

NEWS ITEMS ON CAG/ AUDIT REPORTS (13.04.2023)

1. Row over irregularities in midday meal implementation in West Bengal ([thehindu.com](https://www.thehindu.com)) April 12, 2023

A fresh controversy has erupted over the Union Ministry of Education panel, finding discrepancies in the information submitted, regarding the number of midday meals in West Bengal. The State government on Wednesday dismissed the report as one-sided, where the views of the State had not been noted and the data needed to be verified.

The Ministry in January constituted a 'joint review mission' (JRM) to review the implementation of the centrally sponsored scheme PM POSHAN in West Bengal. Certain media reports suggested that the JRM found that the State had overreported around 16 crore midday meals worth over ₹100 crore from April to September last year.

State's Education Minister Bratya Basu on Wednesday said that the State's response was not taken and the data was not shared with the State. He added that the report consisted of "untrue" and "half truths", and had an ulterior agenda.

"What, therefore, is the 'joint' in the joint review committee if the report is not even shared with him for his opinions or views? So it is clear that the views of the State have not been taken into account. We have already written in protest to the chairman of the JRM, to which we have not received any response yet," the Minister said in a statement on social media.

Mr. Basu added that the Comptroller and Auditor General of India (CAG) had conducted an audit of the midday meal scheme till 2021-22, but the State government did not receive any such feedback.

Earlier in February this year, a Central team visited the State and held a midday meal survey upon receiving a letter from the Leader of Opposition Suvendu Adhikari. "As I have said earlier, @MamataOfficial doesn't hesitate to steal from students' plates. Just imagine if they steal ₹100 Crores from 2 quarters of a financial year, how much have they siphoned off in the last 12 years? WB Govt is doing daylight robbery in the name of governance," Mr. Adhikari said on social media.

Later in the day, while addressing a public meeting, Mr. Adhikari alleged that the Chief Minister had diverted funds for the midday meal to give compensation to the victims of the Bogtui violence, and for distributing relief to the people, at a programme in the Sundarbans.

The fresh allegation of corruption has raised political temperatures in the State. The West Bengal government and the Centre has over the past two years, engaged in a tussle over allegations of corruption in the implementation of MGNREGA in the State, a development that has brought 100 days work to almost a complete halt in the State. <https://www.thehindu.com/news/cities/kolkata/west-bengal-government-dubs-report-on-midday-meal-scheme-as-one-sided/article66728590.ece>

2. PM POSHAN Scheme: JRM report finds misappropriation in WB (newindian.in) Updated: 12 April, 2023

The ongoing tussle between the Bharatiya Janata Party (BJP)-led central government and the Trinamool Congress (TMC)-led West Bengal government added another chapter.

A panel appointed by the Ministry of Education has found that around 16 crore midday meals served, worth over ₹100 crores, were actually over-reported by the local administration in West Bengal from April to September last year.

The Ministry of Education had constituted the Joint Review Mission (JRM) to review the implementation of the centrally sponsored scheme PM POSHAN in West Bengal following complaints of irregularities. The 13th Joint Review Mission (JRM) visited West Bengal from January 30 to February 6 this year.

According to the first and second Quarterly Progress Reports (QPRs), submitted to the Government of India by the state government, about 140.25 crore meals had been served under the PM POSHAN scheme from April to September 2022.

However, as per the QPRs submitted by the districts to the state, the number of meals served was about 124.22 crore.

According to the JRM report, the state used to claim that more than 95 per cent of children availed themselves of midday meals on an average basis. However, in all the schools visited, the number of children availing themselves of these meals ranged from 60 to 85 per cent during the period.

During the visit, it was seen that in 70 per cent of the visited schools, less rice was cooked than in the prescribed quantities. In 60 per cent of the visited schools, less dal was cooked than the prescribed quantities.

In 47 per cent of the visited schools, the amount of oil used was less than the prescribed quantities and in 27 per cent of the visited schools, the amount of cooked vegetables was less than the prescribed quantities.

It has also been reported that these funds were credited back to the PM POSHAN funds on March 28, 2022, by the appropriate head of the state government. However, no supporting documents have been provided validating the said transactions.

Reacting to the JRM report, Union MoS for Education and MP from Bankura, Subhas Sarkar, said, “JRM report on PM POSHAN shows that the state government has misappropriated ₹100 crore within the six-month budget.”

“The state government has reported 140 crore meals to the centre, whereas the state has received a report of 124 crore midday meals from the districts. Considering the consumption of the midday meal, the state has reported 95 per cent of children were present every day, but during the visit, it was observed that 60 to 85 per cent were actually present,” Sarkar pointed out.

It was also found that the body mass index of the children was very low, which means the students are undernourished and anaemic, says the minister.

Alleging diversion of funds, the Member of Parliament from Bankura alleged, “PM POSHAN fund in Birbhum has been diverted to the Bogtui fire incident through the dust disaster fund.”

West Bengal education minister Bratya Basu hits back at the findings of the report, alleging that the views of the state government were not taken into account while preparing the report.

“Our primary response to this report is that the JRM has submitted it without the signature of the Project Director, State Cooked Midday Meal Scheme, who was the representative of the State Government. What, therefore, is the ‘Joint’ in the Joint Review Committee, if the report is not even shared with him for his opinion or views,” Basu questioned.

“It is clear that the views of the state have not been taken into account. We have already written a letter of protest to the Chairman of the JRM, to which we have not received any response as yet. Why is this ‘hide and seek’ play, if there is no mala fide intent of the central government?” Basu added.

Citing the Comptroller and Auditor General of India (CAG) audit, Basu said, “CAG has conducted an audit till 21 and 22, but we have not received any feedback from them. We shall send our comments with the details, even if we do not receive a reply from either the central government or the Chairperson of the JRM, on the non-circulation of the draft report or sending the same without the signature of the state representative.” <https://newindian.in/pm-poshan-scheme-jrm-report-finds-misappropriation-in-wb/>

STATES NEWS ITEMS

3. ‘Signature Bridge’ between Okha-Beyt Dwarka has no EC clearance: CAG (indianexpress.com) April 13, 2023

The Comptroller and Auditor General of India (CAG) has pointed out that the under-construction “signature bridge” between Beyt Dwarka and Okha town in Devbhumi Dwarka district does not have an environment clearance (EC) despite being built in an ecologically sensitive area (ESA). The revelation was made in the CAG report tabled in the state Assembly on March 29, a day after Chief Minister Bhupendra Patel visited Beyt Dwarka to review the situation after a major demolition drive during which the government removed a few hundred unauthorised structures, including a few near the landing of the bridge on the island on March 28.

Beyt Dwarka—the island located three kilometres off Okha coast in the Arabian Sea—is believed to be the residence of Lord Krishna and currently, can only be accessed through ferry boats from the mainland. “The project of construction of the marine bridge between Beyt Dwarka and Okha was taken up by the Jamnagar division of Roads and Buildings department. The project being in ESA, required composite clearance, i.e. Coastal Regulation Zone (CRZ) as well as EC from the State Environmental Impact Assessment Authority (SEIAA),” CAG has stated in its latest report tabled in Gujarat Assembly last month. However, the project proponent applied for CRZ clearance in June 2017 and the same was granted in August 2017.

The CAG report, which was tabled in the Assembly on the last day of the budget session on March 29, points out that the state government did not emphasise the ESA status of the project while vetting the project. The foundation stone for the project was laid by Prime Minister Narendra Modi in October 2017, ahead of the state Assembly elections in Gujarat and was scheduled to be completed by September 2021. The four-lane signature bridge with approaches towards Okha fishing harbour and Beyt Dwarka island will have a cable-stayed section also and is being built at a cost of Rs 962 crore.

During his visit to Beyt Dwarka, the CM had taken a boat ride from Okha to Bet Dwarka and had also reviewed the progress of “signature bridge” en route. Patel, who was accompanied by Minister of State for Home, Harsh Sanghavi and director general of police, Vikas Sahay, had also visited Paaj—the landing point of the “signature bridge” on the island. A majority of the structures demolished by the state government after terming them encroachment on government land and threat to coastal security, belonged to fishermen from the minority community. “A big number of structures demolished were sea-facing premises where anyone can land without being noticed by our marine and coastal security agencies. Structures in the Paaj area were right near the landing point of the under-construction Signature Bridge,” a police officer had told The Indian Express during the demolition drive in October last year.

Apart from the missing EC, the project was also found not adhering to the conditions for the CRZ clearance provided, CAG stated. During a visit to the construction camp site, the auditor noted that a separate environment management cell for monitoring and management of environment, during construction and operational phase of the project, had not been set up, which was in violation of condition 55 of the CRZ clearance.

Similarly, the construction camp was established on agricultural land and permission for non-agricultural use of the land was not taken. This construction camp was not only within the CRZ area, it also did not have settling ponds and oil receptors to prevent entry of surface runoff from fuel and other contaminants into the marine water and other surface water bodies along the corridor.

CAG also pointed out that used oil at the project site was being sold to local vendors instead of registered recyclers which again was in violation of conditions mentioned in the CRZ clearance provided.
<https://indianexpress.com/article/cities/ahmedabad/signature-bridge-between-okha-beyt-dwarka-has-no-ec-clearance-cag-8553303/>

4. Gujarat Tourism Under Scanner For Violation Of Rules ([vibesofindia.com](https://www.vibesofindia.com)) 12 Apr 2023

Over the years, Gujarat has been an attractive tourist destination, thanks to the pull of heritage cities like Ahmedabad, step-wells like Rani Ki Vav, and eye-catching ports. However, the Gujarat Tourism Department has been flouting rules, bringing the sector into disrepute. It has built a resort in a restricted region in Mandvi. Vibes of India understands the resort has been constructed in a No Development Zone (NDZ). The Comptroller and Auditor General (CAG) has already raised objections in its report.

The report highlights that three resorts have been built in the seashore of Mandvi in Kutch without environmental clearance. In December 2019, the district-level committee, following complaints against the three resorts, conducted a site inspection and found that all three resorts were built without the approval of the Coastal Regulation Zone (CRZ).

According to the CRZ rules, no construction can be done within 200 metres of the High Tide Line (HTL). One of the three resorts belongs to the Government of Gujarat's Tourism Corporation.

On July 9, 2013, Gujarat Migration Corporation Limited applied for the approval of the Coastal Regulation Zone for the development of a beach resort in Mandvi. This clearance was recommended to the Ministry of Environment on January 29, 2014. In March 2015, the Ministry of Environment gave the clearance.

However, when audit officers headed by the District Collector conducted a site inspection in October 2020, shocking facts came to the fore. Another resort had been functioning 500 meters to the west of the proposed project. Satellite images revealed that the second project started after April 2017, a blatant disregard for rules. <https://www.vibesofindia.com/gujarat-tourism-under-scanner-for-violation-of-rules/>

5. गुजरात पर्यटन निगम ने मांडवी में बनाया निर्माण प्रतिबंधित विस्तार में रिसोर्ट ([vibesofindia.com](https://www.vibesofindia.com)) 12 Apr 2023

गुजरात पर्यटन विभाग ने पर्यटन को बढ़ावा देने की बजाय नियम के उल्लंघन में फंस गयी है। निर्माण प्रतिबंधित विस्तार(नो डेवलपमेंट जोन) में रिसोर्ट का निर्माण किया गया ,जिस पर कंट्रोलर एन्ड आडिटर जनरल (कैग) ने अपनी रिपोर्ट में आपत्ति जतायी है। कंट्रोलर एन्ड आडिटर जनरल की रिपोर्ट के मुताबिक कच्छ के मांडवी के समुद्री किनारे पर्यावरणीय

मंजूरी के बिना ही निर्माण प्रतिबंधित विस्तार में 3 रिसोर्ट बनाये गए हैं। तीन में से एक रिसोर्ट गुजरात सरकार अधीन पर्यटन निगम का है।

कंट्रोलर एन्ड आडिटर जनरल की रिपोर्ट के मुताबिक तीनो रिसोर्ट कोस्टल रेगुलेशन जोन की मंजूरी के बिना बनाये गए हैं। कोस्टल रेगुलेशन जोन (सी आर जेड) में समुद्री किनारे पर निर्माण नियम है ,जिसके तहत कोई भी निर्माण नो डेवलपमेंट जोन यानि कि उच्च लहर रेखा की जमीन के 200 मीटर के अंदर तथा निम्न लहर रेखा और उच्च लहर रेखा के बीच में कोई निर्माण कार्य नहीं हो सकता।

दिसम्बर 2019 में जिला स्तरीय समिति ने तीनो रिसोर्ट के खिलाफ की गयी शिकायतो के बाद स्थल निरीक्षण कर पाया था कि तीनो रिसोर्ट बिना सीआरजेड की मंजूरी के बनाये गए थे।

गुजरात प्रवासन निगम लिमिटेड द्वारा मांडवी में बीच रिसोर्ट के विकास के लिए कोस्टल रेगुलेशन जोन की मंजूरी के लिए 9 जुलाई 2013 को आवेदन किया था।

जीसीजेडएम द्वारा इस मंजूरी के लिए पर्यावरण मंत्रालय को 29 जनवरी 2014 को सिफारिश की थी और पर्यावरण मंत्रालय ने मार्च 2015 में मंजूरी दी थी।

लेकिन जिला कलेक्टर की अध्यक्षता वाली डीएलसी तथा ऑडिट अधिकारियों ने अक्टूबर 2020 में जब स्थल निरीक्षण किया तो चौकाने वाले तथ्य सामने आये ,जिसके मुताबिक प्रस्तावित प्रोजेक्ट शुरू नहीं किया गया था लेकिन प्रस्तावित प्रोजेक्ट के पश्चिम में 500 मीटर की दूरी पर अन्य रिसोर्ट कार्यरत था। गूगल सेटेलाइट इमेज द्वारा जांच करने पर पता चला कि दूसरा प्रोजेक्ट अप्रैल 2017 के बाद बनाया गया था।
<https://www.vibesofindia.com/hi/gujarat-tourism-corporation-built-a-resort-in-mandvi-in-a-restricted-area/>

6. ‘Misappropriation’ of flood relief fund in Malda: High Court orders CAG probe (millenniumpost.in) 13 Apr 2023

The High Court has ordered a CAG inquiry into the funds released by the state government for the reconstruction of houses affected by the floods in 2017. Division Bench of Acting Chief Justice TS Sivagnanam and Justice Hiranmay Bhattacharyya has directed CAG to inquire into Rs 58 crore released by the state government in 12 Malda blocks and submit a preliminary report within eight weeks. Probe will be done into the complaint filed by former Congress MLA. Misappropriation of flood relief fund in Malda has been alleged.

<https://www.millenniumpost.in/bengal/misappropriation-of-flood-relief-fund-in-malda-high-court-orders-cag-probe-515052?infinitemscroll=1>

7. NMC officials circumvent state govt directions for C20 works
(timesofindia.indiatimes.com) Apr 12, 2023

NAGPUR: The state government had sanctioned 93 works costing ₹122 crore to Nagpur Municipal Corporation (NMC) for preparation of C20 inception meeting held in the city on March 20 and 21. The cash-strapped civic body executed some more works by spending from its coffers.

It has also come to fore that over ₹25 crore were spent on greenery development which has been destroyed to a great extent within a month.

Green-coloured hoardings highlighting Tiger Capital, Orange City and I Love Nagpur were installed to hide views of nullahs at seven locations — Futala T-point, district court, Gupta House, near Institute of Science, Ajni Square, near Sai Mandir and Somalwada. In all, 14 hoardings were planned at a time at the cost of around ₹70 lakh. The scope of work was same.

The work was split to avoid e-tendering which is a must for works that cost more than ₹10 lakh. Seven offline tenders were floated and cost kept just below ₹10 lakh.

Comptroller and Auditor General of India (CAG) and Nandlal Committee had termed splitting of works as a major irregularity and financial loss for NMC. In the March 10 notification issued for approving the 93 works, the government had stated that issuing work orders by splitting works was a major irregularity.

Moreover, the quality of works was of poor quality. Refusing to comment on splitting of works, NMC officials simply said offline tenders were allowed for works below ₹10 lakh.

Also, while sanctioning funds for branding of G20 summit advertisements, the government had stated that those can't be diverted for other works.

Still, NMC officials erected a series of hoardings highlighting G20 meeting at one location to hide views of nullahs, underconstruction sites, and filthy spots in many parts of the city. Eight hoardings were installed to hide view of a temple in front of Telangkhedi Hanuman Mandir.

As per NMC's data, 18 tenders were issued for greenery development. Hundreds of saplings that were planted without removing the plastic bags on dividers, landscapes, pots etc have died. Many have been dumped at Children's Traffic Park.

The government had also restricted expenditure on beautifying private properties. NMC spent ₹4 crore on artistic painting from Kachipura Chowk to Laxmi Nagar Square, Kriplani Square to Ajni Railway Station Square, Rajiv Gandhi Square (FCI Road) to Ajni railway station Square, Rahate Colony Square to Congress Nagar Square to Ajni Railway square, Kachipura Square to Gururamdasji Square, HB Estate to Airport and some locations in ward nos 12, 13, 14, 15, 17 and 36.

Compound walls of some private properties near Radisson Blu Hotel, Wardha road and some other locations were painted. The issue was raised in the assembly during the budget session. West Nagpur MLA Vikas Thakre and some social activists have demanded an inquiry into expenditure of NMC, state's PWD and other government agencies for C20 meeting.

<https://timesofindia.indiatimes.com/city/nagpur/nmc-officials-circumvent-state-govt-directions-for-c20-works/articleshow/99450233.cms>

8. ₹1.1-crore salary scam: Chandigarh Police name two more cops in supplementary challan ([hindustantimes.com](https://www.hindustantimes.com)) Apr 13, 2023

The Chandigarh police have submitted the fourth supplementary chargesheet in the ₹1.1-crore salary scam that had rocked the police department in 2020, naming two more police personnel.

A special investigation team (SIT) is investigating the scam of excess payments of ₹1.1 crore in the accounts of police officials.

The chargesheet, submitted in the court of additional district and sessions judge on Tuesday against accused assistant sub-inspector Vinod Kumar and constable Rajbir Singh, cites sufficient evidence on record to prosecute them.

The ASI was then posted in the accounts branch and performing treasury duties, while the constable, also posted in the accounts branch, was tasked with preparing bills for salary, pay arrears, LTC leave encashment, etc.

The police report mentions that the public servants committed offence of public misconduct, causing loss to exchequer. "Being custodians of government funds, Balwinder Kumar, Naresh Kumar, Varinder Kumar, Vinod Kumar and Rajbir

Singh in connivance with other officials siphoned off government funds for their personal use by tampering with office records...”

This is the fourth supplementary chargesheet against Balwinder Kumar, third against head constable (HC) Naresh Kumar and HC Varinder Kumar, and second against constable Savinder.

The challan has been submitted under Sections 201, 409, 467, 468, 471, 477A and 120-B of the Indian Penal Code, and Sections 13 (1) (b) and 13 (2) of the Prevention of Corruption Act.

Police stated that new chargesheets and more supplementary chargesheets will be submitted as the investigation progresses.

An anonymous complaint had blown the lid off the scam in 2020. The complaint had spurred the checking of salaries of police personnel for December 2019 and excess deposits were discovered in 35 accounts.

The crime branch had then constituted a SIT, and a special audit for 2015 to 2020 was conducted by the Comptroller and Auditor General (CAG) on the request of the police department, which led to the discovery of excess payments amounting to ₹1.1 crore.

Following the revelation, a case was registered at the Sector-3 police station on February 25, 2020.

Investigations had revealed that the accused used to deposit money in the salary accounts of police personnel with fake entries of inflated conveyance allowances and ration/food allowances, among others. The accused would deposit the money under the understanding that the account holder will keep a part of it, while the rest was distributed among the accused. So far, eight accused have been arrested in the case. <https://www.hindustantimes.com/cities/chandigarh-news/chandigarh-police-submit-fourth-chargesheet-in-1-1-crore-salary-scam-name-two-more-personnel-sit-investigating-excess-payments-to-officials-101681330818231.html>

9. Assam govt files case against Prateek Hajela for graft
(timesofindia.indiatimes.com) Apr 13, 2023

GUWAHATI: The government on Wednesday registered a case against Prateek Hajela, former state coordinator of the National Register of Citizens (NRC), with

the directorate of vigilance and anti-corruption for his alleged role in financial anomalies in updating the final draft of the controversial list. The state's decision to register the suo motu case came following a report of the Comptroller and Auditor General of India (CAG) at a time the IAS officer has applied for voluntary retirement (VRS) when he is scheduled to return to the state at the end of his three-year deputation period.

Hajela went on a deputation for three years to Madhya Pradesh on the basis of the Supreme Court's order soon after the publication of the list in 2019, which created massive controversy as it resulted in only a small number of excluded people. Assam CM Himanta Biswa Sarma on Wednesday said if Hajela takes VRS, it would be a victory for the people of Assam.

Would be better if he takes VRS, says Himanta

His case has been handed over to economic offence. Now, if after returning to Assam, he doesn't wish to work, why should I pay him? It would be better if he takes VRS. It would be a victory for the people of Assam that we have been able to push him to that stage of seeking VRS," Sarma said. A total of five FIRs were lodged against Hajela over the anomalies in NRC, including one accusing him of sedition. <https://timesofindia.indiatimes.com/city/guwahati/assam-govt-files-case-against-prateek-hajela-for-graft/articleshow/99448657.cms>

10. 'कैग' ने हिमाचल के 'अग्निशमन प्रबंधन' में भारी त्रुटियों की ओर दिलाया ध्यान (punjabkesari.in) Apr 13, 2023

हाल ही में 'कम्प्ट्रोलर एंड आडिटर जनरल आफ इंडिया' (कैग) ने अपनी एक रिपोर्ट में 'लोक लेखा समिति' (पी.ए.सी.) के हवाले से हिमाचल प्रदेश की अग्निशमन व्यवस्था में घोर त्रुटियों का उल्लेख किया है। रिपोर्ट के अनुसार अग्निशमन विभाग ने प्रदेश में अग्निकांडों के प्रति संवेदनशील इमारतों का सर्वेक्षण नहीं किया। पी.ए.सी. की सिफारिशों के बावजूद जोखिम वाले उद्योगों, हाईराइज बिल्डिंगों की शिनाख्त करने संबंधी डाटाबेस भी उपलब्ध नहीं है।

प्रदेश के 23 अग्निशमन केंद्रों में आग बुझाने के लिए पानी की संतोषजनक व्यवस्था नहीं पाई गई जबकि स्वीकृत 115 अग्निशमन वाहनों की तुलना में केवल 85 अग्निशमन वाहन ही उपलब्ध हैं।

अग्निशमन विभाग में स्टाफ की भी कमी होने के कारण अग्निशमन केंद्रों की क्षमता प्रभावित हो रही है। आप्रेशनल स्टाफ के स्वीकृत 938 पदों में से 257 पद खाली हैं तथा अग्निशमन

कर्मियों के लिए स्वीकृत 5055 निजी सुरक्षा उपकरणों (पर्सनल प्रोटेक्शन इक्विपमेंट) की तुलना में 728 ही उपलब्ध हैं। प्रदेश के 2806 सरकारी स्कूलों में से केवल 55 सरकारी स्कूलों ने 2018-21 की अवधि के दौरान 'नो ऑब्जेक्शन सर्टीफिकेट' (एन.ओ.सी.) प्राप्त किए गए जबकि प्रदेश के 96 प्रमुख सरकारी अस्पतालों में से किसी भी सरकारी अस्पताल ने विभाग से 'नो ऑब्जेक्शन सर्टीफिकेट' (एन.ओ.सी.) प्राप्त नहीं किया।

कई जगह सरकारी स्कूल एवं अस्पताल अग्निकांडों से बचाव की संतोषजनक व्यवस्था के बिना ही चल रहे हैं। अधिकांश सरकारी स्कूलों में आग बुझाने वाले यंत्र तो लगाए गए हैं परंतु काफी समय से रीफिल नहीं किए गए। 2009 में सुप्रीम कोर्ट ने एक स्कूल में अग्निकांड के बाद सभी स्कूलों के लिए आग से बचाव के लिए 'नो ऑब्जेक्शन सर्टीफिकेट' (एन.ओ.सी.) प्राप्त करना अनिवार्य कर दिया था।

इसी प्रकार केंद्रीय गृह मंत्रालय ने भी अग्निकांडों से बचाव के नियमों के लिए 'नैशनल बिल्डिंग कोड' द्वारा तय किए गए नियमों का पालन सुनिश्चित करने के लिए सभी राज्यों को अस्पतालों और नर्सिंग होम्स के नियमित रूप से निरीक्षण के लिए दिशानिर्देश भी जारी किए थे। गर्मी बढ़ने के साथ-साथ आग लगने की घटनाओं में भी वृद्धि हो जाती है अतः इस दिशा में तुरंत कदम उठाने की जरूरत है क्योंकि आग बुझाने के संतोषजनक प्रबंधों तथा बुनियादी ढांचे के अभाव के चलते आग लगने की स्थिति में अधिक हानि हो सकती है।
<https://www.punjabkesari.in/article/news/cag--draws-attention-to-huge-errors-in--fire-management--of-himachal-1802621>

SELECTED NEWS ITEMS/ARTICLES FOR READING

11. Land acquisition, green nod, project financing delay 1,476 central projects worth ₹23 lakh cr (fortuneindia.com) Apr 12, 2023

Many central projects across the country are delayed leading to cost overruns. As per data collated by the Ministry of Statistics and Planning, there are 1,476 central sector infrastructure projects worth ₹150 crore and above at various stages of implementation.

The original cost of these 1,476 projects was ₹20.84 lakh crore but as on March 1, 2023, it had increased to ₹25.36 lakh crore due to delay. A total of 756 of the total of 1,476 projects (51%) were running with a time lag.

Out of the remaining 720 projects, 9 projects were ahead of schedule, 255 were on schedule, 132 were without the original date of commissioning and 324 either did

not have the date of commissioning or it had lapsed, and hence the delay could not be ascertained.

Common reasons for the delay in implementing the projects include problems in land acquisition, forest/environment clearances, lack of infrastructure support and linkages, delay in tie-ups of project financing, delay in finalisation of detailed engineering, change in scope of the project itself, delay in tendering, law and order problems, geological surprises, per-commissioning teething troubles and contractual issues. Besides these, inadequate manpower and lockdown due to the COVID-19 pandemic have accounted for major reasons for delays as reported by the project implementing agencies.

Delays and cost overruns in public sector investments can raise the capital-output ratio in the sector and elsewhere, bringing down the efficacy of investments. Yet there are no estimates of the delays and cost overruns, and of their opportunity cost.

Sector-wise data of various projects being implemented shows that water resources projects face the maximum cost escalation due to delay.

“There are 41 water resources projects which are at various stages of implementation. These projects have seen a cost escalation of 195.55%, the maximum among all other ministries' projects,” said economist Venkatesh Athreya. He said the delay in the acquisition of lands for these water resources projects could be the main cause of cost overrun.

Factors internal to the public sector system and government largely account for the delays and cost overruns. “Poor project design and implementation, inadequate funding of projects, bureaucratic indecision, and the lack of coordination between enterprises cause such delays. Appraisal by the government very often is devoid of meaning when the emphasis is only on the form of the project proposal rather than on its content - a tendency quite usual in bureaucracies,” said Athreya.

Since public enterprises, particularly those in the core sector, have large dealings with each other, a ‘vicious circle of delays’ built up.

“The politically expedient tendency to take up large numbers of projects and short-fund them all, except those with the very highest priority, is perhaps the most important factor in delays,” said Athreya.

The government's approach in accordance with high priority to certain sectors - oil and natural gas, and petroleum - while perhaps overcoming the problem in these sectors have compounded the problem elsewhere, particularly in the infra-structural areas - railways, coal and steel, he said.

Railways comes second to water resources with a cost run of 67.56% There are 173 projects which are being implemented under the rail ministry. Out of these, 111 projects have seen cost overruns. The original cost of 111 projects was ₹1,70,944 crore but the revised cost is ₹3,11,559 crore. The delay is anywhere between 3 to 276 months.

“Railways delay is due to the acquisition of land for laying new tracks. In many cases, the land owners either refuse to sell the land to Railways or seek unimaginable costs and finally go to court against land acquisition. The delay is even more with regard to the Metro Rail projects being implemented across the country,” said a Southern Railway official.

He said that as metro rail projects need land within the heart of the city or town, the land prices are very high. “We have faced this problem while implementing the Mass Rapid Transit System (MRTS) in Chennai city. It took nearly a decade to get a few sq. mts. of land to link two rail systems. Only recently have we got the Madras High Court order to acquire the land, and work is expected to be completed soon,” said the railway official.

Renewable energy projects like solar or wind do not take more than one year to commission a project, provided the land is available. But a renewable energy ministry's project has seen a cost overrun of 34.24%.

“The gestation period of wind or solar power is low compared to any thermal or nuclear power project. We need land in acres for both solar and wind and if this is available, the project will be ready for commissioning within a few months,” Kasthuri Rangaiyan, president of the Indian Wind Power Producers Association. He said the majority of the renewable power projects are completed within time and without any cost overrun.

Next to renewable power are the Union home ministry's five projects which have seen a cost overrun of 34.15%. Details of the home ministry's projects are not known.

Power projects have seen a cost overrun of 29.34%. “In many thermal projects, we face problems in getting environment clearance. This delays the implementation of the projects,” said a former NTPC chairman. He said the acquisition of land for these projects is also a major problem for the delay in finishing the projects.

Mining projects have seen 100% delay. There are 7 projects being implemented at an original cost of ₹7,333.99 crore but all 7 projects are delayed. Due to this, the cost has escalated to ₹8,585 crore. In terms of months, the projects are delayed anywhere between 3 to 54 months.

Projects of the steel ministry have seen a cost overrun of 26.82%. Out of the total of 9 projects being implemented by the Union Steel Ministry, 4 have seen cost overruns and time delays to the extent of 13 to 94 months.

Even after the world has begun to live with the COVID-19 restrictions, the pandemic continues to impact economic activities, said Athreya. He said the pandemic-related restrictions also played a major role in the delay in the implementation of these projects.

The revised cost of these projects has been under-reported. This is because most of the project agencies are not reporting the revised cost of these projects, he said.

“The Centre must take to task its ministries when there is a delay in implementing projects as it is the taxpayers’ money. The officials must be held accountable, and frequent review of projects being implemented will put an end to the delay and cost run,” said Athreya. <https://www.fortuneindia.com/macro/land-acquisition-green-nod-project-financing-delay-1476-central-projects-worth-23-lakh-cr/112237>

12. India’s general govt fiscal deficit pegged at 8.9% in 2023: IMF ([financialexpress.com](https://www.financialexpress.com)) April 13, 2023

India’s general government fiscal deficit is expected to improve to 8.9% of GDP in 2023 from an estimated 9.6% of GDP in 2022, according to the International Monetary Fund. It is projected to further ease to 8.3% of GDP in 2024, according to the IMF’s Fiscal Monitor Report.

The report has projected India’s general government debt to remain largely stable at 83.2% of the GDP in 2023 as against 83.1% of the GDP in 2022.

The report however said that in 2023, overall fiscal deficits are expected to increase slightly to 5% of GDP on average, “as governments face higher interest bills and pressures to increase public spending, including spending on wages and pensions, to catch up with past inflation”.

Over the medium term, fiscal deficits are projected to remain above pre-pandemic levels in the next few years, it further said, adding that the fiscal outlook is subject to significant uncertainty as the global economy rebounds from a series of shocks. <https://www.financialexpress.com/economy/indias-general-govt-fiscal-deficit-pegged-at-8-9-in-2023-imf/3044774/>

13. RBI's growth optimism isn't finding many buyers (moneycontrol.com)
Apr 12, 2023

History is replete with instances of disagreements between the government and the Reserve Bank of India (RBI). But they are now on the same page, at least when it comes to growth. On April 6, the RBI revised its GDP growth forecast for 2023-24 upwards by 10 basis points to 6.5 percent, matching the projection made by the 2021-22 Economic Survey.

One basis point is one-hundredth of a percentage point.

To be sure, the hike in the growth forecast was mechanical. The RBI's forecast model is underpinned by certain assumptions, one of which is the price of India's crude oil basket. In February, the RBI's model assumed \$95 per barrel as this price, which has now been lowered by roughly 10 percent to \$85 per barrel.

And, as per the RBI's Monetary Policy Report, a 10 percent fall in crude oil prices can boost growth by 15 basis points. When one considers that changes to some of the other assumptions were not entirely growth supportive — a weaker rupee and lower rainfall, for instance — a 10-basis-point increase in the growth forecast perhaps makes sense. Then again, it may not.

Aw shucks

"I was a bit surprised when I saw the latest MPC statement from the RBI and the forecast at 6.5 percent," Darren Aw, senior country risk analyst at Fitch Solutions, said on April 12.

"I guess the RBI might be a little bit optimistic at this juncture. I suspect that the most likely scenario is that over the coming months, they are going to start having to reassess the effect that their rate hiking cycle has already been having on the economy," Aw added.

Fitch Solutions sees India's GDP growing by 5.8 percent in 2023-24, which it thinks would be a "very poor performance by Indian standards".

Market pessimism

Aw is far from the only one who thinks the RBI is optimistic. On April 11, the International Monetary Fund (IMF) cut its GDP growth forecast for India for 2023-24 by 20 basis points to 5.9 percent. In fact, as per the central bank's own survey of professional forecasters, the median growth estimate for the current financial year is 6 percent, with economists' estimates ranging from 5.2 percent to 6.8 percent.

Close to the floor of this range is Nomura, whose economists think the RBI's forecast is "too optimistic". According to Nomura, the latest growth upgrade has not accounted for the weakness in global growth that underpins the lower oil price forecasts.

"For example, global GDP growth is assumed to rise 2.9 percent in 2023, unchanged from what was assumed in September 2022, even though the risks are now on the downside," Nomura economists Sonal Varma and Aurodeep Nandi noted on April 6.

While Varma and Nandi admit that data suggest India's growth is stable at the moment, the impact of the sharp monetary policy tightening in developed markets as well as India, along with heightened global uncertainty, is yet to be felt.

"In our view, we are on the cusp of a macro regime change from a stable growth-high inflation equilibrium to a low growth-low inflation one," Varma and Nandi added in their note.

Lest one forgets, even members of the MPC are not convinced by the RBI's growth forecast.

Why so optimistic?

The RBI has pinned its hopes on a good rabi crop strengthening rural demand, buoyant contact-intensive services supporting urban demand, the government's capex focus, above-trend capacity utilisation in the manufacturing sector, double-digit credit growth, and cooling commodity prices.

Downside risks — in the form of further global weakness, protracted geopolitical tensions, tight global financial conditions and market volatility — have not been ignored.

However, the RBI as an institution (as well as its constituents) seems to be rather bullish about the Indian economy. Sample the following from the central bank's latest State of the Economy article, published on March 21: "We remain optimistic about India, whatever the odds."

Admittedly, the article — which counts Deputy Governor Michael Patra among its co-authors — represents the views of the authors and not the RBI. But it is worth pointing out that the authors think India can grow by 7 percent in 2023-24 if certain factors play out favourably.

A different view

Private sector economists, meanwhile, are not sure if things will necessarily go the Indian economy's way.

"The RBI expects a normal monsoon and higher rabi production to brighten prospects for the agriculture sector and rural demand. However, we do not see this materialising," Elara Capital said last week.

Rainfall, in particular, is a matter of concern. While the India Meteorological Department has predicted a normal monsoon at 96 percent of the Long Period Average (LPA), private forecaster Skymet expects it to be 'below normal' at 94 percent of the LPA.

Undoubtedly, the first half of April is too early to make a robust assessment of the impact of a sub-par monsoon. But if that does occur, it would lead to weaker agricultural growth. According to ICRA Chief Economist Aditi Nayar, a below-normal monsoon could lead to a downside of up to 50 basis points to the rating agency's growth forecast of 6 percent for 2023-24.

The RBI's forecasts have usually been conservative, and still can be — at least, with regard to inflation. The optimism on growth, though, is taking a while to digest. <https://www.moneycontrol.com/news/business/economy/rbis-growth-optimism-isnt-finding-many-buyers-10406841.html>

14. The time has come for the next Global Green Revolution ([financialexpress.com](https://www.financialexpress.com)) Apr 12, 2023

While growing up one of the words I heard the most was The Green Revolution which changed India's agricultural and food security landscape. From an importer or dependent on the doles of dumped US red wheat under PL 480, India not only fed its burgeoning population but has emerged as a net exporter and first responder to the needy across the world. No doubt, the Green Revolution – not without controversy – saved hundreds of millions of people from famine across the world. But time is ripe for the next Green Revolution and if the right lessons are learnt, it might save many more from a looming threat of famine or artificial shortages caused due to war and natural disasters. India and its strategic partners are taking steps in the right direction, and others could take note as the World confronts the weaponization of the 3F (Food, Fuel and Fertilizer) crisis and India attempts to depoliticise these under its G20 presidency.

Ask any food security expert, and they will tell you: the global impact of the Green Revolution cannot be overstated. The new ways of farming have helped countries like China to emerge from a famine, in India – to avoid one, in other countries of the Global South – to save countless people from starving.

High variety gives more flexibility to produce goods and services to match a customer's requirements. Variety and volume correlate—the higher the variety, the lower the volume of products or services.

Understanding the four Vs of operations management – volume, variety, variation and visibility

At its core was a transformational idea of adopting new agricultural techniques to cultivate high yield crops. Its results exceeded the expectations: the yields of various crops skyrocketed, and poverty levels plunged to historic lows, despite the substantial demographic growth in the second half of the last century. Simply put, the Green Revolution is behind a major, lasting socioeconomic breakthrough, which allowed the Global South to take a much needed breath. However, echoes of the past can be heard loudly today. According to the World Food Programme, the number of people worldwide who are expected to be on the brink of famine will

double this year, as compared to the numbers from just a few years ago. Let alone the challenges associated with the projected demographic growth, which will further exacerbate the issue over the next decades. By some estimates, we will need to triple the current yield of crops by 2050 to meet the food demand worldwide. That said, it is as much a reason for alarm as for introspection. Has the triumph of the Green Revolution and its legacy come to an end?

Indeed, what was once a revolution in food production, today may be even counter-productive, especially, in the context of challenges associated with conflicts, environmental fallout and subsequent global supply crunch. As it stands, the global food policy is a failure.

As we have seen in Europe, the food supply chains cannot withstand the shocks of conflict even in the developed world. Unsurprisingly, the conflict in Ukraine caused food prices to rise not only across the old continent, but in the developing world too. That is because the World Food Program and other leading charities used to buy more than half of its wheat from Ukraine. Add uncertainty to the mix, and you will understand why some countries – like India – added restrictions on food exports to avoid further food insecurity. Luckily, food protectionism, at least, in India, did not last: it was overturned to provide a much-needed lifeline to the global grain market as there are other greater challenges to food security than conflicts that require a global solution.

To be sure, climate change is already having a massive impact on global food security. Firstly, it directly affects food production. Such climate-change driven phenomena as droughts and eroded soil, water scarcity or erratic rainfalls are all either destroying crops or making farming an increasingly uncertain endeavour. To put this into perspective, let's look back at what happened in Somalia, where around 43,000 people died during an extended drought last year. As if this was not enough, around half a million of Somali children continue to suffer: because of the drought, they are likely to be severely malnourished this year.

Secondly, as an increasing number of countries are scrambling to secure food supplies, global supply chains are experiencing increased pressure. Take European nations, for instance, who are not immune to climate change either. Hungary and other parts of Central Europe have recently seen massive decrease in yields of various crops due to recurrent droughts, which had to be compensated with exports from abroad, at the cost of further increase in food prices. The latter is another example of how climate change is affecting food security worldwide.

Finally, the old ways of food production are becoming redundant in the context of climate change. On the one hand, we are now aware that excessive use of fertilizers and pesticides can have a counterproductive effect, which is the controversial legacy of the Green Revolution. On the other hand, challenges associated with climate change make it increasingly challenging to cultivate crops organically. As a viable alternative, we need to adopt a sustainable approach to farming and innovative techniques are becoming increasingly accessible.

India has recently joined a global initiative, which has the potential to scale climate-smart agriculture on a global level, with a particular focus on providing developing countries with the right tools to enhance food security. Aside from its direct positive impact, the Agriculture Innovation Mission for Climate or AIM4C, launched by the United Arab Emirates in partnership with the United States, is designed to address many other gaps of current global policy, making food production more efficient, affordable and sustainable.

AIM4C, with significant support of the UAE and the U.S., leaders in development and energy diplomacy, has already mobilized more than USD 8 billion of increased investments for 2021-2025. This financial capital is channelled to develop food systems innovation and its adoption. To that end, India joined the AIM4C in 2023 with an aim to roll out the climate-smart innovation among small-scale farmers, which will determine the success of raising additional funds for projects that can mitigate climate change and address its risks at a global scale.

The innovation driven by AIM4C may amount to the next Global Green Revolution, which would include such climate smart techniques as the use of vertical farming, hydroponics, and aquaculture. The UAE, and the wider Middle East have food security as a priority, hence Abu Dhabi, in particular, has developed a domestic proof of concept of putting these techniques to test, which is based on its pioneering and successful efforts to grow crops and vegetables within the country's most arid regions – a taste for many regions of increasingly adverse conditions for farming. As such under the aegis of I2U2 (a quartet of India, Israel, UAE and U.S.) two major initiatives are currently being explored, including a possible USD 2 billion investment by the UAE in a project to build a series of integrated agricultural facilities across India and the potential development of a 300-megawatt wind and solar hybrid power plant in the Indian state of Gujarat.

With its direct experience of the first Green Revolution, India is in a position to bring the success of AIM4C to the next level by positioning itself as a leader in global food diplomacy, alongside the U.S. and the UAE. The time has come for the

next, climate-smart global Green Revolution.
<https://www.financialexpress.com/opinion/the-time-has-come-for-the-next-global-green-revolution/3044167/>

15. Diagnosing the NPA cancer early (*thehindubusinessline.com*) April 12, 2023

While the frequent amendments to make the Insolvency and Bankruptcy Code, 2016 effective is laudable, it is imperative to prevent companies from becoming non-performing assets (NPAs) and eventually undergo Corporate Insolvency Resolution Process (CIRP).

In general, the events that turn an entity in an NPA are: (i) non-payment/remittance of statutory dues collected, as the monies are utilised to tide over a temporary cash crunch; (ii) when the cash crunch worsens, the snowballing effects starts, with borrowing outside the banking system at exorbitant rates, default in payment of dues to banks, etc.; and (iii) to hide all the financial mess, further defaults are committed by the companies, which include not getting the books of account audited, not filing with the Registrar of Companies (RoC), non-filing of ITR and tax audit reports, etc.

On July 1, 2016, the RBI issued a ‘Master Directions of Frauds’ that specified a list of 45 Early Warning Signals (EWS) to identify possible risks in a loan account in advance.

It must be noted there are other more grievous signals that require swift and stringent actions by banks. The ‘action required signals’ (ARS) include: non-filing of audited stand-alone and consolidated accounts; non-filing of Annual Performance Reports, non-remittance of money from foreign subsidiaries, if those investments were funded by banks; huge borrowings, say more than 10 per cent, above the credit limit assessed by the consortium/sole lender(s); non-remittance of statutory dues like GST, TDS, PF, ESI collected/deducted, etc., continuously for a quarter; and non-submission of copy of the Statutory Register as stipulated under the Companies Act along with Fixed Asset Register to banks at the end of each quarter.

The necessity of ARS emanates from the facts that in many CIRP companies, these issues are common and have been prevailing for many years. In the absence of audited accounts, banks are clueless regarding the financial position, including details on fixed assets of those companies. While outside borrowing, apart from the

sanctioned limit, temporarily for a genuine emergency is acceptable, if the amount exceeds 10 per cent of the limit and that too for longer duration, it necessitates investigation.

Non-availability of accounts and Fixed Asset Register for many years have serious implications in the IBC process. These include: lower valuation of the company as the correct assets and liabilities of the company is unknown; the day-to-day operations of the company gets affected post CIRP , as the ‘payables and receivables’ are not known; Expressions of Interest are either not forthcoming to revive the companies or even if received, they are for a lower value due to non-availability of information, defeating the very objective of IBC — value maximisation, that is; post commencement of CIRP, the transaction audit initiated by the Resolution Professional becomes a futile exercise due to non-availability of audited accounts for many years and ultimately helps the promoters to bury all their financial misdeeds.

The key deterrents for successful implementation of ARS are “Disjointed Regulators and disintegrated Portals”. Dismantling that barrier is imperative, since, currently, even if a property is attached by the income tax/PF authority, the same is not known to other regulators/lenders . Hence, it is important that the portals of the regulators — Ministry of Corporate Affairs, IT, GST, MSME — are linked through a common Corporate Identification Number (CIN), assigned by the RoC, and also seamlessly linked to the banking system.

Bad practices

It is not uncommon to find companies file audited accounts without schedules, auditor’s and/or directors’ signatures, notes on accounts and report of the auditors, with the RoC. IT returns are filed with zeros in all columns, since the portals check whether the relevant columns are filled in and not the accuracy of the data. The companies that adopt these methods are mostly NPA accounts. The NPA data of the banks should be shared with the IT department and the RoC periodically to help them to probe those companies deeper and take appropriate actions.

If anyone of the ARS is triggered, MSME status, if any, for the company should be immediately withdrawn and the same should reflect in the all the portals. For this, the master data format in the MCA portal also should be amended. Once MSME status is withdrawn , all the concessions will go and a higher rate of interest should be charged by banks.

If PF/ESI/TDS returns are not filed and deductions are not remitted for a continuous period of three months, they should be empowered to issue garnishee order to the lending banks of those companies and lending banks should honour and remit the dues. These steps will assure compliance, help employees get their dues, and prevent litigations by the regulators during CIRP to get their dues. <https://www.thehindubusinessline.com/opinion/diagnosing-the-npa-cancer-early/article66730182.ece>

16. India must reform its agriculture policies to minimise the monsoon gamble ([livemint.com](https://www.livemint.com)) April 13, 2023

Revamping crop insurance and farm trade, and building resilience with short-duration substitutes for the types of grain India farmers usually produce will go a long way in minimising the effects of an unreliable monsoon and increasingly erratic weather patterns

The heat-wave warning issued for Orissa yesterday provides context to assessing the India Meteorological Department's (IMD) forecast of a normal southwest monsoon this year. The IMD's forecast means that total rainfall over the four months from June to September will be 96-104% of the long-period average of 868.6 mm. While this average has never been a good enough indicator, obscuring as it does the spatial distribution of rainfall, it has become even less useful these days thanks to climate change and the resulting erratic weather patterns. Now, the temporal sequencing of precipitation is as important as its spatial distribution.

A case in point is the heatwave last year, which came at a time when wheat was ripening on the stalk and India was expecting a bountiful harvest, based on which the government had announced grand plans to export wheat to counter a spike in global cereal prices owing to the war in Ukraine. Instead of ripening into a golden harvest, the wheat shrivelled, forcing India to slash state procurement of the grain and ban exports instead of offering succour to foodgrain importing countries.

This has been a year of bountiful monsoon but the wheat harvest, expected to be a bonanza, has been affected by untimely rains which have damaged the quality of the crop, if not yet significantly depressed output. The government of Punjab has already asked the central government, it has been reported, to relax the quality norms for procurement of wheat. Procurement of substandard grain would spare politicians the searing heat of farmer displeasure but burden the Food Corporation with more damaged stocks.

The IMD's forecast is more optimistic than that of private forecaster Skymet, which forecasts deficient rains. It has predicted that the build-up of El Nino – a condition in which warming of the waters of the South Pacific reduces the force of monsoon winds – will reduce India's rains this monsoon to 94% of the long-period average. The two forecasts are not all that far apart and if the spatial and temporal distribution of the rains proves to be benign, India can hope to have its economic recovery fortified by a robust agricultural sector at a time when the global economy is forecast to weaken.

If Indian agriculture has moved on from being a gamble on the monsoon to a gamble on the spatial and temporal distribution of the monsoon, how are policymakers supposed to respond?

There are three things to be done.

One is to reform crop insurance, make it less a form of state-funded political patronage and more of a genuine risk transfer mechanism, with realistic pricing and serious computational expertise in risk assessment. Crop insurance should bear the cost of damaged crops, not the Food Corporation of India. It should also bear the cost of additional food imports, if that becomes necessary.

That brings us to the second task: reforming farm trade. What goes by the name of a farm trade policy is sudden export bans and lobbying-induced export subsidies. Such knee jerks are injurious to the country's health. India must bravely seize its potential to be one of the world's biggest traders of farm produce and have a stable policy of export and import of farm output, with a sliding scale of tariffs to respond to local demand and supply. This must be supplemented with active markets in futures and option trading on agricultural output. The government will have to learn to find faith in this.

The third task is to develop resilience in the form of an array of short-duration substitutes for the varieties of grain Indian farmers are used to cultivating, drought and flood resistant varieties, food processing industries that make palatable fare from non-traditional staples such as millets, and a new business of location-specific agricultural advisory that tells farmers what to expect and what crops and varieties they should farm in each season, given the likely weather patterns.

And all this must be backed by sustained efforts to reverse climate change, leading the world to redouble efforts to capture carbon from the atmosphere and use it as an input for valuable commodities. <https://www.livemint.com/opinion/online-views/india-must-reform-its-agriculture-policies-to-minimise-the-monsoon-gamble-11681370072440.html>