

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (10.02.2023)**

### **1. Why Military Procurement Has Rarely Adhered to Authorised Schedules ([thewire.in](https://www.thewire.in)) 09 Feb 2023**

The Union government's penchant for notching up diverse records in all spheres can add yet another, albeit dubious, landmark achievement to its swelling inventory of firsts: of never having ever, for decades, procured major military platforms or other notable materiel (the materials and equipment of a military force) within the mandated deadline.

A cross-section of defence and military officials and security analysts declared that not even once, for years, had any regime, including that of Prime Minister Narendra Modi's Bharatiya Janata Party-led administration – which prides itself on efficiency and being pro-active – effected the acquisition of prime defence kit within the officially prescribed period.

The list of these myriad delays is far too long to tabulate. It involved the purchase of fighters, helicopters, armed and unarmed unmanned aerial vehicles, transport aircraft, submarines and warships. The procurement of main battle tanks, artillery, varied small arms like assault rifles, carbines, sub-machine guns, sniper rifles, assorted ammunition and missiles, among other assorted military gear, too, stood similarly delayed.

For instance, the Ministry of Defence (MoD) issued a request for information for 126 medium multi-role combat aircraft (MMRCA) in 2001, followed by a tender or request for proposal for them six years later, in 2007, only to scrap the entire project in 2015. This tender included the licensed manufacture of 108 units of the shortlisted platform – France's Rafale fighter – locally, via a transfer of technology, but instead, it acquired 36 Rafales in flyaway condition in 2016.

The Indian Air Force has yet another prospective buy of 114 multi-role fighter aircraft, the request for information for which was dispatched in early 2018. Little is known of its progress five years later, even as the number of IAF's fighter squadrons is down to around 29, from the sanctioned strength of 42 squadrons.

The Indian Navy, for its part, is struggling to process Project 75 (India), to locally build six diesel-electric 'hunter-killer' submarines, the tender for which was issued in 2019, some 15 years after the programme was approved by the MoD. And, after almost two decades, the MoD, in December 2022, released the tender to local vendors to provide 425,213 close quarter carbines to India's military.

Alongside, the request for proposal for 4,849 sniper rifles and 7.84 million rounds of .338 Lapua Magnum ammunition, too, came in late 2022, nearly 12 years after repeated efforts to import these precision weapons were initiated and abandoned.

#### **'Mired in riddles'**

"Our (defence) procurement, whether indigenous or foreign, is mired in riddles beyond Harry Potter," said military analyst Lieutenant General P.R. Shankar (retired). Since most of the in-service equipment is old, and its numbers dwindling, the soldier on the ground simply does not have the best machines to defend the nation, he declared, regrettably, in a 2018 analysis in the Daily O news portal.

On sourcing materiel locally, the Indian Army's former Director General of Artillery accused the government-run Defence Research and Development Organisation (DRDO), the erstwhile state-owned Ordnance Factory Board, the nine defence public sector undertakings and indigenous private defence industry vendors of "smooth talking". All of them, he claimed, were long on promise, poor in technology and capability, and above all, short on delivery.

Successive parliamentary defence committees, the Comptroller and Auditor General, service veterans, and analysts, too, had repeatedly excoriated these delays, but to no avail. An array of MoD and industry officials admitted that other than hidebound bureaucracy inherent in the system, the slew of tortuous procurement manuals running into hundreds of pages which defied comprehension, even for insiders, were largely behind these enduring delays.

"A mood of insouciance pervades the entire defence procurement process, in which urgency is of little or no consequence, despite serious security challenges emerging in recent years along India's disputed borders with collusive nuclear-armed neighbours, China and Pakistan," said Amit Cowshish, former MoD acquisitions financial advisor. Rarely, if at all, had purchases of key platforms and other important defence equipment in recent years ever adhered to authorised schedules, he added.

The recently announced defence budget for the financial year 2023-24 revealed that the Indian Army and the Indian Air Force, between them, had surrendered Rs 2,369.01 crore under the capital head intended for purchases as they had been unable to expend it. No reasons were provided for the unused money, but industry sources indicated that 'lapses' in the procurement processes were responsible.

Even former Army Chief of Staff General V.K. Singh had jocularly, but accurately, observed that military procurement in India were a "version of snakes and ladders, where there is no ladder, but only snakes". He warned against these snakes – a malevolent euphemism for officials involved in the defence acquisition system – who jeopardised the entire process by 'biting', following which the entire process, like in the ancient board game of chance that originated in India as 'Moksha Patnam', slid right back to the beginning.

"Little has changed since General Singh's observation in 2012, except that the onus has now shifted to indigenous defence suppliers under the government's Atmanirbhar or self-reliance initiative to reduce materiel import dependency," said an industry official. Unfortunately, the continually deferred procurement narrative remains untouched, despite the deafening hype surrounding military modernisation, he added, refusing to be named.

Others involved in the military equipment procurement said that the steady delegation of acquisition powers to the services, too, had not freed the process from these delays. It had rendered it even more prone to deferrals.

### **A complex materiel procurement system**

India's 12-stage materiel procurement system, as detailed in the Defence Acquisition Procedure 2020, the latest edition, in a series of similar voluminous manuals since 2002, is cumbersome and clumsy and liable to be derailed at multiple stages, as General Singh warned.

It kicks off with the respective services issuing a request for information to vendors – local or overseas, or at times, even both – for assorted items, following which the service qualitative

requirements or SQRs for them are formulated and an Acceptance of Necessity (AoN) is accorded for their purchase by the MoD's Defence Acquisition Council.

The AoN, which, in effect is merely a procedural move by the MoD, invariably receives excessive official and media attention, creating a mirage that the particular acquisitions are well underway.

Nothing, however, could be further from reality, as the interminable heavy lifting is yet to begin. This commences with the issuance of a request for proposal, succeeded by a technical evaluation of the responses. Field trials follow and a technical oversight committee then assesses their outcome, shortlisting the participants, after which the commercial bids submitted at the time of tendering for the contract are opened and negotiations launched with the L1, or the lowest priced of the selected bidders.

Thereafter, the contract approval by the Competent Financial Authority is secured, and for purchases of Rs 3,000 crore and above, the Cabinet Committee on Security (CCS) headed by the prime minister sanctions the buy, after which the deal is formally signed.

The matter, however, does not end even then, as the purchase is monitored by the respective service headquarters, albeit without adequate authority to iron out any difficulties or anomalies arising from the contract, leading yet to further delays. The involvement of several associated departments like the Director General of Quality Assurance (DGQA) only adds to the prevailing miasma, perpetuating postponements in equipment delivery.

According to the DAP 2020, which has superintended all military buys since that year, multi-vendor purchases are required to be completed between 62 to 86 weeks of their tenders being dispatched, while those involving a single vendor need to be processed between 74 and 106 weeks. An additional 12-week extension is permissible if the concerned equipment under purchase involves winter trials.

### **Erring on the side of procrastination**

“Considering the number of officials and sundry departments involved, the possibility of slippages in these convoluted processes is real and occurs habitually,” said Brigadier Rahul Bhonsle of the New Delhi-based Security Risks consultancy group. This reality has become increasingly stark in recent years, as the majority of officials involved in military procurements erred on the side of procrastination, fearful of things going wrong, he added.

The deadline in the DAP 2020 for awarding contracts via the eponymous fast-track procedure, from the time the acquisition proposal was initiated, was 122 to 216 days (four to seven months), followed by deliveries, which needed to be completed between three to 12 months of the deal being signed.

But even under the fast track procedure, schedules were rarely, if at all, adhered to, with none of the officials responsible for the continual postponements in this, or any other category, ever being held accountable. Several recent fast-track procedure tenders, being processed as ‘emergency procurements’ to meet immediate operational requirements, also remained in ‘animated suspension’ for extended periods, before being arbitrarily terminated.

In March 2018, the \$110 million tender to procure 93,895 close-quarter battle carbines for the army from UAE's Caracal International was one such potential buy that was finally scrapped four years later, in late 2022, amid great confusion and ambiguity.

Ironically, domestic and overseas military equipment vendors, though utterly frustrated by the interminable deferments in India's acquisition practices, continued to persevere, as the potential volume of the under-acquisition materiel ensured adequate financial incentive. "The MoD and the services are well aware of this latter phenomenon and exploited it to the hilt," said a European small arms manufacturer.

Their high-handedness with vendors was legion in the global arms bazaar and did the MoD no favours in enhancing its reputation as a professionally sound organisation capable of realising procurements efficiently, he added, declining to be named for the fear of repercussions.

### **Unrealistic demands**

Acquisitions were further hamstrung by a lack of professionalism in all three services in drawing up their qualitative requirements (QRs) for equipment.

On this aspect, the late defence minister Manohar Parrikar had mockingly referred to these QRs for equipment as being 'straight out of Marvel comic books', as the technologies and capabilities demanded were simply non-existent anywhere. But Parrikar's admonishment has fallen on deaf ears, as the military's affinity for 'Marvel-esque' weaponry has persisted.

The number of such instances is too numerous to recount, but the recent glaring instance of this was the aforementioned Indian Navy's continually postponed Project 75 (India) tender, issued in 2019, some 15 years after the programme received its AoN to locally build six diesel-electric submarines via a transfer of technology from overseas.

Andrey Baranov, deputy director general of Russia's Rubin Design Bureau, one of his country's three main submarine designers, summed up P-75(I) in August 2022 succinctly by observing that nobody in the world had a boat that matched the Indian Navy's overambitious – Marvel-esque – QRs. Other submarine original equipment manufacturers from France, Japan, and Sweden, too, had voiced similar concerns and opted against bidding for the tender, thereby sinking P-75(I) somewhat irretrievably into even deeper waters than the prospective platforms were capable of navigating, even with independent air propulsion systems. <https://thewire.in/security/military-procurement-authorized-schedules>

## **2. चीन के जासूसी गुब्बारों से भारत को भी खतरा: तिब्बत-अंडमान में की जासूसी, क्या US की तरह हवाई हमला करेगी सेना (bhaskar.com) 10 Feb 2023**

एक जासूसी गुब्बारे को लेकर चीन और अमेरिका के बीच तनाव की स्थिति बनी हुई है। अमेरिका का दावा है कि चीन सिर्फ उसकी जासूसी नहीं कर रहा था, चीन ने ऐसे गुब्बारों के जरिए जिन देशों की जासूसी कराई, उनमें भारत भी शामिल है। सवाल यही है कि क्या अब भारतीय वायुसेना भी अमेरिका की तरह हमला कर इनका शिकार करेगी।

अमेरिकी खुफिया एजेंसियों की रिपोर्ट के मुताबिक, दिसंबर 2021 से जनवरी 2022 के बीच चीन के जासूसी गुब्बारे ने भारत के सैन्य बेस की जासूसी की थी। इस जासूसी गुब्बारे ने अंडमान निकोबार की राजधानी पोर्ट ब्लेयर के ऊपर से उड़ान भरी थी। इस तरह के एक गुब्बारे की फोटोज भी सोशल मीडिया पर वायरल हुई थीं।

चिंता की बात ये है कि दिसंबर 2021 के आखिरी हफ्ते में भारतीय सेना की तीनों विंग (आर्मी, एयरफोर्स और नेवी) के जवान अंडमान निकोबार में एक साथ ड्रिल करने के लिए जुटे थे। रिपोर्ट में दावा किया गया है कि ट्राई सर्विस कमांड के दौरान ही चीन के इस जासूसी गुब्बारे को अंडमान निकोबार में देखा गया था। हालांकि, भारत सरकार की तरफ से इस पर कोई आधिकारिक बयान नहीं आया।

### **अमेरिका का दावा- कई देशों में गुब्बारे से जासूसी कर रहा चीन**

जमीन से 24 से 37 किलोमीटर यानी 80 हजार से 120 हजार फीट की ऊंचाई पर चीन की गुप्त आंखों के बारे में अब दुनियाभर में चर्चा हो रही है। पिछले हफ्ते चीन के जासूसी गुब्बारे को अमेरिका ने आसमान में ही खत्म कर दिया था।

अमेरिकी रक्षा विभाग पेंटागन ने 8 जनवरी को बताया कि चीन के ऐसे गुब्बारे पिछले कई साल से अमेरिका, दक्षिण अमेरिका, दक्षिण पूर्व एशिया, पूर्वी एशिया और यूरोप के सैन्य ठिकानों की निगरानी कर रहे थे। अमेरिकी विदेश मंत्री एंटनी ब्लिंकन ने पत्रकारों से कहा, 'सिर्फ अमेरिका ही इनके निशाने पर नहीं था। 5 महाद्वीपों के कई देशों में इन्होंने घुसपैठ की है। हम इस बारे में देशों को जानकारी दे रहे हैं।'

### **क्या हैं ये चीन के गुब्बारे?**

भारत और अमेरिका में जिन जासूसी गुब्बारों को देखा गया, उसका इतिहास दूसरे विश्व युद्ध से शुरू होता है। ये कैप्सूल के आकार के होते हैं और कई मीटर लंबे होते हैं। इनका इस्तेमाल आमतौर पर मौसम से जुड़ी जानकारी जुटाने के लिए किया जाता रहा है। चीन का जासूसी गुब्बारा 120 फीट चौड़ा और 130 फीट लंबा था। चीन का दावा है कि ये गुब्बारा भी मौसम की जानकारी जुटाने के लिए ही छोड़ा गया था।

इस तरह के गुब्बारे जमीन से 24 हजार से 37 हजार फीट की ऊंचाई पर आसानी से उड़ सकते हैं। हालांकि, चीन का यह गुब्बारा अमेरिका के ऊपर 60 हजार फीट की ऊंचाई पर उड़ रहा था। ऐसे गुब्बारों की निगरानी करना बेहद मुश्किल काम है। आम विमान भी 40 हजार फीट तक ही उड़ान भरते हैं, सिर्फ फाइटर जेट्स 65 हजार फीट तक जा सकते हैं। सिर्फ यू-2 जैसे कुछ और जासूसी विमान 80 हजार फीट की ऊंचाई तक जा पाते हैं।

कुछ गुब्बारों में इलेक्ट्रो-ऑप्टिकल सेंसर या डिजिटल कैमरे लगे होते हैं, जो उनके रेजोल्यूशन के आधार पर बहुत सटीक तस्वीरें खींच सकते हैं। ये रेडियो सिग्नल और सैटेलाइट ट्रांसमिशन क्षमता से भी लैस होते हैं।

### **भारत के पास भी हैं जासूसी गुब्बारे**

भारतीय वायु सेना (IAF) ने साल 2002 में EL/M-2083 नाम के 2 लॉन्ग रेंज एयरोस्टेट गुब्बारे इजराइल से खरीदे थे। इन्हें गुजरात के कच्छ इलाके में मौसम पर निगरानी के लिए तैनात किया गया था। साल 2008-09 में भी IAF ने फ्रांसीसी कंपनी राफेल से 2 एयरोस्टेट गुब्बारे खरीदे। एक की कीमत करीब 338 करोड़ रुपए बताई गई थी। इन्हें पंजाब और मुंबई में हुए आतंकी हमलों के बाद खरीदने का फैसला लिया गया था। 2010 कैंग की रिपोर्ट में सामने आया था कि इनमें से एक 2009 में दुर्घटनाग्रस्त हो गया था।

साल 2010 में DRDO ने 'दिव्य चक्षु' नाम का स्वदेशी एयरोस्टेट गुब्बारा लॉन्च लिया था। इसकी रेंज 1500 फीट है। फरवरी 2016 में IAF ने 8 और एयरोस्टेट खरीदने पर सहमति दी थी। हालांकि बाद में इसे ठंडे बस्ते में डाल दिया गया।

### **चीन ने भारत की जासूसी की, ये कितना खतरनाक**

खुफिया एजेंसियों की रिपोर्ट के मुताबिक, चीन ने साल 2016 में भी ऐसे ही गुब्बारों के जरिए तिब्बत से लगी भारतीय सीमा पर जासूसी की थी। अंतरराष्ट्रीय मामलों के जानकार और डिफेंस एक्सपर्ट आदिल बरार कहते हैं, 'सिग्नल और सिस्टम की निगरानी के लिए सैन्य ठिकानों की खुफिया जानकारी इकट्ठा करने के नजरिए से देखा जाए तो आधुनिक गुब्बारे ये काम ज्यादा बेहतर कर सकते हैं।'

### **भारत के ऊपर भी ये गुब्बारे मंडरा रहे थे, भारत चीन की तरफ से होने वाली इस जासूसी को कैसे रोक सकता है?**

इस सवाल के जवाब में आदिल बरार कहते हैं, 'मुझे लगता है कि भारत को सबसे पहले ये समझने की जरूरत है कि इन गुब्बारों की क्षमता क्या है और ये किस तरह की इंटेलिजेंस इकट्ठा कर रहे हैं। इसके बाद भारत ये तय कर पाएगा कि उसका निगरानी सिस्टम चीन की इस खुफिया जानकारी जुटाने की तरकीब को चकमा दे पाए।'

बरार आगे कहते हैं, 'भले ही इन गुब्बारों की खुफिया जानकारी इकट्ठा करने की क्षमता कुछ मामलों में सीमित हो, लेकिन चीन ने इन्हें अमेरिका के ऊपर उड़ाया है। ये कल्पना करना

मुश्किल नहीं है कि चीन भारत के ऊपर भी इन गुब्बारों को उड़ा रहा होगा, तिब्बत में ऐसा मामला सामने आ चुका है।’

### **भारत-चीन के बीच तनाव, ऐसे में जासूसी गंभीर मसला**

भारत और चीन के बीच हाल के सालों में सैन्य तनाव बढ़ा है। गलवान घाटी में संघर्ष के बाद से दोनों देशों की सेनाएं अलर्ट पर हैं। अरुणाचल प्रदेश के तवांग में भी कुछ महीनों पहले चीन-भारत की सेनाओं के बीच झड़प हुई थी।

डिफेंस एक्सपर्ट राहुल बेदी कहते हैं, ‘खुफिया गुब्बारों का काम ही जासूसी करना है। अगर चीन के गुब्बारे भारत के ऊपर से गुजरे हैं, तो साफ है कि इन्होंने भारतीय सैन्य ठिकानों की जासूसी की ही होगी। 2020 के बाद से भारत और चीन के बीच तनाव भी चल रहा है, ऐसे में ये काफी गंभीर मामला है। मैं ये मानता हूँ कि भारतीय सेना को इनकी मौजूदगी की जानकारी जरूर रही होगी। ये गुब्बारे कोई ऐसी चीज नहीं है जो दिखें ना या जिनके बारे में जानकारी ना हो।’

### **ऐसा नहीं हो सकता कि अमेरिका ने भारत को बताया न हो**

राहुल बेदी आगे कहते हैं, ‘अमेरिका और भारत के बीच इंटेलिजेंस इनपुट शेयर किए जाते हैं। ऐसा बिल्कुल संभव है कि जब ये गुब्बारे भारत के ऊपर रहे होंगे, तो अमेरिका ने भारत को भी जानकारी दी होगी। जहां तक भारत का सवाल है, उसे अपने दम पर भी इनका पता लगाने में दिक्कत नहीं हुई होगी। भारत को इससे अलर्ट रहना चाहिए।’

### **क्या भारत भी कार्रवाई करेगा?**

अमेरिकी राष्ट्रपति के आदेश के बाद अमेरिकी एयरफोर्स ने चीन के गुब्बारे को अटलांटिक महासागर के ऊपर मार गिराया। अमेरिकी नौसैना ने इसका मलबा भी बरामद किया है। मलबे के अध्ययन से इन गुब्बारों और इंटेलिजेंस जुटाने की क्षमता के बारे में ज्यादा जानकारियां मिल पाएंगी। एक सवाल ये भी है कि क्या भारत भी अपने ऊपर से गुजर रहे चीन के ऐसे गुब्बारों को मार गिरा सकता है और अगर भविष्य में ये गुब्बारे फिर से भारत के हवाई क्षेत्र में आए तो भारत क्या करेगा।

राहुल बेदी कहते हैं, ‘भारत के पास गुब्बारे को मार गिराने की क्षमता है। ये कोई बहुत मुश्किल काम नहीं है, लेकिन ये कूटनीतिक और राजनीतिक फैसला होगा। सवाल ये है कि क्या चीन के साथ मौजूदा तनाव में भारत ऐसा कर पाएगा। इस सवाल का जवाब देना मुश्किल है, लेकिन जहां तक क्षमता और संभावना का सवाल है, तो भारत के पास इस तरह के गुब्बारे को मार गिराने की पूरी क्षमता है।’

एक्सपर्ट ये भी मानते हैं कि भारत, चीन के इस गुब्बारे को अपने कब्जे में लेने की कोशिश करेगा।

आदिल बरार कहते हैं, 'ये संभावना है कि भारत को इस तरह के गुब्बारे की मौजूदगी का पता चलता है, तो वो गुब्बारे को मार गिराने के बजाय दूसरे तरीके से उसे कब्जे में लेने की कोशिश करेगा। अमेरिका में गुब्बारे की मौजूदगी पर मीडिया की जबरदस्त कवरेज हुई थी और दबाव में बाइडेन को उसे मार गिराने का आदेश देना पड़ा। हालांकि, अगर भारत के इलाके में ये गुब्बारा पहुंचा, तो फैंसला देश की लीडरशिप को ही करना होगा कि वो इसका क्या करेगा।'

### **नई तकनीकों से लैस गुब्बारे बना रहा है चीन**

युद्ध और जासूसी के तरीके बदल रहे हैं। चीन के इन गुब्बारों ने आसमान में एक नया मोर्चा खोल दिया है। चीन की नेशनल यूनिवर्सिटी ऑफ डिफेंस टेक्नोलॉजी में एक्सपर्ट्स की एक टीम है, जो गुब्बारों पर काम कर रही है। चीन की सेना के पेपर 'पीपुल्स लिबरेशन आर्मी डेली' में 2020 में पब्लिश आर्टिकल में बताया था कि कैसे नियर स्पेस (धरती के करीब का अंतरिक्ष) युद्ध का नया मैदान बनता जा रहा है।

दूसरे विश्व युद्ध के दौरान जिस तरह से पनडुब्बियां समंदर के भीतर जासूसी का अड्डा थीं, ठीक उसी तरह से अब ऐसा लगता है कि ये गुब्बारे जासूसी का नया प्लेटफॉर्म बनते जा रहे हैं और भविष्य में इस क्षेत्र में और भी टकराव हो सकता है।

### **इनपुट की मदद से सटीक मिसाइल हमले कर सकेगा चीन**

अटलांटिक काउंसिल के सीनियर फेलो और CIA के सीनियर इंटेलिजेंस ऑफिसर जॉन के कलवर ने न्यूयॉर्क टाइम्स से कहा, 'अमेरिका और हमारे सहयोगी देशों के ऊपर उड़ रहे इन गुब्बारों से जुटाए गए डेटा की मदद से चीन को मिसाइल हमले करने में आसानी हो सकती है, क्योंकि निशाने के बारे में इससे उसके पास ज्यादा जानकारी होगी।'

चीन के गुब्बारों की भारत के हवाई क्षेत्र में मौजूदगी पर अब तक भारत सरकार या सेना की तरफ से कोई प्रतिक्रिया नहीं आई है, लेकिन अमेरिकी रिपोर्ट के बाद भारत की सुरक्षा को लेकर सवाल जरूर खड़े हुए हैं।

अमेरिकी इंटेलिजेंस एजेंसी का दावा है कि स्पाई बैलून के जरिए चीन दुनियाभर के देशों की मिलिट्री साइट्स पर नजर रख रहा है। कई साल से चीन ऐसा कर रहा है। वह अब तक 5 महाद्वीप के 12 देशों में इसी तरह के बैलून भेजकर खुफिया जानकारी जुटा चुका है। अमेरिकी सैन्य अधिकारियों के मुताबिक, चीन ज्यादातर उन देशों में स्पाई बैलून भेज रहा



है, जिससे उसका तनाव चल रहा है। <https://www.bhaskar.com/db-original/news/china-balloon-controversy-india-japan-us-australia-military-bases-surveillance-130905844.html>

### 3. CAG team's visit triggers political slugfest ([millenniumpost.in](https://www.millenniumpost.in)) 9 Feb 2023

KOLKATA: At a time when the state government is repeatedly accusing the Centre of not clearing the dues under various Central schemes, a new decision by the Narendra Modi government to send a special team of the Comptroller and Auditor General (CAG) has triggered another political slugfest between the ruling Trinamool Congress (TMC) and the BJP.

The special CAG team is scheduled to visit the state next week to examine the expenditure incurred by the state under mid-day meals in the past three years. Trinamool Congress has termed the move as an act of 'revenge politics' by the BJP-led Centre for losing the Bengal Assembly elections. The objective of the visit is to review the expense statements of the state government concerning the midday meal scheme in the state. According to Nabanna sources, the special team of the CAG may hold meetings with the senior officials of the state education department and finance department as well.

Sources in the education department said that the joint review committee that had recently visited various states for reviewing midday meal programmes expressed satisfaction after visiting various places.

The visit of the CAG team comes close on the heels of the recent visit by a central inspection team from the Union Education ministry to review the mid-day meal scheme. The central team also comprised representatives from UNESCO. It reviewed several parameters concerning mid-day meals, such as quantities of food grains and vegetables used in cooking. Incidentally, during her recent visit, Smriti Irani, the Union minister for child and women development, accused the state government of failing to spend Rs 260 crore for the Integrated Child Development Scheme (ICDS) and Anganwadi projects. However, it is learnt that the special CAG team's inspection is a fallout of the report submitted by the central team.

Sources said the CAG special team would audit the expenses for the mid-day meals by the state in the wake of allegations of misuse of funds. On the contrary, the state's women and child development minister, Shashi Panja, claimed that the Union minister is trying to hide the fact that the Centre drastically reduced allocation under ICDS while the disbursement of funds is delayed. <https://www.millenniumpost.in/bengal/cag-teams-visit-triggers-political-slugfest-508129>

### 4. Centre's insistence on CAG audit of PM Poshan scheme in Bengal triggers slugfest ([hindustantimes.com](https://www.hindustantimes.com)) Feb 09, 2023

The Union education ministry's decision to "request" a special audit of the implementation of PM Poshan or mid-day meal scheme in West Bengal by the Comptroller and Auditor General of India (CAG) has triggered a political slugfest in the state, with the ruling Trinamool Congress (TMC) in the state saying that the CAG is an independent body and the subjects it audits should not be dictated by any ministry.

On Wednesday, the Union education ministry said in a statement that it received reports of alleged misuse of PM Poshan funds in Bengal and took cognizance of media reports on instances of deviations in its implementation.

“In view of the above, the Education Ministry has requested CAG for a special audit of implementation of PM Poshan Scheme in the state of West Bengal for the last three financial years. This audit will encompass compliance, performance and financial audit. Necessary corrective action will be taken by the Department (School Education and Literacy) based on the audit report by the CAG,” the statement said.

The TMC also alleged that leader of Opposition Suwendu Adhikari had suggested such an audit would take place even before a joint review mission (JRM) team from Delhi visited schools in Bengal to conduct surveys between January 30 and February 6. Under the central government-sponsored Pradhan Mantri Poshan Shakti Nirman (PM Poshan) scheme, cooked food is served at government-run schools for students up to Class 8.

Adhikari had demanded a special audit by the CAG and said that he had been assured by Union education minister Dharmendra Pradhan that an audit team would visit Bengal after the joint review mission team left the state.

TMC Rajya Sabha MP Sukhendu Sekhar Roy said, “This is clearly a conspiracy by the BJP to deprive school children of their food before the 2024 Lok Sabha polls and thus create pressure on the state government. The Centre earlier stopped funds for rural employment under the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) with the same vindictive goal.”

“The CAG is answerable only to the Constitution. If it feels that PM Poshan scheme in Bengal needs to be audited, what stops it from auditing PM Care funds set up during the Covid-19 pandemic?” Roy said.

No officer at the CAG’s West Bengal office commented on the issue.

Bengal BJP chief spokesperson Samik Bhattacharya, however, defended Adhikari and the Centre. He said, “PM Poshan runs on tax-payers’ money and the Union government is answerable to the people. We have seen how the JRM team was taken on a guided tour by the state officers. Cooks at the schools they visited were wearing shower caps and gloves which is not the actual ground reality. It was a badly-scripted show. Why is the state government scared of facing the CAG audit if everything is in order?”

Udayan Bandopadhyay, a Political Science professor, however, said, “Although the CAG does not take orders from government bodies, the government could request a probe if it suspects irregularities. One will not be surprised if the audit is conducted.” <https://www.hindustantimes.com/cities/kolkata-news/centres-insistence-on-cag-audit-of-pm-poshan-scheme-in-bengal-triggers-slugfest-101675955679529.html>

## **STATES NEWS ITEMS**

### **5. Over Rs 7,000 crore revenue arrears pending to be recovered: CAG tells Kerala govt ([english.mathrubhumi.com](https://english.mathrubhumi.com), [latestly.com](https://latestly.com)) 10 Feb 2023**

Thiruvananthapuram: The Comptroller and General (CAG) of India has found that the Kerala government has failed to collect revenue arrears of Rs 7,100.32 crore, which was outstanding for more than five years and stressed the need for urgent intervention to clear it.

The government departments should create a database of outstanding arrears for effective monitoring and follow-up for recovery of arrears, it recommended.

The total arrears of Rs 21,797.86 crore amount to 22.33 per cent of the total revenue of the southern state, according to the latest CAG report.

"The total arrears of revenue as on 31 March 2021 on certain principal heads of revenue amounted to Rs 21,797.86 crore of which Rs 7,100.32 crore was outstanding for more than five years," it said.

The Combined Compliance Audit Report (Revenue Sector), Govt. of Kerala for the period 2019-21 of the Comptroller and Auditor General of India was tabled in the state Assembly on Thursday.

"Out of the total arrears, Rs 6,422.49 crore (29.46 per cent) is pending from the Government and Government/ local bodies. This necessitates urgent intervention from the government to clear the outstanding arrears," the report said.

The CAG pointed out that arrear figures are furnished by the Departments every year only at the instance of audit.

The absence of prompt reporting of arrears to Revenue Department and pursuance by the Departments concerned for realising the arrears are the main reasons for the huge pendency of arrears.

"The arrears of Rs 7,100.32 crore were pending for more than five years in 12 Departments and includes those of Excise Department from 1952," it said.

The cases, referred to the Government for write-off (Rs 1,905.89 crore), were also not being pursued by the Departments/ offices concerned.

An amount of Rs 6,143.28 crore is pending under stay orders, which is 32.79 per cent of the total arrear amount.

The departments need to take effective action to vacate the stay orders and to realise the amounts, the CAG added in the report. <https://english.mathrubhumi.com/news/kerala/over-rs-7-000-crore-revenue-arrears-pending-to-be-recovered-cag-tells-kerala-govt-1.8298117>

**6. Amid protests over new tax proposals: CAG says Kerala govt failed to realise Rs 7,100 cr revenue arrears in 5 years ([indianexpress.com](https://www.indianexpress.com)) Updated: February 10, 2023**

A Comptroller and Auditor General of India (CAG) report on state revenue sector for 2019-2021, which was tabled in the Kerala Assembly on Thursday, indicted the CPI(M)-led LDF government for its failure to realise revenue arrears to the tune of Rs 7,100 crore.

The report is a major setback to the Left Democratic Front government, which last week proposed additional direct tax burden to the tune of Rs 2,950 crore, including social security cess of Rs 2 on a litre of fuel, citing the financial constraints of the state government. The CPI(M) government justified the fresh tax proposals and put the blame on the Union government, citing cessation of GST compensation and other restrictive measures. However, the tax proposals have triggered state-wide protests by Congress and BJP.

“The total arrears of revenue as on March 2021 on certain principal heads of revenue amounted to Rs 21,797.86 crore. Of which, Rs 7,100.32 crore was outstanding for more than five years. The total arrears of Rs 21,797.86 crore amounted to 22.33 per cent of the total revenue of the state. Out of the total arrears, Rs 6,422.49 crore has been pending from the state government and local bodies. This necessitates urgent intervention from the government to clear the outstanding arrears,” the CAG report said.

The report said the figures related to outstanding arrears are furnished by the departments every year only at the instance of audit. “Absence of prompt reporting of arrears to the revenue department and pursuance of the departments concerned for realising the arrears are the main reasons for the huge pending of the arrears,” the report said.

The CAG said these tax dues have been pending for more than five years in 12 departments and include those of excise departments from 1952 onwards. The cases referred to the government for write off (Rs 1,905 crore) were also not being pursued by the departments concerned.

Opposition Leader V D Satheesan said the CAG report substantiates the Opposition criticism that the government had failed in tax collection. “There are serious lapses on the part of the finance department in collecting tax arrears and allowing concessions,” the Congress leader said.

BJP state president K Surendran said the state government should reduce the tax burden on people after realising the arrears from those who had evaded tax. <https://www.indianexpress.com/article/cities/thiruvananthapuram/cag-report-points-out-poor-tax-collection-in-kerala-in-2019-2021-8434732/lite/>

**7. Recovery of over Rs 7,000 cr revenue arrears pending: CAG to Kerala govt ([business-standard.com](https://www.business-standard.com)) 09 February 2023**

The Comptroller and General (CAG) of India has found that the Kerala government has failed to collect revenue arrears of Rs 7,100.32 crore, which was outstanding for more than five years and stressed the need for urgent intervention to clear it.

The government departments should create a database of outstanding arrears for effective monitoring and follow-up for recovery of arrears, it recommended.

The total arrears of Rs 21,797.86 crore amount to 22.33 per cent of the total revenue of the southern state, according to the latest CAG report.

"The total arrears of revenue as on 31 March 2021 on certain principal heads of revenue amounted to Rs 21,797.86 crore of which Rs 7,100.32 crore was outstanding for more than five years," it said.

The Combined Compliance Audit Report (Revenue Sector), Govt. of Kerala for the period 2019-21 of the Comptroller and Auditor General of India was tabled in the state Assembly on Thursday.

"Out of the total arrears, Rs 6,422.49 crore (29.46 per cent) is pending from the Government and Government/ local bodies. This necessitates urgent intervention from the government to clear the outstanding arrears," the report said.

The CAG pointed out that arrear figures are furnished by the Departments every year only at the instance of audit.

The absence of prompt reporting of arrears to Revenue Department and pursuance by the Departments concerned for realising the arrears are the main reasons for the huge pendency of arrears.

"The arrears of Rs 7,100.32 crore were pending for more than five years in 12 Departments and includes those of Excise Department from 1952," it said.

The cases, referred to the Government for write-off (Rs 1,905.89 crore), were also not being pursued by the Departments/ offices concerned.

An amount of Rs 6,143.28 crore is pending under stay orders, which is 32.79 per cent of the total arrear amount.

The departments need to take effective action to vacate the stay orders and to realise the amounts, the CAG added in the report. [https://www.business-standard.com/article/current-affairs/recovery-of-over-rs-7-000-cr-revenue-arrears-pending-cag-to-kerala-govt-123020901251\\_1.html](https://www.business-standard.com/article/current-affairs/recovery-of-over-rs-7-000-cr-revenue-arrears-pending-cag-to-kerala-govt-123020901251_1.html)

**8. Kerala Failed To Collect Over Rs 7,000 Crore of Pending Revenue Arrears, Says CAG ([outlookindia.com](https://www.outlookindia.com)) 09 February 2023**

The Comptroller and General (CAG) of India has found that the Kerala government has failed to collect revenue arrears of Rs 7,100.32 crore, which was outstanding for more than five years and stressed the need for urgent intervention to clear it.

The government departments should create a database of outstanding arrears for effective monitoring and follow-up for recovery of arrears, it recommended.

The total arrears of Rs 21,797.86 crore amount to 22.33 per cent of the total revenue of the southern state, according to the latest CAG report.

"The total arrears of revenue as on 31 March 2021 on certain principal heads of revenue amounted to Rs 21,797.86 crore of which Rs 7,100.32 crore was outstanding for more than five years," it said.

The Combined Compliance Audit Report (Revenue Sector), Govt. of Kerala for the period 2019-21 of the Comptroller and Auditor General of India was tabled in the state Assembly on Thursday.

"Out of the total arrears, Rs 6,422.49 crore (29.46 per cent) is pending from the Government and Government/ local bodies. This necessitates urgent intervention from the government to clear the outstanding arrears," the report said.

The CAG pointed out that arrear figures are furnished by the Departments every year only at the instance of audit.

The absence of prompt reporting of arrears to Revenue Department and pursuance by the Departments concerned for realising the arrears are the main reasons for the huge pendency of arrears.

"The arrears of Rs 7,100.32 crore were pending for more than five years in 12 Departments and includes those of Excise Department from 1952," it said.

The cases, referred to the Government for write-off (Rs 1,905.89 crore), were also not being pursued by the Departments/ offices concerned.

An amount of Rs 6,143.28 crore is pending under stay orders, which is 32.79 per cent of the total arrear amount. The departments need to take effective action to vacate the stay orders and to realise the amounts, the CAG added in the report. <https://www.outlookindia.com/business/kerala-failed-to-collect-over-rs-7-000-crore-of-pending-revenue-arrears-says-cag--news-260893>

## **9. Revenue arrears not collected for five years, due of Rs 7,100 crore, CAG report against govt ([keralakaumudi.com](http://keralakaumudi.com)) 09 February 2023**

THIRUVANANTHAPURAM: The government has not collected revenue dues of Rs 7,100.32 crore for more than five years, said the CAG report. This includes of excise department since 1952. This was mentioned in the report related to the revenue department for the period 2019-2021.

The total dues of Rs 21797.86 crore is 22.33 percent of the total revenue income of the state. Of the total arrears, Rs 6422.49 crore remains to be co the government and local government bodies. The government should immediately intervene to collect the dues. Dues are not properly reported revenue department. The concerned departments are not trying to collect dues. No further action was taken in the case of Rs 1,905 crore sent to government for waiving. Rs 6,143 crore remains to be collected due to stays. This is 32.79 percent of the total due amount. Departments should take collect the amount by after removing the stay. The CAG report also stated that the departments should prepare a data bank of outstanding dues. <https://keralakaumudi.com/en/news/news.php?id=1003969&u=revenue-arrears-not-collected-for-five-years-due-of-rs-7-lakh-crore-cag-report-against-govt-1003969>

**10. Rs 34,000 crore arrears lie uncollected in state in terms of cess ([keralakaumudi.com](http://keralakaumudi.com)) 10 February 2023**

THIRUVANANTHAPURAM: While the government is trying to squeeze the people through fuel cess, Rs 12923.21 crore arrear remains uncollected this year.

According to the CAG report, there is record arrear of Rs 21,797 crore in year 2020-21. At the end of this financial year, the total arrears will exceed 34000 crore.

However, if Rs 2 is collected as cess for petrol and diesel, Rs 750 crore will be obtained annually and only Rs 307 crore will be obtained by increase in value of land by 20 percent. There is also the burden of inflation when the price of diesel increases. Last year's tax revenue was Rs 29002.48 crore.

CAG's finding is that even if the irregularity of various departments and giving indirect benefits is avoided, an additional income of 25 percent of the amount will be obtained. There is also a serious allegation in the report presented in the assembly yesterday that due to the irregularities of the E Registration departments, the amount that is twice the dues can be lost. While calculating the stamp duty, the original survey number is not used for fixing the fair value and thus losing crores.

At the same time, it is also alleged that there is politics behind the introduction of petrol and diesel cess by the government. The Chief Minister said in the press conference yesterday that the cess was forced because the central government was restricting the credit limit. The Centre is being blamed by the government stating that there is no other means of providing welfare pension to 60 lakh families other than cess.

However, the CAG report says that there has been no significant reduction in the centre's allocation. Last year alone Rs 42628 crore was allotted a tax share. This is almost double the amount given in 2016, the first year of the first Pinarayi government. At that time the centre allocation was Rs crore.

Rs 11000 crore is needed to provide welfare pension. The centre is reducing the loan limit by only Rs 4000 crore on account of the state guarantee loan.

**CAG report**

1. Fault in assessment of tax related to contracts.
2. Granting concessions and benefits other than those provided by law.
3. Indifference in avoiding complaint, legal action and stay.
4. Fraud in renewal of license relating to bars.
5. Permits unauthorized transfer of license.
6. Violating condition of providing new license if partner changes.

**Uncollected Tax (in crores)**

2016-17 - 5437.23  
2017-18 - 6951.88  
2018-19 - 7974.34  
2019-20 - 15461.46  
2020-21 - 21797.86

**Centre's Share (in crores)**

2016-17 -23735.37

2017-18 - 25360.92

2018-19 - 30427.13

2019-20 - 27636.31

2020-21- 42628.68 <https://keralakaumudi.com/en/news/news.php?id=1004504&u=rs-34000-crore-arrears-lie-uncollected-in-state-in-terms-of-cess>

**11. Kerala's Revenue Arrears at Rs 21,797.86 Crore; Rs 7,100.32 Crore Pending for 5 Years: CAG Report ([news18.com](https://news18.com)) FEBRUARY 10, 2023**

Even as the Kerala budget has introduced new taxes, the Comptroller and Auditor General of India (CAG) reported the state's revenue arrears, as of March 2021, at Rs 21,797.86 crore, of which Rs 7,100.32 crore was outstanding for more than five years. The arrears account for 22.33% of the total revenue of the state.

The opposition has been protesting against the state budget and the new taxes, which include Rs 2 social security cess on a litre of petrol/diesel.

Of the arrears, Rs 6,422.49 crore (29.46%) is pending from the government or local bodies. This necessitates urgent intervention from the government to clear the outstanding arrears.

The report stated: "Absence of prompt reporting of arrears to Revenue Department and pursuance by the Departments concerned for realising the arrears are the main reasons for the huge pendency of arrears. The situation calls for putting in place an effective system for monitoring and realisation of arrears. The arrears of Rs 7,100.32 crore were pending for more than five years in 12 Departments and includes those of Excise Department from 1952 onwards. The cases referred to the Government for write off (Rs 1,905.89 crore) were also not being pursued by the Departments/offices concerned."

The report further stated that an amount of Rs 6,143.28 crore is pending under stay orders, which is 32.79% of the total arrears. The departments need to take effective action to vacate the stay orders and realise the amounts. The recommendation is that the departments should create a database of outstanding arrears for effective monitoring and follow-up for recovery of arrears.

The total revenue receipts of the state government for 2020-21 amounted to Rs 97,616.83 crore against Rs 90,224.67 crore and Rs 92,854.48 crore for 2019-20 and 2018-19, respectively. The state's revenue was Rs 54,988.15 crore (56% of total receipts) and the share of receipts from the Government of India was Rs 42,628.68 crore (44% of total receipts). <https://www.news18.com/news/india/keralas-revenue-arrears-at-rs-21797-86-crore-rs-7100-32-crore-pending-for-5-years-cag-report-7044685.html>

**12. 21,797.86 Crore Kerala's revenue collection arrears in 2019-21 ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) 10 February 2023**

THIRUVANANTHAPURAM: A combined compliance audit report of the Comptroller and Auditor General of India on the state's revenue sector for 2019-'21 has found that the revenue arrears to be collected by the state government during the period amounted to Rs 21,797.86 crore. Of this, Rs 7,100.32 crore was outstanding for more than five years.



It may be noted that finance minister K N Balagopal has been claiming improvement in tax collection besides blaming the Centre for the severe financial crisis of the state. The report, tabled in the assembly on Thursday, indicated that the total revenue arrears (Rs 21,797.86 crore) amounted to 22.33% of the total revenue of the state. Of this, 29.46% (Rs 6,422.49) is pending from the government/local bodies.

"This necessitates urgent intervention from the government to clear the outstanding arrears. The arrear figures are furnished by the departments every year only at the instance of audit. The absence of prompt reporting of arrears to the revenue department and pursuance by the departments concerned for realising the arrears are the main reasons for the huge pendency of arrears," the C&AG pointed out.

The situation calls for an effective system for monitoring and realisation of arrears. Arrears of Rs 7,100.32 crore were pending for more than five years in 12 departments. These include arrears from the excise department from 1952 onwards. The cases referred to the government for write off (Rs 1,905.89 crore) were also not being pursued by the departments/offices concerned, the report said.

For 2020-'21, the non-tax revenue collected was 49.16% less than the budget estimate. This wide variation indicates the need for a more realistic planning and execution process in budgetary control as it impacts the financial management of the state, the report said.

The directorate of state lotteries and the principal chief conservator of forests had stated that issues related to Covid19 pandemic adversely affected their receipts. An analysis of arrears of revenue that are under various stages of collection showed that the arrears pending collection as on March 31, 2021 included collections stayed by various authorities at various stages.

An amount of Rs 6,143.28 crore is pending under stay orders, which is 32.79% of the total arrear amount. "The departments need to take effective action to vacate the stay orders and realise the amounts. The departments should create a database of outstanding arrears for effective monitoring and follow up for recovery of arrears," the report said.

It recommended the government to carry out timely assessment of plantation, GST, sales tax and fuel tax, as these areas are potential sources of revenue. It also criticised the government departments for poor response to audit observations. <https://timesofindia.indiatimes.com/city/thiruvananthapuram/21797-86-crore-keralas-revenue-collection-arrears-in-2019-21/articleshow/97792695.cms?from=mdr>

**13. CAG report: Kerala's total revenue arrears Rs 21K crore ([newindianexpress.com](https://www.newindianexpress.com)) 10 February 2023**

THIRUVANANTHAPURAM: The CAG report on revenue arrears has dealt a big blow to the state government that faces public ire for announcing new tax proposals in the annual budget. The report revealed that the revenue arrears amounted to Rs 21,797.86 of which Rs 7,100.32 crore was outstanding for more than five years.

"An amount of Rs 6,143.28 crore is pending under stay orders, which is 32.79 per cent of the total arrear amount. The departments need to take effective action to vacate the stay orders and

realise the amounts,” said the “Combined Compliance Audit Report of the Comptroller and Auditor General of India on Revenue Sector” for 2019-21.

The total arrears amount to 22.33 per cent of the total revenue of the state. Out of the total arrears, Rs 6,422.49 crore (29.46 pc) is pending from government and local bodies. The report blames government departments for their lack of initiative to clear the arrears.

“Absence of prompt reporting of arrears to the revenue department and pursuance by the departments concerned for realising the arrears are the main reasons for the huge pendency of arrears. The situation calls for putting in place an effective system for monitoring and realisation of arrears,” it said.

The report said the arrears of Rs 7,100.32 crore were pending for more than five years in 12 departments and includes those of the excise department from 1952 onwards. The three revenue heads with maximum arrears were ‘tax on sales, trade, etc’ (Rs 13,830.43 crore), ‘taxes and duties on electricity,’ (Rs 2,929.11 crore) and ‘taxes on vehicles,’ (Rs 2,616.90 crore).

Quoting the motor vehicles department, the report says the department’s total arrears were Rs 2,616.90 crore. Of this, 1,844.73 crore was due from the Kerala State Road Transport Corporation and Rs 772.17 crore from individuals.

The revenue deficit of the state was Rs 29,539.27 crore and the fiscal deficit was Rs 46,045.78 crore, representing 3.27 per cent and 5.10 per cent respectively of the GSDP in 2021-22, the report said. <https://www.newindianexpress.com/states/kerala/2023/feb/10/cag-report-keralas-total-revenue-arrears-rs-21kcrore-2546034.html>

**14. Revenue arrears stood at ₹21,797.86 crore as on March 31, 2021, says CAG report ([thehindu.com](https://www.thehindu.com)) Feb 09, 2023**

Thiruvananthapuram: Amid the row over the tax hike proposals in the State Budget, a report of the Comptroller and Auditor General of India (CAG) tabled in the State Assembly on Thursday revealed that revenue that went uncollected by the State government till March 31, 2021, stood at ₹21,797.86 crore.

Of this, ₹7,100.32 crore had been outstanding for more than five years, the ‘Combined compliance report of the CAG on revenue sector for the period 2019-21’ said. It sought urgent government intervention to clear the arrears of revenue and the creation of a database of arrears for effective monitoring and follow-up for their recovery.

The report observed that the total arrears of ₹ 21,797.86 crore accounted for 22.33% of the total revenue of the State. Further, 12 departments accounted for the arrears of ₹7,100.32 crore pending for more than five years, which included that of the Excise department dating back to 1952.

Of the total amount, ₹6143.28 crore worth of arrears were under stay orders.

Principal Accountant General (Audit II) Biju Jacob explained that the report was prepared using information given by the government departments.

The report noted that ₹6,422.49 crore, or 29.46%, was pending from the government sector/local bodies. Arrears on tax on sales and trade accounted for a whopping ₹13,380.43 crore, of which ₹ 12,924.31 crore was pending in the State GST department.

### **Major defaulters**

Other major sources of arrears are tax on vehicles (₹2,616.9 crore), electricity duty (₹2,919.11 crore) and stamps and registration fees (₹828.57 crore).

The CAG report noted that the government departments furnish the data on arrears “only at the instance of Audit.” “Absence of prompt reporting of arrears to Revenue department and pursuance by the departments concerned for realising the arrears are the main reasons for the huge pendency of arrears. The situation calls for putting in place an effective system for monitoring and realisation of arrears,” the report said. <https://www.thehindu.com/news/national/kerala/revenue-arrears-stood-at-2179786-crore-as-on-march-31-2021-says-cag-report/article66489727.ece>

### **15. Corp contests CAG report on issues in ID card distribution ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) Feb 10, 2023**

Thiruvananthapuram: The city corporation has denied a loss of Rs 67 lakh and any kind of irregularities in the distribution of ID cards for schoolchildren, as pointed out in the draft CAG report.

The report has pointed out that the corporation did not follow the tender procedure and purchase manual in implementing the ID card scheme for schools under the civic body, and the tender was given to a private institute which caused the corporation loss of Rs 67 lakh.

In its reply, the civic body cited that the human resources employment and development centre (HREDC) was entrusted with the project and that it is under the administration of the city corporation. The managing committee of HREDC is headed by the mayor.

The reply added that all the assets of HREDC have been created with the funds of the civic body and all the assets are under the ownership of the city corporation. It also cited a government order to back its decision to award the job to HREDC.

The order issued by the local self-government department allows the corporation to award all the printing works to the reprographic centre.

The CAG, however, raised a contention that the order for printing works was not applicable to HREDC. The civic body has explained that the reprographic centre comes under the HREDC and this is evident from the bylaw approved in 2015.

The order for HREDC was purely technical and that the agency has many other institutions like computer training centre, reprographic centre, data entry unit, women’s technology park etc, the corporation cited in the reply to the draft CAG report.

Regarding the irregularities raised by the CAG in fixing the amount for printing of ID cards, the corporation said the market rate of Rs 50 is applicable only for printing.

The corporation spent Rs 80, taking into account other activities like data entry, design and distribution of ID cards. Data collection and compilation were additional activities undertaken under the project which required payment of Rs 80 per card, the corporation said in the reply to CAG.

The civic body has contended that the audit observation by CAG does not stand since HREDC functions under the civic body and that the corporation has not spent anything above the market rate for the project. <https://timesofindia.indiatimes.com/city/thiruvananthapuram/corp-contests-cag-report-on-issues-in-id-card-distribution/articleshow/97788063.cms>

**16. Foreign liquor licences: CAG pulls up Excise dept. for revenue loss** ([thehindu.com](https://www.thehindu.com)) February 09, 2023

Thiruvananthapuram: Failure by the Excise Commissioner to levy fine and regularisation fee from ‘companies’ holding foreign liquor licences which reconstituted their director boards without authorisation led to revenue loss, the Comptroller and Auditor General (CAG) of India has found.

A test check on 161 companies holding FL3/FL11 licences in 2018-19 and 2019-20 revealed that 17 had added or removed partners on 22 occasions without the permission of the Excise Commissioner, the ‘Combined compliance report of the CAG on revenue sector for the period 2019-21’ tabled in the Assembly on Thursday said.

The Excise Commissioner failed to detect these cases and impose fines which led to a revenue loss of ₹88 lakh, the report said. The Foreign Liquor Rules require firms to pay a fee of ₹1 lakh for reconstitution of partnerships/directors. After the matter was reported to the government in February 2021, ₹14 lakh was recovered from two companies.

The CAG also found a similar revenue loss in the case of hotels holding foreign liquor licences, but not having two-star classification or above, which modified their director boards without permission. In this case, the revenue loss was ₹46 lakh between April 2012 and March 2018.

The CAG report also noted a revenue loss of ₹26 lakh owing to “irregular transfer” of foreign liquor licences “due to misuse of rules” by the Excise department. <https://www.thehindu.com/news/national/kerala/foreign-liquor-licences-cag-pulls-up-excise-dept-for-revenue-loss/article66490546.ece>

**17. Now, minor mineral block holders to pay towards District Mineral Foundation** ([dailyexcelsior.com](https://www.dailyexcelsior.com)) 10 Feb 2023

JAMMU: In order to avoid loss to the exchequer of the Geology and Mining Department, the Government has decided that now onwards the minor mineral block holders will pay from the royalty amount fixed by the Government towards District Mineral Foundation. Moreover, interest at the rate of 12% per annum will be charged in case of delay in making payment.

The necessary amendments in this regard have been made in the Jammu and Kashmir District Mineral Foundation (Composition, Contribution, Functioning, Funding and Trust) Rules, 2017 in exercise of the powers conferred by Section 9B, 15 and 15A of the Mines and Minerals (Development and Regulation) Act, 1957.

The amendments in the Rule 11 of the Rules of 2017 have been notified by the Mining Department and the same have come into effect immediately. The Rule 11 deals with payment of amount by the mineral concessionaires to the District Mineral Foundation.

The un-amended Sub-Rule 2 of Rule 11 read: “Out of the total amount of royalty realized from the holders of the Minor Mineral Concessions, 10% shall be deposited/paid towards the respective Foundation by the Geology and Mining Department”.

However, this provision was putting unnecessary financial burden on the exchequer of the Geology and Mining Department as it was contributing to the Foundation from its own revenue and objections in this regard were raised during the audit of the accounts of the department by the J&K Accountant General, official sources told EXCELSIOR.

The auditors had directed the Geology and Mining Department to take necessary corrective steps so that loss is avoided, sources further said. Accordingly, decision was taken to carry out necessary amendments in the Rules of 2017 and now with the approval of the Government the amendments have been notified.

The new Sub-Rule 2 read: “All holders of minor mineral concessions, shall, in addition to the royalty, pay to the respective Trust an amount equivalent to 30% of royalty, if the concession has not been granted through auction and 10% of royalty as fixed by the Government, if the concession has been granted through auction”.

“An amount equivalent to 30% of royalty will be paid by those who have been allotted blocks without e-auction while as 10% of the royalty as fixed by the Government will be paid by those who have obtained blocks through e-auction”, sources said.

Further, Sub-Rule 3 has been added in Rule 11 and now, notwithstanding anything to the contrary, simple interest at the rate of 12% shall be charged per annum on District Mineral Foundation payments after one month from the date it becomes due.

There is District Mineral Foundation in each and every district of the Union Territory of Jammu and Kashmir and it consists of District Magistrate, Assistant Commissioner Development, Chief Medical Officer, Superintending Engineer PWD, District Forest Officer, District Panchayat Officer, Assistant Labour Commissioner, District Social Welfare Officer and Chief Agriculture Officer.

As per the Rules, the Contribution Fund of the Trust may be utilized for undertaking activities under Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) for the interest and benefit of affected persons subject to such guidelines as may be issued by the Governing Body from time to time.

The fund is utilized for provision of amenities and infrastructure like water supply, sanitation, connectivity communications, irrigation, electricity supply, health care, education, housing etc; strengthening of social services like education, healthcare, social security, social safety, net skill upgradation training etc; afforestation and environmental improvement; projects for livelihood support, income generation and economic activities; improvement of institutional mechanism for delivery of public services; establishment and maintenance of District Mineral/Member Secretary Office and allied infrastructure in the respective district and such other activities as may be specified by the Governing

Body. <https://www.dailyexcelsior.com/now-minor-mineral-block-holders-to-pay-towards-district-mineral-foundation/>

## **18. Gujarat: Jantri land rates hike leaves real estate sector jittery (*thefederal.com*) 10 February, 2023**

### **The issue of meagre compensation due to old Jantri rates has been at the heart of every protests against land acquisition in Gujarat**

The Annual Statement of Rates (ASR) or Jantri rate of land has been revised in Gujarat after 12 years, causing a huge worry to the real estate sector. The ASR had not been touched since 2011 but has not been doubled. It will be implemented across the state from February 4, as per an announcement made by Chief Minister Bhupendra Patel.

If the existing value of a property is Rs 100 per square metre, it will be Rs 200 from February 4, the government notification read.

### **New stamp duty**

The GO added that the government circular stated that those who register their properties on and from February 4 will be required to pay registration and stamp duty as per the new Jantri rate.

“The government will pay compensation to those who have booked properties before February 4 under old Jantri rates and land was acquisition was made later as per new Jantri rates,” said Rushikesh Patel after a cabinet meeting that decided the change in ASR.

However, a day after the announcement. the real estate sector of Gujarat raised various concerns. The industry held that the decision will affect the new projects the most prices are likely to go up by around 20 percent.

### **Floor Space Index**

Further, the redevelopment work of several societies will have to be put on hold owing to the increase in Floor Space Index (FSI) premium, said the representatives of the sector.

A delegation of real estate developers from Ahmedabad, Rajkot, Surat and Vadodara districts represented by the Confederation of Real Estate Developers (CREDAI) met the Chief Minister urging him to extend the implementation from May 1 this year.

The CREDAI also sought to exempt the constructed properties from the revised Jantri rate.

“We believe Jantri rates should be increased. At the same time, we demand it should be done in a scientific way. While land prices have increased manifold in the last decade, price of properties have not increased at the same pace. The umbrella increase in Jantri rates will adversely affect the affordable housing projects,” Tejas Joshi, President CREDAI, told the media.

## **Builders lament**

“We have stated our concerns in detail in a meeting with the Chief Minister and the Chief Secretary. Developers are expecting a reduction in Jantri rates. However, until a final decision is reached, the rates will be calculated as per revised Jantri rates. In case the Jantri rates are not decreased, the government should consider to decrease the purchase FSI and land premiums to 20 per cent of the value of Jantri instead of the current 40 per cent. This was done while increasing Jantri rates in 2011 as well. It had ensured that the real estate remained viable,” added Joshi.

Noticeably, the farmers and land owners who have lost or will lose land in various government projects have been demanding that the compensation be calculated as per a revised Jantri rate or current market rate for years.

The last time the ASR was revised in Gujarat was on April 18, 2011. In every government project since then, land had been acquired from farmers or landowners with compensation paid as per the Jantri rates of 2011, which in years valued less than current market rates of land.

## **Land grab**

Gujarat has a history of rampant land acquisition for industrialisation and aggressive urbanisation. However, by far, most grab has happened in South Gujarat. In a stretch of about 280 km between Surat and Mumbai, land has been acquired for multiple projects like freight corridor, bullet train, National Highway 8, various GIDC (Gujarat Industrial Development Corridor) and for laying out of pipeline by Reliance and ONGC.

The issue of meagre compensation due to old Jantri rates has been at the heart of every protests against land acquisition in Gujarat.

Currently, farmers from multiple districts of South Gujarat are protesting and fighting a legal battle against alleged land grab for the bullet train project and a freight corridor that will pass through extremely fertile mango and chiku orchards, schools, cemeteries and even through villages while displacing entire population.

In October 2016, a group of over 50 farmers from Surat had fought and lost a case against Reliance Industries, which had acquired land to transport gas from the Krishna Godavari basin to Gujarat. The Supreme Court had dismissed the farmers’ plea for higher compensation.

## **Land protests**

The same year, the Ministry of Road Transport and Highways initiated acquisition of 111 hectares of land between Maharashtra and Gujarat for the 380-km Ahmedabad-Vadodara-Mumbai Expressway amid protests by farmers and landowners while paying compensation as per old Jantri rates.

In 2017, the Union Cabinet approved a proposal to transfer 4.64 hectares owned by Indian Institute of Soil and Water Conservation Research Centre in Anand in central Gujarat, under old Jantri rates, to upgrade the Ahmedabad – Vadodara highway to six lanes.

In 2018, the Comptroller and Auditor General of India (CAG), in its report on the revenue sector for 2016-2017, called the rates “unrealistic” and stated that the “government may formulate a sound scientific valuation to estimate property value with specific, streamline procedures”. <https://thefederal.com/states/west/gujarat/gujarat-jantri-land-rates-hike-leaves-real-estate-sector-jittery/>

**19. RSB Raipur wins gold in civil services badminton tourney** ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) Feb 10, 2023

Raipur: Manish Kumar Gupta and Harshal Bhoyar, from the office of the Principal Accountant General (Audit), Chhattisgarh, clinched gold medal in the All India Civil Services Badminton Tournament, held at Gandhi Nagar, Gujarat. Senior auditor Gupta and Bhoyar won the medal while representing Regional Sports Board (RSB), Raipur.

The Raipur RSB pair defeated RSB Indore in a tough threeset match by 21-18, 17 21, 21-19. Earlier, The Raipur pair defeated RSB Shillong in straight sets by 21-09, 21-14 in the semifinal, but RSB Kochi gave a tough fight in the quarter final. The quarter final score remained 21-15, 11-21 and 21-18. Principal accountant general (IA&AS) Yashwant Kumar congratulated the players and hoped more medals in coming years.

Also present were AG offices recreation club and sports committee member Yuvraj Uikey, welfare officer Jitendra Agrawal and audit officer Manish Shukla. <https://timesofindia.indiatimes.com/city/raipur/rsb-raipur-wins-gold-in-civil-services-badminton-tourney/articleshow/97788215.cms>

**20. डीसीएलआर ने जारी किया निर्देश:43 वर्षों से बिना किराया चल रही इमलीचट्टी की दुकानें होंगी खाली, होगी बकाए की वसूली** ([bhaskar.com](https://bhaskar.com)) 10 Feb 2023

Bihar: खास महाल की जमीन पर कलेक्ट्रेट के चारों तरफ और कोर्ट कैंपस में बिना किराया दिए 43 वर्षों से सैकड़ों दुकानें चल रही हैं। इनका न तो लीज नवीकरण हुआ और न ही किराए की दर तय की गई। पुरानी दर के किराए से भी इन पर सरकार के करोड़ों रुपए बकाया हैं। इस बीच प्रशासन ने सख्ती कर हाल में कुछ दुकानों से वसूली भी की। लेकिन, इमलीचट्टी स्थित सरकारी बस स्टैंड के निकट के 25 दुकानदारों ने किराया जमा करने के बदले नोटिस रिसीव करने से भी इनकार कर दिया।

नोटिस रिसीव नहीं करनेवाले सभी दुकानों को खाली कराने के साथ-साथ प्रशासन दुकानदारों से किराए की बकाया राशि भी वसूलेगा। इसके साथ ही एक अप्रैल से खास महाल की सभी दुकानों का किराया बढ़ाया जाएगा। बता दें कि कोर्ट कैंपस, सदर अस्पताल रोड, एसएसपी-प्रमंडलीय आयुक्त कार्यालय से पूरब की तरफ, स्टेशन रोड, इमलीचट्टी बस स्टैंड के सामने व आसपास 200 से अधिक दुकानें 43 वर्षों से बिना लीज और किराया के चलाई जा रही हैं।



इनमें से अधिकतर दुकानदारों ने 1979-80 के बाद से किराया जमा नहीं किया है। डीसीएलआर पूर्वी जयचंद्र यादव ने किराया नहीं देने व नोटिस लेने से इनकार करनेवाले 25 दुकानदारों से फ़ौरन दुकानें खाली कराने का मुशहरी सीओ को निर्देश दिया है। डीसीएलआर ने बताया कि बकाया रखनेवाले काफी संख्या में दुकानदारों से इस वर्ष 35 लाख रुपए से अधिक किराए की वसूली हो चुकी है।

**सख्ती: वर्ष 1979-80 से चल रही 205 दुकानों पर 2012 तक 52.69 लाख था बकाया, सीएजी ने जताई आपत्ति**

1979-80 से चल रही 205 से अधिक दुकानों पर जुलाई 2012 तक ही किराए के 52.69 लाख रुपए बकाया हैं। सीएजी की रिपोर्ट के आधार पर राजस्व एवं भूमि सुधार विभाग द्वारा लगातार मांगे जाने के बाद भी इनके द्वारा प्रशासन को किराया नहीं दिया जा रहा है। महालेखाकार ने वर्ष 2011-12 की ऑडिट रिपोर्ट में इसकी जानकारी देते हुए आपत्ति जताई थी। 2016 से महालेखाकार द्वारा इसके लिए जवाब मांगा जा रहा है। 2019 से 2022 तक कई बार रिपोर्ट मांगी गई है। इसे देखते हुए प्रशासन ने अब सख्ती से किराए की वसूली शुरू की है।

### **रेडक्रॉस, एमएसकेबी की लीज का होगा नवीकरण**

खास महाल की इन दुकानों के किराए की दर 1997 से संशोधित नहीं की गई है। इसका लाभ उठाकर दुकानदारों समेत कई बड़े संस्थानों ने पुरानी दर से भी किराया देना बंद कर दिया। अब नई दर से किराया संशोधन का प्रस्ताव जिलाधिकारी कार्यालय को भेजा गया है। संशोधित दर को स्वीकृति मिलते ही एक अप्रैल 2023 से नई दर लागू हो जाएगी।

दूसरी तरफ एलके बासेस पेट्रोल पंप, रेडक्रॉस सोसायटी, एमएसकेबी समेत खास महाल की जमीन पर स्थित कई बड़े संस्थानों की जमीन का लीज नवीकरण होगा। इसके लिए एक सरकारी मेंबर का होना आवश्यक है। इसे देखते हुए विभाग से एक सरकारी मेंबर की प्रतिनियुक्ति करने का आग्रह किया गया है। <https://www.bhaskar.com/local/bihar/muzaffarpur/news/tamarind-shops-running-without-rent-for-43-years-will-be-empty-dues-will-be-recovered-130905912.html>

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

**21. Parliamentary panel red flags 30% posts of CGHS doctors, other staff lying vacant** ([economictimes.indiatimes.com](https://economictimes.indiatimes.com)) Feb 09, 2023

Expressing concern that around 30 per cent of the sanctioned strength of doctors, paramedical and administrative staff for all CGHS setups in the country are lying vacant, a parliamentary committee on Thursday recommended the health ministry to complete the recruitment process expeditiously.

"It is really worrisome that out of the sanctioned strength of 1,997 doctors, 490 posts are lying vacant," the Committee on Estimates in its report 'Assessment of Various Initiatives under CGHS' tabled in Lok Sabha said.

"No wonder, patients are made to wait for a long time in Central Government Health Scheme (CGHS) dispensaries due to non-availability of doctors," it stated.

The committee, while taking note of the steps taken by the ministry to fill up the vacant posts, recommended it to pursue strongly with the recruiting departments/agencies concerned so that the recruitment process can be completed expeditiously.

"The ministry should not shrug off its responsibilities by leaving it to the UPSC/SSC or other recruiting agencies to complete the recruitment process. Since providing medical assistance under CGHS is their responsibility, they must constantly follow up with them to ensure that the process is not delayed," the committee said in its report.

The committee is of the view that opening or operating CGHS centres without sufficient doctors has no meaning and causes inconvenience to beneficiaries.

It observed that beneficiaries are facing inconvenience at CGHS centres due to poor doctor-beneficiary ratio. It also urged upon the government to prepare a road map for the future, considering that the number of beneficiaries are increasing every year whereas the number of sanctioned strength of doctors remains static.

It recommended that the government review the terms and conditions of services in the grade of specialist and GDMOs (General Duties Medical Officers), and make necessary amendments or changes in the service conditions to attract bright candidates.

The panel highlighted that many bills due for payment are carried over to the next financial year owing to various reasons, which is affecting the credibility of CGHS with regard to timely payment of bills to hospitals.

"It ultimately translates in refusal of treatment to CGHS beneficiaries by some of the empanelled hospitals or demand for a security deposit before starting the treatment," it said in the report.

The committee, therefore, recommended the government to work out a mechanism for fixing a timeline for fast settlement and payment of bills to hospitals.

It also urged the government to put in place a mechanism to review the rates of treatment/diagnosis under CGHS every year and make those reasonable enough to attract the interest of a wider number of hospitals.

It said many empanelled hospitals have shown scant interest for renewal or extension of MoA for empanelment due to the wide gap in rates fixed by CGHS in comparison to prevailing market rates.

It urged the health ministry to revise norms for establishing CGHS wellness centres in a new city in such a way as to include central government employees, pensioners and their dependent family members.

The parliamentary committee said the government needs to consider relaxation of existing norms or create new norms for opening new wellness centres, particularly for beneficiaries of Himachal Pradesh, Uttarakhand, Jammu and Kashmir, Ladakh and north eastern states.

Under CGHS, medicines not available in dispensaries are indented and procured through authorised local chemists and provided to the beneficiaries.

The committee observed that in certain cases, the medicines which are indented are not procured in time and the beneficiaries have to procure them from open market.

"This creates inconvenience as well as dissatisfaction among the beneficiaries who are making regular contributions to the Central Government Health Scheme. Also, it has come to the notice of the committee that in many cases, the bid/contract of the authorised local chemist is not renewed well in time and the dispensary is not in a position to supply the medicines," the committee said in its report.

Further, it recommended devising a mechanism to ensure that every CGHS set-up in the country regularly interacts, preferably every three months, with the local MP. <https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/parliamentary-panel-red-flags-30-posts-of-cghs-doctors-other-staff-lying-vacant/articleshow/97782546.cms>

## **22. No 'major headway' achieved on monetisation of assets: Parl panel ([millenniumpost.in](https://millenniumpost.in)) 09 Feb 2023**

A parliamentary panel has said that "no significant headway" has been made so far on monetisation of assets of state-owned Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL).

The Standing Committee on Communications and IT, in its report, has emphasised its earlier recommendation that the matter of reservation/designation of land be taken up at the highest level of government for policy intervention so as to address the issue at the earliest and expedite the monetisation of assets of the telecom PSUs.

"The department may keep the committee apprise of the progress made in this regard," said the panel in its report presented to Lok Sabha on Thursday. The report is on action taken by the government on the observations/ recommendations of the panel contained in an earlier report on 'Demands for Grants (2022-23)' of the Ministry of Communications (Department of Telecom or DoT).

The Committee further said it is "concerned to note that no significant headway has been achieved till now with regard to monetisation of assets of BSNL and MTNL" in spite of the fact that asset monetisation has been envisioned by the government as core plan for repayment of loan/overdraft/bond.

"The committee note from the Action Taken Notes that the department are making efforts for monetisation of different categories of properties belonging to BSNL with no concrete results so far," it said.

The department, however, has not furnished any reply on the present status to address the issue of reservation/designation of land with the state governments which was hampering the monetisation prospects, the panel observed.

“The committee were given to understand that significant assets in Mumbai are having reservation and designation issues resulting in dropping of valuation of the property due to unsustainable conditions and this will not be possible without tweaking the policy,” it said.

The panel has also emphasised that necessary measures be taken by the Department of Telecom (DoT) for successful roll out of 4G services by BSNL.

“The department have, however, not furnished reply to the recommendation of the Committee for allocation of 5G spectrum in all bands to BSNL. This is significant, considering the fact that BSNL has been denied a level playing field when compared to the private telecom service providers with regard to rolling out of 4G services,” it said. As a result, BSNL could not roll out 4G services.

“The Committee reiterate their earlier recommendation that BSNL should be allocated 5G spectrum in all the bands and provide a level-playing field vis-a-vis private TSPs (telecom service providers) with regard to purchase of equipment,” the committee said. <https://www.millenniumpost.in/business/fm-urges-imf-to-develop-coordinated-approach-508166?infinitemscroll=1>

### **23. An undeniable priority ([millenniumpost.in](https://www.millenniumpost.in)) 9 Feb 2023**

Priority for urban infrastructure is evident in the Union Budget 2023-24 as it promises the highest capital outlay for railways (Rs 2.4 lakh crore), increase of 66 per cent in PM Awas Yojana (Rs 79,000 crore), and investments of about Rs 75,000 crore in 100 vital transportation infrastructure projects. For the first time the Union government announced the constitution of urban infrastructure development fund (UIDF) with an annual allocation of Rs 10,000 crore to ramp up urban infrastructure in Tier-2 cities and Tier-3 cities. It also assured encouragement to urban planning reforms by states, aimed at facilitating transformation into ‘sustainable cities of tomorrow’ with efficient use of land and enhanced availability with affordability, adequate resources for urban infrastructure, transit-oriented development and opportunities to all. The Budget marks a good beginning to that end. However, ensuring prompt execution and timely delivery of benefits are equally important to fulfil the dream. For example, it is reported that 428 road projects, 117 railway works, 88 petroleum projects and many more in coal, power, aviation and water, are delayed in execution by 1 to 5 years, leading to the revision of the project cost of 835 works from 10.88 crore to 14.07 crore. It includes 60 per cent of urban development projects as well, with a rise in cost from 1.59 lakh crore to 1.76 crore

The saga of urban development consists of a number of schemes rolled out since the 70s to address issues of housing, water, sanitation, drainage and roads in cities and towns. The turning point came in 2005 with the launch of Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a comprehensive programme for planned development of identified cities with large-scale investments, central assistance and governance reforms. Universal service delivery for the urban poor in a mission mode was one of the thrust areas. Around Rs 48,000 crore were spent between 2005-2014 on a number of urban projects. However, the lion’s share of benefits, especially of JNNURM, went to mega cities (more than 50 lakh in terms of population), large cities (10-50 lakh) and small cities (1-10 lakh) whereas Tier-2 and Tier-3 towns received little

or no relief. Even as the new UIDF begins its operation by roping in hitherto neglected Tier-2 and Tier-3 cities, the challenges persist as the ever-increasing migration to cities is a strain on the limited resources at the disposal of civic bodies. Presently, over 35 per cent of India's population lives in urban areas (48 crore), and with an annual increase of 2.34 per cent, it is projected that by 2030, about 50 per cent of the Indian population will be living in urban areas. A report by WWF says that 30 Indian cities would face a severe water crisis by 2030. Alongside problems of civic amenities, socio economic issues like unemployment, poverty and gender inequalities also pose challenges in urban areas.

In 2014-15, four new schemes were commissioned aiming at developing fast-track urban infrastructure, replacing JNNURM. While Atal Mission for Rejuvenation and Urban Transformation (AMRUT) focussed on drinking water and sewerage improvement, Smart Cities Mission (SCM) aimed at developing infrastructure in selected 100 cities. Swachh Bharat Mission (SBM) was launched for sanitation and waste-management while HRIDAY was for development of heritage cities. The four new missions are more focussed on area-based approach, with wider and decentralised coverage, and aim at encouraging 'cooperative federalism'. Urban Infrastructure & Governance (UIG) and Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) have together been said to have covered 736 cities and towns under these four new missions. Incentive-based approach for additional allocations to states, other source funding, and private sector participation and external assistance are the features that distinguish these missions from JNNURM.

However, the growing numbers of slums, substandard living conditions of urban poor including a 100 million migrant workforce, inadequate provision of drinking water and insufficient healthcare, not to mention air pollution, all vouch for the fact that all is not hunky-dory with the urban development programmes. The annual floods in metros like Chennai, Bangalore and Mumbai, a 'new normal' today, are reflective of messed up drainage systems and indiscriminate construction activities. The most shocking fact is that most cities do not have sewage treatment systems, and 78 per cent of sewage goes into rivers, lakes and the sea, untreated.

As per the official data, until 2019-20 i.e., after four years of launching the schemes, only 7-20 per cent of total allocations for AMRUT were utilised by most of the states, and more than 50 per cent of the projects were incomplete. Underfunding by state governments which are supposed to match the Central grants by 33-50 per cent — depending on schemes — and decrease in central funding created a financial crunch, and many states could not mobilise adequate support through PPP either. Since the schemes are of hybrid nature, inter-departmental coordination with PWD, NHAI, railways and other agencies, and capacity building among the officials are posing challenges. Complicated regulatory frameworks and approval hurdles slowed down the execution in Tier-2 cities. Even as the existing, inadequate public services are yet to be upgraded in these cities, the new schemes are struggling to kick off. Lack of political will, preoccupation with state priority schemes, rise in construction costs, and not to mention corruption, happen to be additional problems. There are also issues of monitoring due to duplication of works. For example, AMRUT and SBM overlap in sewerage works, toilet construction and waste management, and the same is true with SCM and AMRUT in selection of infrastructure projects. Special Purpose Vehicle provision in SCM disempowers municipal bodies, leading to indifference. AHP and BLC under PM Awas Yojana have issues of non-occupancy and wrong beneficiaries.

Growing population, exodus to cities and consequent pressure on civic amenities are problems we have to live with, for they have no permanent solutions. However, better performance of

schemes can be ensured with proper coordination between the Centre, states and the local bodies, which helps in resolving various issues in selection, approval and execution of projects. Greater say for the states and local bodies is necessary since models of infrastructure may not work uniformly in all states due to geographical, climatic and demographic factors. Besides, greater freedom for states would encourage competition and ensure local accountability. Most importantly, it would be wise to focus on timely execution and monitoring of the existing schemes rather than complicating things by rolling out new ones.

Finally, in our eagerness to build world-class infrastructure we should not jeopardise the basic philosophy behind urbanisation — the socioeconomic transformation of a country. The marginalised classes arrive in cities to escape from social oppression in rural areas and search for a life with dignity. The majority of people who live in cities are from lower- and middle-income sections who contribute in various jobs to the growth of the economy. Infrastructure is not to create more millionaires but to help millions cross the poverty line. Ensuring basic infrastructure for delivery of public services will positively impact livelihoods, human development, gender equality and social mobility. But unfortunately, the flipside of urban infrastructure often happens to be demotion of hutments, and displacements of families. It is reported that in 2017, around 5,400 families were ousted in road widening works while in 2018 nearly one lakh slum dwellers lost their homes in anti-encroachment drives. Involvement of the marginalised classes is also important towards building well-planned and sustainable cities.<https://www.millenniumpost.in/opinion/an-undeniable-priority-508110>

#### **24. India's green hydrogen challenge ([indianexpress.com](https://www.indianexpress.com)) Feb 10, 2023**

The fuel has the potential to maximise decarbonisation of the energy sector and use of energy in sectors such as transport, buildings and industry. To realise the targets it has set, India needs to work with multiple institutional bodies

On India's 75th Independence Day, Prime Minister Narendra Modi announced the National Hydrogen Mission to make the country a production and export hub of green hydrogen.

This mission was approved by the Union Cabinet on January 4, 2023 with an initial outlay of Rs 19,744 crore (\$2.3 billion) over the next five years, aimed at producing 5 MMT (million metric tonne) per annum with an associated renewable energy capacity addition of about 125 GW (giga watt) by 2030.

While the green hydrogen dream seems appealing, critical challenges must be examined to help design appropriate pathways to realise this vision. Hydrogen is produced through water electrolysis, something most of us would have learnt in our science textbooks in school. When the electricity used in the water electrolysis is produced from renewables, it is termed as green hydrogen.

Sustainability experts have ascribed an entire colour spectrum to hydrogen — green, blue, grey, black, and brown depending on their ability to totally avoid or capture the greenhouse gases produced in the process of making hydrogen. However, our focus is on green hydrogen as it has the potential to maximise decarbonisation of the energy sector and the use of energy in end-use sectors such as transport, buildings and industry. While the stated benefits of the National Mission are galore — savings to the tune of \$12.5 billion from fuel imports, averting 50 MMTs of annual emissions of Carbon dioxide, fresh investments to the tune of \$100 billion, and 6,00,000 green jobs, there are several challenges too. The challenges to produce and use

green hydrogen can be classified into 4Es — electrolyser, energy source, end use and endogenous resources. We will delve into each one of them in this article.

**Electrolyser challenge:** According to IEA (International Energy Agency), as of 2021 the global manufacturing capacity of electrolysers stands at 8 GW/year. So, if India were to achieve its 2030 target, it would need anywhere from 60-100 GW of electrolyser capacity, which means almost 12 times the current global production capacity. India currently has launched projects to manufacture electrolysers, but the actual numbers as of today are negligible. Also access to critical minerals such as nickel, platinum group metals and rare earth metals such as lanthanum, yttrium and zirconium could hinder scaling up electrolyser manufacturing capability in India. These resources are concentrated in countries such as China, Democratic Republic of Congo (DRC), Australia, Indonesia, South Africa, Chile and Peru. India also has limited processing capabilities in these minerals. This challenge would entail India setting up largescale manufacturing, building expertise and securing geo-political partnerships for procurement of critical minerals, and improving overall technical and economic viability of electrolysers year-over-year while competing with other global players.

Don't Miss from Express Opinion |India@75, Looking at 100: The missing frame in the art world

**Energy source challenge:** As per current estimates a completely efficient electrolysis system would require 39 kWh of electricity to produce 1 kg of hydrogen. This is, however, a laboratory tested figure and a typical operational figure is about 48 kWh per kg of hydrogen. Green hydrogen requires renewable energy as a source of electricity. India currently estimates a capacity of 125 GW of renewable energy to meet its green hydrogen 2030 targets, which would be in addition to the already proposed targets of 500 GW renewables energy capacity. So far India has only achieved 119 GW of the 175 GW targeted capacity using solar, wind, bio-power and small hydro. In addition to the generation capacity, the transmission capacity that includes a smooth facilitation of cross-border exchange of power between states is a critical requirement. Overall, this challenge would require India to add efficiently and economically close to 100 GW of overall renewable energy capacity per year over the next seven years and make available dispatch corridors and mechanisms.

**End use challenge:** Currently, most of the demand for hydrogen comes from the chemical industry to produce ammonia for fertilisers, followed by refining for hydrocracking and the desulphurisation of fuels. It can be a source of heat for industry, especially in hard to abate and electrify sectors such as steel, cement and aluminum production. In the transport sector, it can be used as fuel for heavy duty vehicles, aviation and shipping. The conversion efficiency from one form of energy carrier to another in the end use application will determine the scale of green hydrogen's applicability.

For instance, where electricity can directly serve the purpose, having alternative energy carriers for the same use case would not make technical or economic sense. Hydrogen is a highly combustible and volatile element and its potency in other forms such as ammonia or methanol is only relatively reduced. If one were to look at green hydrogen being produced and stored in different forms for later use, it is critical to establish safety standards for storage and transportation, adding to the cost of hydrogen as a fuel.

**Endogenous resources challenge:** It has been estimated that the production of one kg of hydrogen by electrolysis requires around nine litres of water. Moreover, in the case of India, an independent assessment suggests a requirement of approximately 50 billion litres of

demineralised water supply. As several parts of India are already severely water-stressed, solutions need to be found to cater to this additional water demand. While desalination has been suggested, this will not only increase the physical footprint of the required infrastructure, but also potentially add to competition for land use, impact biodiversity and create challenges and limitations in the location of electrolyzers. This challenge would require the proposed green hydrogen hubs to strike a fine balance between being renewable energy rich, water resource rich and being close to hydrogen demand (end-use) centres for them to be economically feasible while keeping the additional costs minimum.

In 2020, the world produced around 90MMT of hydrogen. The International Renewable Energy Agency (IRENA) estimates that hydrogen and its derivatives will account for 12 per cent of global final energy consumption by 2050 (IEA estimate 530MMT), with two-thirds coming from green hydrogen. Currently, the global levelised cost of producing green hydrogen ranges between Rs 250-650/kg (\$ 3-8/kg) while India aims to produce green hydrogen in the range of Rs 100-150/kg (\$ 1-2/kg) by 2030. This would mean India will have to address all the challenges listed above as well as coordinate across multiple institutional bodies both public and private in record time. This is undoubtedly a steep uphill task but a moonshot worth undertaking for India! <https://indianexpress.com/article/opinion/columns/indias-green-hydrogen-challenge-8435339/>

**25. 43% of Karnataka govt spending till December went for pay, administrative expense ([timesofindia.indiatimes.com](https://timesofindia.indiatimes.com)) Feb 10, 2023**

BENGALURU: Of the Rs 1.4 lakh crore of the total budget allocation of Rs 2.4 lakh crore which the state government spent in the first three quarters of this fiscal, some 43% or nearly Rs 62,000 crore went towards salaries (including pension) and other administrative expenses.

Incidentally, that bill is relatively ‘small’ since more than a third of state government posts nearly 2.6 lakh of the 7.7 lakh are vacant across 43 departments. The other Rs 81,500 crore was spent on what the government categorises as “productive expenditure”, although it includes various subsidies and schemes that do not directly create capital assets.

The government’s midyear review of finances for 2022-23 reads: “In light of the revenue deficit position of the state finances, it is suggested to rationalise subsidies, [only] target the poorest of the poor and reduce possible leakages by adopting DBT-based payment mechanism.”

An analysis of data from the Karnataka Development Programmes (KDP) review shows the primary and secondary education department (Rs 16,214 crore) and the finance department (Rs 15,807.5 crore) spent the most among departments on salaries and administrative expenses.

While the KDP review does not provide a break-up of salary and administrative expenses, separate data from the finance department shows that for the entire year April 2022 to March 2023 the state would have to pay Rs 65,304 crore in salaries (Rs 41,288 crore) and pensions (Rs 24,016).

Given that these are committed expenditures to be made month-on-month, the state would have already expended Rs 48,977 crore on salaries (Rs 30,965.4 crore) and pension (Rs 18,011.7 crore) by December 31, 2022.



### **Other committed outflows**

Besides salaries, pension and administrative expenses, the government had also earmarked Rs 29,395 crore to pay interest on borrowings for the entire fiscal.

It would have expended at least Rs 22,046.4 crore under this head by the end of the third quarter. Overall, Karnataka's total committed expenditure for the year stood at Rs 94,699 crore, and if monthly expenditure was uniform, the government would have spent at least Rs 71,024.4 crore by the end of December.

This expenditure would be paid out of a total estimated revenue inflow of Rs 1.2-lakh-crore. However, PC Jaffer, secretary, finance (expenditure), and Ekroop Caur, secretary, finance (budget and resources), while pointing out that the state has also done well in terms of capital spending, said that as on date, anywhere between 65% and 75% of allocation for capital expenditure would have been spent.

M Govind Rao, former director, National Institute of Public Finance and Policy (NIPFP), told TOI: "Looking at the revenue expenditure, funds spent on interest payment appears to be in check when you look at the ratio to GSDP (gross state domestic product).

However, revenue expenditure must be contained by controlling salaries and pensions, which can be done through rationalisation of posts." Incidentally, the Administrative Reforms Commission headed by former chief secretary TM Vijay Bhaskar, among other things also looked into rationalisation of jobs within the government. <https://timesofindia.indiatimes.com/city/bengaluru/43-of-karnataka-govt-spending-till-december-went-for-pay-administrative-expense/articleshow/97788398.cms>