how TNPL imported similar quality coal in the same month as Tangedco at average of \$19.15 less than Tangedco per metric tonne. The organisation has also highlighted the CAG report on the poor quality of coal in one third of the consignment. <https://timesofindia.indiatimes.com/city/chennai/arappor-iyakkam-wants-probe-into-coal-deal-involving-adani-group/articleshow/97632950.cms>

24. Noida प्राधिकरण के खर्च की जांच कैग टीम करेगी (samacharnama.com) Feb 6, 2023

कंट्रोलर एंड ऑडिटर जनरल (नियंत्रक एवं महालेखा परीक्षक) की टीम ऑडिट के लिए नोएडा प्राधिकरण में फिर आ चुकी है. टीम इस बार अप्रैल-2021 से लेकर दिसंबर-2022 तक में हुए खर्च का ऑडिट करेगी. इस समयावधि के अधिकतर अधिकारी प्राधिकरण में अभी मौजूद हैं. परफॉमेंस और ट्रांजक्शन दो ऑडिट होता है.

नोएडा विकास प्राधिकरण में सीएजी ऑडिट की बात करें तो इसका फैसला योगी सरकार ने 2017 में लिया था. 2003-04 से 2017-

018 तक परफॉमेंस ऑडिट हो चुका है. सूत्रों की मानें तो सीएजी की तरफ से सेक्टर-

151 ए में प्रस्तावित इंटरनेशनल गॉल्फ कोर्स प्रॉजेक्ट पर सवाल उठाए गए हैं. कहा गया है

कि प्रॉजेक्ट प्रस्ताव में ये जानकारी दी गई कि ये सेल्फ सस्टेनबल होगा, लेकिन धनराशि नोए डा विकास प्राधिकरण की लगी. इसी तरह कॉमर्शियल प्लॉट के आवंटियों के कुछ एक प्रकार में ज्यादा एफएआर देने पर भी आपत्ति लगाई गई है. एक एजेंसी जो प्राधिकरण में काम कर रही थी उससे किराया न जमा करवाए जाने पर भी आपत्ति आई है. <https://samachar.ama.com/city/noida/cag-team-will-investigate-the-expenditure-of-noida/cid9902157.htm>

25. Rajasthan: सदन में आने से पहले ही 'राजस्थान अकाउंटिंग सिस्टम अमेंडमेंट बिल' का विरोध, जानें फायदा और नुकसान (amarujala.com) Feb 4, 2023

गहलोट सरकार अकाउंटिंग सिस्टम में बड़े बदलाव करने के लिए 'राजस्थान अकाउंटिंग सिस्टम अमेंडमेंट बिल 2023' विधानसभा सदन में बजट सत्र के आगामी दिनों में लाने जाने जा रही है। यह विधेयक पास ही प्रदेश के सभी ट्रेजरी और सब ट्रेजरी ऑफिस बंद कर दिए जाएंगे। इनकी जगह सिंगल ई-

ट्रेजरी काम करेगी। मौजूदा समय में हर जिले में ट्रेजरी ऑफिस हैं। तहसील लेवल पर सब ट्रेजरी ऑफिस भी हैं। इनमें करीब 3000 से ज्यादा अधिकारी और कर्मचारी काम कर रहे हैं।

8.50 लाख रिटायर्ड कर्मचारियों, 93 लाख की सोशल सिव्योरिटी पेंशन बनती है

राज्य सरकार के करीब 8.50 लाख रिटायर्ड कर्मचारियों की पेंशन और 93 लाख सामाजिक सुरक्षा पेंशनर्स का भुगतान इन्हीं ट्रेजरी ऑफिसों से होता है। अलग-

अलग सरकारी डिपार्टमेंट की ओर से भेजे गए बिलों का वेरिफिकेशन करने के बाद फाइनल पेमेंट का प्रोसेस भी इन्हीं ट्रेजरी ऑफिसेज के जरिए ही होता है। फाइनेंस डिपार्टमेंट लेवल पर पहले भी ट्रेजरी और सब ट्रेजरी सिस्टम को खत्म कर नया पे एंड अकाउंटिंग सिस्टम लाया गया था, लेकिन सीएजी ने उस पर रोक लगा दी थी। साथ ही कहा था कि यह सिस्टम संविधान के डीपीसी एक्ट 1971 के प्रोविजन के खिलाफ है।

बीजेपी करेगी विधानसभा सदन में विरोध

बीजेपी ट्रेजरी सिस्टम को खत्म करने के लिए लाए जाने वाले बिल का विधानसभा सदन में विरोध कर इसे मुद्दा बनाएगी। बीजेपी चाहती है कि ट्रेजरी सिस्टम बनाए रखा जाए। आरोप है कि नया अकाउंटिंग सिस्टम खामियों से भरा है, उसमें चेक एंड बैलेंस सिस्टम खत्म हो जाएगा।

जनता का फीडबैक ट्रेजरी सिस्टम बनाए रखने के पक्ष में है : कटारिया

नेता प्रतिपक्ष गुलाबचंद कटारिया ने कहा कि 'बजट पर बहस के दौरान बीजेपी सदन में इस मुद्दे को उठाएगी। हमारे पास जनता से जो फीडबैक आ रहा है, वह ट्रेजरी सिस्टम को बनाए रखने के पक्ष में है। मैं इसे लेकर सरकार को पत्र भी लिख चुका हूँ।'

चेक एंड बैलेंस सिस्टम ही खत्म हो जाएगा

उपनेता प्रतिपक्ष राजेंद्र राठौड़ बोले- 'जो नया अकाउंटिंग सिस्टम कांग्रेस सरकार लाना चाहती है वह कई खामियों से भरा हुआ है। उससे चेक एंड बैलेंस सिस्टम ही खत्म हो जाएगा। जब सीएजी पहले ही इस पर रोक लगा चुके और ट्रेजरी बंद करने से मना कर चुके हैं, तो सरकार इसे क्यों खत्म करना चाहती है।'

क्या प्रदेश का हर पेंशनर जयपुर जाकर अपनी समस्या बताएगा ?

पेंशनर समाज के अध्यक्ष किशन शर्मा ने कहा कि अभी कोई समस्या आती है तो पेंशनर तहसील लेवल पर सब ट्रेजरी में जाकर अपनी पेंशन संबंधी समस्या का सॉल्यूशन करवा लेता है, लेकिन जब सिस्टम सेंट्रलाइज कर ई-

ट्रेजरी के जरिए लागू कर दिया जाएगा, तो क्या प्रदेश का हर पेंशनर परेशानी में जयपुर जाकर अपनी समस्या बताएगा। बुजुर्ग और गरीब वर्ग के लोगों के पास ऑनलाइन शिकायत के साधन तक उपलब्ध नहीं हैं।

80 से ज्यादा जनप्रतिनिधि कर चुके विरोध

सूत्रों के मुताबिक प्रदेश के 80 से ज्यादा विधायक, सांसद और जनप्रतिनिधि ट्रेजरी सिस्टम को बंद करने के खिलाफ सरकार को पत्र लिख चुके हैं। इनमें सरकार के मंत्री, बोर्ड चेयरमैन, सत्ता पक्ष और विपक्ष के विधायक शामिल हैं। बीजेपी ने बजट सत्र में इस मुद्दे पर सरकार को घेरने की रणनीति बनाई है। <https://www.amarujala.com/rajasthan/bjp-is-opposing-rajasthan-accounting-system-amendment-bill-2023-2023-02-04>

26. प्रधान महालेखाकार ने योजनाओं के आवंटित व खर्च बजट पर की चर्चा (bhaskar.com) Feb 5, 2023

राजस्थान के प्रधान महालेखाकार के. सुब्रह्मण्यम ने शनिवार को पंचायत समिति जैसलमेर के सभा भवन में अतिरिक्त मुख्य कार्यकारी अधिकारी, ग्रामीण विकास प्रकोष्ठ जैसलमेर, लोकपाल, पंचायत समितियों के विकास अधिकारियों, ग्राम पंचायतों के ग्राम विकास अधिकारियों, लेखापरीक्षा दल एवं सहायक लेखाधिकारी, स्थानीय अंकेक्षण निधि विभाग, जोधपुर सहित 70 से अधिक अधिकारियों व कर्मचारियों के साथ बैठक ली।

इस अवसर पर मुख्य कार्यकारी अधिकारी रणजीत कुमार, परियोजना अधिकारी गोपीकिशन बोहरा, वित्त एवं लेखा जिला परिषद जैसलमेर की ओर से प्रधान महालेखाकार का स्थानीय परंपरानुसार जैसलमेर साफा एवं माला पहनाकर स्वागत किया गया। बैठक में प्रधान महालेखाकार ने पंचायती राज की विभिन्न योजनाओं में मनरेगा, एसएफसी तथा जिला परिषद व पंचायत समिति में संधारित किए जा रहे विभिन्न लेखों पर विस्तार से चर्चा की।

प्रधान महालेखाकार के समक्ष सभी पंचायत समितियों के विकास अधिकारियों ने योजनाओं के क्रियान्वयन के दौरान ई पंचायत, ई स्वराज एवं अन्य सॉफ्टवेयर के उपयोग में आ रही समस्याओं के बारे में अवगत करवाया गया। वरिष्ठ लेखा परीक्षा अधिकारी पंचरतन हर्ष ने जिला केंद्रित लेखा परीक्षा के बारे में चर्चा की। <https://www.bhaskar.com/local/rajasthan/jaisalmer/news/the-principal-accountant-general-discussed-the-allocated-and-expenditure-budget-of-the-schemes-130884343.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

27. Green momentum (*financialexpress.com*) Feb 4, 2023

The FY 24 Budget has rightly made ‘green growth’ a compass for the economy as India aims to reduce the emission of its gross domestic product (GDP) by 45% by 2030 from the 2005 levels. In recent years, India has assumed the mantle of a climate-action leader, spelling out an ambitious renewables vision for the coming decades. The renewables thrust, in turn, makes grid stability seminal for the resilience of the energy systems. The power distribution sector has been demanding policies that would facilitate greater uptake of storage systems. Against this backdrop, the allocations made in the Budget for storage and grid infrastructure assume importance. The viability gap funding scheme for battery energy storage system (BESS) projects with a capacity of 4GWh will help push renewable adoption with grid integration in mind. Some experts, however, believe the 4GWh target robs the scheme of some of its attractiveness for private sector investment. That said, industry bodies expect the Solar Energy Corporation of India, NTPC, and state government agencies to build battery storage projects under the scheme. Similarly, the allocation of Rs 8,300 crore by the Centre towards a Rs 20,700 crore investment for evacuation and grid integration of 13GW of renewable power generated in Ladakh is a step towards realising the potential of one of the most solar-rich regions in the country.

The allocation of Rs 30,000 crore for oil marketing companies to develop energy transition projects is an acknowledgment of a future that will be fossil-fuel-free. From vehicle scrapping that will cover old polluting vehicles of the government (the Centre and the states) to customs duty exemption for capital goods and machinery for lithium-ion battery manufacture in the country, there is a definitive push towards cleaner transport, which, in turn, will boost the ‘green’ productivity of the economy.

The Budget also reiterated India’s commitment to developing green hydrogen capacity, allocating Rs 19,744 crore to the Green Hydrogen Mission that aims to develop 5 million metric tonnes of capacity by 2030. Crucially, the Budget also acknowledged the role agriculture in the country will need to play in shaping a sustainable future—the sector is the largest user of land (50%) and water (80%) in the country. The focus on natural farming through PM-PRANAM and 10,000 bio-input centres, and on encouraging a farm-driven circular economy (with Rs 10,000 crore investments in waste-to-wealth plants, including compressed biogas plants) could help usher in a carbon-lite, environmentally-friendly agricultural regime in the country.

The government also did well to announce a green credit programme in the Budget to incentivise environmentally-responsible behaviour by individuals, companies and organisations. The focus on conservation, through the announcements relating to protection of

mangrove cover and wetlands, signals an adaptation vision that incorporates India's natural legacy.

While the Budget struck the right note on many 'green' fronts, there is also much that it missed. More ambition on the production-linked incentive schemes for the green economy and larger VGF outlays, especially in storage where the costs are still prohibitive, were in order. Perhaps they took a backseat because of the limited fiscal space. Also, the homeopathic increase in the allocation for the ministry of environment, forests, and climate change over what was budgeted for FY23 translates into a de-growth in funding if inflation is considered. <https://www.financialexpress.com/opinion/green-momentum/2971077/>

28. India spent \$24 billion for buying foreign defence items in last 5 years (timesofindia.indiatimes.com) Feb 4, 2023

India procured military hardware worth Rs 1.9 lakh crore (almost \$24 billion) from countries like the US, Russia, France, Israel and Spain among others, in the last five years. The military hardware included helicopters, aircraft radars, rockets, guns, assault rifles, missiles and ammunition.

India has inked 264 capital acquisition contracts for military equipment since 2017-2018, which included 88 deals with foreign vendors accounting for 36% of the total value, junior defence Minister Ajay Bhatt told on Friday.

The procurement from foreign vendors was Rs 30,677 crore in 2017-18, Rs 38,116 crore in 2018-19, Rs 40,330 crore in 2019-20, Rs 43,916 crore in 2020-21 and Rs 40,840 crore in 2021-22. The Rs 59,000 crore deal with France for 36 Rafale fighters, which was inked in September 2016, does not figure in this list.

"The Defence Acquisition Procedure-2020, with a focus on 'Atmanirbhar Bharat' and 'Make in India', introduced major policy initiatives for boosting indigenous defence capability and reduction of reliance on imports," said Bhatt. "Further,

DAP-2020 provides the highest preference to 'Buy Indian' category of acquisition and 'Buy Global' is only permitted in exceptional situations, with specific approval of the Defence Acquisitions Council, or the defence minister," he added.

He also said DRDO is working on 55 'mission mode' projects at a total sanctioned cost of Rs 73,943 crore. These projects are in the areas of nuclear defence technologies, airindependent propulsion for submarines, combat suites, torpedoes, fighter aircraft, cruise missiles, unmanned aerial vehicles, gas turbine engine, assault rifles, warheads, light machine guns, rockets, advanced towed artillery gun systems, infantry combat vehicles, surface-to-air missiles, anti-ship missiles, anti-airfield weapons and glide bombs.

As reported by TOI earlier, India remains ahead of Russia and the UK as the third largest military spender in the world, but far behind China that spends four times and the US 10 times its defence budget. The government has taken steps to get India out of its strategically vulnerable position as the world's largest arms importer, accounting for 11% of the global weapons imports. But there is still a long way to go. DRDO, defence PSUs and ordnance factories need to deliver much better in a cost-effective manner, while a much larger participation from the domestic private sector is required, with global majors setting up

production facilities in India. <https://timesofindia.indiatimes.com/india/india-spent-24-billion-for-buying-foreign-defence-items-in-last-5-years/articleshow/97590871.cms>

29. Army now wants 850 nano drones for special operations (economictimes.indiatimes.com) Feb 04, 2023

The Army now also wants to buy 850 indigenous nano drones for surveillance in special missions along the northern borders with China as well as in counter-terrorism operations through a fast-track procedure.

The request for proposal (RFP) for 'emergency procurement' of the nano drones comes after the 12-lakh strong Army has kicked off several acquisition projects for different kinds of drones over the last few months.

Amidst the continuing 33-month-long military confrontation with China, the sheer operational utility of drones has been reinforced by the recent conflicts ranging from Armenia-Azerbaijan to the ongoing Russia-Ukraine one.

The Army is tasked to conduct special missions in conventional operations, counter-terror operations and out-of-area contingency operations, which require 'enhanced situational awareness' about potential threats in the intended target areas.

"Reconnaissance missions for these operations are currently physically conducted by small teams of soldiers acting as scouts. This not only increases the risk of casualties but also can jeopardise the entire operation," an officer said.

The RFP said, "The existing volatile situation as prevailing along the northern borders and in the hinterland in disturbed areas mandates urgent procurement of the nano drones for enhancing immediate situational awareness of the troops." It specified that the delivery has to be completed within a year of the contract being inked.

As reported by TOI earlier, the acquisition process for kamikaze drones, armed drone swarms, logistics drones and surveillance quadcopters, among others, for infantry battalions has already been launched.

Similarly, the Army is also going in for indigenous procurement of 80 mini remotely piloted aircraft systems (RPAS), 10 runway-independent RPAS, 44 upgraded long-range surveillance systems and 106 inertial navigation systems to better direct long-range and high-volume firepower at enemy targets for artillery regiments.

The Army also wants to buy 12 sets of autonomous surveillance and armed drone swarms (A-SADS), each with 50-75 artificial intelligence-enabled aerial vehicles capable of communicating with control stations as well as among themselves.

While seven of these sets are meant for high-altitude areas with China, the other five drone swarms are for operations in desert areas and plains along the borders with Pakistan, as reported by TOI earlier. <https://economictimes.indiatimes.com/news/defence/army-now-wants-850-nano-drones-for-special-operations/articleshow/97600013.cms>

30. Are Kerala PSEs a boon or bane? ([thehindu.com](https://www.thehindu.com)) February 06, 2023

The role of public sector enterprises (PSEs) has been strategic and ideological. Although they have played a strategic role in the evolution of the Indian economy, of late they have lost significance. However, Kerala, with 153 enterprises, has accorded a respectable place to PSEs in its economic landscape. Of them, 31 have been transferred, closed, merged, or remain inactive. The effective number in 2020-2021 was only 116, with 10 of them being added in the fiscal year which was under the grip of the pandemic. This article attempts an evaluation of the contributions of these enterprises to the economy of the State, counted as among the five ‘most fiscally vulnerable States’ by the Reserve Bank of India.

A disquieting story

A reliable data base is not only the handmaid of good policymaking, but is also a powerful tool for public scrutiny. On this score, Kerala PSEs have been a big failure because in 2020-21, only 19 PSEs provided audited accounts. The arrear lag ranges from one year to six.

The important financial parameters based on the report, A Review of Public Enterprises in Kerala 2020-21, tell a disquieting story. In 2020-21, the turnover of all the working PSEs was ₹34,365 crore (some 4.3% of the GSDP). This was ₹2,199 crore lower than the previous year. This is a serious fall because employment increased from 1.29 lakh in 2019-20 to 1.33 lakh in 2020-21; and investment by 10.05%. More importantly, the average investment per employee increased, while the average profitability per employee registered a loss. For the three public utilities alone — Kerala State Electricity Board (KSEB), Kerala State Road Transport Corporation (KSRTC) and Kerala Water Authority (KWA) — the loss was ₹1.67 lakh per employee.

The return on investment in 2020-21 was -15.8% per annum. This is an unsustainable loss for a State which chose to invest 8.5% of GSDP in PSEs. That, in this year, the State government gave grants and subsidies to the tune of ₹4,697 crore (an increase of 1,471%) besides a Central government grant of ₹1,655 crore (a step up of 156%) cannot be ignored. This is besides a generous 234% increase in budgetary support (₹7,066 crore) from the government in 2020-21 compared to the previous year. This leverage was to succour PSEs to stay alive. The imprudent use of taxpayers’ money during the health crisis needs a convincing explanation.

The continuing net worth erosion of PSEs is a running sore. Net worth means paid-up capital, all reserves, write back of depreciation minus accumulated losses, and deferred expenditure. The net worth loss of ₹5,696 crore in 2018-19 more than doubled to ₹11,630 crore in 2020-21. These numbers are net for all the PSEs. But if the three public utilities alone are considered, the net worth loss was ₹18,611 crore. Besides the public utilities, the Cashew Development Corporation was the largest loss maker. The net worth of enterprises such as the Tourism Development Corporation was fully negative. The industrial policy reform, reportedly underway, will have to take note of these realities.

That the PSEs contributed ₹13,328 crore to the State exchequer by way of taxes and duties in 2020-21, which accounts for 28% of the own tax revenue of the State, is significant. That this big share from PSEs, which generally do not evade taxes, is indicative of the poor tax mobilisation effort also needs to be mentioned.

At this stage a few general remarks seem to be in place. There is no clear linkage between the massive financial and physical investment made and the actual performance on the ground.

That the government departments which administered most of these enterprises have not always left the management to experts is a misadventure. The norm that public resources should be spent with efficiency, wisdom and prudence has been observed in its breach. The size structure and output composition of the PSEs are uneven and do not display a rational mix. Nearly 70% of the enterprises had a turnover below ₹50 crore. Along with the KSEB, which accounted for 42% of the total turnover, the Civil Supplies Corporation, Financial Enterprises and the Beverages Corporation, which follow immediately in turnover ranking, made a total of 73%. Nearly 78% of the total investments were also accounted for by the three public utilities. While power supply and provisioning of essential commodities have important social objectives to perform, the production and sale of liquor and chitties are probably not the priority areas to attract 'sovereign' allocations. It is a matter for consideration whether the government should step into areas that do not promote common good, spread effects, and other strategic needs.

With the private sector reluctant to invest, especially in manufacturing, Kerala youth look to the public services as a great job provider. KSEB, KSRTC and KWA, alone account for 52% of employment. Cashew nut processing was once the leading employment provider in the private sector. Today, with regard to negative net worth, this sector is next to KSRTC and KSEB followed by the Civil Supplies Corporation. These four enterprises accounted for ₹26,420 crore of net worth loss. All public watchdogs including the trade unions remain silent on this. The four also made a total loss of ₹2,813 crore in 2020-21 (54% of all the loss-making ventures). If social ownership of any production or service fails to deliver common good, including triggering a multiplier effect to catalyse more investment and employment, then it remains as a millstone around the fiscal neck of the State. This sector demands rigorous scrutiny and radical reforms. <https://www.thehindu.com/opinion/op-ed/are-kerala-public-sector-enterprises-a-boon-or-bane/article66474519.ece>