

NEWS ITEMS ON CAG/ AUDIT REPORTS (11.04.2023)

1. Many states facing fiscal sustainability risks: CAG *([financialexpress.com](https://www.financialexpress.com)) April 11, 2023*

The Comptroller & Auditor General of India (CAG) on Monday said many states are facing fiscal sustainability risks and financial indiscipline due to off-budget borrowings and misclassification of revenue expenditure as capital expenditure.

Speaking at the Annual Accountant General's Conclave, CAG Girish Chandra Murmu said states must reduce the fiscal deficit, remove the revenue deficit and keep outstanding debt at an acceptable level. To improve fiscal management, both the Centre and many states have been implementing the Fiscal Responsibility and Budget Management (FRBM) Act in recent years.

“We, however, continue to notice fiscal sustainability risks and financial indiscipline in many states due to off-budget borrowings, misclassification of revenue expenditure as capital expenditure and because state guarantees are not getting captured in finance accounting.

These factors make qualitative and timely preparation of accounts by the CAG one of the most important responsibilities to tackle these challenges,” Murmu said.

He said that the states must meet their capex, including loans and advances, from their own sources of revenue, or at the least confine the net debt to its capital expenditure. “While we understand the importance of subsidies to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible.”

Murmu also said that states must initiate measures to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies.

After the Centre's clampdown on states for resorting to fiscal indiscipline, states' off-budget borrowings likely fell 72% on year to Rs 18,498 crore in FY23. The off-budget borrowing declared by the states through their companies, special purpose vehicles (SPVs) and other equivalent instruments, was estimated at Rs 66,640 crore in FY22.

Article 150 of the Constitution mandates that the accounts of the Union and of the states shall be kept in a manner as prescribed by the President of India on the advice of the Comptroller and Auditor General of India.

FE had reported earlier that the Centre had cut around Rs 41,000 crore from the states' net borrowing ceiling for FY23 for resorting to off-balance sheet loans in FY22. The decision is part of a tightening of norms to discourage fiscal indiscipline by states, many of which resort to debt through parastatal bodies to fund government schemes and capex.

<https://www.financialexpress.com/economy/many-states-facing-fiscal-sustainability-risks-cag/3041610/>

2. Transparent accounting of subsidies must: CAG Murmu ([thehindu.com](https://www.thehindu.com)) April 10, 2023

The Comptroller & Auditor General (CAG) of India, Girish Chandra Murmu, on Monday said the States must take measures to maintain proper accounting of subsidies, reduce fiscal deficits, remove revenue deficits and keep outstanding debts at an acceptable level.

At the Annual Accountant General's Conclave, Mr. Murmu said the States should meet their capital expenditure, including loans and advances, from their own sources of revenue, or at the least confine the net debt to their capital expenditure. "While we understand the importance of subsidies to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible," he said.

"States should take steps to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies," said the CAG chief. He noted that to improve fiscal management, both the Centre and several State governments had been implementing the Fiscal Responsibility and Budget Management (FRBM) Act in recent years.

"We, however, continue to notice fiscal sustainability risks and financial indiscipline in many States due to off-budget borrowings, misclassification of revenue expenditure as capital expenditure and because state guarantees are not getting captured in finance accounting. These factors make qualitative and timely preparation of accounts by the CAG one of the most important responsibilities to tackle these challenges," Mr. Murmu said.

He said State finances had undergone several changes in recent years due to the Act's implementation, computerisation of treasuries and implementation of the Integrated Financial Management System (IFMS). For instance, the State Accountants General have implemented the Voucher Level Computerisation (VLC) system for compiling accounting information at the level of vouchers.

He said the implementation of the Public Financial Management System (PFMS) by the Central government had wide implications for State accounting so far as sanctions of State grants, funds transfer and monitoring were concerned. "The VLC system needs to interact meaningfully with these systems in real-time and seamlessly. These changes have given us an opportunity to reinvent our approach to remain relevant," he said.

Organised by the CAG's Government Accounts Wing, the Accountant General's conclave is attended by the Principal Accountants General and Accountants General to discuss issues related to the maintenance of accounts of State governments. Article 150 of the Constitution mandates that the accounts of the Union and of the States has to be kept in a manner as prescribed by the President on the CAG's advice.

Section 10 of the Duties, Powers and Services Act also empowers the CAG to compile accounts of the central and State governments. "We have been fulfilling this obligation every year by making finance and appropriations accounts for the State government, which gets tabled on the floor of the legislature to ensure the accountability and transparency of the State finances," said Mr. Murmu. <https://www.thehindu.com/business/Economy/transparent-accounting-of-subsidies-must-cag-murmu/article66720883.ece>

3. CAG says States must take steps to maintain proper accounting of subsidies, reduce fiscal deficits, remove revenue deficits
(newsonair.gov.in, therightnews.in) April 11, 2023

Comptroller and Auditor General of India(CAG) Girish Chandra Murmu has said that States must take steps to maintain proper accounting of subsidies, reduce fiscal deficits, remove revenue deficits, and keep outstanding debts at an acceptable level.

Speaking at the Annual Accountant General's Conclave in New Delhi yesterday, Mr. Murmu said that the state must meet its capital expenditure, including loans and advances, from its own sources of revenue. He said that states must initiate

measures to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies.
<https://newsonair.gov.in/News?title=CAG-says-States-must-take-steps-to-maintain-proper-accounting-of-subsidies%2C-reduce-fiscal-deficits%2C-remove-revenue-deficits&id=459115>

4. Transparent accounting of subsidies is essential, CAG Murmu tells States (thehindubusinessline.com) April 10, 2023

States must take steps to maintain proper accounting of subsidies and take prudent measures to reduce fiscal deficits, remove revenue deficits and keep outstanding debts at an acceptable level, the Comptroller & Auditor General of India (CAG) Girish Chandra Murmu said on Monday.

Speaking at the Annual Accountant General's Conclave, Murmu said the State must meet its capital expenditure, including loans and advances, from its own sources of revenue, or at the least confine the net debt to its capital expenditure.

“While we understand the importance of subsidies to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible”, Murmu said.

Murmu also said that States must initiate measures to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies.

All States must strive to meet its capital expenditure requirements, including loans and advances, from its own sources of revenue, he said.

“States should take steps to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies”, he added.

Fiscal management

To improve fiscal management, both the Central government and many State governments have been implementing the Fiscal Responsibility and Budget Management (FRBM) Act in recent years. “We however continue to notice fiscal sustainability risks and financial indiscipline in many States due to off-budget borrowings, misclassification of revenue expenditure as capital expenditure and because state guarantees are not getting captured in finance accounting. These

factors make qualitative and timely preparation of accounts by the CAG one of the most important responsibilities to tackle these challenges”, Murmu added.

Murmu said that State finances have undergone several changes in recent years as a result of implementation of the Fiscal Responsibility and Budget Management (FRBM) Act, computerisation of treasuries and implementation of the Integrated Financial Management System (IFMS).

The State Accountants General, for example, has implemented the Voucher Level Computerisation (VLC) system for compiling accounting information at the level of vouchers.

PFMS and implications

He said the implementation of the Public Financial Management System (PFMS) by the Central government has wide implications for State accounting as far as sanctions of State grants, funds transfer and monitoring are concerned.

“The VLC system needs to interact meaningfully with these systems in real-time and seamlessly. These changes have given us an opportunity to reinvent our approach to remain relevant,” Murmu said.

The Accountant General’s conclave is attended by Principal Accountants General and Accountants General (A&E) to discuss issues regarding the maintenance of accounts of State governments, as mandated under the Constitution of India.

Article 150 of the Constitution mandates that the accounts of the Union and of the States be kept in a manner as prescribed by the President of India on the advice of the Comptroller and Auditor General of India.

Section 10 of the Duties, Powers and Services Act (DPC Act) empowers the CAG to compile accounts of the Central and State governments. “We have been fulfilling this obligation every year by making finance and appropriations accounts for the state government, which gets tabled on the floor of the legislature to ensure the accountability and transparency of the State finances,” he said.
<https://www.thehindubusinessline.com/economy/transparent-accounting-of-subsidies-is-essential-cag-murmu-tells-states/article66720614.ece>

5. Transparent accounting of subsidies is essential: CAG Murmu
(theprint.in, aninews.in, latestly.com, news.webindia123.com) April 10, 2023

States must take steps to maintain proper accounting of subsidies and take prudent measures to reduce fiscal deficits, remove revenue deficits and keep outstanding debts at an acceptable level, Comptroller & Auditor General of India, Girish Chandra Murmu said on Monday.

Speaking at the Annual Accountant General's Conclave, Murmu said that the state must meet its capital expenditure, including loans and advances, from its own sources of revenue, or at the least confine the net debt to its capital expenditure.

“While we understand the importance of subsidies to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible,” he said.

Murmu also said that states must initiate measures to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies. All states, he said, must strive to meet its capital expenditure requirements, including loans and advances, from its own sources of revenue.

“States should take steps to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies,” he said.

“We however continue to notice fiscal sustainability risks and financial indiscipline in many states due to off-budget borrowings, misclassification of revenue expenditure as capital expenditure and because state guarantees are not getting captured in finance accounting. These factors make qualitative and timely preparation of accounts by the CAG one of the most important responsibilities to tackle these challenges,” Murmu added.

Murmu said that state finances have undergone several changes in recent years as a result of implementation of the Fiscal Responsibility and Budget Management (FRBM) Act, computerization of treasuries and implementation of the Integrated Financial Management System (IFMS).

He said the implementation of the Public Financial Management System (PFMS) by the Central Government has wide implications for state accounting as far as sanctions of state grants, funds transfer and monitoring are concerned.

“The VLC system needs to interact meaningfully with these systems in real-time and seamlessly. These changes have given us an opportunity to reinvent our approach to remain relevant,” Murmu said.

The Accountant General’s conclave is organised by the CAG’s Government Accounts (GA) Wing. It is attended by Principal Accountants General and Accountants General (A&E) to discuss issues regarding the maintenance of accounts of state governments, as mandated under the Constitution of India. <https://theprint.in/india/transparent-accounting-of-subsidies-is-essential-cag-murmu/1510258/>

6. Keep account of subsidies, States told (dailypioneer.com) April 11, 2023

The Comptroller & Auditor General of India on Monday said States must take steps to maintain proper accounting of subsidies and take prudent measures to reduce fiscal deficits, remove revenue deficits and keep outstanding debts at an acceptable level.

CAG India Girish Chandra Murmu said that the State must meet its capital expenditure, including loans and advances, from its own sources of revenue, or at the least confine the net debt to its capital expenditure. “While we understand the importance of subsidies to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible,” Murmu said speaking at the Annual Accountant General’s Conclave.

Murmu also said that states must initiate measures to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies. All states, he said, must strive to meet its capital expenditure requirements, including loans and advances, from its own sources of revenue.

“States should take steps to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies,” he said. To improve fiscal management, both the Union Government and many State Governments have been implementing the Fiscal Responsibility and Budget Management (FRBM) Act in recent years.

Murmu further said that state finances have undergone several changes in recent years as a result of implementation of the Fiscal Responsibility and Budget Management (FRBM) Act, computerization of treasuries and implementation of the Integrated Financial Management System (IFMS). The State Accountants General, for example, has implemented the Voucher Level Computerisation (VLC) system for compiling accounting information at the level of vouchers.

The Accountant General's conclave is organised by the CAG's Government Accounts (GA) Wing which is attended by Principal Accountants General and Accountants General (A&E) to discuss issues regarding the maintenance of accounts of state governments, as mandated under the Constitution of India. <https://www.dailypioneer.com/2023/india/keep-account-of-subsidies--states-told.html>

7. CAG Murmu says there is need to distinguish between justifiable subsidies and freebies (economictimes.indiatimes.com, ptinews.com, theprint.in) April 10, 2023

Comptroller & Auditor General of India Girish Chandra Murmu on Monday advised states to meet their capital expenditure from their own revenue sources and emphasised the need to distinguish between justifiable subsidies and freebies, which are not fiscally responsible.

Speaking at the one-day Annual Accountant General's Conclave, Murmu also stressed that states must take steps to maintain proper accounting of subsidies and take prudent measures to reduce fiscal deficits, remove revenue deficits and keep outstanding debts at an acceptable level.

According to him, states must meet their capital expenditure, including loans and advances, from their own sources of revenue, or at the least confine the net debt to their capital expenditure.

"While we understand the importance of subsidies to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible," he said. All states must strive to meet their capital expenditure requirements, including loans and advances, from their own sources of revenue, Murmu said.

The remarks assume significance amid ongoing controversy over freebies doled out by political parties ahead of elections.

He said that the states must initiate measures to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies.

All states must strive to meet their capital expenditure requirements, including loans and advances, from their own sources of revenue, Murmu said.

To improve fiscal management, both the Union government and many state governments have been implementing the Fiscal Responsibility and Budget Management (FRBM) Act.

"We, however, continue to notice fiscal sustainability risks and financial indiscipline in many states due to off-budget borrowings, mis-classification of revenue expenditure as capital expenditure and because state guarantees are not getting captured in finance accounting," he said.

These factors make qualitative and timely preparation of accounts by CAG one of the most important responsibilities to tackle these challenges, Murmu said.

He also observed that state finances have undergone several changes in recent years as a result of implementation of the FRBM Act, computerisation of treasuries and implementation of the Integrated Financial Management System (IFMS).

The Accountant General's conclave was organised by CAG's Government Accounts (GA) Wing.

It was attended by Principal Accountants General and Accountants General (A&E) to discuss issues regarding the maintenance of accounts of state governments, as mandated under the Constitution of India.
<https://economictimes.indiatimes.com/news/india/cag-murmu-says-there-is-need-to-distinguish-between-justifiable-subsidies-and-freebies/articleshow/99386092.cms>

8. CAG Murmu raises red flag on freebies, says states must act responsibly (indianarrative.com) April 10, 2023

Amid more and more political parties in India now promising big ticket freebies to woo voters, Comptroller and Auditor General of India, Girish Chandra Murmu today underlined the need for state governments to take appropriate steps for fair accounting of subsidies. The exercise will help states

to take timely and prudent actions to reduce fiscal deficits and maintain debts at an acceptable level, he said.

“While we understand the importance of subsidies is to help the underprivileged, it is essential to transparently account for such subsidies and we require to distinguish between justifiable subsidies from freebies, which are not fiscally responsible,” Murmu said, while speaking at the Annual Accountant General’s Conclave.

State governments must meet their own capital expenditures, including loans and advances, from their own sources of revenue, he said, adding that states must at least confine the net debt to their capital expenditure.

“States should take steps to earn adequate returns on their investments and recover their cost of borrowed funds without resorting to implicit subsidies,” the CAG said.

Though the Centre and several state governments have been implementing the Fiscal Responsibility and Budget Management (FRBM) Act in recent years the CAG has expressed concern over rising risks related to fiscal sustainability and financial indiscipline which are driven by off-budget borrowings, misclassification of revenue expenditure as capital expenditure.

Murmu said that in many cases state guarantees do not get captured in finance accounting.

Last year the Centre lashed out at the Arvind Kejriwal led Aam Admi Party for promising free electricity to voters in Gujarat.

A report by Hindustan Times in October last year revealed that Punjab’s subsidy bill touched Rs 24,865 crore which included arrears of Rs 9,020 crore, for providing free electricity while the state managed to pay only Rs 8,611 crore. Even as last week, Bhagwant Mann, Chief Minister of Punjab claimed that his government has cleared the bill, the issue of subsidies has taken centre-stage amid rapidly changing geopolitical and geoeconomic dynamics in the wake of the Russia-Ukraine war, impacting governments across the world.

In 2008, former Finance Minister P Chidambaram announced a massive Rs 60,000 crore farm loan waiver package. The amount crawled up to almost Rs 70,000 crore. Many have opined that the package helped the UPA retain power in the 2009 elections.

While subsidies are critical to provide support to the economically weaker section of the society, economists have highlighted that the only way to go about it is to ensure targeted delivery of the subsidies.

Meanwhile, last month the Cabinet Committee on Economic Affairs approved a subsidy of Rs 200 per 14.2 kg LPG cylinder for up to 12 refills per year for the beneficiaries of Pradhan Mantri Ujjwala Yojana (PMUY). As on March 1 there are 9.59 crore PMUY beneficiaries. <https://www.indianarrative.com/economy-news/cag-murmu-raises-red-flag-on-freebies-says-states-must-act-responsibly-130416.html>

9. **Girish Chandra Murmu: मुफ्तखोरी और न्यायसंगत सब्सिडी के बीच अंतर करना जरूरी, CAG ने राज्यों को दी ये सलाह** (amarujala.com) 10 Apr 2023

नियंत्रक व महालेखा परीक्षक (कैग) गिरीश चंद्र मुर्मू ने सोमवार को राज्यों को सलाह दी कि वे अपने पूंजीगत व्यय को अपने राजस्व स्रोतों से पूरा करें। इसके साथ ही कैग ने उचित सब्सिडी तथा मुफ्त खोरी के बीच अंतर करने की जरूरत पर जोर दिया।

कैग बोले- राज्यों को राजकोषीय घाटा कम करने के उपाय करने चाहिए मुर्मू ने एक दिवसीय वार्षिक महालेखाकार सम्मेलन में इस बात पर भी जोर दिया कि राज्यों को सब्सिडी का उचित लेखा-जोखा बनाए रखने के लिए कदम उठाने चाहिए और राजकोषीय घाटे को कम करने, राजस्व घाटे को दूर करने और बकाया ऋण को स्वीकार्य स्तर पर रखने के लिए विवेकपूर्ण उपाय करने चाहिए। उनके अनुसार, राज्यों को अपने पूंजीगत व्यय को हर हाल में राजस्व के अपने स्रोतों से पूरा करना चाहिए जिसमें ऋण और अग्रिम शामिल हैं। उन्हें कम से कम शुद्ध ऋण को अपने पूंजीगत व्यय तक सीमित रखना चाहिए।

सब्सिडी का पारदर्शी हिसाब रखना जरूरी: गिरीश चंद्र मुर्मू उन्होंने कहा, 'हम वंचितों की मदद के लिए सब्सिडी के महत्व को समझते हैं, लेकिन इस तरह की सब्सिडी का पारदर्शी हिसाब रखना जरूरी है। मुर्मू ने कहा, हमें मुफ्तखोरी जो राजकोषीय रूप से जिम्मेदार नहीं हैं और न्यायसंगत सब्सिडी के बीच अंतर करने की आवश्यकता है। चुनाव से पहले राजनीतिक दलों की ओर से मुफ्त उपहारों की घोषणाओं पर चल रहे विवाद के बीच कैग की यह टिप्पणी महत्वपूर्ण मानी जा रही है।

राजकोषीय प्रबंधन में सुधार के लिए केंद्र और कई राज्य सरकारों ने FRBM एक्ट किया है लागू

उन्होंने कहा कि राज्यों को अपने निवेश पर पर्याप्त रिटर्न अर्जित करने के उपाय शुरू करने चाहिए और अंतर्निहित सब्सिडी का सहारा लिए बिना उधार लिए गए धन की लागत वसूल करनी चाहिए। मुर्मू ने कहा कि सभी राज्यों को अपने स्वयं के राजस्व स्रोतों से ऋण और अग्रिम सहित अपनी पूंजीगत व्यय आवश्यकताओं को पूरा करने का प्रयास करना चाहिए। राजकोषीय प्रबंधन में सुधार के लिए, केंद्र सरकार और कई राज्य सरकारें राजकोषीय जिम्मेदारी और बजट प्रबंधन अधिनियम (Fiscal Responsibility and Budget Management Act, FRBM) को लागू कर रही हैं। <https://www.amarujala.com/business/business-diary/cag-murmu-says-there-is-need-to-distinguish-between-justifiable-subsidies-and-freebies-2023-04-10>

10. CAG: 'उचित सब्सिडी, मुफ्त की रेवड़ियों में अंतर करना जरूरी', कैग ने राज्यों को दी ये सलाह (jagran.com) April 11, 2023

देश के नियंत्रक और महालेखा परीक्षक (कैग) गिरीश चंद्र मुर्मू ने सोमवार को कहा कि उचित सब्सिडी और मुफ्त की रेवड़ियों के बीच अंतर करना जरूरी है। इसके साथ ही उन्होंने राज्यों को अपने राजस्व स्रोतों से अपने पूंजीगत व्यय को पूरा करने की सलाह दी।

राज्यों को जीगत व्यय को पूरा करने की दी सलाह

वार्षिक महालेखाकार सम्मेलन को संबोधित करते हुए कैग ने इस बात पर भी जोर दिया कि राज्यों को सब्सिडी के उचित लेखांकन को बनाए रखने के लिए कदम उठाने चाहिए। उन्होंने कहा कि राजकोषीय घाटे को कम करने, राजस्व घाटे को खत्म करने और बकाया ऋण को स्वीकार्य स्तर पर रखने के लिए विवेकपूर्ण उपाय करने चाहिए।

केंद्र और कई राज्य सरकारें कर रही हैं एफआरबीएम अधिनियम लागू उन्होंने कहा राजकोषीय प्रबंधन में सुधार के लिए, केंद्र सरकार और कई राज्य सरकारें दोनों राजकोषीय उत्तरदायित्व और बजट प्रबंधन (एफआरबीएम) अधिनियम लागू कर रही हैं। उन्होंने कहा, हम वंचितों की मदद के लिए सब्सिडी के महत्व को समझते हैं। ऐसी सब्सिडी के लिए पारदर्शी खाता होना जरूरी है।

उचित सब्सिडी, मुफ्त की रेवड़ियों में अंतर करना जरूरी- कैग इसके साथ ही वार्षिक महालेखाकार सम्मेलन को संबोधित करते हुए कैग ने कहा कि हमें उचित सब्सिडी और मुफ्त की रेवड़ियों के बीच अंतर करने की जरूरत है। चुनावों से पहले राजनीतिक दल जिस तरह मुफ्त उपहारों का वादा करते हैं, उसे लेकर चल रहे विवाद के बीच यह टिप्पणी महत्वपूर्ण है। <https://www.jagran.com/news/national-cag-girish->

11. उचित सब्सिडी और मुफ्त की रेवड़ियों में अंतर करना जरूरी... CAG ने क्यों कहा ऐसा (navbharattimes.indiatimes.com) April 10, 2023

देश के नियंत्रक और महालेखा परीक्षक (CAG) गिरीश चंद्र मुर्मू ने सोमवार को कहा कि उचित सब्सिडी और मुफ्त की रेवड़ियों के बीच अंतर करना जरूरी है। उन्होंने साथ ही राज्यों को अपने राजस्व स्रोतों से अपने पूंजीगत व्यय को पूरा करने की सलाह दी। मुर्मू ने एक दिवसीय वार्षिक महालेखाकार सम्मेलन में इस बात पर भी जोर दिया कि राज्यों को सब्सिडी के उचित लेखांकन को बनाए रखने के लिए कदम उठाने चाहिए।

गिरीश चंद्र मुर्मू ने क्या कहा

गिरीश चंद्र मुर्मू ने कहा कि राजकोषीय घाटे को कम करने, राजस्व घाटे को खत्म करने और बकाया ऋण को स्वीकार्य स्तर पर रखने के लिए विवेकपूर्ण उपाय करने चाहिए। मुर्मू के अनुसार राज्यों को राजस्व के अपने स्रोतों से, ऋण और अग्रिम सहित अपने पूंजीगत व्यय को पूरा करना चाहिए। कम से कम शुद्ध ऋण को अपने पूंजीगत व्यय तक ही सीमित रखना चाहिए।

सब्सिडी के लिए पारदर्शी खाता होना जरूरी

उन्होंने कहा, 'हम वंचितों की मदद के लिए सब्सिडी के महत्व को समझते हैं और ऐसी सब्सिडी के लिए पारदर्शी खाता होना जरूरी है। इसके साथ ही हमें उचित सब्सिडी और मुफ्त की रेवड़ियों के बीच अंतर करने की जरूरत है।' चुनावों से पहले राजनीतिक दल जिस तरह मुफ्त उपहारों का वादा करते हैं, उसे लेकर चल रहे विवाद के बीच यह टिप्पणी महत्वपूर्ण है। <https://navbharattimes.indiatimes.com/india/cag-gc-murmu-said-we-should-differentiate-between-subsidy-and-freebies/articleshow/99386990.cms>

12. उचित सब्सिडी, मुफ्त की रेवड़ियों में अंतर करना जरूरी: कैग (ibc24.in, bhasha.ptinews.com) April 10, 2023

देश के नियंत्रक और महालेखा परीक्षक (कैग) गिरीश चंद्र मुर्मू ने सोमवार को कहा कि उचित सब्सिडी और मुफ्त की रेवड़ियों के बीच अंतर करना जरूरी है।

उन्होंने साथ ही राज्यों को अपने राजस्व स्रोतों से अपने पूंजीगत व्यय को पूरा करने की सलाह दी।

मुर्मू ने एक दिवसीय वार्षिक महालेखाकार सम्मेलन में इस बात पर भी जोर दिया कि राज्यों को सब्सिडी के उचित लेखांकन को बनाए रखने के लिए कदम उठाने चाहिए।

उन्होंने कहा कि राजकोषीय घाटे को कम करने, राजस्व घाटे को खत्म करने और बकाया ऋण को स्वीकार्य स्तर पर रखने के लिए विवेकपूर्ण उपाय करने चाहिए।

मुर्मू के अनुसार राज्यों को राजस्व के अपने स्रोतों से, ऋण और अग्रिम सहित अपने पूंजीगत व्यय को पूरा करना चाहिए। कम से कम शुद्ध ऋण को अपने पूंजीगत व्यय तक ही सीमित रखना चाहिए।

उन्होंने कहा, "हम वंचितों की मदद के लिए सब्सिडी के महत्व को समझते हैं और ऐसी सब्सिडी के लिए पारदर्शी खाता होना जरूरी है। इसके साथ ही हमें उचित सब्सिडी और मुफ्त की रेवड़ियों के बीच अंतर करने की जरूरत है।"

चुनावों से पहले राजनीतिक दल जिस तरह मुफ्त उपहारों का वादा करते हैं, उसे लेकर चल रहे विवाद के बीच यह टिप्पणी महत्वपूर्ण है। <https://www.ibc24.in/business/need-to-differentiate-between-proper-subsidies-free-subsidies-cag-1491042.html>

13. Panel's report card on Bengal's Midday Meal scheme set to raise political heat (economictimes.indiatimes.com) April 11, 2023

The Centre's Joint Review Mission (JRM) on West Bengal's implementation of the Midday Meal scheme, now known as PM-Poshan (Pradhan Mantri Poshan Shakti Nirman), is learnt to have red-flagged concerns over fund diversion, inadequate fund flow to school implementation agencies, actual usage of funds at the school level and the number of meals being served, among other issues.

ET has gathered that the Union Education Ministry shared the JRM report with the state on March 24, 2023, for comments/action taken on the recommendations made.

While the state government has not yet sent its comments/action taken on the report, it is learnt to have registered its 'objection' over the draft report not being shared with it first. The issue is set to turn into a political hot potato.

On April 3, Bengal's education minister Bratya Basu tweeted that the JRM which visited schools "across the length and breadth" of the state in February had submitted its report without even informing the project director from the state.

"They have submitted their report without even informing the project director (PD), CMDM, who was the state representative on the team, let alone getting his signature on the report...this is another example of a blatant violation of Centre-State relations that the Central government does regularly," Basu had tweeted.

He added that the PD has written to the JRM chairperson regarding this 'omission'. Education ministry officials, however, maintained that there is no such mandatory requirement of signatures of JRM members.

"They have written on the matter and it is being looked at. However, the requirement of signatures is not something of key concern. The fact is that the JRM findings are based on the documents and information provided by the state government itself -- all signed by the project director...," an official in the know said.

The state's implementation is learnt to be found deficient on several counts by the JRM, ET has gathered. Nutrition levels of the meals served, however, were found to be reasonable.

The Trinamool Congress-ruled Bengal has been at odds with the Centre over several central schemes. PM Poshan is itself under the CAG radar and a special audit is planned for five districts in the state. <https://economictimes.indiatimes.com/news/politics-and-nation/panels-report-card-on-bengals-midday-meal-scheme-set-to-raise-political-heat/articleshow/99388516.cms?from=mdr>

14. NAAC to automate process to assign verification agencies to colleges (timesofindia.indiatimes.com) April 11, 2023

MUMBAI: The National Assessment and Accreditation Council (NAAC) has now decided to automate the process by which external agencies are assigned colleges for data verification. This process of validating and verifying information submitted by colleges recently came under a cloud—the comptroller and auditor general (CAG) rapped the assessment body for the “arbitrary” way in which colleges were assigned to various DVV (data validation and verification) partners. In a course correction, the NAAC’s executive committee chairman has decided that only an automated system will pick a DVV agency.

The CAG pointed out that from 2019-22, the NAAC did not follow a prescribed method to pick DVV partners. The auditor said it should have used the round-

robin, an arrangement of choosing all agencies equally in a rational order, usually from the top of the list to the bottom and then starting again at the top and moving downwards, till the list is exhausted.

This anomaly was exposed by the internal committee of the NAAC too, which was headed by JP Singh Joorel, director, Inflibnet. It said names of third-party agencies that validate data submitted by institutes are sometimes rejected, suggesting a kind of manual intervention. Despite the fact that “there are no logs of rejects by DVV partners...there are variations in the number of HEIs allotted to different DVV partners,” it said.

Chairman of NAAC’s executive committee, Anil Sahasrabudhe, said DVV agencies will now be picked without manual intervention.

“The choice of DVV and experts will be only by the software. We are implementing that change in the software. The change may require about 15 days. Meanwhile, we are also on-boarding new DVVs—central and state government institutions and training them such that they can verify and validate the data submitted by HEIs,” added Sahasrabudhe.

Currently, NAAC has five DVV agencies, all private entities. The CAG had found that while 907 institutes’ data had to be verified, and each agency ought to have been assigned 181 colleges, one received 32% more institutes than the others. The next year the same agency received 92% more institutes than the others. And in 2022-23, it received 66% more institutes to check.

According to the Joorel committee report, institutes had provided false information in several instances, but the DVV failed to catch the error. When coordinators noticed the errors and requested that another agency vet the data, the co-ordinator was changed.

Subsequently, the institute was awarded an A+ “despite mistakes/gaps resulting in potentially biased evaluation”.

<https://timesofindia.indiatimes.com/city/mumbai/naac-to-automate-process-to-assign-verification-agencies-to-colleges/articleshow/99393416.cms>

STATES NEWS ITEMS

15. Audit points to improper planning in procurement of stamp duty materials (morungexpress.com) April 10, 2023

Dimapur: Lack of planning and proper monitoring mechanism regarding procurement and supply of stamp duty materials resulted in accumulation of Rs 20.77 crore stamp duty materials, revealed the recent report of the Comptroller and Auditor General (CAG) of India.

No stock verification was conducted to confirm the actual physical availability of these materials, informed the CAG's report on Economic, General and Revenue Sectors of Government of Nagaland for the Year ended March 31, 2020 (Report No 2 of 2022).

The CAG flagged the issue while analysing the revenue sector pertaining to State's Finance Department (Treasuries & Accounts).

As per the report, Rule 210 of GFR 2017 states that the officer-in-charge of stores having custody of goods and materials, especially valuable and/ or combustible articles, shall take appropriate steps for arranging their safe custody, proper storage accommodation, including arrangements for maintaining required temperature, dust free environment, etc.

Rule 214 further states that depending on the frequency of requirement and quantity thereof as well as the pattern of supply of a consumable material, optimum buffer stock should be determined by the competent authority, it said.

Highlighting its concern, the CAG noted that the Non-Judicial Stamp papers (NJS) (NJS) are used in matters which concern transactional arrangement between parties, which are not judicial in nature, but used to make agreements, affidavits, lease, amendments in article, etc.

Further, Court fee stamps are required by people who file cases in the court. Documents are notarised to prevent any kind of fraud document and impede someone from presenting a forged document, it said.

The stamp materials (non-judicial stamps, court fee stamps, notary stamps, etc.) are printed at the Government Security Press at Nasik and Hyderabad based on the indents received from the State Government.

The CAG informed that the cost of the printed stamp material is initially borne by the State Government. These printed stamp materials are then received by the State Government and sold to vendor/ public according to the face value to generate stamp duty of the State Government.

Scrutiny of records on March 2020 of the Principal Director, Treasuries and Accounts, Kohima revealed that Government of Nagaland sanctioned an amount of Rs 4.38 crore for printing cost of non-postal stamps during 2014-15 to 2019-20, it said.

As per the CAG, the Department paid the full amount through 14 cheques against printing of stamp duty materials from the Government Press' at Nasik and Hyderabad.

It was observed from records that stamp duty materials of face value Rs 18.21 crore in different denominations were in stock (from April 2014). However, the Department continued to procure stamp duty materials on a year to year basis.

Accordingly, the national auditor revealed that there was huge stock (Rs 18.21 crore) at the beginning of the year 2014-15 and the total outflow (Rs 15.95 crore) during the last six years (2014-20) was much less than the opening balance of stock (Rs 18.21 crore).

The procurement of additional stamp duty materials of various denominations face valued at Rs 18.51 crore during 2014-20 by the Department without stock verification and assessment of actual requirement resulted in accumulation of huge stock of Rs 20.77 crore (as of March 2020) besides incurring "unnecessary procurement cost." (See table/image)

Haphazard 'storage'

As per the report, a Joint verification in January 2020 of the strong room in the office of the Kohima North Treasury revealed that the accumulated revenue papers, court fee stamps, NJS papers, etc of different denominations were dumped haphazardly.

As the stamp duty materials were not stocked properly and systematically, audit could not ascertain the actual position in spite of the efforts being made during the joint verification of the stock, it said.

The CAG further stated that the Senior Treasury Officer and Treasury Staff in charge of strong room could not quantify the denomination-wise actual physical availability of the stamp duty materials.

The lack of proper storage carries with it the risk of the valuable stamp duty material becoming unusable/ getting destroyed/ mutilated, it noted.

The CAG, hence, concluded that planning and proper monitoring mechanism regarding procurement and supply of stamp duty materials resulted in accumulation of Rs 20.77 crore stamp duty materials of various denominations.

Meanwhile, the Department in a reply in July and September 2021 stated that “due to some communication gap, stamps were procured in excess, however, the system of procurement of stamps has now been rectified based on demand.”

Accepting accumulation of huge stock of stamps, the Department further informed that the ‘almirahs’ in the strong room are now been labeled properly and it is trying to streamline the procurement process.

Accordingly, the Department further requested for an opportunity to rectify the lacunae in planning and monitoring mechanism, the report noted.

Recommendations

Based on the audit findings, the CAG recommended that the Department should ensure that the actual quantity of requirement is determined by obtaining demands from the treasuries.

Assess the actual quantity available through regular physical verification of stock before indent for printing of stamp duty materials, it noted.

The State Government should assess and quantify the mutilated stocks and initiate steps to write off the damaged stamps, it suggested.

The CAG also advised the Department for frame inventory management guidelines fixing stock limits such as minimum, maximum and re-ordering levels of various stamp duty materials, ensure proper storage of the usable stock and may adopt system like FIFO (First-In-First-Out). <https://morungexpress.com/audit-points-to-improper-planning-in-procurement-of-stamp-duty-materials>

16. CAG exposes fraud payment under Swachh Bharat Mission in Dimapur
(eastmojo.com) April 10, 2023

Kohima: The Comptroller and Auditor General (CAG) of India detected a ‘fraudulent payment’ of Rs 90.54 lakh out of Rs 5.01 crore allocated for the Swachh Bharat Mission (Gramin) to the Executive Engineer of the Public Health Engineering (PHED) department in Dimapur division for 2018-19.

As per the CAG report tabled in the recently-concluded state Assembly, Rs 4.03 crore was earmarked for the implementation of Solid and Liquid Waste Management (SLWM) for the construction of drainage, waste collection depot, dustbins and wheel carts.

The CAG observed that the Department constructed 6,540 metres (m) of drainage with bricks for Rs 2.53 crore as departmental work. Scrutiny of cash books, work orders, running account bills (RA Bills), measurement books and so on, it informed, revealed that 4,665 m of drainage (with bricks) was constructed and certified as complete (March 2019) by the Junior Engineer (JE), PHED in the MBS and Rs 1.81 crore was incurred as expenditure in March 2019. Work completion was also countersigned by the SDO, PHED and the Executive Engineer.

Joint Physical Verification (JPV) by the Audit, along with the departmental officials, Village Council Chairman/Water and Sanitation committee members and beneficiaries of 21 villages in February 2021 found that in three out of 21 villages, construction of 600 m drainage with bricks with an expenditure of Rs 23.23 lakh was done as per work order.

In the remaining 18 villages, JPV revealed that against the reported construction of 4,065 m drainage with an expenditure of Rs 1.57 crore, only 1,727 m with an expenditure of Rs 66.87 lakh, was actually constructed which resulted in short/non-executions of 2,338 m (783 m short-execution and 1,555 m non-execution) of drainage with bricks valued at Rs 90.54 lakh.

“The Executive Engineer, PHED (Urban) Dimapur Division did not exercise due diligence to check the correctness of the quantities executed before passing the bills for payment which resulted in fraudulent payment of ₹90.54 lakh without actual execution of 2,338 metres of drainage works in 18 villages,” it reported.

As per rule 135 of the Receipt and Payment Rules, the CAG reminded that payment for all work done other than by daily labour and for all supplies shall be

made on the basis of measurements recorded in MBS and that no payment other than an advance payment may be given unless the correctness of the claim in respect of quantities and rates as well as the quality of the works done are carefully checked by a responsible officer.

The Government in its reply to the CAG in January 2022 stated that the shortfall in drainage length was due to flash flood/ natural calamity which had washed off certain portions of the drainage and that in some villages drainage work was underway at the time of verification.

As for the non-construction of drainage, the concerned department had responded that the drainage works were delayed and work was underway at the time of verification and that works for both the shortfall and non-construction of drainage were completed. <https://www.eastmojo.com/nagaland/2023/04/10/cag-exposes-fraud-payment-under-swachh-bharat-mission-in-dimapur/>

17. Sardar Sarovar Narmada Nigam's losses mount to ₹6,741 crore: CAG
(freepressjournal.in) April 10, 2023

The Comptroller and Auditor-General of India has expressed serious concerns over the continuing erosion of the net worth of Gujarat PSUs Sardar Sarovar Narmada Nigam Ltd (SSNL) and Gujarat State Road Transport Corporation (GSRTC) while their accumulated losses have mounted to thousands of crore rupees.

In its audit report for the financial year 2021-22 which was tabled in the State Assembly last week, the CAG cited the SSNL's loss of Rs 739.32 crore in 2020-21 and the accumulated losses at Rs 6,741.42 and said the Gujarat Government had invested a mammoth Rs 67,848.39 crore in it. The SSNL has been incurring losses since 2015-16, the CAG report added.

GSRTC's net losses at ₹406.49 crore

Similarly, State public transporter GSRTC's net loss had fallen to Rs 406.49 crore while the State had invested Rs 4,425.75 crore in it. The corporation has been incurring losses since 1973-74 and at the end of FY 2018-19, its accumulated losses stood at Rs 3,830.72 crore.

The CAG observed that the situation had come to such a pass that the GSRTC had not been able to deposit the passenger tax collected by it over the years. The tax

was used by the corporation to meet its expenses. It has neither paid the arrears of the Seventh Pay Commission to its employees.

Possibility of RoI remote

The CAG has warned that the possibility of return on investment (RoI) in these companies is remote.

It pointed out the data, which shows that the total outstanding loans and advances of the State increased from Rs 12,235 crore in 2020-21 to Rs 13,151 crore in 2021-22.

Recovery of loans and advances was Rs 155 crore in 2021-22. However, interest receipts on loans and advances disbursed during the year increased by Rs 14 crore.

According to the CAG, out of the total loans of Rs 1,071 crore advanced during the year loans worth a whopping Rs 446 crore were disbursed by the Administrative Departments or the Finance Department without setting terms and conditions for the repayments and the rate of interest payable.
<https://www.freepressjournal.in/india/sardar-sarovar-narmada-nigams-losses-mount-to-6741-crore-cag>

18. Fire Services of Himachal Home Dept have no database of high rise buildings: CAG (uniindia.com) Apr 10, 2023

Shimla: Himachal Pradesh's Fire Services of Home Department have no database for high rise buildings for purposes of preparedness for rescue operation in the event of disaster and combat fire.

The Comptroller and Auditor General stated this in a performance audit report released by Chief minister Sukhvinder Singh Sukhu in State assembly recently. The Audit Report covers the audit period 2011-16 to ascertain the preparedness for disaster management in the State.

Dedicating an entire chapter for the performance audit(PA) of preparedness of Department, the CAG pointed out that it had neither conducted vulnerability analysis of fire vulnerable buildings nor prepared a database of hazardous industries.

The Department had no database of high-rise buildings in the state despite the Public Account Committee's recommendation for identification of such buildings.

CAG pointed out the non-obtaining of fire NOCs by schools and hospitals . A para highlights that the Supreme Court order for every school to obtain mandatory fire NOC was not complied with. Government of India taking note of fire incidences in hospitals in various States and MHA issued advisories to the States directing regular inspections of hospitals and nursing homes to ensure compliance with National Building Code (NBC) fire safety norms.

Fire Department informed (September 2021) that out of 2,806 Government Schools in the State, only 55 schools had obtained fire NOC during the period 2018-21. Further, all 996 major Government Hospitals in the State had not obtained fire NOC.

However, as there were no penal provisions in the legal framework of the State, no action against defaulters had been taken and compliance with Supreme Court and Ministry of home affairs directions was not ensured. Thus, the lives of general public working in or visiting these buildings remained always at risk.

During 2018-2021, 5,301 fire incidents occurred (in 23 test-checked fire control centers) causing a loss of 117 human and 43 cattle lives along with estimated loss of property valued at 479.28 crore.

Audit conducted joint physical inspection of 24 buildings with officials of the Fire Services department (August - September 2021 and February 2022) . The buildings were selected from amongst those that had applied for NOC from the Fire Department.

It was found that 17 of the 24 buildings had received NOC upon having demonstrated adherence to fire safety norms. In the remaining seven buildings, the department's suggestions had not been complied with even after 08 to 93 months of inspections.

In the absence of mandatory clearance or NOC requirement and penal provision, the department was unable to initiate any action against the building owners or occupants. The Fire Department stated that NOCs were being issued to those applicants who approached the department after adoption of fire safety measures in their buildings. The fact remained that the department could not force non-

compliant institutions to adopt fire safety measures in a timely manner due to absence of enabling regulations.

The HP Fire Fighting Services Act, 1984, empowers the Department to enter or examine premises for compliance with fire safety norms but are weak as they do not contain provisions to enforce compliance and penal provisions for non-adherence to norms.

The primary role of the department is to protect life and property from fire and other calamities. The responsibilities of the Department include issue and compliance of fire safety clearances for buildings of above 15 meters of height and industrial and commercial establishments dealing or using explosive and highly inflammable substances, issue of fire safety guidelines, issue of fire reports and organizing fire safety demonstrations, trainings, awareness programs towards disaster management preparedness in the State Compliance Audit Report for the year ended 31 March 2021.

"There has not been any significant improvement in preparedness of the fire department in mitigating disasters, even after lapse of six years from recommendations made after audit exercise featured in the CAG's Audit Report of the year 2016.

The PA among others, assessed and highlighted the shortcomings of the fire department and recommended for strengthening the fire department. Before releasing the report CAG test checked 23 fire control centers did not have adequate and reliable source of water.

Against approved fleet strength of 115 fire fighting vehicles in the State, only 85 were available. At the Same time, Department surrendered budget of 6.22 crore under 'Motor Vehicle' during 2018. 21.

Against sanctioned strength of 938 posts of operational staff, 257 (28 per cent) posts were lying vacant, adversely impacting the capacity of fire control centres. The Department did not conduct any physical assessment test of firefighters during 2018-21 to ascertain their fitness for the job. At the 23 test-checked fire control centres, against sanctioned strength of 353 operational staff, only 280 personnel were in position leaving 173 posts (21 per cent) vacant as of March 2021. The department stated (October 2021) that proposal for filling vacant posts has been sent to HP Public Service Commission and HP Staff Selection Commission.

The fact remained that non - recruitment of operational staff was adversely impacting the capacity of the fire control centers .

Physical Assessment Test for operational firefighting staff as per SFAC recommendation 45 years should be the upper age limit for firemen who are involved in firefighting and rescue operations , and physical assessment test is to be held every six months to ensure that they are fit to perform duties.

Scrutiny of records of Directorate of Fire Services revealed that out of 679 operational staff in the department, 437 (64%) were above the age of 45 years. Department not conduct any physical fitness tests during 2018-21 as per recommendations Compliance Audit report for the year ended 31 March 2021

There was delayed response to fire incidents.commenting on the readiness to avert diaster CAG stated that Six fire control centers "were wholly dependent upon natural or other source of water and in two out of these six centres, the water sources were located 10 and 12 kms away. <http://www.uniindia.com/fire-services-of-himachal-home-dept-have-no-database-of-high-rise-buildings-cag/north/news/2950891.html>

19. CAG detects lack of monitoring, doubtful payments to NGOs for construction of IHHLs (dailyexcelsior.com) April 11, 2023

JAMMU, Apr 10: The Comptroller and Auditor General (CAG) of India has detected lack of monitoring and doubtful payments to the Non-Governmental Organizations (NGOs) involved in the construction of Individual Household Latrines (IHHLs) under the Centrally Sponsored Scheme in different parts of Jammu and Kashmir. Moreover, it has noticed that several beneficiaries had mentioned addresses of other States of the country in the documents submitted for availing the benefit of the scheme.

In its latest report, the supreme audit institution of the country has mentioned that Rs 19.87 crore was paid to NGOs in 20 Urban Local Bodies (ULBs) for construction of 12,297 IHHLs for identified beneficiaries. However, during audit it came to the fore that IHHLs constructed by NGOs for beneficiaries were not closely monitored to see whether work was executed as per approved specifications as no monitoring reports were on record.

“Instead of making payment in stages as envisaged in empanelment and allotment orders, the payments were made to NGOs in lump-sum. The photographic

evidence in support of having closely monitored the physical progress of construction work in stages was not kept on record”, the CAG said.

The audit selected 1,315 cases of IHHLs for collection of data in respect of completion certificates obtained from beneficiaries for passing payments in favour of NGOs and noticed that in respect of 364 IHHLs completion certificates were not on record; in respect of 123 IHHLs completion certificates though signed by beneficiaries were not authenticated by the Urban Local Body authorities and in six cases completion certificates were not signed by beneficiaries.

Though Director Finance, Housing and Urban Development Department stated in August 2022 that payment was released to the NGOs after obtaining requisite certificate from the beneficiaries/JE/ CEO yet the CAG said that the replies were not convincing as no monitoring reports and photographic evidence in support of having closely monitored the physical progress of construction work in stages were on record and payments were made to NGOs in lump-sum.

In Jammu Municipal Corporation, audit noticed that actual site of construction of IHHLs by NGOs was not mentioned in records in respect of 339 beneficiaries. As per records, 331 beneficiaries had addresses of locations falling outside the jurisdiction of JMC and several other beneficiaries had addresses of other States.

On this, the Director Finance of Housing and Urban Development Department stated in August 2022 that re-verification had been initiated by a committee constituted for the purpose and that if any ineligible beneficiary was found the recovery proceedings would be initiated. However, the report is still awaited.

“These lapses on the part of ULB authorities cast doubt over genuineness of construction of IHHLs by NGOs as well as over the genuineness of expenditure incurred on these constructions. Doubtful construction of IHHLs by NGOs was also corroborated by physical verification and beneficiary survey”, the CAG said.

The CAG has further pointed out that out of 94210 selected beneficiaries, 633 beneficiaries stated that their IHHLs were constructed by NGOs. Out of these 633 IHHLs, 453 IHHLs were non-functional, 95 were complete, 16 were left half way and 69 IHHLs were dismantled by beneficiaries.

“Thus, out of 942 selected IHHLs constructed by NGOs, only 95 IHHLs (10 per cent) were found functional and out of 942 selected beneficiaries, 238 beneficiaries stated that NGOs had not constructed their IHHLs but they constructed IHHLs on

their own”, the CAG said, adding “out of these 238 beneficiaries, 137 stated that they had received Rs 11.23 lakh out of due amount of Rs 22.86 lakh from the NGOs and out of 942 selected beneficiaries, IHHLs of 66 beneficiaries of JMC were not found constructed and IHHLs of five beneficiaries could not be traced out”.

This indicated that ULB authorities had made payment of Rs 57.17 lakh to NGOs without ensuring actual construction of 325 IHHLs by NGOs rendering the expenditure doubtful. “In addition to 942 randomly selected beneficiaries audit also conducted physical verification and beneficiary survey in respect of 339 beneficiaries whose addresses of locations were shown falling outside JMC jurisdiction and other states. The concerned officials of JMC failed to identify the location of sites where IHHLs had been shown in records as constructed by NGOs”, the CAG said.

“Thus, payment of Rs 59.29 lakh made to NGOs for construction of these 339 IHHLs was doubtful which too had resulted due to non-conducting of house-to-house survey for identification of beneficiaries”, the audit said, adding “CAO, JMC stated in March 2022 that beneficiaries had provided only copy of Aadhaar Card and the present addresses of beneficiaries were not available with JMC”.

Pointing out that overall there was doubtful payment of Rs 116.46 lakh made to the NGOs in respect of 664 cases, the CAG has stressed that all such cases of doubtful payment should be reviewed for fixing the responsibility and effecting the recoveries from the responsible parties. <https://www.dailyexcelsior.com/cag-detects-lack-of-monitoring-doubtful-payments-to-ngos-for-construction-of-ihhls/>

20. Tripura government’s committed expenditure on salaries, pensions and interest payments rising fast (tripurainfo.com) Apr 11, 2023

Tripura government’s committed expenditure on salaries of employees, pensions of retired employees and interest payment on loans drawn has been rising from year to year. This has come out from the latest report of the CAG tabled in the state assembly recently. According to the accounts given in the CAG report the state’s expenses on salaries and wages have risen from Rs 5008.87 crores in the year 2017-2018 to Rs 5472.39 crores in the year 2021-2022. It means a rise of Rs 463.52 crores in four years.

Similar is the profile of rise in expenses on pension. In the year 2017-2018 the state had incurred an expense of Rs 1605.23 crores but this rose to Rs 2516.49

crores in 2021-2022. A steep rise of Rs 911.26 crores-much higher in proportion to the rise in salary expenditure. Likewise the expenses on interest payment has also sharply risen from Rs 886.89 crores in 2017-2018 to Rs 1398.16 crores in the year 2021-2022. A rise of Rs 511.27 crores over the four year period covered by the CAG report.

Official sources said that governmental expenses on all three heads are sure to have risen sharply and more heavily in the year 2022-2023 because of the whopping 17% DA granted by the state government for employees and pensioners in election year and the additional resource mobilized by borrowing from the market by the state government. The impact of all these will be felt in the coming financial years as the state's debt burden has been growing and all this despite a virtual halt to recruitment of people to government services continuing since the year 2018 except TET teachers and a limited number of junior officers through the Tripura Public Service Commission (TPSC).

<https://tripurainfo.com/news.aspx?intnid=17088&title=Tripura-government%E2%80%99s-committed-expenditure-on-salaries-pensions-and-interest-payments-rising-fast>

21. सम्मान निधि में सेंध (dainiktribuneonline.com) Apr 11, 2023

यह विडंबना ही है कि चौतरफा चुनौतियां झेल रहे किसानों को राहत देने के लिये दी जाने वाली प्रधानमंत्री किसान सम्मान निधि के आवंटन में चतुर-चालाकों ने फर्जीवाड़ा कर डाला। नियंत्रक व महालेखा परीक्षक यानी कैग की वह रिपोर्ट चौंकाती है, जिसमें उल्लेख है कि हरियाणा में 'प्रधानमंत्री किसान सम्मान निधि' योजना में करीब 38 हजार 105 अयोग्य किसानों ने सरकार के करीब चालीस करोड़ से अधिक रुपये डकार लिये। फिलहाल यह जानकारी प्रधानमंत्री किसान पोर्टल के जरिये जुटायी गई है। जमीनी स्तर पर यदि मामले की पड़ताल हो तो फर्जीवाड़े के दायरे में निश्चित रूप से विस्तार पाया जायेगा। यदि देश के सभी राज्यों में इस दिशा में गंभीर जांच-पड़ताल हो तो फर्जीवाड़े का आकार बड़ा हो सकता है। यह विडंबना रही है कि देश का असली किसान ऑनलाइन व्यवस्था व नई आर्थिकी को लेकर ज्यादा जानकार व जागरूक नहीं रहा है। कभी वह सूदखोरों, बिचौलियों तथा आढ़तियों की चपेट में रहा है तो अब नये जमाने के पढ़े-लिखे ठगों ने किसानों के हक का दोहन करना शुरू कर दिया है। जाहिर है यह मामला सिर्फ अयोग्य किसानों का ही नहीं है। तंत्र की काली भेड़ें भी इस घपले में शामिल हो सकती हैं। बिना विभागीय कर्मचारियों व अधिकारियों की शह के ऐसा संभव नहीं है कि कोई वास्तविक जरूरतमंद किसानों का हक हड़प ले। एक बात तो तय है कि जब से किसानों को राहत-मुआवजा व सब्सिडी राशि ऑनलाइन सिस्टम के जरिये मिलने शुरू हुई है किसी हद तक धांधलियों पर रोक लगी है।

अन्यथा पहले तो बिचौलियों के पौ-बारह बने रहते थे। किसानों का अंगूठा लगाकर बिचौलिये दशकों तक मौज करते रहे हैं। देश की निरक्षरता का स्तर उनके लिये वरदान साबित हुआ करता था। हालांकि, अब देश में साक्षरता की दर में सुधार और नई पीढ़ी के किसानों की जागरूकता से ऐसी नकारात्मक प्रवृत्तियों पर लगाम लगाने में मदद मिल सकी है। लेकिन अभी इस दिशा में पारदर्शी व्यवस्था बनाने हेतु गंभीर प्रयासों की जरूरत है।
<https://www.dainiktribuneonline.com/news/editorials/breach-in-samman-nidhi-148601>

22. स्पोर्ट्स सिटी पर नोएडा अथॉरिटी से हाई कोर्ट ने मांगा जवाब, एसटीएस बिल्डर ने लगाए कई आरोप (navbharattimes.indiatimes.com) Updated: 11 Apr 2023

नोएडा स्पोर्ट्स सिटी को लेकर विवाद हाईकोर्ट तक पहुंच गया है। एटीएस बिल्डर ने कोर्ट में कहा है कि सेक्टर-152 में अभी पूरी जमीन नहीं मिली है। इसके बाद भी अथॉरिटी ने खेल सुविधाओं को लेकर कार्रवाई प्रस्तावित कर दी है। इस मामले पर हाईकोर्ट ने अथॉरिटी से जवाब मांगा है।

नोएडा:स्पोर्ट्स सिटी प्रॉजेक्ट में शामिल सेक्टर-152 का बिल्डर ग्रुप नोएडा अथॉरिटी के खिलाफ हाईकोर्ट पहुंचा है। एटीएस बिल्डर ने हाईकोर्ट में जाकर कहा है कि जितनी जमीन सेक्टर में मिलनी थी उसे अथॉरिटी ने अब तक नहीं दी है। वहीं, दूसरी तरफ खेल सुविधाएं न विकसित होने की बात कहकर कार्रवाई प्रस्तावित कर दी है। इसको लेकर हाईकोर्ट ने अथॉरिटी की सीईओ से 4 बिंदुओं पर जवाब मांगा है। यह आदेश 3 अप्रैल को जारी हुआ है। अगली प्रस्तावित तारीख 19 अप्रैल है। अथॉरिटी अधिकारियों का दावा है कि तथ्यों के साथ पूरी जानकारी अपने जवाब में हाईकोर्ट को दी जाएगी।

एटीएस होम प्राइवेट लिमिटेड व अन्य की तरफ से दायर की गई याचिका में तथ्यों के आधार पर प्रमुख दो मांगे की गई हैं। पहली यह कि सेक्टर-152 में पूरी जमीन उपलब्ध करवाई जाए। इसके साथ ही जीरो पीरियड पॉलिसी व लीज रेंट के साथ जमीन मिलने तक कब्जा में छूट दी जाए। बात अगर सेक्टर-152 की करें तो यह स्पोर्ट्स सिटी प्रॉजेक्ट का एक सेक्टर है। इसके अलावा सेक्टर-78, 79, 101, 150 भी सेक्टर शामिल हैं। अथॉरिटी ने वर्ष 2008-09 से इन सेक्टर में आवंटन शुरू किया था। सेक्टर-152 का क्षेत्रफल 5 लाख 3 हजार वर्ग मीटर प्रस्तावित था। इसमें एटीएस सेक्टर की 10 कंपनियों के कंसोर्टियम का लीड मेंबर था। इसलिए 24 जून 2015 को एमओयू साइन किया था।

क्रिकेट स्टेडियम-स्पोर्ट्स सिटी का काम अधूरा

अथॉरिटी ने यहां पर करीब 3 लाख 93 हजार 276 वर्ग मीटर जमीन अधिग्रहित कर कब्जा दे चुकी है। एटीएस का पक्ष है कि 1 लाख 9 हजार 723 वर्ग मीटर जमीन अब तक नहीं दी गई। इसलिए यहां पर इंटरनैशनल लेवल का क्रिकेट स्टेडियम-स्पोर्ट्स सिटी का काम पूरा नहीं हो सका है। एटीएस के इस पक्ष पर कोर्ट ने अथॉरिटी से 4 बिंदुओं पर जवाब मांगा है। इनमें जमीन अधिग्रहण की स्थिति, जीरो पीरियड, प्रॉजेक्ट भी शामिल हैं। वहीं, स्पोर्ट्स सिटी योजना सीएजी आपत्तियों के घेरे में भी है। सीएजी ने कई गंभीर आपत्तियां लगाते हुए ऑडिट में कहा है कि इसमें बिल्डरों को 8643 करोड़ रुपये का अनुचित लाभ दिया गया। मौके पर निर्धारित खेल सुविधाएं भी विकसित नहीं हुईं।

बकाये के लिए है अथॉरिटी की सख्ती

बात अगर पूरे स्पोर्ट्स सिटी के 5 सेक्टर-78, 79, 101, 150 और 152 की करें तो यहां पर बिल्डर 45 ग्रुप हाउसिंग प्रॉजेक्ट ला चुके हैं। इनमें 35 हजार से ज्यादा फ्लैट शामिल हैं। 15 हजार फ्लैट बिक भी चुके हैं। अथॉरिटी ने ओसी और सीसी पर दिसंबर 2020 में रोक लगा दी थी। इससे यहां के फ्लैट बायर्स भी परेशान हैं। अथॉरिटी का पक्ष है कि बिल्डर प्रस्तावित खेल सुविधाएं विकसित करवाएं, बकाया जमा करें। अथॉरिटी ओसी-सीसी से रोक हटाने को तैयार है। मौके पर अभी खेल सुविधाएं विकसित नहीं हुई हैं। अथॉरिटी का बिल्डरों पर करीब 3911 करोड़ रुपये भी बकाया है। अथॉरिटी ने खेल सुविधाएं विकसित करवाने के लिए कंसल्टेंट एजेंसी का चयन भी किया हुआ है। एजेंसी ने निरीक्षण के साथ अपना काम भी शुरू कर दिया है। <https://navbharattimes.indiatimes.com/state/uttar-pradesh/noida/sports-city-project-sts-builder-allegations-against-noida-authority-high-court-ask-for-reply-up-news/articleshow/99393900.cms>

SELECTED NEWS ITEMS/ARTICLES FOR READING

23. Discom debt surges 24% to Rs 6.2 lakh crore in 2021-22
(economictimes.indiatimes.com) April 11, 2023

The total debt of the power distribution sector in India rose to ₹6.20 lakh crore in 2021-22, up 24% from 2019-20. However, the pace of debt addition slowed down over the two years, said an annual report on the sector from Power Finance Corporation Ltd.

The sector's debt rose ₹33,800 crore in 2021-22, 60% less than the ₹85,500-crore increase in the previous financial year, the report said.

The sector's financial deficit nearly halved in 2021-22 from 2019-20, following tariff increases, loan takeover by state governments, and improvement in subsidy disbursement and bill collections.

Financial deficit is an important indicator of the financial health of the sector. The report calculated the deficit on a cash-adjusted basis, where the focus was on capturing cash flows instead of revenue accrued. It compared 2021-22 performance with the previous two fiscals due to the impact of Covid-19.

Aggregate technical and commercial losses of power distribution companies fell 5 percentage points to 16.5% in 2021-22 from 2020-21 and 3.4 percentage points from a year before.

Capital expenditure addition fell to ₹48,000 crore in FY22, compared with ₹59,000 crore a year earlier and ₹83,000 crore in 2019-20, the report said, raising concern.

The sector needs to actively focus on upgrading its billing infrastructure for long-term gains, it said.

Subsidy disbursement by state governments was 102% of the amount booked in 2021-22, compared with 85% a year earlier and 95% in 2019-20. <https://economictimes.indiatimes.com/industry/energy/power/discom-debt-surges-24-to-rs-6-2-lakh-crore-in-2021-22/articleshow/99388414.cms>

24. Dire straits. No clarity on easing of freeze on Central funds for NREGA scheme in West Bengal (thehindubusinessline.com) April 10, 2023

Thirty-six year old Bhadu Mahato from Lalpur village in Purulia district of West Bengal is worried that she might not get her wages of around Rs 2,700 for the work she had done under the 100-days job scheme way back in 2021. But her bigger fear is that she may stand to lose the job forever if the Centre continues to withhold funding support to the State. Bhadu is not alone. Thousands of other men and women in Purulia fear that the 100-days job scheme under MGNREGA may not be rolled out in West Bengal anytime soon.

Their fears may not be totally unfounded as the approved labour budget under the scheme for West Bengal for 2023-24 is 0 as on April 9, 2023, as per the website. An estimated 263.02 lakh workers are engaged under the scheme, and the total number of job cards issued stands at 138.56 lakh for FY-24.

The Central Government imposed Section 27 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, on West Bengal last year, which has led to a complete freeze on funding support to the State. Section 27 of the MGNREGA is imposed on grounds of complaints of misappropriation or other irregularities.

The total amount outstanding to workers in West Bengal stands at close to Rs 2,700 crore, sources said.

“They have not given us money for the work we did in 2021. My husband and son have moved to other states in search of jobs, and I am barely able to survive with the meagre income earned from doing trivial jobs in households. Agriculture is not an option for us here in the absence of adequate water supply. We have been solely dependent on the NREGA scheme for our livelihood. Not only have payments been deferred, but we have hardly had any work to do for more than a year now ... we fear that they may not give us any more jobs under the scheme,” a visibly upset Mahato told businessline.

Drop in approved labour budget

The last approved labour budget for the State, which stood at Rs 2,700 lakh, was for 2021-22. In terms of financial progress, the total release by the Centre is 0 for FY-24, Rs 1.32 crore for FY-23, and Rs 7,591 crore for FY-22.

According to the NREG Act, the district programme coordinator should prepare, in December every year, a labour budget for the next financial year, containing details of anticipated demand for unskilled manual work in the district and the plan to engage labourers in works covered under the scheme. The Ministry of Rural Development would estimate the funds requirement on the basis of projections made in the labour budget. Central funds would be sanctioned after examining these labour budgets and taking into account utilisation of funds previously released.

Watch: Budget 2023, Data Details: Will the allocation for NREGA go up?

The total number of works taken up for West Bengal, which includes new and spill-over work, is estimated at 11.49 lakh in FY-24, down from 16.96 lakh in 2022-23 and 28.78 lakh in 2021-22.

Though there is no official confirmation from the state government, bureaucrats working in the districts confirm that there has been no communication from the Centre on whether the clamp-down of Section 27 would be lifted anytime soon.

“There is a huge demand for work among people in the districts.....if this doesn’t happen, it could force people to resort to illegal activities,” a senior official said.

The steep cut in budget outlay for the overall NREGA scheme and the huge outstanding to workers in West Bengal are examples of consistent attacks on the scheme with a view to finish it, said Anuradha Talwar, State committee member of the Paschim Banga Khet Majoor Samity. <https://www.thehindubusinessline.com/news/no-clarity-on-easing-of-freeze-on-central-funds-for-nrega-scheme-in-west-bengal/article66716872.ece>

25. India needs a regulatory framework to protect citizens from ChatGPT-led disruptions (moneycontrol.com) APRIL 10, 2023

The chatbot or the conversational artificial intelligence (AI) market is expected to reach a staggering value of \$4 billion by 2030. Major players like OpenAI, Google, and Snapchat are in the race to introduce better and more sophisticated chatbots to capture this market. Whenever technology is revolutionary, it becomes crucial to understand how governments would respond to it.

Around the globe, different governments have taken different approaches towards ChatGPT. Some countries are taking steps to regulate high-risk artificial intelligence (AI) tools such as ChatGPT, while some are trying to integrate its services into their governance structure. In a recent letter, tech mogul Elon Musk and others urged for stricter regulatory measures, and on the same day, the United Kingdom outlined its approach to AI regulation, aiming to balance innovation and legislation. Meanwhile, the European Union is also negotiating the passage of broad AI rules. Italy's privacy watchdog, the Italian Data Protection Authority (IDPA), has temporarily banned ChatGPT due to a data breach and concerns about using personal data to train the chatbot. ChatGPT is also not available in China. Instead, they have their own version called the ‘Ernie’ chatbot, made by the Chinese company Baidu. Other countries and regions where ChatGPT is not available are Russia, Cuba, Iran, North Korea, Syria and Hong Kong.

India’s Middle Path

India seems to have adopted ‘Madhyam Marg’ (the middle path) towards novel technologies such as ChatGPT. The approach avoids extreme reactions like enthusiastically promoting or banning the platform altogether. During the India Global Forum Annual Summit, India’s information technology and electronics minister Ashwini Vaishnaw hinted at a potential major announcement, fueling speculation about the government's plans and a possible Indian version of ChatGPT. Industry experts believe that the Indian government may integrate generative or conversational AI into citizen services, such as the Unified Mobile Application for New-age Governance (UMANG), which could simplify the application process for or availing various government services. The ministry of electronics and information technology (MeitY) is reportedly developing an AI-powered WhatsApp chatbot to help Indian farmers learn about government schemes. India is also using ChatGPT to develop two critical projects: democratising school education in vernacular languages and spreading awareness about government schemes.

An open letter similar to those by Musk and Steve Wozniak has also been written in India. In this letter, Zoho’s Sridhar Vembu, iSPIRT’s Sharad Sharma and former NITI Aayog vice-chairman Rajiv Kumar mentioned how powerful AI tools could potentially create catastrophic consequences for humanity. Sridhar also highlighted the potentially disastrous economic implications that can result from AI-led job losses. Meanwhile, OpenAI has started accepting subscriptions for ChatGPT Plus, including GPT-4, at \$20 per month. Indian authorities do not yet have a stance on either of the developments, but it will be interesting to see how they react, as it might set precedence for disruptive technologies in the future.

The rise of ChatGPT is causing quite a stir in the world of education. In India, there are approximately 15 lakh schools and 46,000 colleges. Students have quickly adopted ChatGPT for their homework, and many worry that this could lead to a decline in critical thinking. Unsurprisingly, many schools and colleges have called for banning ChatGPT.

One of the main concerns is the possibility of ChatGPT spreading disinformation and providing inaccurate answers. Since ChatGPT was trained on data from around the world, it has also inherited some of the biases present in society. This resulted in some troubling responses that discriminate against various groups of people. There have been instances where users were able to manipulate the security layer of the application just by conversing with it and getting information on banned topics like sourcing weapons. OpenAI is working to address these issues, but much more must be done before ChatGPT can be considered entirely safe.

The rush to release advanced AI tools could have serious consequences. A serious concern is the unbelievable human-likeness of GPT-4. OpenAI says that the model cannot ‘think’ but only responds based on the question put to it. As an advanced self-learning model, it is at least theoretically possible for GPT-4 to learn how to simulate ‘thinking’. A future where such an AI model can perform as equally well or better than humans can make humans redundant, especially for certain kinds of jobs. In a more ominous possibility, if this AI model were to be hacked or turned rogue, there could be issues ranging from impersonation to gaslighting.

The Road Ahead For India

India does not have a standalone law on data protection - personal or non-personal. Personal data usage is regulated under the Information Technology (IT) Act of 2000, and this framework needs to be revised to protect personal data. India introduced the Personal Data Protection Bill, 2019 in Lok Sabha in December 2019, drafted on the recommendations of Justice BN Srikrishna Committee, but withdrew it in August 2022. Subsequently, MeitY released the Draft Digital Personal Data Protection Bill 2022 for public feedback in November 2022.

Currently, the Italian watchdog has banned ChatGPT and is investigating whether it complied with GDPR (General Data Protection Regulation), which governs how companies can use, process and store Italian citizens' data. India, too, should pass the Digital Personal Data Protection Bill to protect the data of its citizens. Further, India must work towards an AI policy that prioritises openness and transparency and discourages tech monopolies. Also, due attention must be given to upskilling the masses to offset the potential job losses.

As a startup, OpenAI has done its job well in the technological disruption arena. Governments worldwide must provide a proper regulatory framework to streamline, regularise, acclimatise and protect their citizens from the disruption caused. The potential risks posed by powerful AI systems are too significant to ignore, and the world needs to ensure these systems are safe before their development continues. Despite the concerns, the chatbot market continues to thrive. Nothing is stopping the rise of these intelligent machines. Can they build a metaverse? Or solve global warming? Or make humans dumb? Only time will tell.
<https://www.moneycontrol.com/news/opinion/india-needs-a-regulatory-framework-to-protect-citizens-from-chatgpt-led-disruptions-10389331.html>