NEWS ITEMS ON CAG/ AUDIT REPORTS (22.02.2023)

1. Money down the pothole *(deccanherald.com)* Feb 22, 2023

The Karnataka government has allotted Rs 28,000 crore to Bruhat Bengaluru Mahanagara Palike (BBMP) over the last six years, but given the poor state of the city's infrastructure, the question is, where has all that money gone? Ironically, 60 per cent of this amount was spent on roadworks and flyovers. Surely, Bengaluru's roads would not have been in the pathetic state that they are in now had indeed such a huge amount been invested on their upkeep.

Over the years, the city has become notorious for its potholes, with bad roads claiming several lives, besides inviting the ire of the High Court on many occasions. When Basavaraj Bommai took over as the Chief Minister in 2021, he had announced in the Legislative Council that Rs 20,000 crore had been spent on repairing roads in the preceding five years and that an inquiry would be conducted to fix responsibility on the officers concerned. Bommai said this in response to a question by MLC P R Ramesh, who had pointed out that up to Rs 2 crore was being spent on maintenance work alone for just a 1 km stretch of road.

The Chief Minister also ordered an audit into the history of road works and monitoring of potholes and other road-related problems. Nothing has been heard about the inquiry or the audit since, but on the other hand, there have only been increasing complaints about corruption in the contracts, with the Karnataka State Contractors' Association going public with their charge that they were being forced to pay 40 per cent commission to politicians and bureaucrats to obtain civil work contracts and clearance of bills.

With Assembly elections round the corner, the government has suddenly begun splurging on roads, giving the city a facelift. Why could not this be done before? Moreover, how long this coat of black-topping, which is being done only with elections in view, will last remains to be seen.

Bengaluru, which is the highest contributor to the state's exchequer with a lion's share of the GSDP, deserves better. The huge amount invested should translate into world-class infrastructure, not a perpetual money-spinning machine for the corrupt. When the city cannot boast of even basic road infrastructure, doubts naturally arise as to whose pockets the large amounts of money spent are ending up in. With the BBMP lacking a credible internal audit mechanism and the government conveniently looking the other way, it is imperative that the Comptroller and Auditor General (CAG) should audit the civic body's accounts. BBMP officers have had a free run for far too long, and unless the corrupt are identified and punished, the parlous state of the city's infrastructure will soon reach a point of no return. https://www.deccanherald.com/opinion/first-edit/money-down-the-pothole-1193618.html

2. Karnataka losing Rs 20,000 crore to illegal mining: PAC *(timesofindia.indiatimes.com)* Feb 22, 2023

BENGALURU: Karnataka legsilature's Public Accounts Committee (PAC), in a report tabled on Tuesday, pegged loss due to illegal mining of minor minerals at Rs 18,000-Rs 20,000 crore annually.

The report said it extrapolated a recent case study cited by the Comptroller and Auditor General of India (CAG) that identifed a revenue loss of Rs 2,324 crore in Chikkaballapura taluk alone due to illegal mining.

The committee recommended Karnataka use technology to identify mining areas and track activities, while suggesting that the state can triple its present non-tax revenue of Rs 6,300 crore through minor minerals mining.

In another report, it pointed to missing bills for an overall Rs 182 crore in 51 cases for the 2019-20 fiscal. It is mandatory for departments to submit expenditure bills within 18 months. https://timesofindia.indiatimes.com/city/bengaluru/karnataka-losing-rs-20000-crore-to-illegal-mining-pac/articleshow/98139135.cms

3. Illegal mining: Govt incurring Rs 18-20k cr loss, says PAC *(deccanherald.com)* UPDATED: FEB 21 2023

Karnataka is incurring a loss of Rs 18,000-Rs 20,000 crore due to the illegal extraction of minor minerals, the Public Accounts Committee (PAC) has said in its report tabled in the Assembly on Tuesday.

PAC chairperson Krishna Byre Gowda tabled the report, which was compiled based on Comptroller and Auditor General (CAG) observations on the department of mining and geology.

The CAG report took one taluk - Chikkaballapur - for its audit and stated that the government lost potential revenue to the tune of Rs 2,324 crore due to illegal mining. Based on this, the PAC took stock of mining across the state, pegging the loss to be in the range of Rs 18,000 to Rs 20,000 crore.

The report also pointed out that the state government did not have an inventory of mining areas concerning minor minerals, which include building stones, granite, gypsum, silica sand, jasper and so on.

An inventory has to be prepared within three months, the PAC has recommended.

The committee further expressed disappointment that in spite of Karnataka leading the country in technology innovation, the government was still banking on outdated methods to identify mining areas. The latest technology must be used and the department should identify those mining without licences and those exceeding permitted boundaries, it added.

At present, the state government is generating a non-tax revenue of Rs 6,300 crore through the extraction of minor minerals. There is potential to triple this amount, the report stated.

In another report on the state’s finances, the PAC has pointed out that several departments have failed to produce bills for expenditures incurred in 2019-20. While it is mandatory for departments to produce bills on the expenditure to the Auditor General within 18 months of fund release, departments have failed to submit them. This has been found in as many as 51 cases, amounting to Rs 182 crore. As a result, it is difficult to ascertain where the money has gone, the report said. It has directed the finance department to pull up the department heads for this.

Apart, several departments are failing to make use of the funds allotted to them. Such instances have only grown between 2011-12 and 2019-20. The departments are unable to come up with action plans on time, delaying fund allocation. This has resulted in the under-utilization of funds, it has said. https://www.deccanherald.com/state/illegal-mining-govt-incurring-rs-18-20k-cr-loss-says-pac-1193555.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

4. Budget 2023-24: Overly optimistic *(financialexpress.com)* Updated: February 22, 2023

The optimism of the research team at the Reserve Bank of India on the Indian economy and its ability to grow at close to 7% next fiscal is perplexing. The forecast is way above the Economic Survey's 6.5% and also those of other economists who are estimating at a growth of sub-6%. While one could argue that the Survey's forecast was made ahead of the Budget announcement, there have been virtually no upgrades by economists to their projections post the Budget. There is no doubt that Budget FY24 provides an impetus to growth by making significant outlays for capital expenditure. Moreover, the changes in the new income tax regime frees up cash of around Rs 35,000 crore in the hands of households. Therefore, a tax multiplier of 1.16 would boost the gross domestic product (GDP) by 15 basis points. However, it is also possible that households might choose to save some of this. They might also opt to replenish their depleted savings, especially at a time when interest rates are rising.

The RBI researchers reckon the increased allocation of `3.2 trillion capex in FY24 should generate additional output of `10.3 trillion; it points out the multiplier effect would be significantly higher than that for taxes, going up to 3.25% in the fourth year. While this is true, the government must be able to achieve the targets, which are much higher than in FY23. In general, economists point out that the fiscal impulse from the Budget is not high even though capex has been prioritised over revenue expenditure. The much lower growth in revenue expenditure has meant that as a share of the GDP, the size of the FY24 Budget is a shade under 15% compared with 15.3% in FY23. Also, while fiscal consolidation may free up resources, the private sector is unlikely to invest without better visibility on consumption.

Right now, consumption is subdued, impacted by elevated inflation. Even if inflation moderates, and RBI ends the tightening cycle, the absolute level of prices will stay high. These price levels are likely to be sticky even if RBI starts cutting policy rates in H2FY24. Consequently, unless incomes rise much faster than inflation—which they may not for the vast majority—consumers will be purchasing pretty much the same basket of goods. In this context, we must remember that real rural wages have contracted for 12 months in a row to November. Again, unemployment may have come off in January from 8.3% in December, as RBI points out. But this is largely a seasonal phenomenon, as reflected in the data for five of the last six years. Besides, while unemployment may have come off its peak, it is still uncomfortably high.

The job market could worsen as exports, which account for about a fourth of the economy, slow. Merchandise exports have been contracting and are likely to do so for the foreseeable future. There is much hope on China's re-opening, but the initial rebound is likely to be driven by the demand for services, which would be of little benefit to other Asian economies. The slowdown in the US economy hurts Asia's exports, including India's as seen in the much weaker demand for gems and jewellery. In sum, the data shows activity may have peaked in mid-2022, and it could be a while before there is a meaningful pick up. https://www.financialexpress.com/opinion/budget-2023-24-overly-optimistic/2987319/

5. Need National Project Preparation Facility to create pipeline of bankable urban infrastructure projects *(moneycontrol.com)* February 22, 2023

Often urban infrastructure projects cannot be financed through debt or private sector financing due to inadequate project development, the lack of a bankable project pipeline, and high costs involved during the early stages of project development

In her latest budget speech, Finance Minister Nirmala Sitharaman announced the launch of an Urban Infrastructure Development Fund (UIDF) to be managed by the National Housing Bank for developing infrastructure in Tier-2 and Tier-3 cities. The UIDF is to be funded by banks from their shortfall under priority sector lending. While it is heartening to note the focus on Tier-2 and Tier-3 cities, three challenges need to be addressed to ensure sustainable financing that furthers climate-resilient infrastructure.

The first challenge is the quantum of investment. In the Indian context, estimates of urban infrastructure investment needs range from $500 billion to $1.2 trillion. While these numbers appear daunting, they also highlight the opportunity to innovate and explore new avenues to finance these requirements.

Funds Underutilised

The second challenge is that the existing funding is poorly utilised. In India, urban infrastructure is increasingly financed by national schemes and programmes, rather than by municipal-owned revenues. This may be an outcome of urban local bodies (ULBs) not augmenting their own revenue, and an increasing share of central and state grants in municipal finances. Municipal expenditure as a share of GDP declined from 0.82 percent in 2010-11 to 0.78 percent in 2017-18, even though there was no dearth of funds for urban infrastructure projects and there was an urgent need to improve service standards.

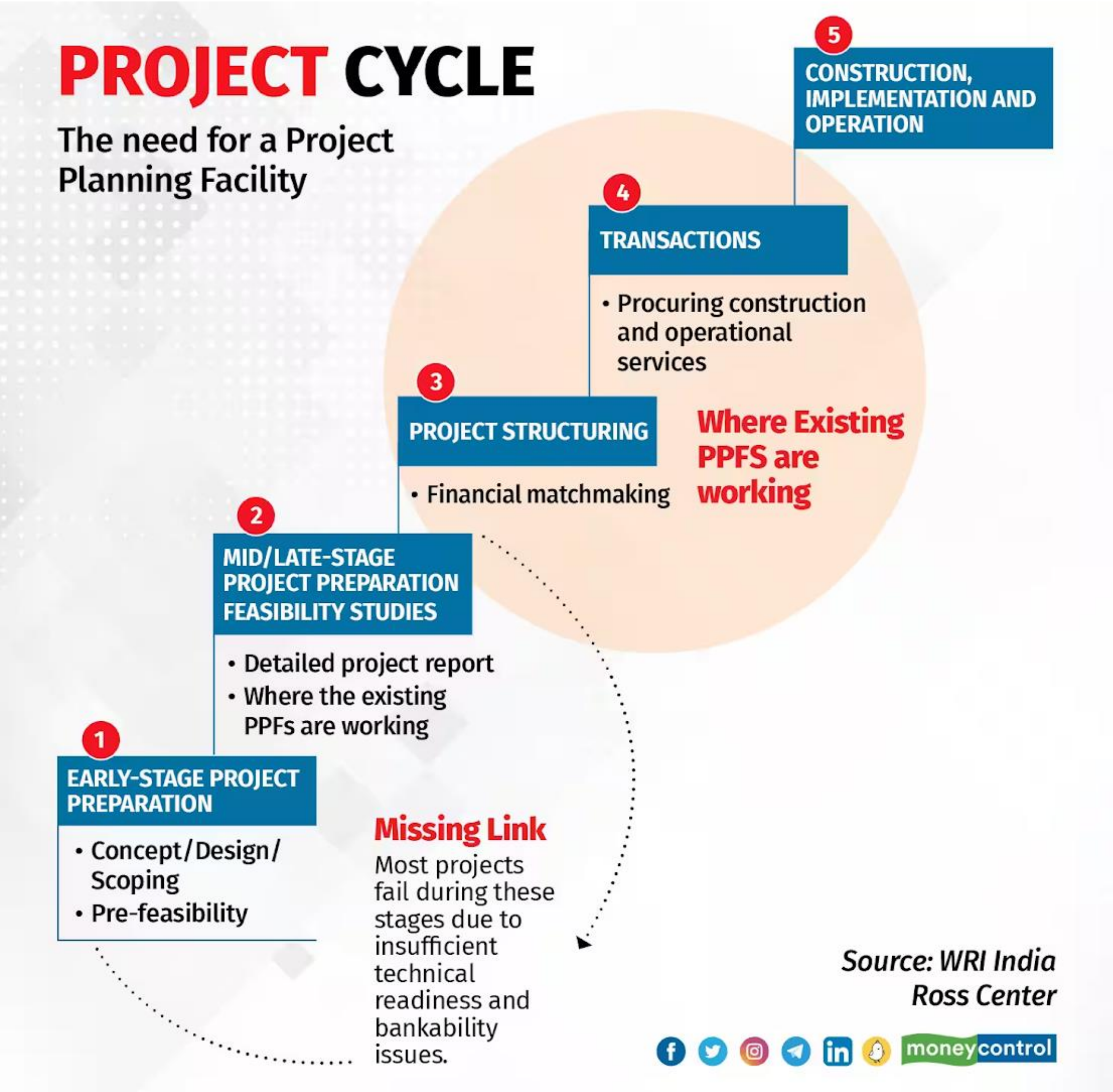
There was a surplus available at the pan-India level, with more than 20 percent of revenue remaining unspent by ULBs between 2010-11 and 2017-18. Poor utilisation of funds under national schemes, such as the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Smart Cities Mission, has also been a matter of concern. As of December 2022, the value of projects completed under AMRUT is 42 percent (Rs 32,793 crore) of the total allocation. Under the Smart Cities Mission, as of March 2022, the value of all completed projects was only 31 percent (Rs 59,958 crore).

The third challenge is a limited pipeline of bankable projects at the city level. The underutilisation of scheme funds has often been attributed to the limited absorptive capacity of ULBs. The restrictive borrowing and exploration of public-private participation (PPP) for urban infrastructure development has also been largely due to cities' inability to prepare a pipeline of bankable projects. This problem is further accentuated in the case of small- and medium-sized cities.

Need Innovative Financing

Often urban infrastructure projects cannot be financed through debt or private sector financing due to inadequate project development, the lack of a bankable project pipeline, and high costs involved during early stages of project development. Given the need for localised climate action planning, cities should consider exploring innovative public and private financing for climate-resilient infrastructure.

While banks would consider financing urban infrastructure projects through the UIDF, they would require ULBs to prepare bankable investment projects and demonstrate the capacity to execute projects in stipulated duration. While many ULBs need finance to fund infrastructure projects, they lack the capacity to prepare a capital investment plan and prioritise projects. This becomes even more challenging when cities must incorporate pressing climate, gender, and equity considerations into project design – imperative requirements that have become typical while accessing sources such as bilateral and multilateral development bank funds.



Cities would have to prepare about 250 commercially viable infrastructure projects ready for implementation if India were to meet 20 percent of its urban infrastructure funding requirement through PPP or debt. The projects must then make available detailed project reports (DPRs) that lay out the project scope, specifications, and costing, and identify action points to address associated potential environmental and social impacts. Given the significant costs involved in project preparation and the difficulty in using standardised templates in small- and medium-sized cities, it is imperative to support cities with project development efforts, to optimise for cost and efficiency.

National-level PPF

An approach that could be used to address these issues is to create a national-level Project Preparation Facility (PPF) that supports the entire value chain of a project cycle, to develop a pipeline of projects in various sectors that can attract private financing. The facility could be housed under the Ministry of Housing and Urban Affairs (MoHUA) and facilitate Tier-2 and Tier-3 cities' access to funds under the UIDF. Project preparation costs (pre-feasibility or feasibility studies, designs, Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA), and project structuring) are generally about 2-10 percent of the project cost, depending on the scale and sector. MoHUA could establish a revolving fund at the facility, under ongoing missions such as AMRUT, to fund early-stage support and project preparation, and to achieve financial closure.

The facility would need to be staffed with cross-disciplinary professionals who can help Tier-2 and Tier-3 cities in developing projects with a focus on climate resilience and gender equity, disability, and social inclusion (GEDSI) for various sectors. Additionally, various city projects, selected under national missions and schemes, could get their projects vetted through this facility. This would enable cities to explore funds available under existing missions as gap funding for projects or to enhance the financial sustainability of ongoing and upcoming projects.

In the long run, the facility would contribute to improved creditworthiness of ULBs by providing a track record of successful projects. Accessing funds, under UIDF, may also inculcate fiscal discipline and enable cities to maintain and publish disclosures at regular intervals. In addition, PPF can also help with Monitoring, Evaluation and Learning (MEL) of the projects and act as a feedback loop for improving project design and delivery based on impacts and outcomes envisaged. This track record of projects, and financial management, would be useful in informing private investors of investment opportunities in Tier-2 and Tier-3 cities, thereby creating a virtuous cycle of sustainable financing for infrastructure development. https://www.moneycontrol.com/news/opinion/national-project-preparation-facility-urban-infrastructure-projects-india-housing-10136661.html

6. ADB offers $25 billion green funding to India *(financialexpress.com)* February 22, 2023

The green growth agenda would drive ADB's India programme to help the country fulfill its global climate action commitments

The Asian Development Bank (ADB) President Masatsugu Asakawa on Tuesday conveyed to Prime Minister Narendra Modi that the multilateral bank was ready to provide $20–$25 billion over five years to aid India's aspirations for green growth.

The green growth agenda would drive ADB's India programme to help the country fulfill its global climate action commitments. ADB will focus on supporting the decarbonization of transport and the clean energy transition, including carbon market development and circular economy transition, according to a statement.

In a meeting with Modi, Asakawa discussed ADB support to India's infrastructure and social development and climate actions, scaling up ADB assistance to meet the country's priority development needs, and ADB's country partnership strategy (CPS) for India, 2023–2027.

"ADB will provide multifaceted support for India's key priorities, including the important infrastructure push under the PM's Gati Shakti (National Master Plan for multimodal connectivity) initiative, building future cities, mobilizing domestic resources, and strengthening basic services in disadvantaged districts," Asakawa said.

Climate change adaptation actions are planned through projects on flood management, coastal protection, water use efficiency improvement, and agriculture value chain development.

ADB is supporting the priorities of India's G20 presidency across the finance and sherpa tracks.

Asakawa also met with Finance Minister Nirmala Sitharaman and outlined ADB efforts to achieve annual regular lending of $4 billion from its sovereign operations in the next few years.

ADB started operations in India in 1986. As of 31 December 2022, it had committed $52.28 billion in sovereign lending in the country and $6.75 billion in nonsovereign lending and investment. ADB's current India portfolio comprises 64 projects worth about $16 billion across the transport, urban, energy, human development, agriculture and natural resources, and finance sectors. https://www.financialexpress.com/economy/adb-offers-25-billion-green-funding-to-india/2988349/

7. India in a bright spot, but high inflation a risk factor: IMF official *(financialexpress.com)* February 22, 2023

India continues to remain a "relative bright spot" in the global economy, despite an expectation of slowing growth in 2023-24, the International Monetary Fund (IMF) reiterated on Tuesday. Inflation could prove to be a downside risk to faster growth in 2024-25, said a top official of the Fund.

The IMF has projected India to grow by 6.8% this fiscal before slowing to 6.1% in 2023-24 and then posting a recovery to 6.8% in 2024-25.

"Compared to the average growth for the emerging markets and developing economies, India's growth rate is still higher. In that sense, a relative bright spot is not an inappropriate characterisation," said Krishna Srinivasan, Director, Asia and Pacific Department, IMF at a roundtable with reporters from South Asia on Tuesday.

India's contribution to global growth is also rising and is estimated at about 15%, he further said. In a blog on Tuesday, the IMF said China and India are expected to contribute more than half of global growth this year with the rest of Asia contributing an additional quarter.

Beyond the numbers, recent measures taken by the country also show a qualitative improvement including its response to the pandemic through policy support and vaccination as well as maintaining fiscal discipline in the Union Budget 2023-24.

“Also, in terms of the Budget, fiscal discipline has been maintained. When you think in terms of elections coming up, you always worry about a lack of fiscal discipline… But that hasn’t happened. The budget reflects the fiscal discipline, which is again, a bright thing,” Srinivasan said in response to another question, adding that other structural factors like digitalisation to address the pandemic and provide a basis for longer term growth are also noteworthy.

The Budget has stuck to its estimate of maintaining the fiscal deficit at 6.4% of the GDP in the current financial year and proposes to lower it to 5.9% in FY24.

On possible challenges to a recovery in economic growth in FY25, he said stickiness in inflation is a significant downside risk as it would impact domestic demand.

“So external headwinds are pretty significant. If the war intensifies, or if growth in the advanced economy slows more than expected, what would that mean? It means it has significant headwind for the year for the Indian economy. Also, if global financial conditions tighten, that will have a bearing … there are many risks to be taken into account. But given where we are right now, I would say inflation is the one we have to worry about in terms of impact on domestic demand,” he said.

Retail inflation rose to a three-month high of 6.52% in January 2023 with a number of food items turning more expensive and a continued stickiness in core inflation, although there is expectation that it would moderate in FY24. https://www.financialexpress.com/economy/india-in-a-bright-spot-but-high-inflation-a-risk-factor-imf-official/2988352/

8. Once a law, some of 3,695 protected structures may lose monument tag *(indianexpress.com)* February 22, 2023

The AMASR Act only provides for denotification of a monument if it ceases to be of national importance.

The ASI had admitted to a Parliamentary Committee about 24 missing monuments, and loss of another 26 to factors like urbanisation and submerging in dams.

With an aim to redefine monuments and rationalise the use of area around the protected monuments, the government is set to reintroduce the Ancient Monuments and Archaeological Sites and Remains (AMASR) (Amendment) Bill in the second half of the Budget session.

While talking to reporters on the sidelines of an event in Delhi, Union Culture Minister G Kishan Reddy said the discussions on the draft AMASR (Amendment) Bill are in the final stage and the legislation will be tabled in Parliament as early as next month.

The upcoming amendment, The Indian Express has learnt, will seek to give a new definition of ‘monument’.

This would be in line with the government wanting to shed ‘its colonial past’, as announced by the Prime Minister at various fora to mark Amrit Kaal or 75 years of Independence.

There is also a likelihood of redefining ‘national importance’ as per the ethos of the country, since several centrally protected monuments were included on the list during the British regime, when the Archaeological Survey of India (ASI) was established. Eventually, put together, two will pave the way for the denotification of many centrally protected monuments, which currently stand at 3,695, it is learnt.

The AMASR Act only provides for denotification of a monument if it ceases to be of national importance. Recently, the ASI had admitted to a Parliamentary Committee about 24 missing monuments, and loss of another 26 to factors like urbanisation and submerging in dams.

The AMASR Act also prohibits construction up to 100 metres around protected monuments, except under certain conditions. An area up to 200-metre radius beyond the prohibited area is demarcated as a regulated area.

No construction work or related activity is generally permitted in these prohibited and regulated areas in case of all 3,695 protected monuments across the country, unless a specific approval is taken from the National Monuments Authority (NMA).

There is a feeling that this restricts a lot of areas which could be put to good use, specifically in case of developmental and infrastructure related work. It is expected that the amendments will pertain to making some relaxation in these zones, specifically in case of smaller and less significant monuments such as statues, cemeteries and cannons, etc., which don't need such a big area around them to be restricted for their protection.

However, in case of UNESCO World Heritage Sites (India has 40 of them, including Taj Mahal in Agra, Dholavira in Gujarat, Ramappa Temple in Telangana, and Red Fort and Qutub Minar complexes in Delhi), these restrictions may stay, since construction in regulated and prohibited zones may impact these heritage structures. UNESCO has generally been encouraging such a concept to be complied with in the case of all world heritage sites.

Official sources, privy to the deliberations, say that uniformity in these restrictions for all monuments will be lifted. https://indianexpress.com/article/india/once-a-law-some-of-3695-protected-structures-may-lose-monument-tag-8459215/

9. India's increasing climate vulnerability demands urgent disaster preparedness *(timesofindia.indiatimes.com)* February 21, 2023

Two weeks after the country's worst earthquake in modern history left almost 44 thousand dead, a magnitude 6.4 earthquake struck southern Turkey near the Syrian border late on Monday, killing at least 3, injuring almost 300, and setting off panic amidst the rubble of damaged buildings.

Earthquakes in Turkey are yet another reminder of the devastating impact of natural disasters on people and infrastructure. Both Turkey and Syria have been devastated by the disaster, which has claimed the lives of innocent people and damaged property and infrastructure. The tragedy in Turkey underscores the need for greater preparedness and risk mitigation measures, which is critical for countries prone to natural disasters, including India.

And just when the country was hit by another earthquake on Monday, Cross Dependency Initiative (XDI), part of a group of companies committed to quantifying and communicating the costs of climate change, calculated the physical climate risk to the built environment in over 2,600 states and provinces around the world in 2050 and released the findings in the form of a report, on Monday. Worryingly, as per this report, nine states in India, including Bihar, Uttar Pradesh, Maharashtra and Punjab, are among the world's top 50 regions at risk of damage to the built environment due to climate change hazards.

This report highlights the urgent need for the Indian authorities to take stock of the situation and adopt measures to mitigate the impact of natural disasters. Especially when Dr. N Purnachandra Rao, a leading seismologist and chief scientist of seismology at the National Geophysical Research Institute (NGRI), a massive earthquake is "imminent" in the Uttarakhand region of India and could happen at any time.

Having said that, India, anyway, has witnessed several devastating natural disasters in recent years, including floods, cyclones, and earthquakes. These disasters have claimed many lives, caused significant economic losses, and adversely impacted the livelihoods of millions of people. Given the country's vulnerability to natural disasters, there is a pressing need for comprehensive disaster management strategies that can mitigate the impact of these disasters.

The XDI report offers insights into the physical climate risks faced by each state in India. The report's findings should serve as a wake-up call for the Indian authorities to prioritize disaster preparedness and mitigation measures in these states.

The Indian government must develop and implement robust disaster preparedness plans that can protect vulnerable communities and minimize the impact of natural disasters. The authorities should also prioritize the construction of disaster-resilient infrastructure, including buildings and transportation networks, to reduce the impact of natural disasters. Additionally, the government should invest in early warning systems, disaster response mechanisms, and public education campaigns that can help to build community resilience.

In conclusion, the recent earthquake in Turkey and the XDI report on physical climate risk underscore the importance of disaster preparedness and risk mitigation measures. India must take the findings of the report seriously and act urgently to protect its citizens from the devastating impact of natural disasters. By investing in disaster preparedness, India can save lives, protect livelihoods, and build a more resilient future for its citizens. https://timesofindia.indiatimes.com/blogs/the-write-wing/indias-increasing-climate-vulnerability-demands-urgent-disaster-preparedness/

10. Nine Indian states at high risk of damage due to climate change hazards: Report *(scroll.in)* February 21, 2023

Nine Indian states are among the world's top 50 regions at risk of damage to "built environment" due to climate change hazards, said a report published on Monday.

Built environment refers to aspects of surroundings that are built by humans to support their activities such as homes and workplaces.

According to the report published by Cross Dependency Initiative, a group that works on quantifying the costs of climate change, India has the highest number of states that are at risk of damage. These are Bihar (22nd spot), Uttar Pradesh (25), Assam (28), Rajasthan (32), Tamil Nadu (36), Maharashtra (38), Gujarat (48), Punjab (50) and Kerala (52), according to the report.

The maximum climate risk to the built environment is in Assam, the report said.

The group calculated the physical climate risk in over 2,600 states and provinces around the world in 2050.

According to the report, 80% of the 50 regions at the most risk are situated in China, the United States and India. Asia dominated the list of provinces at risk with 114 such regions in the top 200.

Beijing, Jakarta, Ho Chi Minh City, Taiwan and Mumbai are among the top 100 cities that are at risk of damage. In China, at-risk regions are concentrated in the globally-connected eastern and southern parts of the country, reported PTI.

The Pakistani provinces of Punjab, Sindh and Khyber Pakhtunkhwa are also among the top 100 regions at risk. Floods between June and August had devasted Pakistan, impacting about 30% of the country and damaging over 9 lakh houses in Sindh alone.

Other countries with multiple regions in the top 50 include Brazil and Indonesia. From Europe, the cities at high risk include London, Milan, Munich and Venice.

'This increase and overall risk to the built environment in 2050 is driven predominately by sea level rise and secondarily by flooding and coastal inundation," the report said.

It also clarified that if regions are not on the list, it does not mean that they are at low risk. It said that many states and provinces facing high risk from extreme weather climate change hazards are not at the top of the rankings because they have a low number of residential, commercial and industrial buildings. https://scroll.in/latest/1044327/nine-indian-states-at-high-risk-of-damage-due-to-climate-change-hazards-report

11. Depts fail to explain Rs 182 crore spend in 2019-20: Public Accounts Committee *(newindianexpress.com)* February 22, 2023

BENGALURU: In 2019-20, there were 51 cases where works of grants worth Rs 182 crore were carried out by different departments. While affidavits are mandatory for each of these works and in spite of informing the departments concerned to present these affidavits, they have not done so, said the Public Accounts Committee headed by Krishna Byre Gowda and 24 other legislators.

The committee, in its recommendations, has noted grimly that the departments have failed to comply even after 18 months and this amounted to a grave lapse. The PAC said that it is difficult for the departments to explain what actually they have spent the grants on.

The PAC has recommended to the Finance Department to issue proper instructions to concerned departments to ensure that they comply with the rules and provisions to ensure there is no misuse.

The PAC noted that in 2019-20, bills for Rs 96.08 crores were submitted. There were 1,959 bills, which were neither comprehensive nor complete. Disciplinary action needs to be taken against officials concerned, it said.

"Budgetary allocations have not been spent properly. Grants should be used optimally and suitable measures need to be taken by heads of departments for which the committee has made recommendations," it added.

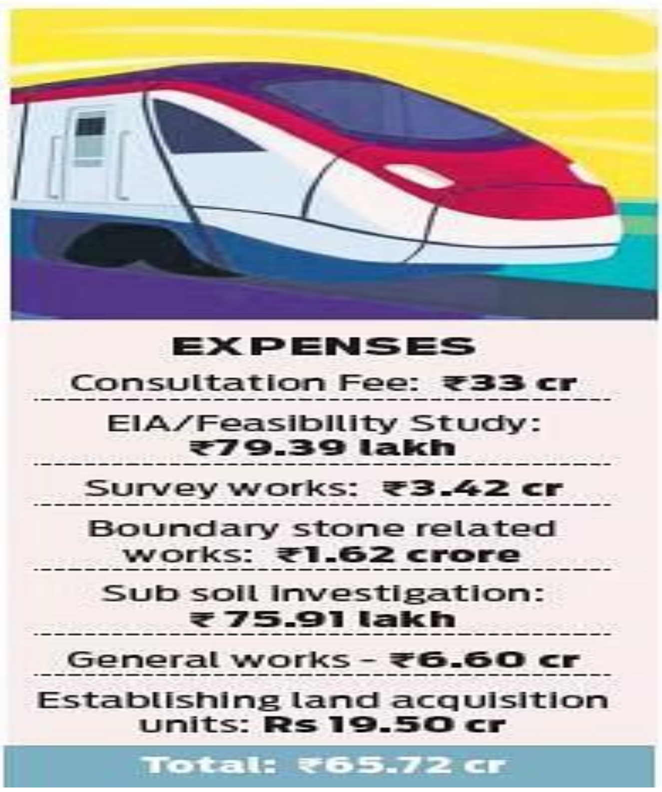
Most departments need to follow the action plan guidelines for implementation and use grants effectively, but there is a problem, said the PAC. It has also been recommended to the finance department to take action to ensure that grants are used effectively

"The state's cash transactions have been increasing every year and that is not good. The government's borrowing from the open market is one of the reasons for this. The interest on loans is another burden. Handling high volumes of cash in circulation is a challenge to the state government. If necessary, borrowing should be examined and necessary parameters should be fixed," it said. https://www.newindianexpress.com/states/karnataka/2023/feb/22/depts-fail-to-explain-rs-182-crore-spend-in-2019-20-public-accounts-committee-2549666.html

12. Kerala: Uncertain SilverLine incurs Rs 65.7 crore expenditure *(newindianexpress.com)* February 22, 2023

THIRUVANANTHAPURAM: Despite remaining a non-starter, Silverline has so far cost the state exchequer a whopping Rs 65.72 crore. Though the future of the semi-high-speed rail project remains uncertain, the state government has so far spent Rs 33 crore for consultancy, close to Rs 20 crore for running land acquisition units in 11 districts, and about 3.42 crore for the survey.

The controversial survey stone laying itself had cost Rs 1.62 crore, as per a written response given by Chief Minister Pinarayi Vijayan in the House.



To an unstarred question from UDF's Sunny Joseph, the government replied that Rs 20.50 crore was sanctioned to the revenue department for preparatory works for land acquisition.

This included social impact assessments, setting up land acquisition units in districts, purchase of computers and other furniture. Of this, an amount of Rs 10.76 crore was spent to pay salaries to employees attached to land acquisition units and other expenditures. An amount of Rs 14.79 lakh was spent on vehicle rent while Rs 21.26 lakh was spent on building rent.

The ambitious project of the LDF government, to be implemented by the K- Rail Corporation has been mired in controversies for a long.

The survey stone laying for the project had invited widespread criticism and opposition across the state, following which the government had put it on hold.

Though the Union government had issued an in-principle nod for the Rs 63,491 crore project, the final clearance has not been given yet. Moreover, the Union Railway Ministry made it clear in the Parliament that the final approval will be given only after looking into various aspects, including financial viability. Environmental concerns and opposition from residents.

The Opposition UDF has alleged that spending such huge funds amounts to criminal negligence on the part of the state government.

"How can the government spend a hefty Rs 65.72 crore for a project that's yet to get approval? The details of the expenditure are yet to come out. A proper inquiry should be conducted into it and accountability should be fixed," said CMP general secretary C P John. https://www.newindianexpress.com/states/kerala/2023/feb/22/kerala-uncertain-silverline-incurs-rs-657-crore-expenditure-2549645.html

13. Revised cost of Rs 5,177 crore for Upper Pravara irrigation project gets nod, new deadline 2027 *(indianexpress.com)* February 22, 2023

The Upper Pravara or Nilwande irrigation project in Maharashtra's Ahmednagar district has been delayed for over two decades. Once completed, it is expected to help irrigate 68,000 hectares of land.

The Maharashtra cabinet on Wednesday approved the revised cost estimate of Rs 5,177.38 crore for the much-delayed Upper Pravara or Nilwande irrigation project. Once completed, the project in Ahmednagar district is expected to benefit farmers in 182 villages and help irrigate 68,000 hectares of land.

The project entails the construction of a 97 km right bank canal and an 85 km left bank canal to channelise dam water on Pravara river to irrigate farm fields across Akole, Sangamner, Rahata, Srirampur and Kopergaon in Ahmednagar district and Sinnar in Nashik district. Apart from irrigating large parcels of agricultural land, it will also cater to the drinking water needs of the area.

However, the project has been delayed for over two decades. In 2012, its approved cost estimate was Rs 2,370 crore. Revised several times since, the project was slated to be completed by March 2023. After the revised cost approval, the new deadline is 2027.

“Work on the right bank canal is almost 70 per cent completed whereas left bank canal work is 85 per cent done,” a water resources department official said.

The Nilwande dam project was conceived in 1995 and construction began in 1999. The first phase of the project was completed in 2011.

During the monsoon, there is heavy rainfall over the Bhandardhara dam and a lot of water overflows and gets wasted. The Nilwande dam project aimed to streamline this excess water overflowing through the reservoir to cater to the irrigation and drinking water needs in Ahmednagar and Nashik. https://indianexpress.com/article/cities/mumbai/revised-cost-upper-pravara-irrigation-project-deadline-2027-8460330/

14. Audit report on BGSBU exposes irregularities in construction works *(greaterkashmir.com)* 22 Feb, 2023

Srinagar: A special audit report of the Jammu and Kashmir government regarding Baba Ghulam Shah Badshah University (BGSBU) Rajouri, has pointed out violation of norms done during execution of works by the University.

According to the Special Audit Report of Directorate of Audit and Inspections, sent to J&K Higher Education Department (HED), has pointed out that execution ofworks was carried without formal orders of administrative approval and technical sanction.

“It has been observed that some of the works executed departmentally both new and maintenance besides the repair works, have been executed without the formal orders of administrative approval and technical sanction,” the audit report reads.

The audit report in its observations made while inspecting the record of stores has stated that the tar-steel procured by the department for supply to the works has been prepared inappropriately and has also not been checked by any of the officer.

“It has also been noticed that no stock verification or internal audit of the store stock has been conducted since inception,” the audit report reads. It has also pointed out that the stock register of the stores has shown the receipt entry of the material while the issue entry of the material was not incorporated.

“Therefore, in absence of the issue records of the material and non preparation of material at site register and work register the actual cost of the project and the material consumed could not be authenticated,” the audit report reads.

The audit report has revealed that the payment of the works has been released to the firm on the work done estimates instead of prescribed form 24 and 25. “No work register in respect of the works executed departmentally has been maintained without which the true picture of the expenditure cannot be worked out,” it reads, adding that the material at site register has not been provided owing to which the true picture of the material consumed could not be perused.

“The civil material items viz Hardware, sanitary, painting and false ceiling have been purchased without ascertaining the reasonability of rates,” the audit report reads.

The special audit report has also revealed that some of the works have been executed under M&R on the plea of emergent nature which otherwise were new works and "should have been executed after following the prescribed procedure."

"The advance in the shape imprest has been found issued to the Executive Engineer which is in contravention to the standing instructions. Some of the store items have dumped in the open without any shelter for protection from rain and thus are vulnerable to decay and loss to the exchequer," it reads.

The audit report has revealed that no physical verification of stores of engineering wing has been conducted by any officer since its creation. Taking into consideration the deficiencies in working of the Executive Wing of the University as described above, the audit report has advised the University to appoint Executive Engineer on Deputation from the State Government or an officer on direct recruitment basis.

"This will ensure execution of works as per the prescribed procedure and accountability for irregularities and wrong practices if any committed," it reads.

The audit report has also observed that some of the important positions of the BGSBU University were manned by the re-employed teachers working in the University in contrary to the UGC model guidelines for re-employment.

"A superannuated re-employed teacher shall not be eligible for holding administrative or financial responsibilities at the institution or elsewhere," it reads.

The special audit report has revealed that Prof Parvez Iqbal, Retired Faculty Dean Academic affairs and co-ordinator of TEQIP-III after attaining superannuation on June 30 of 2018 was still holding various administrative and financial powers.

"Assignment of financial powers to superannuated re-employed officers is fraught with risks in view of lack of accountability, absence of deterrence of the service codes or any mechanism for recovery in case of loss, fraud or embezzlement," the audit report has observed.

In wake of the observation made in the special audit report, the Vice Chancellor Baba Ghulam Shah Badshah University (BGSBU) on Monday stripped the retired official, Prof Iqbal Pervez (Ex-Dean Academic Affairs now) of all administrative and financial powers.

"The Dean Academic Affairs Prof Iqbal Parvez is entrusted with only academic matters with no obligation to discharge any statutory financial or administrative duties," the order reads. https://www.greaterkashmir.com/kashmir/audit-report-on-bgsbu-exposes-irregularities-in-construction-works

15. UP govt presents Rs 7 trn Budget for FY24 including various new schemes *(business-standard.com)* February 22, 2023

The Uttar Pradesh government on Wednesday presented a Rs 6,90,242.43 crore Budget, including new schemes worth Rs 32,721.96 crore, for the financial year 2023-24.

The total receipt is estimated at Rs 6,83,292.74 crore, which includes revenue receipts of Rs 5,70,865.66 crore and capital receipts of Rs 11,247.08 crore, Uttar Pradesh Finance Minister Suresh Kumar Khanna said.

The share of tax revenue in revenue receipts is Rs 44,58,71.59 crore, including its own tax revenue of Rs 2,62,634 crore and the state's share in central taxes of Rs 1,83,237.59 crore.

Its total expenditure is projected at Rs 6,90,242.43 crore. Out of this Rs 5,02,354.01 crore is spent on the Revenue Account and Rs 1,87,888.42 crore is spent on Capital Account.

After deducting the total expenditure from the receipts of the Consolidated Fund, a deficit of Rs 6,949.69 crore is estimated.

Net receipts of Rs 5,500 crore are estimated from Public Accounts, Khanna said.

The net result of all transactions is estimated to be minus (-) Rs 1,449.69 crore.

Taking into account the opening balance of Rs 37,407.11 crore, the closing balance is estimated at Rs 35,957.42 crore.

The revenue saving is projected at Rs 68,511.65 crore, the minister said.

The fiscal deficit is estimated at Rs 84,883.16 crore, which is 3.48 per cent of the estimated Gross State Domestic Product. https://www.business-standard.com/article/economy-policy/up-govt-presents-rs-7-trn-budget-for-fy24-including-various-new-schemes-123022200523_1.html