

NEWS ITEMS ON CAG/ AUDIT REPORTS (12.04.2023)

1. Auditors and Railways must interact at zonal level: CAG Murmu (aninews.in, theprint.in, latestly.com, thenewsmill.com) April 12, 2023

Comptroller and Auditor General of India Girish Chandra Murmu said that consistent interactions are needed between Auditors and Railways at the zonal level.

On Tuesday while addressing the workshop of the Director General of Audit of all 17 railway zones, CAG Murmu said, "To have quality audit products warrants effective use of Information Technology. Since we have started 100 per cent implementation of OIOS from April 1, it is imperative that it may be integrated with a suitable interface for the seamless handshake of existing IT systems of the Indian Railways".

CAG Murmu mentioned that rapid infrastructure by railways has brought new challenges to the auditors.

"Rapid infrastructure development and expansion in railways have brought new challenges to the auditors to adapt to the changing environment by bringing appropriate changes in auditing skills and tools," he said.

"With the growth of road infrastructure and advancement in the road transportation system, the Railways is bound to face stiff competition. Hence, all internal earnings that are generated from the core, as well as, non-core operations of railways require serious attention of auditors," he added.

CAG Murmu praised the Railway Board for taking several audit initiatives.

"He reserved words of praise for some of the newer initiatives undertaken with the Railway Board such as the Audit Plan 2023-24 and several relevant audit themes. The auditors must interact regularly not only at the Railway Board level but at the zonal level. The issues regarding sharing of information and audit observations must be regularly discussed," the official statement said.

"The role of audit assumes significance as an aid to the management when it achieves optimal utilization of scarce resources. To achieve this, the quality of interface with the auditee is very important," it mentioned.

The CAG also mentioned that in recent years, several significant audits have been taken up on the Indian Railways. They include auditing of track renewal works, augmentation of station line capacity, dedicated freight corridor, punctual running of passenger trains, derailment, safety operations, unmanned level-crossings, contractual issues, and passenger amenities, among others.

"In addition to these issues, we need to cover cross-subsidization, operating ratio, lease payments, pension liability and its impact on railway finances, green energy initiatives, the system of project approval including approval for time and cost over-run, inter-zonal comparison of the performance on selected items of works, analysis of investment pattern of railway commercial undertakings, including dividend payment," said Murmu.

On the occasion, Deputy CAG (Railways) Ila Singh said that Railways is planning to deploy more resources to performance audit and thematic audit.

"We intend to deploy more resources to performance audit and thematic audit. The issues to be covered include functioning and management of Rail Land Development Authority, catering management, cleanliness and sanitation of long-distance stations under the Swachh Bharat Mission, Functioning of the Centre for Rail Information System, track maintenance, private siding etc," she said.
<https://www.aninews.in/news/national/general-news/auditors-and-railways-must-interact-at-zonal-level-cag-murmu20230412064441/>

2. **Audit serves as an aid to railway management for optimal resource utilisation: CAG** (thesedaysindia.net) April 12, 2023

Audit serves as an aid to railway management for optimal resource utilization: CAG

----- More interactions needed between Auditors and Railways at the zonal level: Murmu

--- Need to cover non-conventional issues in Audit

NEW DELHI, APR 11 (INS INDIA): To have quality audit products warrants effective use of IT. Since we have started 100% implementation of OIOS from April 1, it is imperative that it may be integrated with a suitable interface for seamless handshake of existing IT systems of the Indian Railways. This was stated by Shri Girish Chandra Murmu while addressing the Directors General of Audit of all 17 railway zones and senior officers of Railway Board at a workshop here today. The CAG of India said, "Rapid infrastructure development and expansion in railways has brought new challenges to the auditors to adapt to the changing environment by



bringing appropriate changes in auditing skills and tools".

Murmu further said: "With the growth of road infrastructure and advancement in the road transportation system, the Railways is bound to face stiff competition. Hence, all internal earnings that are generated from core, as well as, non-core operations of railways require serious attention of auditors."

He reserved words of praise for some of the newer initiatives undertaken with the Railway Board such as the Audit Plan 2023-24 and several relevant audit themes. "Audit must interact regularly not only at the Railway Board level, but at the

zonal level. The issues regarding sharing of information and audit observations must be regularly discussed," he said.

"The role of audit assumes significance as an aid to the management when it achieves optimal utilization of scarce resources. To achieve this, the quality of interface with the auditee is very important", Shri Murmu added.

The CAG said that, in recent years, several significant audits have been taken up on the Indian Railways. They include auditing of track renewal works, augmentation of station line capacity, dedicated freight corridor, punctual running of passenger trains, derailment, safety operations, unmanned

level-crossings, contractual issues, passenger amenities, among others.

"In addition to these issues, we need to cover cross subsidization, operating ratio, lease payments, pension liability and its impact on railway finances, green energy initiatives, system of project approval including approval for time and cost over-run, inter-zonal comparison of the performance on selected items of works, analysis of investment pattern of railway commercial undertakings, including dividend payment," said Murmu.

In her address, Deputy CAG (Railways), Ms Ila Singh said, "we intend to deploy more resources to performance audit and thematic audit. The issues to be covered include functioning and management of Rail Land Development Authority, catering management, cleanliness and sanitation of long distance stations under Swachh Bharat Mission, Functioning of Centre for Rail Information System, track maintenance, private siding etc".

<http://thesedaysindia.net/epaper/page2.html>

3. **Need to cover non-conventional issues in audit, says CAG Girish Murmu** (newsonair.com) April 12, 2023

The Comptroller and Auditor General (CAG) of India, Girish Chandra Murmu has called on audit officials to cover non-conventional issues in railway audits.

Addressing a workshop on the theme CAG's Direction: Way Forward for Railway Audit with Directors General of Audit of all 17 railway zones and senior officers of Railway Board in New Delhi yesterday, he noted that rapid infrastructure development and expansion in railways have brought new challenges to auditors.

Mr Murmu stressed that auditors need to adapt to the changing environment by bringing appropriate changes in auditing skills and tools.

In order to achieve quality audit products, the CAG recommended integrating the existing IT systems of the Indian Railways with a suitable interface for seamless handshake.

Mr Murmu praised the newer initiatives undertaken with the Railway Board, including the Audit Plan 2023-24, and encouraged regular interaction between audit officials at both the Railway Board and zonal levels.

Mr Murmu further emphasized the need for auditors to pay attention to all internal earnings generated from core and non-core operations of the railways due to increasing competition from road transportation systems.
<https://newsonair.com/2023/04/12/need-to-cover-non-conventional-issues-in-audit-says-cag-girish-murmu/>

4. Need to cover non-conventional issues in audit: CAG Girish Murmu
(thestatesman.com, odishatv.in, bhaskarlive.in, lokmatimes.com, greaterkashmir.com,) April 12, 2023

Rapid infrastructure development and expansion in railway network has brought new challenges to the auditors to adapt to the changing environment by bringing appropriate changes in auditing skills and tools, said CAG Girish Chandra Murmu while addressing the director generals of audit of all 17 railway zones and senior officials of the Railway Board on Tuesday.

Murmu said that with the growth of road infrastructure and advancement in road transportation system, the Railways is bound to face stiff competition.

“Hence, all internal earnings that are generated from core, as well as non-core operations of Railways, require serious attention of the auditors,” he said.

Murmu reserved his words of praise for some of the newer initiatives undertaken by the Railway Board, such as the Audit Plan 2023-24 and several relevant audit themes.

“Auditors must interact regularly not only at the Railway Board level, but at the zonal level. The issues regarding sharing of information and audit observations must be regularly discussed,” he said.

“The role of audit assumes significance as an aid to the management when it achieves optimal utilisation of scarce resources. To achieve this, the quality of interface with the auditee is very important,” Murmu added.

The CAG also said that in recent years, several significant audits have been taken up for the Indian Railways. They include auditing of track renewal works, augmentation of station line capacity, dedicated freight corridor, punctual running of passenger trains, derailment, safety operations, unmanned level-crossings, contractual issues, and passenger amenities, among others.

Murmu also said that there is a need to cover non-conventional issues in audit.

“In addition to these issues, we need to cover cross subsidisation, operating ratio, lease payments, pension liability and its impact on railway finances, green energy initiatives, system of project approval including approval for time and cost over-run, inter-zonal comparison of the performance on selected items of works, and analysis of investment pattern of railway commercial undertakings, including dividend payment,” Murmu said.

<https://www.thestatesman.com/business/need-to-cover-non-conventional-issues-in-audit-cag-girish-murmu-1503171340.html>

5. Need to cover non-conventional issues in audit, says CAG Girish Murmu (therightnews.in) Apr 12, 2023

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6. ऑडिटर और रेलवे को जोनल स्तर पर बातचीत करनी चाहिए: कैग मुर्मू
(jantaserishta.com) Apr 12, 2023

भारत के नियंत्रक और महालेखा परीक्षक गिरीश चंद्र मुर्मू ने कहा कि जोनल स्तर पर लेखा परीक्षकों और रेलवे के बीच लगातार बातचीत की जरूरत है।

मंगलवार को सभी 17 रेलवे जोन के डायरेक्टर जनरल ऑफ ऑडिट की कार्यशाला को संबोधित करते हुए कैग मुर्मू ने कहा, "गुणवत्ता ऑडिट उत्पादों के लिए सूचना प्रौद्योगिकी के प्रभावी उपयोग का वारंट है। चूंकि हमने 1 अप्रैल से OIOS का 100 प्रतिशत कार्यान्वयन शुरू कर दिया है, यह यह अनिवार्य है कि इसे भारतीय रेलवे की मौजूदा आईटी प्रणालियों के सहज हैंडशेक के लिए एक उपयुक्त इंटरफेस के साथ एकीकृत किया जा सकता है।"

कैग मुर्मू ने कहा कि रेलवे द्वारा तेजी से इंफ्रास्ट्रक्चर ऑडिटर्स के लिए नई चुनौतियां लेकर आया है।

उन्होंने कहा, "रेलवे में तेजी से बुनियादी ढांचे के विकास और विस्तार ने ऑडिट कौशल और उपकरणों में उचित बदलाव लाकर बदलते परिवेश के अनुकूल होने के लिए ऑडिटर्स के लिए नई चुनौतियां पेश की हैं।"

"सड़क बुनियादी ढांचे के विकास और सड़क परिवहन प्रणाली में उन्नति के साथ, रेलवे कड़ी प्रतिस्पर्धा का सामना करने के लिए बाध्य है। इसलिए, कोर से उत्पन्न होने वाली सभी आंतरिक कमाई के साथ-साथ रेलवे के गैर-मुख्य संचालन पर गंभीरता से ध्यान देने की आवश्यकता है। लेखा परीक्षकों," उन्होंने कहा।

कैग मुर्मू ने कई ऑडिट पहल करने के लिए रेलवे बोर्ड की प्रशंसा की।

"उन्होंने रेलवे बोर्ड के साथ की गई कुछ नई पहलों जैसे ऑडिट प्लान 2023-24 और कई प्रासंगिक ऑडिट विषयों के लिए प्रशंसा के शब्द सुरक्षित रखे। ऑडिटर्स को न केवल रेलवे बोर्ड स्तर पर बल्कि क्षेत्रीय स्तर पर भी नियमित रूप से बातचीत करनी चाहिए। सूचना साझा करने और ऑडिट टिप्पणियों के मुद्दों पर नियमित रूप से चर्चा की जानी चाहिए," आधिकारिक बयान में कहा गया है।

"ऑडिट की भूमिका प्रबंधन के लिए एक सहायता के रूप में महत्वपूर्ण हो जाती है जब यह दुर्लभ संसाधनों का इष्टतम उपयोग प्राप्त करता है। इसे प्राप्त करने के लिए, लेखापरीक्षिती के साथ इंटरफेस की गुणवत्ता बहुत महत्वपूर्ण है," यह उल्लेख किया।

कैग ने यह भी उल्लेख किया कि हाल के वर्षों में, भारतीय रेलवे पर कई महत्वपूर्ण ऑडिट किए गए हैं। इनमें ट्रैक नवीनीकरण कार्यों, स्टेशन लाइन की क्षमता में वृद्धि, समर्पित फ्रेट कॉरिडोर, यात्री ट्रेनों का समय पर चलना, पटरी से उतरना, सुरक्षा संचालन, मानव रहित लेवल-क्रॉसिंग, संविदात्मक मुद्दों और यात्री सुविधाओं का ऑडिट शामिल है।

"इन मुद्दों के अलावा, हमें क्रॉस-सब्सिडीशन, परिचालन अनुपात, पट्टा भुगतान, पेंशन देयता और रेलवे वित्त पर इसके प्रभाव, हरित ऊर्जा पहल, परियोजना अनुमोदन की प्रणाली को कवर करने की आवश्यकता है, जिसमें समय और लागत में वृद्धि, अंतर के लिए अनुमोदन शामिल है। मुर्मू ने कहा, कार्यों की चयनित मदों पर प्रदर्शन की क्षेत्रीय तुलना, लाभांश भुगतान सहित रेलवे वाणिज्यिक उपक्रमों के निवेश पैटर्न का विश्लेषण।

इस मौके पर डिप्टी सीएजी (रेलवे) इला सिंह ने कहा कि रेलवे परफॉर्मेंस ऑडिट और थीमैटिक ऑडिट के लिए और संसाधन लगाने की योजना बना रहा है।

"हम प्रदर्शन लेखापरीक्षा और विषयगत लेखापरीक्षा के लिए और अधिक संसाधन लगाने का इरादा रखते हैं। शामिल किए जाने वाले मुद्दों में स्वच्छ भारत मिशन के तहत रेल भूमि विकास प्राधिकरण के कामकाज और प्रबंधन, खानपान प्रबंधन, लंबी दूरी के स्टेशनों की सफाई और स्वच्छता, केंद्र की कार्यप्रणाली शामिल है। रेल सूचना प्रणाली, ट्रैक रखरखाव, निजी साइडिंग आदि के लिए," उसने कहा। <https://jantaserishta.com/delhi-ncr/auditors-and-railways-must-interact-at-zonal-level-cag-murmu-2220303>

7. Indian Navy to replace MiG-29K fleet after 2035 due to quality concerns (firstpost.com) Apr 11, 2023

Due to serious quality concerns with the fighter jets, which frequently necessitate recurrent inspections at regular intervals, the Indian Navy will retire the whole fleet of about 41 MiG-29K supersonic fighter aircraft by 2025.

The MiG-29K supersonic fighter aircraft will thus be put out of commission after less than 25 years in service.

With a life extension programme, the MiG-29K could have continued to serve the Indian Navy for another 10 to 15 years after its 25-year design life of 6,000 hours.

However, according to a report by Indian Defence Research Wing (IDRW), the Indian Navy has no such plans to extend the service life of its MiG-29K fleet which will be scrapped after retirement.

Since its introduction, the fleet's serviceability has ranged from 21.30 to 47.14 percent, according to the 2016 Comptroller and Auditor General (CAG) report, with over 40 engines having to be removed owing to design-related flaws attributed to the Russian Military Complex's subpar quality.

According to reports, the Indian Navy is unsure that the MiG-29K fleet will last beyond 2030 due to airframe flaws, discrepancies, and anomalies that will make flying risky as it ages further.

The Indian Navy plans to replace its Mig-29K fleet with 45 Twin Engine Deck Based Fighters (TEDBF), a "5th generation minus," from 2035 onward.

The Indian Navy is reportedly looking to buy 26 Rafale M fighter jets before 2030 to ease pressure on its Mig-29K fleet. The contract might be signed in the next 18 months, and the agreement could be announced soon.

Why did the Indian Navy choose the Mig-29K?

Although India was the fighter jet's second launch client after the Soviet Air Force, the Indian Navy had chosen the Mig-29K due to experience with the Indian Air Force (IAF), which has been flying 60 or so Mig-29A – which were later upgraded to UPG – since the late 1980s.

The Mig-29K is based on the “basic” MiG-29K airframe that was modified to be used by Soviet aircraft carriers as deck-based fighter aircraft.

However, the programme came to an abrupt end after the fall of the Soviet Union, and was only revived after India was given the Admiral Gorshkov allegedly free of charge.

However, India still had to pay \$2.35 billion for the upgrade and refit of the aircraft carrier and another US\$1 billion to acquire the aircraft and weapons systems.

The MiG-29K was given new life by the Indian Navy, and the fighter aircraft later made its way onto the Russian aircraft carrier Admiral Kuznetsov, which at the time was only flying Su-33 Strike fighters.

Although the Indian Navy continues to maintain that it was the best option at the time, many believe that the Su-33, which the Russian Navy ultimately elected to replace in 2009 with the Mig-29K, would have been a better choice.
<https://www.firstpost.com/india/indian-navy-to-replace-mig-29k-fleet-after-2035-due-to-quality-concerns-12439122.html>

8. Bengal over-reported 160 million midday meals worth ₹100 crore: Report ([hindustantimes.com](https://www.hindustantimes.com)) Apr 12, 2023

The West Bengal government over reported 160 million midday meals worth ₹100 crore between April and September 2022, a review committee of the central government said, finding significant discrepancies in the number of beneficiaries , officials familiar with the matter said on Tuesday.

The Union education ministry in January formed a joint review mission (JRM) to visit West Bengal and review the implementation of the midday meal scheme, now known as PM POSHAN. The panel was formed days after Bharatiya Janata Party’s Suvendu Adhikari, leader of the opposition in the state assembly, wrote to Union education minister Dharmendra Pradhan, alleging that funds for the midday scheme were being misused by the ruling Trinamool Congress dispensation. The Union government provides 60% of the funds for the scheme and states, the remaining 40%.

The review mission in its report submitted on March 24 found serious discrepancies in the number of students who avail the free lunch in government schools, central government officials said, declining to be named.

“The report highlighted that the state had earlier claimed that 95% of the enrolled students were availing meals on average. However, during the visit of the committee, it was found that the number was much less than that,” one of the officials cited above said. “It stated that for 10 days prior to the visit of JRM, only 52% of the enrolled children were availing the meals.”

The panel highlighted “over reporting of serving of over 160 million meals,” a second official said, adding that the committee termed it as a “very serious issue”. “The report highlighted that the material cost of 160 million meals translates to over ₹100 crore,” he said.

Some 70% of the schools the panel visited provided less cooked rice than is prescribed in the norms. “It (the report) also said that the JRM found less dal (lentils) was cooked than prescribed quantities in 60% of the visited schools,” the second official said. “It also flagged that many schools had expired condiments , and fortified oil and fortified salt was not used in any of the visited schools.”

This is the latest instance when the central government led by the BJP has accused the ruling TMC in West Bengal of irregularities in centrally sponsored welfare programmes. It has previously raised issues over alleged misuse of funds under the rural jobs guarantee programme and PM Awas Yojna, which provides housing funds for the poor.

Manish Jain, West Bengal’s principal secretary for education, was not available for comment.

An official of the state’s education department said on condition of anonymity that in February, the Union education ministry decided to seek a special audit of the implementation of PM POSHAN scheme in West Bengal over the past three years by the Comptroller and Auditor General of India, although members of the JRM expressed satisfaction after a field survey.

“The JRM team arrived in Bengal on January 29 and paid random visits to schools in the districts over a week. The team members expressed satisfaction,” the state government official said. “They did not raise any issue during the JRM meeting in Kolkata at the end of their tour.”

The issue has triggered a political slugfest in Bengal. The ruling TMC has targeted the Centre and the BJP, alleging that Adhikari knew about the Centre’s plans on a special audit even before the JRM team visited West Bengal.

While visiting Bengal on January 14, Pradhan had said: “We read some media reports on irregularities in PM POSHAN scheme. The Leader of the Opposition also submitted a note on large-scale irregularities. In 2020, the state objected to a JRM inspection. This time around, we are determined to send a team.”

Reacting to the development, TMC Rajya Sabha member Sukhendu Sekhar Roy said: “The BJP wants to create pressure on the TMC government before the imminent panchayat polls. This is a political conspiracy.”

BJP national spokesperson Shehzad Poonawalla, however, said that there has been an institutionalization of corruption by TMC in West Bengal. “Our party has time and again raised that money allocated by the Centre for various schemes meant for the poorest for the poor has been siphoned off and diverted by the West Bengal government. Be it the scheme meant for feeding children in schools, scheme for building houses for the poor and MGNREGA,” he said.
<https://www.hindustantimes.com/india-news/west-bengal-over-reported-160-million-midday-meals-worth-100-crore-between-april-and-september-2022-says-central-government-review-committee-101681238439176.html>

9. Best utilisation of MPLADS funds in Gujarat in FY23, UP gets most money ([thehindubusinessline.com](https://www.thehindubusinessline.com)) Apr 11, 2023

In FY23, Gujarat had the highest utilisation-to-released fund ratio of MPLADS funds.

While ₹66 crore was allocated to the state, it had utilised ₹95.77 crore, 145.11 per cent. This is according to the data that the Ministry of Statistics and Programme Implementation presented in the parliament on March 27, 2023.

Rao Inderjit Singh, Minister of State (Independent Charge) was answering a question posed by CPI(M) MP John Brittas, in the Rajya Sabha. The other major states with the highest utilisation-to-released fund ratio include Jharkhand, Karnataka, Kerala, West Bengal and Tamil Nadu.

After a hiatus, FY23 was a financial year that saw the Members of Parliament Local Area Development Scheme (MPLADS) implemented in the full wing. The scheme was paused during the beginning of the pandemic and was resumed only in November 2021.

New data protection bill to be introduced in Monsoon session of Parliament: Centre to SC

MPLADS is a central government scheme under which MPs can recommend development programmes of expenditure of ₹5 crore every year in their constituencies.

Both Lok Sabha and Rajya Sabha MPs can recommend projects here. The funds for the projects get transferred to the respective local authorities here.

At the same time, States like Telangana and Uttarakhand have spent just 52.8 per cent and 63.6 per cent of the total funds that they received in FY23.

Who gets more money?

Data shows that funds received from the Centre by each State are proportional to the number of MPs that the State elects.

For instance, Uttar Pradesh received ₹427.5 crore. The State has 80 Lok Sabha MPs. The State has utilised 99 per cent of the funds that it received in FY23, as of March 27, 2023.

How much MPLADS fund did each state receive in FY23?

Uttar Pradesh is followed by Maharashtra, Bihar and West Bengal. These States received ₹341.34 crore, ₹219.95 crore, and ₹182.17 crore respectively.

On the other hand, four union territories, Lakshadweep, Chandigarh, Andaman and Nicobar Islands, and Dadra and Nagar Haveli received no money in FY23. Among states, Sikkim received the lowest amount of money at ₹2 crore.

However, the scheme has been facing criticism from various sectors over years.

“The core role of MPs is to make laws and hold the government accountable on our behalf. MPLADS distracts MPs from these duties in Parliament and pulls them into the domain of the government wherein they have to propose projects for on-ground execution. It also skews the expectation that people have from their representatives,” said Chakshu Roy, Head of Outreach, PRS Legislative.

A CAG report from 2010 had also criticised the scheme’s faulty implementation, noting that in many cases work wasn’t completed despite funds getting released. It also noted instances of corruption in some cases.

<https://www.thehindubusinessline.com/data-stories/data-focus/best-utilisation-of-mplads-funds-in-gujarat-in-fy23-up-gets-most-money/article66724046.ece>

STATES NEWS ITEMS

10. Fire safety gaps turning Himachal schools, hospitals into tinderboxes, finds CAG report ([hindustantimes.com](https://www.hindustantimes.com)) April 12, 2023

A performance audit report by the comptroller and auditor general (CAG) has revealed glaring lapses in the fire safety norms at government schools and the hospitals across the state.

As per the report, which was recently tabled in the state assembly's budget session, the fire department informed that out of only 55 of the state 2,806 government schools had obtained fire no-objection-certificates (NOC) during the 2018-21 period.

Alarming, none of the 99 major government hospitals in the state had not obtained the same from the department.

The Supreme Court of India has in its 2009 order directed every school to obtain mandatory fire NOC in the aftermath of a fire incident at a school. Similarly, the Union ministry of home affairs had also issued guidelines to all states, directing regular inspections of hospitals and nursing homes to ensure compliance with National Building Code's (NBC) fire safety norms.

The report observed that the Himachal Pradesh Fire Fighting Services Act, 1984, empowers the department to enter/examine premises for compliance with fire safety norms, but lacks provisions to enforce compliance and penal provisions for non-adherence to norms.

In view of the same, defaulters continued to have a free pass, putting the lives of students and those working at/visiting these institutions at risk.

Departmental laxity

The report also states that the department had not conducted vulnerability analysis of fire-vulnerable buildings. Databases of hazardous industries, high-rise buildings despite the PAC's recommendation for identification were also found missing.

It is worth mentioning that the National Disaster Management guidelines recommend provisions in the legal framework/Fire Act of the state requiring mandatory department clearances for all high rise buildings, colonies, residential clusters, business centres, malls, etc.

Infrastructural lapses

The report further revealed that 23 test-checked fire control centres did not have adequate and reliable sources of water.

Meanwhile, only 85 fire fighting vehicles were found available against an approved fleet strength of 115.

“The shortage in firefighting vehicles was concomitant with surrender of budget amounting to ₹6.22 crore received for motor vehicle purchase during 2018-21, indicating that the department had not adequately planned for purchase of firefighting vehicles despite shortage,” the audit observed.

Against a sanctioned strength of 938 posts for operational staff, 257 (28%) posts were lying vacant, adversely impacting the capacity of fire control centres. Also, only 728 personal protection equipment (PPE) kits for firefighters were available against the required 5,055.

It was also found that the department did not conduct any physical assessment test for firefighters in the 2018-21 period.

Toll-free number a non-starter

In another worrying revelation, the audit found that the unique toll-free number (101) assigned to attend first information about fire incidents had not been made available in any of the fire posts across the state — adding that the same could well result in information delay and response time.

Notably, in the test-checked fire control centres, there was delayed response to fire incidents.

<https://www.hindustantimes.com/cities/chandigarh-news/cag-report-reveals-alarming-lapses-in-fire-safety-norms-at-himachal-pradesh-schools-and-hospitals-lack-of-compliance-and-departmental-laxity-put-lives-at-risk-101681248695391.html>

11. No fire vulnerability check, high-rise count done in Himachal Pradesh
(timesofindia.indiatimes.com) April 12, 2023

SHIMLA: The comptroller and auditor general (CAG) of India has come out with a report that Himachal Pradesh's fire department has neither done vulnerability analysis the buildings nor prepared a database of hazardous industries and high-rises despite the public accounts committee's recommendation.

The 23 fire control centres didn't have adequate and reliable sources of water. Against an approved fleet strength of 115, the state has only 85 fire tenders. Against the required 5,055 personal protection equipment (PPE) for firefighters, the department has only 728 of these kits. Chief minister Sukhvinder Singh Sukhu had tabled CAG's compliance audit report for the year ended March 31, 2021, in the assembly on April 6. He stated that the unique toll-free number (101) of the first-response team was unavailable in any of the fire posts.

Against a sanctioned staff strength of 938, the department has 257 vacancies, and this 28% shortage impacts fire control. The firefighters have not faced a fitness test for some time and all the 22 tested fire control centres had a delayed response time. In the year 2018-2021, CAG also tested the directorate of fire services, state fire training centre, and 23 (12 fire stations and 11 fire posts) fire control centres out of 65.

It examined their records and departmental replies, besides doing joint physical inspection of five of the 23 fire control centres where 5,301 fires in the year 2018-21 had killed 117 people and 43 cattle heads, besides destroying property worth Rs 479.2 crore. The department's total budget for 2018-21 was Rs 159 crore, while the expenditure was about Rs 141 crore. The main heads under expenditure were salaries (Rs 61.7 crore), major works (Rs 25.4 crore), motor vehicle purchase (Rs 6.5 crore), and machinery and equipment (Rs 4.5 crore).

In the year 2019-20, the department failed to spend 39% of its plan funds and 20% of its non-plan funds, which is a sign of poor financial management. These savings were also significant under the non-plan head in the year 2020-21. The state has 12 districts and 108 tehsils, and under the 2019 rules, each district headquarters should have at least one fire station, while a tehsil should have at least one fire substation or post. The state needed at least 120 fire control centres (12 stations and 108 substations or posts), but in March 2021, it had only 65 (22 stations, 3 sub-stations, and 40 posts), of which 17 had come up in the year 2018-21.

Fire preparedness hasn't improved much in six years since the audit report of 2016. Neither the Himachal Pradesh Fire Fighting Services Act was amended, not the rules for enacting the Fire Services Act were drafted. <https://timesofindia.indiatimes.com/city/shimla/no-fire-vulnerability-check-high-rise-count-done-in-hp/articleshow/99422059.cms>

12. कैग की जांच में खुलासा: पशुपालन विभाग में 95 लाख रु. गबन मामले में तीन अफसरों के खिलाफ मुकदमे की मंजूरी ([bhaskar.com](https://www.bhaskar.com), [samacharnama.com](https://www.samacharnama.com)) April 12, 2023

हिमाचल सरकार ने पशुपालन विभाग के तीन अधिकारियों के खिलाफ अभियोजन (मुकदमा चलाने) की मंजूरी दे दी है। इसकी पुष्टि पशुपालन महकमे के सचिव राकेश कंवर ने की है। सरकार की मंजूरी के बाद अब विजिलेंस दो सहायक निदेशक और कैशियर के खिलाफ अदालत में चालान पेश करेगी। पशुपालन विभाग के अधिकारियों पर आरोप है कि इन्होंने 2016 से 2018 के बीच बैकयार्ड पोल्ट्री योजना, कृत्रिम गर्भाधान के आयातित सीमन फीस जमा करने और पशु चारे में गड़बड़ी की है। भारत के नियंत्रक महालेखा परीक्षक (कैग) की रिपोर्ट ने भी इन अनियमितताओं को लेकर सवाल खड़े किए थे।

कैग की रिपोर्ट के बाद बाद विभागीय जांच में भी यह गड़बड़ी सामने आई है। शुरुआत में यह घोटाला लगभग 65 लाख रुपए का बताया जा रहा था, लेकिन जैसे-जैसे मामले की जांच आगे बढ़ती गई। यह घोटाला लगभग 95 लाख रुपए का हो गया। विजिलेंस ने इस मामले की इनकवायरी पूरी कर ली है। विजिलेंस ने नवंबर 2022 में ही राज्य सरकार से इन अधिकारियों के खिलाफ अभियोजन चलाने की मंजूरी मांग ली थी। इस संबंध में विजिलेंस दो बार प्रदेश सरकार को रिमाइंडर भी भेज चुका है। बीते सप्ताह भी विजिलेंस ने सरकार को ताजा रिमाइंडर भेजा था।

मामला सोलन स्थित हैड ऑफिस का है। कृत्रिम गर्भाधान के लिए आयातित सीमन की बिक्री एवं रजिस्ट्रेशन शुल्क के रूप में विभाग को 41.40 लाख रुपए प्राप्त हुए थे। लेकिन कैश बुक में पूरे अमाउंट की एंट्री नहीं की गई। विभाग के अधिकारियों ने इसमें से 12.09 लाख रुपए सीधे लैंड डवलपमेंट बैंक में जमा किए गए, जबकि 29.31 लाख की राशि किसी भी बैंक में जमा नहीं हुए। इस पर पर्दा डालने के लिए दूसरी स्कीम के 29.31 लाख रुपए उपनिदेशक पशुपालन कार्यालय के बचत खाते से लैंड डवलपमेंट बैंक को ट्रांसफर कर दिए। इस पैसे की निकासी के कोई बिल भी रिकार्ड में नहीं हैं।

इसके अलावा पशुपालन विभाग के बैकयार्ड पोल्ट्री योजना में 10.61 लाख रुपए का गबन हुआ। लाभार्थियों की मांग पर केंद्रीय पोल्ट्री फार्म नाहन से चूजों की आपूर्ति की गई। इससे

विभाद को 10.61 लाख रुपए प्राप्त हुए, लेकिन प्राप्त राशि में से 1.36 लाख रुपए की कोई रसीद जारी नहीं की गई।

गर्भित पशु आहार योजना में भी 7.20 लाख रुपए का गबन का दावा किया गया। इस योजना के तहत लाभार्थियों से 2.40 लाख रुपए 2016 से 2018 के बीच विभाग को प्राप्त हुए, लेकिन यह राशि भी बैंक व कैश बुक में एंटर नहीं की गई। इसी तरह कुछ राशि इंडसइंड और एसबीआई बैंक से विट्टा भी की गई, लेकिन कैश बुक में न तो इसकी एंट्री है और न ही कोई वाउचर मिला है। इस तरह यह लगभग 95 लाख रुपए की हेराफेरी हुई है।

पशुपालन मंत्री ने फाइल की रिकॉल

राज्य सरकार ने पशुपालन विभाग के तीनों अधिकारियों के खिलाफ अभियोजन मंजूरी जरूर दे दी है, लेकिन अभी एक अधिकारी द्वारा पशुपालन मंत्री चंद्र कुमार के समक्ष मामला उठाने के बाद संबंधित मिनिस्टर ने फाइल रीकॉल की है। अब यह फाइल पशुपालन मंत्री के कार्यालय में पेडिंग है। अब इसे देखने के बाद मंत्री अभियोजन को लेकर दोबारा निर्णय ले सकते हैं।

मंत्री की क्लीयरेंस के बाद ही विजिलेंस को अभियोजन मंजूरी के बारे में सूचित किया जाएगा। पशुपालन मंत्री चंद्र कुमार ने बताया कि एक-दो दिन में सचिवालय आने के बाद वह अभियोजना मंजूरी की फाइल देखेंगे। उसके बाद ही इस पर कमेंट कर पाएंगे। उसके बाद विजिलेंस को इसकी जानकारी दे दी जाएगी।

सुखू सरकार का कड़ा संदेश: भ्रष्टाचार बर्दाश्त नहीं होगा

आमतौर पर अधिकारियों के खिलाफ अभियोजन मंजूरी कम ही मिलती है। इससे पहले शिमला में डीएलएफ की फॉरेस्ट में कालोनी निर्माण मामले, पूर्व वीरभद्र सरकार में बहुचर्चित इंडस्ट्री डिपार्टमेंट के घोटाले, आबकारी विभाग में 12 करोड़ से अधिक के घोटाले जैसे कई मामलों में राज्य सरकार ने अभियोजन मंजूरी नहीं दी। उल्टा अधिकारियों को प्रमोशन देकर अच्छी जगह पोस्टिंग दी है।

इससे विजिलेंस कई मामलों में चाहकर भी अधिकारियों के खिलाफ कार्रवाई नहीं कर पाया। लेकिन सुखू सरकार ने पशुपालन विभाग के घपले में अभियोजन मंजूरी देकर भ्रष्टाचार के प्रति अपने रवैये का स्पष्ट संकेत दे दिया है। वह कह चुके हैं भ्रष्टाचार किसी कीमत पर बर्दाश्त नहीं होगा।

<https://www.bhaskar.com/local/himachal/shimla/news/95-lakh-in-animal-husbandry-department-approval-of-trial-against-three-officers-in-embezzlement-case-131153677.html>

13. HC orders CAG inquiry into 58cr Malda flood money
(timesofindia.indiatimes.com) April 12, 2023

Kolkata: Calcutta High Court ordered a CAG inquiry into Rs 58 crore funds released by the state government in 12 Malda blocks for reconstruction of houses ravaged by the 2017 floods. A division bench of acting Chief Justice T S Sivagnanam and Justice Hiranmay Bhattacharyya on Tuesday directed the principal accountant general I to inquire into the complaint by former Congress Harishchandrapur MLA Mostaque Alam and submit a preliminary report within eight weeks. Alam claimed that the entire fund was diverted to accounts of relatives and associates of gram padhans and karmadhyakshas of panchayat samitis and the zilla parishad. <https://timesofindia.indiatimes.com/city/kolkata/hc-orders-cag-inquiry-into-58cr-malda-flood-money/articleshow/99421447.cms>

SELECTED NEWS ITEMS/ARTICLES FOR READING

14. India's creaking pensions system needs transparency, not populism
(livemint.com) April 12, 2023

The four-member committee looking for ways to improve benefits under the National Pension System should use the opportunity to increase transparency and recommend a performance evaluation system for government employees

It is widely recognised worldwide that pensions for government employees tend to be a populist plank for garnering votes. In India, too, pensions have been more of a political than an economic compulsion.

Some state governments are going back to the old pension scheme (OPS) regardless of the burden it will put on their exchequer. In September 2022, the Punjab government said it was considering reverting back to OPS for its employees. Rajasthan, Chhattisgarh, and Jharkhand have already announced a return to OPS and Himachal Pradesh is also expected to do so.

This trend has reignited national debates on pensions. The central government has not been able to resist the temptation of populism. Giving in to political pressure, the central government on Thursday constituted a four-member committee chaired by finance secretary TVS Somanathan to look into ways of improving the benefits for government employees under the National Pension System (NPS).

Although the centre has said that this committee will ensure that fiscal prudence isn't compromised, it's no secret that by the time the panel's recommendations are ready, the political heat will have turned up ahead of the 2024 Lok Sabha elections. It's likely then that ways will be found to reverse yet another reform and splurge more tax money on making the pension system populist while presenting the whole affair as fiscally prudent – which it simply cannot be.

Among others, Montek Singh Ahluwalia, a distinguished economist and former deputy chairman of the Planning Commission, has cautioned that going back to OPS will bankrupt the government within 10 years. The OPS was stopped by the BJP-led NDA government in December 2003 because it was not sustainable and the New Pension Scheme kicked in on April 1, 2004. This was a laudable reform.

OPS was rolled out after Independence. Under it, employees with 20 or more years of service get 50% of their last drawn salary plus dearness allowance as their pension for life. Half of that inflation-indexed pension is paid to qualifying dependent family members in case the employee dies. The OPS income of pension receivers is not taxed. There was no corpus out of which OPS pensions were paid. Because it had no funding plan, the government's liability simply kept growing, making OPS a ticking fiscal time bomb.

Under the NPS, employees contribute 14% of their salary to a pension corpus while the government contributes 10% of employees' salaries to the fund. Pensions are determined by the returns on the investments made by pension fund managers. In contrast, under the OPS, the government bore the entire expense while workers got a guaranteed pension.

In 2004, the Indian Pension Research Foundation had computed the estimated implicit pension debt at 64% of India's GDP. An Asian Development Bank (ADB) report estimated the annual fiscal cost of pensions at \$30 billion in 2012, up from less than \$0.5 billion in the 1980s. According to the Seventh Central Pay Commission report, there was a three-fold increase in pension expenditure from 2007-08 to 2013-14. It also said the government's contribution to the OPS (excluding Railways) increased from ₹924 crore in 2011-12 to ₹1,600 crore in 2013-14.

India cannot afford higher pensions for government employees, especially with increasing longevity and salaries rising sharply after generous pay commission rewards (these were implanted by making assumptions of high GDP growth, which have not materialised).

So what should the new committee do?

First, it should make public the number of individuals that receive salaries and pensions from the government. It should also specify the number of people who draw pensions and salaries from entities – such as the armed forces, railways or public sector units – that have accumulated losses and depend on the government to make these payments. The total bill for these salaries and pensions footed by the taxpayer should also be disclosed. Public debates on pensions or salaries should not take place in the absence of complete transparency and full disclosures about the extent to which taxpayers are being billed.

Second, there should be a performance evaluation system for appraising government employees on which salary hikes must be based. Information on the performance of every government employee must be publicly accessible by citizens. Rewarding employees regardless of performance needs to end.

The government has been living hand-to-mouth year after year for quite some time. At under 12% for FY23, India's tax-GDP ratio has not only remained stagnant for many years, it is also lower than that of most major economies. Thus the third area the committee must explore is development versus pensions. Every extra rupee spent on government salaries and pensions is a rupee less for the welfare of the less privileged and for supporting productive sectors of the economy. The committee must estimate the opportunity cost of devoting scarce budgetary resources to government pensioners, a section of society that is neither underprivileged nor the most productive.

Diverting budgetary resources to pensions should not result in the need to borrow more for funding development. Every rupee borrowed by the government is a rupee less for the private sector to borrow and invest. Private investments support sustainable GDP growth. Government pensions and salaries, less so. Plus, the government's borrowings increase the tax burden on future generations of taxpayers. Apart from fiscal sustainability, the OPS also threatens to worsen intergenerational inequities.

Finally, the committee must lay out a clear plan for funding higher pensions. It has been seen with the Fiscal Responsibility and Budget Management (FRBM) Act that governments do not stick to fiscal consolidation targets. India's public debt levels are not projected to drop to the FRBM target level of 60% of GDP any time soon. The committee should take into consideration this chronic inability to stick with expenditure control, revenue generation and fiscal consolidation targets when

preparing its projections. <https://www.livemint.com/opinion/online-views/indias-creaking-pensions-system-needs-transparency-not-populism-11681278829268.html>

15. Centre gets post-GST tax buoyancy boost but states yet to improve: NIPFP ([moneycontrol.com](https://www.moneycontrol.com)) April 12, 2023

The tax buoyancy in the goods and services tax (GST) regime has improved for the Union government but same has not improved for states yet, a working paper by the National Institute of Public Finance and Policy (NIPFP) has said.

“GST-to-GDP ratio of the Union as well as state governments not yet improved during post-GST period as compared to the equivalent share of respective revenue streams in GDP during the pre-GST period,” Sacchidananda Mukherjee, a professor at the autonomous research institute under the ministry of finance, wrote in the working paper released on April 11.

The paper comes to these conclusions by comparing comparable revenue streams of pre- and post-GST periods for the period 2012-13 to 2022-23.

Sustaining revenue streams of the Union and state governments, in terms of percentage share in the nominal gross domestic product, between the pre- and a post-GST period is important for sustainable public finance management, the professor said.

At the time of the introduction of GST in July 2017, the constitutional amendment provided for compensation to states for five years for the revenue lost. The GST Compensation to States Act provided for the release of compensation based on 14 percent year-on-year growth. This compensation came to an end in June last year.

After nose-diving during the coronavirus pandemic, GST collections have been robust for several months now. The monthly GST collection jumped 13 percent on-year to Rs 1.60 lakh crore in March, the second-highest monthly mop-up since the rollout of the indirect tax regime.

While there has been a marginal improvement in the GST collection after the coronavirus pandemic, volatility in tax buoyancy during the post-GST period is attributed to the volatility in growth rate and the resulting volatility in GST collections.

“Volatility in tax buoyancy makes it difficult to make a reliable projection of tax revenue and therefore it may result in revenue shocks to public finance management,” the working paper said.

The post-pandemic rise in GST collections is also the result of rising consumer prices of goods and services and an increase in compliance in filing of returns, it added. <https://www.moneycontrol.com/news/business/economy/centre-gets-post-gst-tax-buoyancy-boost-but-states-yet-to-improve-nipfp-10401131.html>

16. IMF lowers India growth forecast to 5.9% for FY24 ([financialexpress.com](https://www.financialexpress.com)) April 12, 2023

The International Monetary Fund (IMF) on Tuesday lowered its growth forecasts for India for the current fiscal year and the next by 20 bps and 50 bps, to 5.9% and 6.3%, respectively.

This was broadly in line with the cuts in its global growth forecasts for 2023 and 2024 by 10 bps each to 2.8% and 3%, but indicated that India may not be weathering the global turmoil as exceptionally as it was expected to. Of course, India will still be the fastest growing major economy during the forecast period.

Notably, the IMF’s latest projection widens the gap between its forecast and that of the Reserve Bank of India for the current year. The central bank, in the monetary policy review last week, had marginally upped its GDP growth forecast for India to 6.5% for FY24 from 6.4% previously. Also, at 5.9%, the IMF’s forecast is the lowest growth estimate for India for this year among the major agencies (see graph).

Global growth, according to the IMF, is expected to fall from 3.4% in 2022 to 2.8% in 2023 before recovering partially to 3% in 2024. The projections for 2023 and 2024 are 10 bps lower than the IMF’s January forecast.

The IMF revised upwards its growth forecast for the US by 20 bps to 1.6% in 2023 and for the Euro Area by 10 bps to 0.8%. China’s growth rate is projected to be 5.2% in 2023 and 4.5% in 2024 against its growth rate of 3% in 2022.

Tentative signs in early 2023 that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid

stubbornly high inflation and recent financial sector turmoil, the IMF said in the new edition of its World Economic Outlook.

“On the surface, the global economy appears to be poised for a gradual recovery from the powerful blows of the pandemic and Russia’s unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding, said IMF Chief Economist Pierre-Olivier Gourinchas.

“Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

Recently, the World Bank and Asian Development Bank lowered their growth projections for India for the current fiscal citing concerns over slower consumption growth and elevated inflation amid global uncertainties. While the World Bank has pegged the economy to grow at 6.3% this fiscal, the ADB expects it to grow by a notch higher at 6.4%. Most agencies expect GDP to grow at a more subdued 6% or so in the current fiscal.

As per the second advance estimate by the National Statistical Office, India’s economy likely grew 7% in real terms in 2022-23. The IMF, however, reckons that the country’s GDP grew only by 6.8% last fiscal.

The IMF expects inflation in India to ease to 4.9% this fiscal from 6.7% last fiscal and cool further to 4.4% in FY25. In its January forecast the IMF had estimated headline inflation to ease to 5% in the current fiscal and then to 4% in 2024-25. It expects India’s current account deficit to fall to 2.2% in FY24 from 2.6% last fiscal.

“The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the Covid-19 pandemic and Russia’s invasion of Ukraine—manifesting in unforeseen ways,” the IMF said, adding that with the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened.

The unexpected failures of two specialised regional banks in the US in mid-March 2023 and the collapse of confidence in Credit Suisse have roiled financial markets,

with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable, it further noted.

It also stressed that the world economy is not currently expected to return over the medium term to the rates of growth that prevailed before the pandemic.

“Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability,” the report warned. The IMF expects global headline inflation to decline to 7% in 2023 from 8.7% in 2022. <https://www.financialexpress.com/economy/imf-lowers-india-growth-forecast-to-5-9-for-fy24/3043098/>

17. CBDT unearths Rs 1,000-cr ‘bogus spend’ by Karnataka cooperatives
([financialexpress.com](https://www.financialexpress.com)) April 12, 2023

Income Tax authorities found “bogus” expenditure of Rs 1,000 crore during recent search and seizure operations in certain cooperative banks in election-bound Karnataka.

“These cooperative banks have been found to be engaged in routing of funds of various business entities of their customers, in a manner, so as to abet them to evade their tax liabilities,” said the Central Board of Direct Taxes in a statement on Tuesday. A total of 16 premises were covered in the search action conducted on March 31.

The search action also resulted in seizure of unaccounted cash of over Rs 3.3 crore and unaccounted gold jewellery worth over Rs 2 crore, it said, adding that further investigations are underway.

The seized evidence revealed that these cooperative banks were involved in rampantly discounting bearer cheques issued by various business entities, in the name of various fictitious non-existing entities, the CBDT said, adding that these business entities included contractors, real estate companies. No KYC norms were followed while discounting such bearer cheques.

The purpose of such discounting of large number of cheques was to mask the real source of the cash withdrawal, and to enable the business entities to book bogus expenses, it further said.

During the search, it was also found that these cooperative banks allowed opening fixed deposit receipts (FDRs) by using cash deposits without adequate due diligence, and subsequently sanctioned loan using the same as collateral. Evidence seized during the search revealed that unaccounted cash loans of over Rs 15 crore have been given to certain persons or customers.
<https://www.financialexpress.com/economy/cbdt-unearths-rs-1000-cr-bogus-spend-by-karnataka-cooperatives/3042875/>

18. Build disaster-proof cities (thehindubusinessline.com) April 11, 2023

Not factoring in climate risk will cost cities dear

India is one of the fastest growing economies in the world. According to EY forecast, India is expected to be a \$26 trillion economy (in market exchange terms) by 2047. The per capita income is expected to increase to \$15,000, putting the country among the ranks of developed economies. However, to become a global economic powerhouse, several actions need to be taken.

A critical one concerns the urbanisation process underway in India. The number of inhabitants in Indian cities is estimated to have increased almost fourfold between 1970 and 2018, from 109 million to 460 million. The country is expected to add another 416 million people to its cities by 2050 and have an urban share of population of 50 per cent. Cities in India occupy just 3 per cent of the nation's land, but their contribution to GDP is a massive 60 per cent.

Many Indian metros are not meeting their potential in serving as engines of economic growth and job creation. Several factors are responsible for this: (i) inadequate investment in urban infrastructure; (ii) fragmentation of responsibilities and limited ownership of economic initiatives between urban local bodies and State government agencies; and (iii) lack of business- and investment-friendly initiatives and regulations in urban and peri-urban areas.

To come up with relevant interventions and frameworks that address these issues, interactions were carried out with government and private sector stakeholders across project States, cities, and other major urban centres in India. Along with the stakeholder consultations, cities in India and abroad were also studied to derive lessons across the areas of: (i) integrated economic vision and planning; (ii) policies, regulations and promotion of investments; and (iii) integrated master planning to enable the integration of land use and infrastructure provision, etc.

While these are important steps, one aspect that is completely left out from our city planning is to make the cities cope with climate risk. IPCC projections suggest that the likelihood of events like extreme precipitation are bound to happen more frequently with climate change. The planning for the cities without factoring this may be too costly.

Unprecedented flooding

For example, Mumbai experienced unprecedented flooding in 2005, causing direct economic damages estimated at almost \$2 billion and 500 fatalities as per the study, ‘An assessment of the potential impact of climate change’, published in a climate journal. The findings suggest that by the 2080s an ‘upper bound’ climate scenario could see the likelihood of a 2005-like event more than double. The estimate states that total losses (direct plus indirect) associated with a 1-in-100 year event could triple compared with the current situation (to \$690-1,890 million), due to climate change alone.

The analysis also demonstrates that adaptation could significantly reduce future losses. For example, estimates suggest that by improving the drainage system in Mumbai, losses associated with a 1-in-100 year flood event today could be reduced by as much as 70 per cent.

Similar catastrophic events, though on a lower scale, were seen recently in cities like Chennai, Gurugram and Bengaluru. However, city planners do not seem to have learnt the lesson. Ideally, planning for mega cities need to incorporate: assessment of current and future rainfall pattern in megacities; urban flood model/storm water management model; and spatial distribution of people/property and insurance penetration.

AI based modelling is probably the right approach to build scenarios for the medium, long term on these aspects. These may be linked to a city based economic model to quantify the likely cost in the event of occurrence of climate-led disaster in a megacity. An upfront number incorporating all aspects of cost is an important component of an adaptation assessment plan as policymakers could visualise the potential cost of no-action.

<https://www.thehindubusinessline.com/opinion/build-disaster-proof-cities/article66725964.ece>

19. India needs a principles-based approach to regulate AI ([livemint.com](https://www.livemint.com))
Updated: 12 Apr 2023

Last week, amid all the buzz and hoopla around artificial intelligence (AI), an open letter authored by a few notable individuals threw a bucket of cold water on all the excitement. Apparently inspired by a letter from the Future of Life Institute, it raised fears that AI would threaten jobs in the country and hinted at the doom that would befall us if we did not immediately regulate it.

As regular readers of this column will know by now, I am bullish on AI. I believe it will be the transformative technology that creates the next big orbit shift in the way society functions. As with all ‘tech’-tonic changes, it will change the ways in which we work, making many of the jobs that currently exist irrelevant. But in their place will come new jobs, and fresh skills that humankind will have to learn in order to make the most of the opportunities that it offers. Which is why I don’t share their pessimism.

Having said that, there certainly is merit in starting to think about how AI ought to be regulated. There is no doubt that it is on track to becoming an all-pervasive technology that seeps into various aspects of our lives. That being the case, many of the regulatory frameworks we currently rely on will become redundant. And it is never too early to start thinking about how to deal with this.

As it happens, over the past few years, more than a few countries have attempted to do just that. The US Office of Science and Technology Policy issued a Blueprint for a Bill of Rights for AI that took a predictably laissez faire approach. Apart from reiterating the need to protect users from unsafe and ineffective systems, ensure that AI systems are designed so that they don’t discriminate and take steps to address privacy concerns around notice and user autonomy, the blueprint did not explicitly stipulate what AI companies actually have to do.

The European Commission, on the other hand, has come up with a full-blown legislative proposal that lists in excruciating detail how it is going to regulate “high risk AI systems”. This includes requiring AI companies to ensure constant iterative evaluation of risks; making sure they only use error-free data-sets for training; and imposing on them an obligation to establish audit trails for transparency. It also intends to establish a European AI Board and institute a penalty regime that is even steeper than the General Data Protection Regulation (GDPR), with fines of up to 6% of global turnover for transgressions.

Both these regulatory proposals attempt to fix what we believe we know—based on our current experience—is wrong about algorithmic systems. They prevent the discrimination we’ve seen these systems perpetrate because they have been trained on human data, with all its implicit biases. And attempt to mitigate privacy harms that could occur when AI systems use our information for purposes other than what they were collected for or process it without notice.

These are issues that do need to be addressed, but designing our regulatory strategy to only solve issues after they have become problems will not help us deal with a technology that is capable of evolving as rapidly as AI is. Just as applying a traditional approach to liability will be utterly misplaced.

From what we have seen so far of generative AI, it is capable of unpredictable emergent behaviour that often has no bearing whatsoever on the programming it received. These systems are adaptive, capable of making inferences far beyond what their human developers might have envisioned. They are also autonomous, making decisions that often have no correlation whatsoever with the express intentions of their human creators. And are often executed without their control. If our regulatory solution is to hold the developers of these systems personally liable for this emergent behaviour, they will be forced to shut down any further development for fear of the liabilities they will have to suffer on account of the very emergent behaviour that is its strength.

What if there is another way? What if we adopt an agile approach to AI regulation that is grounded in a set of cross-cutting principles that describe, at a very high level, what we expect AI systems to do (and not do)? We can apply these principles across all the different ways in which AI is, and will be, deployed—across a wide range of sectors and applications. Sector regulators can then refer to these principles, using them to identify harms at the margin and take appropriate corrective action before the effects become too widespread.

This is the approach that the UK government seems to be taking in its recently published Pro-Innovation Approach to Regulating AI. Rather than putting in place a new regulatory framework, it intends to follow an agile and iterative approach designed to learn from actual experience and to continuously adapt. Recognizing that rigid legislation can retard technology innovation, it does not intend to place these principles on a statutory footing. Instead, it is looking to issue them on a non-statutory basis, so that they can be implemented by existing regulators, which will leverage their domain-specific expertise to tailor regulations to the specific contexts in which AI is used.

So far, India has refrained from regulating AI despite the exhortations of a few to do so post-haste. However, when we do eventually start, we would be well advised to follow the UK approach. AI has much to offer us and we should not stifle its potential. <https://www.livemint.com/opinion/columns/regulating-ai-an-agile-approach-based-on-cross-cutting-principles-opinion-piece-by-rahul-matthan-on-the-need-for-an-adaptive-regulatory-strategy-for-ai-in-india-and-worldwide-ai-regulation-crosscuttingprinciples-agileapproach-11681237535201.html>

20. Reinvent tiger conservation (millenniumpost.in) 11 April 2023

We need to rethink the practice of exclusion and fortification of the original and western-oriented tiger charter as one which includes the interest of people who coexist with the tiger

The year 2023 marks 50 years of the birth of Project Tiger — India’s flagship programme to protect its flagship species. In 2005, I chaired a tiger task force with fellow conservationists as its members to review what had gone wrong in the Sariska tiger sanctuary that had lost all its tigers. Our report, *Joining the Dots*, put forward the agenda for tiger conservation. It was not well received in the close-knit “tiger” community, as it was seen to be more human-centric than a conservationist.

Much water has flowed under the bridge since we submitted the report to the then Prime Minister Manmohan Singh. Much has been done to follow up on its recommendations — the tiger census methodology has changed from tracking pugmarks to scientific estimation using camera traps; the tiger authority and wildlife crime bureau have been established with much-enhanced budgets; new protocols for management and protection have been laid down; relocation costs to villages have been enhanced.

All these have borne results in terms of a stable and now increasing tiger population in the country. But still, in this 50th year, we should recognise that there is a huge unfinished agenda that needs to be worked upon. India’s challenge now is twofold: One, to safeguard the tigers in the wild and two, to grow the tiger numbers beyond the carrying capacity of the designated reserves. This is why the agenda of co-existence — where conservation works are reconciled with support for local communities — must be the future.

There is some reason to cheer. The 2006 All India Tiger, Co-predator and Prey Estimation found that there were 1,411 tigers in the country; in 2010, the numbers increased to 1,706; by 2014 to 2,226 and in the fourth round in 2018, to 2,967.

But there is a catch. In 2006, the tigers roamed some 93,000 sq km; by 2018, this came down to 89,000 sq km. This means there is now better protection inside the tiger reserves, but the habitat of the tiger is shrinking. The “zoo-fication” of the tiger is happening. Also, the 2018 estimation showed that some 1,923 tigers — 65 per cent — are found within the confines of the reserves; the rest roam outside in the contiguous forests, habitat to both wild animals and people. This is why I would reiterate that my position on co-existence — working with people outside the core area of the tiger reserve to build alliances and to bring them benefits — which was much reviled by the conservation community, must find real takers. Till now, the policy has ensured that communities outside the reserve get nothing from protection. Over the years, with little investment and even less understanding of how to plant trees that survive cattle and goats, the lands outside the reserves stand denuded. People have no option but to send their cattle to protected areas for grazing. As the ruminants move into forests, the herbivores — deer and other animals — move out to farmers’ fields to forage and destroy.

We must learn this reality if we want more land to safeguard more tigers. The answer is in, first and foremost, paying people quickly and generously for the crops destroyed or the cattle killed. Second, we need to ensure that there is huge and disproportionate development investment in the lands that adjoin a tiger reserve. People should be benefitted to live in the buffer of the reserve. They must want to secure the tiger for their own interest. Third, people must directly gain from conservation. They must be preferred in jobs to protect. They must be partners, owners and indeed earners of tourism the tiger brings.

We know today that wildlife tourism is growing; it is also high-end, exclusive and caters to all of us in the middle classes who want to see animals in the wild. It must grow, but in ways that can benefit people who live in the tiger’s habitat. This is not happening. The fact is that conservation is still happening in ways that exacerbate the conflict between animals and local communities. Today, in many cases, tribals are relocated from the parks and there is a virtual takeover of the same area by luxury tourism. This only adds to alienation and conflict.

In the 2005 Tiger Task Force report, we had asked for a 30 per cent cess to be imposed on hotels that were in the vicinity of tiger reserves and had asked for this money to be ploughed back to people and the park. We had also said that

homestead tourism, owned and run by local communities should be incentivised, indeed pushed, so that people are partners in protection. They have an equal stake in the tiger and its future. This is not happening, but it must.

The new conservation agenda should not revolve around tigers versus tribals. It has to be about tigers and people. This is why in the next 50 years, we need Indian ethics of conservation — we need to reinvent the practice of exclusion and fortification of the original and western-oriented tiger charter as the one which includes the interest of people who coexist with the tiger. Only then can the tiger roam free, far and be bright. <https://www.millenniumpost.in/opinion/reinvent-tiger-conservation-514827>