

## **NEWS ITEMS ON CAG/ AUDIT REPORTS (29.04.2023 to 01.05.2023)**

### **1. India's G20 Presidency: Delegates discuss climate, growth and trade in a challenging geopolitical environment ([news9live.com](https://news9live.com)) 28 April 2023**

India's G20 Presidency hit the ground running with multiple items on the agenda such as monitoring global debt, advocating the benefits of digital public infrastructure (DPI), and making multilateral lending bodies more inclusive and responsive to the needs of developing countries and emerging economies.

India has led from the front in terms of providing a voice to the global South in foreign affairs, rescuing multilateralism from the current conflict in Europe, and ensuring food and energy security.

This was reflected in the G20 Foreign Ministers' meeting last month.

#### **G20 foreign ministers' meeting**

Participating countries emphasised the need for reliable supply chains to ensure the circulation of food and fertilisers. The outcome document also laid stress on the need for sustainable energy supply chains.

While unilaterally condemning terrorism, the countries agreed to deny safe havens to these groups.

The need for international cooperation with respect to safeguarding new and emerging technology was also emphasised.

Apart from terrorism counter narcotics also found mention in the outcome document. Mexico's Foreign Secretary Marcelo Ebrard C. reiterated the need for an international framework to fight international illicit drug supply chains such as fentanyl.

In terms of migration, global skills mapping was discussed and countries acknowledged the advantage of having integrated skilled workers since they benefit both the host country and the adopted country.

#### **Health and disaster management**

The outcome document discussed the need for international cooperation in the form of humanitarian assistance and risk reduction.

Continued political attention to global health was identified as a key need besides, contributions to the pandemic support fund and the need for global health infrastructure.

### **Women's empowerment**

The Indian presidency has laid emphasis on women-led development. Women's leadership was identified as a core ingredient of global efforts for inclusive recovery post-pandemic.

### **Climate action**

Common but differentiated responsibilities were identified as the plan of action by foreign ministers such that developed countries were urged to come through on their promise of \$100 billion in fund mobilisation on an annual basis. The participating countries also urged developed nations to tackle climate change in an urgent manner. "Confronting climate change requires continuing collective action, and improving the speed and effectiveness of multilateral frameworks in order to adapt to changing environments and new threats," said Saudi Foreign Minister Prince Faisal bin Farhan bin Abdullah.

South Africa's Foreign Minister Naledi Pandor appreciated the G20 session for including voices from the Maldives and Mauritius and bringing to the fore their struggles with cyclones and other weather events.

The event was also attended by representatives of invitee countries such as Egypt, Bangladesh, Mauritius, Nigeria, the Netherlands, Singapore, Oman, the UAE, and Spain.

### **Audit convergence**

In the meeting of Supreme Audit Institutions (SAI) held in Assam and chaired by the Comptroller and Auditor General of India GC Murmu, participants discussed the ethical use of artificial intelligence and its positive applications in areas such as health.

Murmu underlined the importance of cooperation among G20 SAIs in line with the guiding principle of "One Earth, One Family, and One Future".

The blue economy was also an area of discussion under which delegates discussed sustainable jobs resource allocation and economic progress, enhanced through data usage.

### **Financial Inclusion through Digital Technologies**

India's G20 Presidency is focused on achieved of development goals through financial inclusion. During the meeting on G20 Global Partnership for Financial Inclusion, G20 Chief Coordinator Harsh Vardhan Shringla gave a keynote address on digital public infrastructure (DPI) as a driver of financial inclusion.

Digital identities, payment systems and credit registries can be harnessed to alter the course of a country's development journey, he said.

The India Stack led by Aadhaar and the PM Jan Dhan Yojana sped up the process of financial inclusion and helped in key aid distribution during the pandemic, Shringla added. "India's own example is what lies at the heart of our dedicated efforts to make a strong case for digital financial inclusion," he said.

The Global Partnership for Financial Inclusion witnessed participation from 17 countries as well as nine regional groupings.

Other DPI projects such as Jordan's digital identity platform, Ethiopia's Telebirr mobile money service, Eastern Caribbean CBDC pilot, Bangladesh's bank-led growth model, and Thailand's Prompt Pay payment system were also discussed.

### **Universal energy access**

India has ensured the last mile reach of energy through multiple schemes such as Ujala, Saubhagya, Gram Ujala and Ujjwala, meant to ensure electrification, availability of affordable LEDs, and access to LPG cylinders, respectively, said Alok Kumar, Secretary at the Ministry of Power.

### **Trade and Investment Working Group Meeting**

During the two-day meeting, delegates held discussions on four key areas:

- Prosperity via inclusive trade and sustainable development
- Building global value chains
- Integrating MSMEs into global trade
- Designing an efficient logistics ecosystem

Union Minister of State for Finance Bhagwat Karad said that least-developed countries must participate in global value chains to ensure their development, besides providing adequate finance to MSMEs in global business.

“Trade and Investment Working Group (TIWG) has an important role in formulating concrete outcomes for inclusive growth that drives trade and investment across Global South,” said Union Commerce Minister Piyush Goyal.

### **Global Economic Outlook**

In a meeting attended by 87 delegates, members cogitated on the future plan for the global economy. Participants discussed tradeoffs between energy security and structural reforms towards clean energy. The latter requires access to key minerals, domestic savings and financing wherewithal.

Energy transition was also discussed in this context of balancing energy needs with zero-emission target outcomes. <https://www.news9live.com/india/indias-g20-presidency-delegates-discuss-climate-growth-and-trade-in-a-challenging-geopolitical-environment-au1947-2120983>

## **2. How the Civil Servant Can Really Guard Taxpayers’ Money ([thewire.in](https://thewire.in)) 29 April 2023**

**PM Modi recently asked civil servants to consider before a decision as to whether the ruling party is using the taxpayer’s money in the nation’s interest or for its own interest. This advice is, indeed, critical to our development process.**

The Prime Minister, Narendra Modi, raised some very important issues while addressing civil servants recently.

Addressing them on the occasion of Civil Services Day, he advised them to consider – before taking any decision – whether the ruling party is using the taxpayer’s money in the nation’s interest or for its own interest. To check, specifically, whether the ruling party is using taxpayer money to advertise itself or to spread public awareness, and whether it is appointing its own workers to institutions or adopting transparency in appointments. He also advised them to evaluate whether political parties are changing policies to create new avenues for black money.

He asked young bureaucrats to get things done rather than letting things happen.

The prime minister’s address raises some very important issues of governance. The civil service is governed by important norms of conduct. Its members are expected to be fair, just and empathetic to people’s issues. They must be upright and honest,

and have excellent knowledge of the issues of governance. When interacting with people, they should especially look at the underprivileged and deprived sections of the population and suggest or implement policies which look after their needs .

The need for young civil servants to get things done rather than letting them linger is very important. It is critical to our entire development process. Similarly, the need for transparency in appointments is important in our democracy. This idea must pervade all appointments whether by the Centre or by states. We need to work on this. However, for correcting certain aberrations in our system of governance, institutional reforms are required.

Consider the question of freebies. In the parliamentary system of governance, prior to elections, political parties issue their manifestos. These often contain a lot of freebies, with each party trying to outdo the other. While these are sought to be justified on grounds of empowering the people, there is a strong feeling that they are aimed at garnering maximum votes disregarding the financial health of the state. Free financial benefits to individuals from taxpayers' money, must have very objective criteria. In the absence of such criteria, there is profligacy, financial mismanagement – and the economic ruin of the state.

The truth is that in recent years, all political parties have favoured giving financial benefits to individuals on a large scale. In successive elections, political parties have become more profligate at the expense of the taxpayer. Considering that this malady is widespread, an institutional solution is required. The Finance Commission could be charged with this responsibility. It could provide a ceiling on such transfers to individuals. Any state exceeding it should lose its share from the financial devolution from the Union government. Some similar disincentive needs to be devised for Union government-sponsored freebies. Also, it is only appropriate that when individual benefits are to be given, civil servants put forth their views clearly and suggest an alternative policy approach. This may result in some changes and saving of taxpayers' money in some cases.

An important development in recent times is the huge amount of money spent on advertising. Such advertisements invariably have photos of political dignitaries and praise for work done by their government. The Union government and most states do this. While there is no data which can be cited, my experience is that the money spent on such advertisements has multiplied manifold. A substantial sum of money goes into telling the people how well the leader and his government is doing instead of informing them about new schemes and how they can avail themselves of the benefits of these schemes. This is an enormous waste of taxpayers' money.

To be sure, this is a very sensitive issue and I doubt that either the Union government or any state will agree to curtail this expenditure as they are all getting a lot of free publicity at the taxpayer's expense. However, the central government must take the lead in this. There is a clear need to separate politics from administrative schemes. The CAG can be requested to issue clear financial norms for this.

An important question raised during the prime minister's address was the generation of black money. This is linked closely to corruption and to policies which may incentivise a black money economy. Often, vested interests with political connections are involved in the award of large contracts. Civil servants have a tough job. In large infrastructure contracts or award of concessions for coal blocks or oil fields or other major infrastructure projects or in several areas relating to states, there is need for complete transparency so that corruption is minimised and black money generation curbed.

In some areas of international trade and investment which have problems of over-invoicing or under-invoicing, or foreign investments from non-transparent jurisdictions, there is need for greater vigilance. Civil servants can work on policies to minimise corrupt practices by constant systemic reforms. This is a very difficult area as powerful interests may be involved. It will be appropriate to set up a group of officers to constantly work on it and suggest changes and employ technology that will minimise corruption. Civil servants have a crucial role in this entire field. <https://thewire.in/government/civil-servants-narendra-modi-taxpayers>

### **STATES NEWS ITEMS**

#### **3. CAG report makes adverse observation, Rs 834 crores in DDOs account, Rs 263 crores unspent ([tripurainfo.com](http://tripurainfo.com)) 28 April 2023**

The financial irregularity of the BJP government during its past term has come to the fore yet again from adverse observations made by the CAG in its latest report. According to the CAG report tabled in the state assembly the state government failed to provide utilization certificate for an amount of Rs 263 crores spent by it in the financial year 2021-2022. Having drawn the attention of the state government to this factor the CAG report said that failure to provide utilization certificate for such a big amount amounts to misappropriation or fraud.

Apart from this, the state government, in violation of its own guidelines, allowed 600 drawing and disbursing officers (DDOs) to keep Rs 834 crores in their accounts unspent for government work. This amount is lying idle and is not being utilized for any governmental work though in the year 2017 an order had been issued for the DDOs to deposit amounts of money lying in their accounts as well as amounts in savings accounts with the state treasury. The CAG report has made adverse comment on this expressing reservation over the current status of the amount deposited with the DDO and savings accounts.  
<https://tripurainfo.com/news.aspx?intnid=17212&title=CAG-report-makes-adverse-observation-Rs-834-crores-in-DDOs-account-Rs-263-crores-unspent>

#### **4. CAG Report Reveals Financial Irregularities in BJP Government's Previous Term** ([boroktimes.com](https://boroktimes.com)) 28 April 2023

The Comptroller and Auditor General (CAG) report has once again brought to light financial irregularities during the BJP Government's past term. As per the report tabled in the state assembly, the government failed to provide a utilization certificate for an amount of Rs 263 crore spent in the financial year 2021-2022, raising concerns of misappropriation or fraud.

Moreover, the state government allowed 600 drawing and disbursing officers (DDOs) to keep Rs 834 crore in their accounts unspent for government work, in violation of its own guidelines. Despite an order issued in 2017 for depositing these amounts with the state treasury, the funds remain idle and are not being utilized for any governmental work.

The CAG report has expressed reservations over the current status of the amount deposited with the DDO and savings accounts, highlighting the need for better monitoring and utilization of government funds.

The report serves as a reminder of the importance of transparency and accountability in the management of public funds. The government must take immediate steps to address the financial irregularities highlighted by the CAG and ensure that such practices are not repeated in the future.  
<https://boroktimes.com/cag-report-reveals-financial-irregularities-in-bjp-governments-previous-term/>

**5. T.N. non-tax revenue growth projection highest in four years**  
([thehindu.com](https://www.thehindu.com)) April 30, 2023

Tamil Nadu has projected a growth of 32% in its non-tax revenue for 2023-24, the highest in four years. The State's revenue receipts consists of tax revenue (own tax revenue plus the share in Union Taxes/Duties); non-tax revenue; and grants from the Government of India, according to a recent report of the Comptroller and Auditor-General of India (CAG). Non-tax revenue consists of interest receipts; dividend and profits; mining and other departmental receipts, it said.

The State's own non-tax revenue has been estimated at ₹20,223.51 crore in the budget estimates for 2023-24. This is an increase of 32.10% from the revised estimates for 2022-23, Finance Minister Palanivel Thiaga Rajan said in his 2023-24 budget speech.

The estimate of non-tax revenue has been revised to ₹15,309 crore in 2022-23, from the initial estimate of ₹15,537 crore.

In 2022-23, based on the revised estimate, the State will see an increase of 26.3% in its non-tax revenue from ₹12,117 crore in 2021-22. In 2021-22, the growth in non-tax revenue was 16.26% from ₹10,422 crore in 2020-21. As a proportion of the State's own resources, the non-tax revenue, which stood at 8.94% in 2020-21, marginally increased to 8.98% in 2021-22, the CAG said.

Earlier, the State had seen over 30% growth in its non-tax revenue in 2018-19.

In 2018-19, the non-tax revenue increased to ₹14,200 crore from ₹10,764 crore in 2017-18, according to the data shared in the CAG's State Finances Audit Report for the year ending March 2022.

In 2020-21 and 2019-20, the non-tax revenue showed a negative growth, compared with the previous year. It declined to ₹10,422 crore in 2020-21 from ₹12,888 crore in 2019-20.

In a report, India Ratings and Research said the budgeted growth in Tamil Nadu's non-tax revenue is on the higher side and may come in lower at around 11%. India Ratings has assumed a nominal Gross State Domestic Product growth rate of 11% for 2023-24, as against the budget projection of 14%.



According to the data in the CAG report, the State had posted a lower non-tax revenue than the budget estimates in 2017-18, 2019-20, 2020-21 and 2021-22. <https://www.thehindu.com/news/national/tamil-nadu/tn-non-tax-revenue-growth-projection-highest-in-four-years/article66797411.ece>

**6. Madras HC orders audit of water Users association accounts, quashes G.O. ([newindianexpress.com](https://www.newindianexpress.com)) 30 April 2023**

MADURAI: Quashing a G.O. passed by the state government in 2016, appointing PWD officials to perform functions of Water Users Associations (WUAs), the Madurai Bench of Madras High Court on Friday directed the Principal Accountant General of Tamil Nadu to take steps to audit the WUA accounts handled by the officials and to take action against them if any discrepancies are found.

Justice B Pugalendhi said, “Allocation of water in an irrigation system should be done with equity and social justice.” He passed the order while allowing a joint petition filed by the elected presidents of WUAs in Kanniyakumari and Tirunelveli, challenging the G.O. on the ground that it defeats the objective of the Tamil Nadu Farmers Management Irrigation System Act, 2000 (Act 7 of 2001), under which the associations were constituted.

The petitioners said, “The Act was enacted to create a democratic setup in the distribution of water by involving the farmers in the irrigation of water and to instil a sense of ownership. The G.O. takes away the rights of the farmers.”

Advocate J Bharathan, the amicus curiae appointed to assist the court in the case, also contended that there is a specific mandate to the district collectors to conduct the election for WUAs. “Even if the government decides to postpone the elections, it cannot be extended for several years,” he added. <https://www.newindianexpress.com/states/tamil-nadu/2023/apr/30/madras-hc-orders-audit-of-water-users-association-accounts-quashes-go-2570750.html>

**7. DMK’s First Family Accused of Rs 30K Crore Corruption, Govt Makes U-Turn on 2 Policies ([newsclick.in](https://www.newsclick.in)) 30 April 2023**

The political situation in Tamil Nadu is currently marred by corruption allegations against leaders from both the ruling party Dravida Munnetra Kazhagam (DMK) and the main opposition All India Anna Dravida Munnetra Kazhagam (AIADMK).

Audio recordings containing controversial statements, allegedly made by the state finance minister Palanivel Thiaga Rajan, have been released by YouTuber Savukku Shankar and BJP state chief Annamalai. The recordings accuse the first family of the ruling party DMK of being involved in corruption amounting to over Rs 30,000 crore.

In addition, the Income Tax department has conducted raids in over 50 locations linked to G-Square, a real estate firm that the opposition claims is closely associated with the chief minister M K Stalin's son-in-law, V Sabareesan. The opposition alleges that the firm is being used to launder black money.

In the meantime, a report by the Comptroller and Auditor General of India (CAG), which was presented in the Tamil Nadu Assembly on April 21, has revealed controversial findings during the AIADMK regime between 2019 and 2021. The report highlights that more than 2,000 highway tenders were submitted using a single computer when Edappadi K Palaniswami was the chief minister.

Amid the exchange of these charges, leaders of both parties visited Delhi.

Palaniswami and other senior AIADMK leaders met Amit Shah, the chairperson of the National Democratic Alliance, at his residence on Wednesday. BJP state president K Annamalai was also present at the meeting. Earlier in the week, Palaniswami had said the party discusses alliance matters only with the national leadership, indirectly scoffing at Annamalai.

M K Stalin visited President Droupadi Murmu on Friday and invited her to the inauguration of a multi-speciality hospital in Chennai.

In other news, the Madras High Court on Thursday refused to pass any kind of interim orders in favour of the All India Gaming Federation (AIGF) in the cases challenging the Tamil Nadu Prohibition of Online Gambling Act, 2022. The Tamil Nadu government released new regulations regarding online gaming on Monday.

A row has sparked in Tamil Nadu over an event in Karnataka, hosted by the BJP, where former minister Eshwarappa refused to stand up in respect for the state anthem Tamil Thaaai Vaazhthu and it was stopped abruptly. The event was also attended by BJP chief Annamalai. Following the incident, DMK MP Kanimozhi tweeted with the hashtag #ApologiseAnnamalai.

The Congress councillors spoke against the recently passed state municipal administration amendment rules stating that the projects to be carried out in the city do not require approval from the ward councillors.

NewsClick brings you a round-up of the happenings in the past week in Tamil Nadu.

## **GOVT BACKSTEPS ON 2 POLICIES**

Succumbing to pressure from trade unions and alliance parties, the Tamil Nadu government on Monday decided to put on hold the Factories (Tamil Nadu Amendment) Bill 2023 which enabled 12-hour work days. [Read more](#)

The government also revised the liquor license order after announcing that liquor could also be served in marriage halls.

AIADMK general secretary Palaniswami ridiculed the DMK government by calling it a 'U-Turn' government for changing its policy decisions. Notably, the AIADMK MLAs were not in the House when these bills were passed. [Read more](#)

## **SAND MAFIA 'KILL' OFFICER**

Lourdhu Francis, 53-year-old village administrative officer (VAO) of Kovilpathu was hacked to death by an armed duo near in Thoothukudi district on Tuesday.

Another VAO in Salem came under attack on Friday, reportedly for foiling an attempt to smuggle the sand, but escaped narrowly.

## **STUDENT LEADERS REMOVED FROM CONVOCATION**

Two scholars from the student union of Tamil University, scheduled to receive their PhD and M Phil degrees from Tamil Nadu Governor Ravi, were removed from the hall of the 13th Convocation on Monday as a “precaution.”

The police detained protesting student activists. Image credit: SFI Tamil Nadu

Students held a protest outside the Thanjavur DIG office on Wednesday condemning the removal of student union leaders. They were detained by the police.

Members from Left parties waved black flags at Governor RN Ravi when he visited the University.

## **PROTEST BY ANGANWADI STAFF**

Members of the Tamil Nadu Anganwadi Staff Association started an indefinite sit-in protest at the collectorates in district headquarters on Wednesday. They demanded that the entire month of May be declared as a summer holiday on par with the school teachers.

Their other demands included a hike in gratuity, provision of pension, filling up vacancies, and time-based pay scale, among others.

<https://www.newsclick.in/tn-week-dmks-first-family-accused-rs-30k-crore-corruption-govt-makes-u-turn-2-policies>

### **8. Bengal govt to conduct audit to identify irregularities in PMAY scheme ([daijiworld.com](https://daijiworld.com)) Apr 29 2023**

In wake of the rising complaints of irregularities and the Centre holding back funds under the Pradhan Mantri Awas Yojana (PMAY), the West Bengal government has taken a decision to voluntarily conduct an audit of the implementation of the scheme in the state during the 2022-23 financial year.

State government sources said the audit will be conducted in 345 blocks across West Bengal.

"In order to make the process transparent, any CAG-approved audit entity will be entrusted to conduct the task," a senior official of the state government said.

He said that by conducting this audit voluntarily, the state government intends to give a subtle message that it is not indulging in any kind of corruption in the matter.

"This will also bring a halt to the allegations that the state government is avoiding audits for different Centre-sponsored schemes in the state."

The official added the audit will give a strong point of argument for the state government for asking the Union government to release the central funds due under this scheme.

However, political observers feel the decision to conduct this audit voluntarily is also aimed at projecting a clean image of the ruling party before the panchayat polls scheduled to be held this year.

"Corruption is an issue that principal opposition parties have started highlighting even before the states for the panchayat polls are announced. So, in my opinion this audit is not just an administrative decision but also a political decision to counter the corruption allegations of the opposition," said veteran political observer Sabyasachi Bandopadhyay.

Already the Union Ministry of Rural Development has sent a number of central field inspection teams to West Bengal to review the implementation of the scheme.

These teams have also visited various districts and talked to the local people as a part of their field inspection.

The state government recently sent an action report to the Centre detailing the steps taken by the administration to remove irregularities if any in allotment under the PMAY scheme.

After receiving the report, the Centre had sent another team to tally the contents with their own experiences in the course of inspection.  
<https://www.daijiworld.com/news/newsDisplay?newsID=1074891>

## 9. पश्चिम बंगाल सरकार PMAY योजना का करेगी ऑडिट, 345 ब्लॉकों में होगा निरीक्षण ([jagran.com](https://www.jagran.com)) 29 Apr 2023

प्रधानमंत्री आवास योजना (पीएमएवाई) के तहत धन रोके जाने और अनियमितताओं की बढ़ती शिकायतों के मद्देनजर पश्चिम बंगाल सरकार ने 2022-23 वित्त वर्ष के दौरान राज्य में योजना के कार्यान्वयन का स्वैच्छिक ऑडिट करने का निर्णय लिया है। राज्य सरकार के सूत्रों ने कहा कि ऑडिट पश्चिम बंगाल के 345 ब्लॉकों में किया जाएगा।

### सीएजी की अप्रूव ऑडिट इकाई ही करेगी मामले की जांच

राज्य सरकार के एक वरिष्ठ अधिकारी ने कहा, ऑडिट प्रक्रिया को ट्रांसपेरेंट बनाने के लिए, किसी भी CAG(भारत के नियंत्रक एवं महालेखा परीक्षक) द्वारा अप्रूव ऑडिट इकाई को ही कार्य करने के लिए सौंपा जाएगा। उन्होंने कहा इसके माध्यम से हम यह स्पष्ट करना चाहते हैं कि हम इस मामले में किसी भी तरह के भ्रष्टाचार में लिप्त नहीं हैं। वहीं, इससे उन

आरोपों पर भी विराम लगेगा कि राज्य सरकार राज्य में केंद्र प्रायोजित विभिन्न योजनाओं के ऑडिट से बच रही है।

### **टीएमसी की छवि साफ करने के लिए ऑडिट जरूरी**

अधिकारी ने कहा कि ऑडिट प्राक्रिया से राज्य सरकार को एक मजबूत तर्क मिलेगा। जिससे वे केंद्र सरकार को इस योजना के लिए केंद्रीय धन जारी करने के लिए कह सकेंगे। हालांकि, राजनीतिक पर्यवेक्षकों का मानना है कि इस ऑडिट को स्वेच्छा से करने का उद्देश्य इस साल होने वाले पंचायत चुनावों से पहले सत्तारूढ़ पार्टी की साफ छवि पेश करना भी है।

### **भ्रष्टाचार के आरोपों को मिलेगा जवाब**

अनुभवी राजनीतिक पर्यवेक्षक सव्यसाची बंद्योपाध्याय ने कहा कि भ्रष्टाचार एक ऐसा मुद्दा है जिस पर मुख्य विपक्षी दलों ने पंचायत चुनावों के लिए राज्यों की घोषणा से पहले ही जोर देना शुरू कर दिया है। इसलिए, मेरी राय में यह ऑडिट सिर्फ एक प्रशासनिक निर्णय नहीं है, बल्कि विपक्ष के भ्रष्टाचार के आरोपों का मुकाबला करने के लिए एक राजनीतिक निर्णय भी है।

### **निरीक्षण दलों को भेजा गया था जांच के लिए**

केंद्रीय ग्रामीण विकास मंत्रालय ने पहले ही योजना के कार्यान्वयन की समीक्षा के लिए कई केंद्रीय क्षेत्र निरीक्षण दलों को पश्चिम बंगाल भेजा है। इन टीमों ने विभिन्न जिलों का दौरा भी किया है और अपने फील्ड निरीक्षण के तहत स्थानीय लोगों से बात की है। राज्य सरकार ने हाल ही में पीएमएवाई योजना के तहत आवंटन में किसी भी तरह की अनियमितता को दूर करने के लिए प्रशासन द्वारा उठाए गए कदमों का विवरण देते हुए केंद्र को एक कार्रवाई रिपोर्ट भेजी है। <https://www.jagran.com/west-bengal/kolkata-west-bengal-government-will-audit-pmay-scheme-and-the-inspection-will-be-done-in-345-blocks-23398393.html>

#### **10. CAG report 2021-22: Anomalies found in functioning of Chandigarh forest and wildlife department ([hindustantimes.com](https://www.hindustantimes.com)) 29 April 2023**

The draft report of the director general of audit (central), Chandigarh, has pointed out several discrepancies and irregularities in the functioning of the department of forest and wildlife in the year 2021-22.

The report has been obtained under the Right to Information (RTI) Act.

During checking of records, it was observed that the department had built a bird park in Chandigarh at a cost of ₹5 crore during 2021-22, which was opened for the public in November 2022.

It has also been observed that the department, with the consent of the UT administrator, created a society -- Forest Society for Conservation (FOSCON) -- in November 2022 and deposited ₹85.95 lakh as entry fees collected from the people visiting bird park during the year 2021-22 in its account.

The report pointed out that it was in contravention of the provisions of Article 267, which provides that all revenues received by the government of a state, all loans raised by that government by the issue of treasury bills, loans or ways and means advances, and all money received by that government in repayment of loans will form one consolidated fund to be entitled the consolidated fund of the state.

As per the Article, all other public money received by or on behalf of the Government of India or the state government will be entitled to the public account of India or the public account of the state, as the case may be.

No money out of the consolidated fund of India or the consolidated fund of a state will be appropriated except in accordance with law and for the purposes and in the manner provided in this Constitution.

#### Non-reconciliation of receipts with treasury

The report noticed that the department carried out a reconciliation of remittances made into treasury as well as payments made through the treasury up to June 2018 as per verification made by the treasury officer, UT.

“The reconciliation with treasury from September 2020 to March 2022 was pending during the course of audit (November 2022),” pointed out the report. Due to non-reconciliation with the treasury, it may lead to leakage of revenue/misappropriation embezzlement and discrepancy, if any cannot be ruled out, the audit report observed.

As per treasury rules and guidelines issued by the Chandigarh administration’s finance department regarding receipts, reconciliation and maintenance of the accounts of receipts realised by way of cash or cheque/draft, it is required that receipts must be deposited into the treasury either on the same day or in the morning of next day.

Similarly, regarding payments deposited into treasury, figures are required to be entered into remittance book and at the end of the month, deposits made into treasury are required to be reconciled with treasury books and discrepancies, if any, should be rectified immediately.

The audit report has asked the department to explain the reasons for not adhering to the financial rules for non-reconciliation with treasury.

‘Only half work completed’

The report revealed that the department had allotted various works to different contractors in 2021, which were to be completed by March 2022, but less than half of the work was finished within the stipulated time.

During checking of records maintained by the department for 2021-22, it was noticed that work was required to be completed up to March 2022 as per the stipulated time limit of contract agreement, but only (1%-45%) physical progress of works had been achieved by the contractual agencies with an expenditure of ₹5.57 lakh against the total contract amount of ₹23.3 lakh, which had resulted into slow achievement of physical target during the financial year 2021-22, observed the audit report.

Reply has also been sought for the reasons behind non-completion of works in time, and departmental action taken against the contractor may be intimated to audit.

<https://www.hindustantimes.com/cities/chandigarh-news/discrepancies-found-in-functioning-of-chandigarh-forest-department-audit-report-reveals-irregularities-in-bird-park-construction-and-foscon-society-formation-101682721886600.html>

#### **11. Pune: Poor Management and Lack of Transparency; CAG Comments on Functioning of Mahametro ([pune.tribuneindia.com](https://pune.tribuneindia.com/story/2023/apr/30/pune-metro-cag-report-101682721886600.html)) 30 April 2023**

New tender rates may be higher than existing consultancy firm contracts to avoid delays in the tendering process. Citing this reason, Comptroller and Auditor General (CAG) has come down heavily on Metro for giving the work of the Pune Metro Rail Project to the General Consultancy working for MahaMetro Nagpur Metro Project without conducting the tender process. Even after the CAG reprimanded the work of Mahametro, it is observed that there are many errors.



The CAG report was released on 12th December 2022. While criticizing the Metro in the report, it said the saving of money and delays in the tendering process were unconvincing support given by Mahametro. CAG also pointed out that this shows a lack of transparency in key works along with poor management practices.

The report mentions that M/s AECOM, AGIS, and RITES of Sistra were awarded interim consultancy as General Consultants for Nagpur Metro Project. Along with this work, it was also given the additional work of the Pune Railway Project by paying Rs 183 crores on a nomination basis.

To avoid delays in the tender process and the rates of the new tender may be higher as compared to the contract of the existing consultancy firm. Therefore, Mahametro has supported that the same company has been given this work.

Mahametro took out the tender and again gave the work of the Pune Metro Rail Project to the same General Consultancy by paying Rs 185 crores. A total of Rs 368.09 crore was given to this company while Rs 221.93 crore was given to this company for the Nagpur Metro Rail Project.

In fact, as a general consultant for Pune Metro, even after taking more money than Nagpur, there are many errors in the work of Pune Metro. Meanwhile, Mahametro Project Director Abhay Gadgil and Metro Public Relations Officer Hemant Sonawane could not be contacted in this regard.

<https://www.punekarnews.in/pune-poor-management-and-lack-of-transparency-cag-comments-on-functioning-of-mahametro/>

## **12. KFC's loan for Vizhinjam Project comes under state's debt: AG** ([english.mathrubhumi.com](http://english.mathrubhumi.com)) 29 April 2023

Thiruvananthapuram: In a massive blow to the Kerala government, the Accountant General (AG) informed that loans taken from Kerala Finance Corporation (KFC) for Vizhinjam Project would be considered as the state's debt borrowing.

In a letter sent to State Finance Department, the AG requested the government to provide an explanation as to why Rs 500 crore taken from KFC was shown not shown under the state's total debt. However, the Finance Department argued that the government only stood guarantee and such borrowing should not be included in the state's overall budget. The department alleged that AG's letter in the name of the Vizhinjam project is a political move to trouble the state.

The Vizhinjam International Seaport Limited (VISL), a venture of the Government of Kerala and Adani Vizhinjam Port Pvt Ltd (AVPPL) sought Rs 500 crore from KFC under a government guarantee. VISL is the State government company that oversees the project.

In March, VISL handed over Rs 100 crore to Adani Group at Vizhinjam port from an amount arranged by KFC. However, the government is yet to disburse the remaining amount as per the agreement signed with Adani, which stipulates the issue of Rs 400 crore by the time 30 per cent of the project is completed.

Meanwhile, the government is expected to raise Rs 3600 crore through Housing and Urban Development Corporation Limited (Hudco) for the project. Due to a delay in the loan allocated from Hudco, the government decided to borrow Rs 500 crore from KFC.

The Finance Department has argued that an amount falls under the state's borrowing limit if it is taken from the budget to settle the debt of a particular project or public sector entity. The government won't stand guarantee to any projects or institutions in the future if there is a tendency to include such borrowings in the scope of the state's borrowing limit, it noted. <https://english.mathrubhumi.com/news/kerala/vizhinjam-project-kfc-s-loan-should-be-included-in-state-s-borrowing-limit-ag-to-finance-dept-1.8517749>

### **13. Jhelum Dredging Hits Roadblock Due To Funds Crunch, Poor Tender Response ([kashmirobservers.net](https://www.kashmirobservers.net)) 28 April 2023**

Srinagar- The irrigation & flood department has failed to start the second phase of much talked Jhelum river dredging project owing to paucity of funds and lack of response to the tenders worth Rs 229 crore.

Sources from the department told Kashmir Observer that the phase-II has hit a few bottle necks even as the central government has released some portion of funds for the work.

“We floated tenders for the second phase in the month of October last year but received cold response. Some companies requested to extend the deadline. Even after doing so, we didn’t receive any response,” said an official wishing not to be named.

He further said that the department will now float tenders afresh in the coming weeks.

In phase-II, the official said, the department intends to re-sectioning and re-grading of existing Flood spill channel and acquire around 19 kilometer land from Ningli Sopore onwards up to Khadinyar, Baramulla.

“We need around 300 crore from the J & K government for land acquisition because there are many residential and commercial buildings between Ningli to Khadinyar. Work can only be carried out once funds are released,” the official said.

The official further noted that the central government has so far released just Rs 114 crore out of 229 crore rupees.

The work in phase-II includes flood protection works on Jhelum tributaries, Veshow, Brengi, Lidder and Aripath Nallahs. Construction of stone pitching with toe wall on left & right side of River Jhelum, construction of flood protection works on tributaries like Sasara, Romshi, Watalara , Aripal, Rambiarah nallahs at various spots are also to be undertaken.

Besides it, other works include construction of hydraulic gate at entry point RD 11950 m and exit point RD 16713 m of Hokersar Wetland of flood spill channel, construction of guide wall (Retaining wall) on right and left side of River Jhelum at spots,

Protection works to tributaries of River Jhelum (Ningli Nallah, Gundari nallah, Balkul Nallah, Frashar Nallah, Khursi Nallah & Pohru Nallah). Protection works on Ferozpora Nallah (Magam & Kunzar branch) Providing of Toe Crate Protection works on Hudi, Farkan, Kalaroos, Hyhama, Varnow, Vij and Pohru Nallah at spots

It may be noted that following the devastating floods in 2014, the central government sanctioned a plan for the comprehensive flood management of the Jhelum River and its tributaries. The project was funded through the Prime Minister’s Development Package, and divided into two phases.

The phase-I was completed by the end of 2020 after missing several deadlines. The government said that this phase – which mostly involved the dredging of the river to remove sediment – would enhance the discharge carrying capacity of the Jhelum from 31,800 cusecs to 41,000 cusecs.

The official said Phase II of the plan would increase the carrying capacity of river Jhelum and its flood spill channel by 20,000 cusecs through dredging. At present, the carrying capacity of Jhelum is around 31,000 cusecs while that of the flood channel is around 8,700 cusecs.

Following the incessant rainfall in the valley from the last four days, the river Jhelum has once again swelled up and giving nightmare to the people who witnessed 2014 deluge.

However, Chief Engineer I&FC Kashmir, Naresh Kumar told Kashmir Observer that there were no flood threats and the Jhelum was flowing below danger mark.

“There were floods in the Tangmarg area of North Kashmir. The authorities have issued advisory to people not to venture out in that particular area but overall the situation is good. The rains have stopped now” he added.

While responding to the halt of Jhelum dredging phase—II project, he said, the work is partly underway.

“Right now the work is going on in Bemina, where people would always complain of floods. However, the work on flood-spill channels has been delayed.” Kumar said adding “We had invited the tenders but no company qualified for the same”

Pertinently, the Comptroller and Auditor General (CAG) pulled up the irrigation & flood control (I & FC) department for lapses in achieving required targets for dredging Jhelum that had hamstrung the disaster management response post 2014 floods.

The audit by the CAG last February noted that there was a shortfall of targets by I&FC department in terms of dredging that was required under the Prime Minister’s Development Package for Crisis Management project’s to increase the carrying capacity of flood waters of the Jhelum river and through the Flood Spill Channel (FSC). <https://kashmirobsrver.net/2023/04/28/jhelum-dredging-hits-roadblock-due-to-funds-crunch-poor-tender-response/>

#### **14. Gujarat’s mandatory PSU dividend and buyback policy is wrong ([thehindubusinessline.com](http://thehindubusinessline.com)) Updated - April 28, 2023**

Unhappy with the financial management and capital allocation policies of State Public Sector Undertakings (PSUs), the Gujarat government has sought to impose

mandatory norms for dividend distribution, stock buy-backs, bonus and stock splits to fix the problem.

The new guidelines require all PSUs to pay out dividends either at 30 per cent of profits or 5 per cent of net worth, whichever is higher. Firms with cash balances of ₹1,000 crore and net worth of ₹2,000 crore will need to consider stock buybacks.

Mandatory distribution policies fail to deliver shareholder value in PSUs for many reasons. One, companies in mature sectors with predictable profits and free cash flows (such IT and FMCG) are best-placed to deliver high dividends and buybacks.

But most PSUs in India operate in the commodity or infrastructure sectors which are capital-intensive, with high profit volatility based on business cycles. Global giants in cyclical sectors typically build scale and efficiency by adding to their cash coffers during boom times, and deploying them in buyouts or expansion during down-cycles.

But with frequent dividend and buyback demands draining their cash coffers, PSUs such as NTPC, HPCL and SAIL, to name just three, have been hamstrung in pursuing this strategy.

Two, scale and modernisation hold the key to sector dominance and pricing power in cyclical industries. But periodic payouts pegged to net worth or cash balances actively hinder a Coal India, an ONGC or a BHEL from investing adequately in modernisation.

Therefore, sound capital allocation decisions in PSUs are better enforced through autonomous Boards and visionary top managements, than through one-size-fits-all distribution mandates.

What's more, equity investors look at India as a growth market and accord high valuations to companies with strong growth runways, not those with generous payouts. PSUs paying high dividends such as ONGC and Coal India trade at sub-5 PE multiples while the low dividend-paying IRCTC trades at over 50 times.

As Gujarat government backed PSUs also operate mainly in the power and infrastructure sectors, the new rules may play out very similarly for them.

If it is keen to extract a better return on investment, the Gujarat government perhaps ought to explore freeing up capital from its ailing enterprises, so that the promising ones can pursue their growth ambitions.

A recent CAG report showed that though the 100 Gujarat State PSUs carried an equity base of nearly ₹1-lakh crore and assets of ₹3-lakh crore, they earned just ₹2,724 crore in total profits in FY22, with the bulk of this coming from just eight firms. Sixteen PSUs were defunct while 55 weren't filing their financial statements.

Cracking the whip on non-compliant PSUs and initiating capital restructuring in loss-making ones may yield better outcomes for State finances than mandated distribution policies.

<https://www.thehindubusinessline.com/opinion/editorial/editorial-gujarats-mandatory-psu-dividend-and-buyback-policy-is-wrong/article66789956.ece>

**15. 'Metro Rail Caters to Millions, Reduces Carbon Emissions': Supreme Court Refuses to Interfere with DMRC Phase-IV Metro Work**  
([livelaw.in](https://www.livelaw.in)) 29 April 2023

Recently, the Supreme Court refused to interfere with the construction work on phase-IV of Delhi Metro, stating that any interference at this stage would also result in a huge escalation of its cost, causing a loss to the public exchequer.

The bench of Justice B.R. Gavai and Justice Vikram Nath said that, “No doubt that the concern for the environment is an important aspect. However, at the same time, developmental works like the metro rail, which will cater to millions of people and also reduce carbon emissions, inasmuch as the number of vehicles on the road would be reduced, cannot be ignored.”

The court was hearing the writ petition filed raising concerns about the adverse impact on the environment caused by the Metro Phase IV expansion project of the Delhi Metro Rail Corporation (DMRC).

The counsel for petitioner Rajiv Dutta submitted that the DMRC, while planning Phase IV, had acted negligently. It was argued that there was no policy in place regarding whether Phase IV should be underground or above ground.

The counsel also submitted that the various areas of land in the Morphological Ridge have been diverted for non-forest purposes.

On the other hand, Tarun Johri, on the contrary, submitted that the planning of various phases cannot be static; instead, it has to be dynamic.

He submitted that the question of whether the line should go underground or above ground has to be taken into consideration after looking at various relevant factors. He submitted that the lack of an appropriate policy has also been highlighted by the Comptroller and Auditor General (CAG) in his report.

The entire area of the Ridge, measuring 22 km. is protected, as the Metro line extending to 18 km. is underground, the counsel told.

The counsel pointed out that the project is in an advanced stage.

It was informed to the Court that more than 30% of the work has already been completed and it is scheduled to be commissioned in the year 2025.

After hearing the parties, the Court opined that any interference at this stage, apart from stalling the project, would also result in a huge escalation of its cost, causing a loss to the public exchequer.

Regarding the grievance with regard to the felling of trees, the Court found that even in the notification issued under Section 29 of the Act, a provision had been made for compensatory afforestation.

The Court noted that, “As against the number of trees to be felled and number of trees to be transplanted, the trees in multiples of ten are required to be planted. Not only that, the Compensatory Afforestation Fund is also required to be deposited while issuing such a notification.”

The Apex Court observed that, undoubtedly, protecting the environment is an important factor to consider. Nevertheless, it is equally important not to ignore developmental projects such as the metro rail, which would benefit millions of people and also decrease carbon emissions by reducing the number of vehicles on the road.

In light of the above the Court dismissed the petition.

The Court also asked the DMRC to be careful in future and take note of the concern expressed by the CAG, while planning the further phases.  
<https://www.livelaw.in/supreme-court/supreme-court-delhi-metro->

## 16. सरकार से सवाल:सीएजी ने पूछा- बजट की नई स्कीमों से भविष्य में खजाने पर क्या असर पड़ेगा ([bhaskar.com](https://www.bhaskar.com)) 01 May 2023

भोपाल: राज्य सरकार ने बजट में जितनी भी नई योजनाओं की घोषणा की और उसे लेकर नीतिगत निर्णय लिए हैं, उसका भविष्य में कैश फ्लो (खजाने) पर क्या असर पड़ेगा? भारत सरकार के नियंत्रक एवं महालेखा परीक्षक (सीएजी) ने वित्त विभाग से यह जानकारी मांगी है।

सीएजी ने वित्त विभाग को पत्र लिखकर यह भी पूछा है कि सरकारी खातों से बाहर बैंकों व दूसरे वित्तीय संस्थानों में कितना पैसा रखा गया है? सरकार की नई घोषणाओं में प्रमुख रूप से लाइली बहना योजना में महिलाओं को 1,000 रुपए प्रतिमाह और युवाओं को अप्रेंटिसशिप के दौरान 8,000 रुपए प्रतिमाह दिया जाना शामिल है। यानी, सीएजी को इनकी भी पूरी जानकारी देनी होगी।

### पंचायती राज संस्थाओं को दिए अनुदान का ब्यौरा देना होगा

सीएजी ने सरकार से 18 बिंदुओं पर जानकारी मांगी है। इसमें बैंकों में रखा गया योजनाओं का पैसा, पंचायती राज संस्थाओं को दिए गए अनुदान की बकाया राशि और सरकार पर लायबिलिटी आदि शामिल हैं। वित्तीय वर्ष 2022-23 का यह ब्यौरा 31 मार्च 2023 तक का होगा, जिसे सीएजी को देना है। सीएजी का पत्र 31 मार्च 2023 को ही वित्त विभाग को मिला है, जिसका सर्कुलर संचालक बजट आईरीन सिंथिया जेपी ने 28 अप्रैल को सभी विभागों को भेजा है। उन्होंने 7 दिन के भीतर जानकारी मांगी है। वित्त विभाग लगातार अलग-अलग महकमों के बजट और उसके उपयोग से जुड़ी जानकारी मांगने के लिए पत्र लिख रहा है। हाल ही में विभागों से पूछा गया है कि बैंकों में योजनाओं के पैसे से कितना ब्याज मिला है।

इन बिंदुओं पर मांगा गया है ब्यौरा

-सरकार के अधीन निगम, शासकीय कंपनियां, ज्वाइंट वेंचर की कंपनी, बैंक एवं सहकारी संस्थान, जिनको कर्ज लेने या निवेश करने के लिए सहमति दी गई है। उन्होंने कितना लाभांश उठाया है।

-कर्ज और एडवांस लिए गए पैसों की जानकारी के साथ बताना है कि सरकार द्वारा लिया गया कौन सा कर्ज या किसी संस्था को दिया गया पैसा बट्टे खाते में गया।



- लगातार कौन से कर्ज मंजूर किए गए।
- कौन से ऐसा काम हैं जो पूरे नहीं हुए।
- बिजली से जुड़ी स्कीमों में सब्सिडी के साथ अन्य राशियों के वितरण के परिणाम क्या रहे।
- सरकार की ओर से किस-किस संस्था को अनुदान दिया गया।
- पब्लिक प्राइवेट पार्टनरशिप (पीपीपी) मोड में कितना पैसा डाला गया।

<https://www.bhaskar.com/local/mp/bhopal/news/cag-asked-what-will-be-the-impact-of-the-new-budget-schemes-on-the-exchequer-in-future-131230361.html>

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

#### **17. 56.3% Union Govt Projects Delayed, Highest in 2 Decades, 22% Cost Overrun: Report ([thewire.in](https://www.thewire.in)) April 29, 2023**

**As of March 2023, projects have had a time overrun of over three years on average, show flash reports by MoSPI.**

The share of delayed Union government projects has skyrocketed to 56.7% in March 2023, the highest figure in around 20 years, according to data from the Ministry of Statistics and Programme Implementation's monthly flash reports published by the Infrastructure and Project Monitoring Division compiled by Business Standard.

There are 1,449 Union government projects underway of more than Rs 150 crore, according to the ministry's flash report. As of March 2023, projects have had a time overrun of over three years on average.

The projects are now expected to cost 22.02% more than the originally estimated costs. In absolute terms, this means an additional expenditure of Rs 4.6 trillion – or more than 120 times the money spent on completing the Konkan Railway project which cost Rs 3,550 crore in 1997, reports the newspaper. The cost overruns were last this high in percentage terms under the previous NDA government in 2004.

The Indian Railways has the major share of delayed projects and it accounted for Rs 2.5 trillion in cost overruns. It is followed by projects in the power sector (Rs 0.6 trillion) and water resources (Rs 0.5 trillion), reports Business Standard.

The share of delayed central government projects hit a low of 19.3% in 2018 but it had not been as high under the UPA government under Dr Manmohan Singh as it is now under the Modi government. The delay in the UPA-era had been blamed on policy paralysis within the government. <https://thewire.in/government/govt-projects-delayed-highest-cost-overrun>

**18. Road transport, highways sector has maximum number of delayed projects: Govt report ([indianexpress.com](https://indianexpress.com)) April 30, 2023**

The road transport and highways sector has the maximum number of delayed projects at 402, followed by railways at 115 and the petroleum industry at 86, showed a government report.

In the road transport and highways sector, 402 out of 749 projects are delayed. For railways, out of 173 projects, 115 are delayed, while in the petroleum sector, 86 out of 145 projects are running behind schedule, as per the latest flash report on infrastructure projects for March 2023.

The Infrastructure and Project Monitoring Division (IPMD) is mandated to monitor central sector infrastructure projects costing Rs 150 crore and above based on the information provided on the Online Computerised Monitoring System (OCMS) by the project implementing agencies.

The IPMD comes under the Ministry of Statistics and Programme Implementation. The report showed that the Muneerabad-Mahaboobnagar rail project is the most delayed. It is delayed by 276 months.

The second-most delayed project is the Udhampur-Srinagar-Baramulla rail project, which is delayed by 247 months.

The third-most delayed project, Belapur-Seawood-Urban Electrified Double Line, is running 228 months behind schedule.

The Flash Report for March 2023 contains information on the status of the 1,449 central sector infrastructure projects costing 150 crore and above.

As many as 821 projects are delayed, 354 reported cost overrun and 247 projects reported both time and cost overrun with respect to their original project implementation schedules.

A total of 821 projects are delayed with respect to their original schedules and 165 projects have reported additional delays vis-a-vis their date of completion reported in the previous month. Of these 165 projects, 52 are mega projects costing Rs 1,000 crore and above.

About the road transport and highways sector, report stated that the total original cost of implementation of 749 projects, when sanctioned, was of the order of Rs 4,32,893.85 crore, but this was subsequently anticipated to cost Rs 45,11,68.46 crore, implying a cost overrun of 4.2 per cent.

The expenditure incurred on these projects till March, 2023 was Rs 2,31,620.94 crore, which was 51.3 per cent of the anticipated cost of the projects.

Similarly in railways, total original cost of implementation of 173 projects, when sanctioned, was of the order of Rs 3,72,761.45 crore, but this was subsequently anticipated to Rs 6,27,160.59 crore, implying a cost overrun of 68.2 per cent.

The expenditure incurred on these projects till March, 2023 was Rs 3,84,947.64 crore, which was 61.4 per cent of the anticipated cost of the projects. About the petroleum sector, it said, total original cost of implementation of 145 projects, when sanctioned, was of the order of Rs 3,63,608.84 crore, but this was subsequently anticipated to Rs 3,84,082.25 crore, implying a cost overrun of 5.6 per cent.

The expenditure incurred on these projects till March, 2023 stood at Rs 1,52,566.01 crore, which was 39.7 per cent of the anticipated cost of the projects. <https://indianexpress.com/article/india/road-transport-highways-maximum-number-delayed-projects-govt-report-8583741/>

**19. Centre laments non-utilisation of fund by state animal husbandry departments; urges states to spend ([economictimes.indiatimes.com](https://economictimes.indiatimes.com))**  
April 29, 2023

The Centre on Saturday rued that animal husbandry departments in state governments are not fully utilising central funds for development of this sector and urged them to spend money to implement projects. Addressing an event to mark

the 'World Veterinary Day', Union Minister of Fisheries, Animal Husbandry and Dairying Parshottam Rupala stressed on registration of birth and death of livestock for having a real time data.

The 'World Veterinary Day' honours the veterinary profession every year on the last Saturday of April.

Rupla said the government conducts 'Livestock Census' regularly, but there is no provision currently for registration of birth and death similar to human beings.

"This is a shortcoming in the animal sector," he said, and stressed on addressing this gap.

There should be some scientific way to count birth-death in livestock sector as real time data will benefit all stakeholder and help achieve higher growth, the minister said.

Livestock Census covers all domesticated animals and its headcounts for total 16 species of animals including cattle and buffalo. As per the census 2019, the total livestock population stood at 536.76 million in the country.

Speaking at the event, Minister of State for Fisheries, Animal Husbandry and Dairying Sanjeev Kumar Balyan highlighted that the budget allocation of this ministry has increased in the last few years. An outlay of Rs 12,500 crore has been announced for tackling foot and mouth disease and brucellosis, he added.

"We (Centre) do not spend money. States do it. We provide funds to states for undertaking projects in this sector. Vaccination process is under the Centre and 100 per cent funded by the central government," Balyan said.

"It's very unfortunate that in the last 2 years, animal husbandry departments in the states/UTs have not been able to utilise central funds. Every year, we have to surrender funds allocated under the central budget," Balyan said.

The ministers and bureaucrats in state governments should see how to enhance the spending capacity for effective implementation of the programmes, Balyan said.

Even in the last financial year, he said, the budget amount was not fully utilised.

"States are not able to utilise funds despite repeated request," Balyan said.

## Nikkei Asia Japan's Sumitomo taps into insect feed business

He lamented the inferiority complex among bureaucrats and ministers in state governments, who have been given charge of the animal husbandry department and attributed it as the reason for lack of enthusiasm to spend central funds.

The minister said he is proud of being veterinary doctor and there should not be any inferiority complex.

On sidelines of the event, Balyan said there is no dearth of fund and states should spend money for the growth of this important sector.

Earlier, Rupala highlighted the importance of animal husbandry in India and said this profession must have started before farming activities. He noted that India is the largest milk producer in the world and the value of milk output is pegged at around Rs 9-9.5 lakh crore annually, higher than the values of wheat and rice combined.

Talking about the challenges, Rupala said average productivity is still less and said efforts should be made to enhance it. He said new technologies like artificial insemination, IVF, semen sorting, embryo transfer and cloning of animals are being adopted in this sector but there is a need to scale up.

Rupala said the Centre has sanctioned Mobile Veterinary Units (MVUs), which will prove to be effective in successful use of these technologies.

MVUs provide diagnosis treatment, vaccination, artificial insemination, minor surgical interventions, audio-visual aids and extension services to farmers/animal owners at their doorstep in far-flung area.

The minister spoke about the huge business potential in this sector.

He said pet care and animal feed businesses are growing at a fast pace. Rupala said the government is also working towards modernising fish markets and give experience to customers like shopping malls.  
<https://economictimes.indiatimes.com/news/economy/finance/centre-laments-non-utilisation-of-fund-by-state-animal-husbandry-departments-urges-states-to-spend/articleshow/99870836.cms>

**20. How indigenous is ‘indigenous’ in India’s defence production? Lines are blurred in globalised world ([theprint.in](https://theprint.in)) April 30, 2023**

Over the last few years, there has been an institutional pivot towards prioritising indigenous military manufacturing and procurement in India. Two large-scale commissions in 2022 of the country’s first indigenous aircraft carrier, INS Vikrant, and the first indigenous attack helicopter, LCH Prachand, have epitomised this philosophical change.

In April this year, the Army announced that the Defence Research and Development Organisation (DRDO) and private firm Larsen and Toubro (L&T) would manufacture the prototype for another indigenous system— the Zorawar light tank.

However, an analysis by ThePrint has highlighted that these indigenous weapons systems do include imported components that are integrated and are not exclusively made in India — a logical and valid reality. Even major defence producers such as the United States and France import weapons systems.

This points to a larger question — how indigenous is ‘indigenous’ in India’s defence production?

“While the government has done well to promote domestic military manufacturing, there is also an acknowledgement within the establishment that everything cannot be manufactured domestically. There will have to be some imports,” Anit Mukherjee, associate professor at Nanyang Technological University (NTU) Singapore, told ThePrint.

“As a result, even if you see the positive military indigenisation lists issued by the government, they make provisions for certain imports. At times, the economies of scale do not allow domestic manufacturing of weapons systems; in these times, you have to import,” Mukherjee added.

Alluding to the above sentiment, a Delhi-based defence analyst said, “It’s rather hard to develop an advanced weapons system with only technology and components from one country. Imports of the best technologies help make the system more efficient.”

“In a globalised economy with deep supply-chain linkages, some components will invariably be imported. This can be either due to better efficiency in procuring it

from abroad or unavailability in the manufacturing country,” the analyst, who did not wish to be named, told ThePrint.

### Zorawar Light Tank Project

In August last year, given the precarious situation with China in eastern Ladakh, the Indian Army launched Project Zorawar to develop an indigenous light tank that could be used for quick deployment and fast movement in high altitudes, including Ladakh and Arunachal Pradesh.

Consequently, India’s DRDO and private firm L&T joined hands to develop the tank under the Zorawar project. Then, in April 2023, DRDO and L&T were given the order to manufacture a prototype of the tank for the Army.

“The project for the Indian Light Tank will provide a unique opportunity to the indigenous defence industry to come together and realise a truly ‘designed and developed in India’ initiative,” said a brief from the Army’s integrated headquarters.

Though widely described as “indigenous,” the Zorawar tank will be powered by an engine developed by a German manufacturer, MTU Aero Engines, which is a subsidiary of defence conglomerate Rolls-Royce. Further, mounted on its hull will be a 105-mm gun turret made by John Cockerill, a Belgian engineering company.

Essentially, two central fulcrums of the Zorawar — the engine that will make the tank manoeuvre through mountainous terrain, and its gun — will both be imported.

Despite these direct inclusions from abroad, the tank will be called “indigenous”.

Labelling something indigenous or not is largely a political decision. There is no empirically correct answer to what is indigenisation, Walter Ladwig, a military scholar and lecturer at King’s College London, told ThePrint.

“The percentage threshold you apply, whether you measure ‘indigenous’ in terms of the number of components, their financial value, or some other metric, determines the classification. These are all choices made by the analyst who wants to argue for one status or the other,” he explained.

Beyond the labelling of a weapons system as “indigenous,” the economics is central to its manufacturing. Mukherjee explained this in the context of the indigenous manufacturing of the Zorawar.

“With the Zorawar, the economies of scale will only be efficient if the government orders sufficient numbers to offset the costs of setting up the factory line and production in India. Otherwise, the finances will not allow manufacturing the tank from scratch in India,” he said.

Further, it is not only about domestic manufacturing but also exports. Defence companies that export are successful. That should be the idea with the Zorawar as well, though only from an economic lens. The strategic aspect may prevent this, Mukherjee explained.

However, the Zorawar’s adoption of foreign technology for critical components isn’t necessarily a new concept in India’s defence manufacturing.

Status of INS Vikrant, LCH, & ALH

Aircraft, helicopters and aircraft carriers produced in India have all integrated foreign technology.

The engine of the country’s first indigenously built light combat aircraft (LCA) Tejas is made by American conglomerate General Electrics (GE). The fighter, which took around three decades to be commissioned, relies on a foreign engine.

Two significant indigenous military developments from 2022 further symbolise this import dependence.

In September last year, Prime Minister Narendra Modi commissioned India’s first domestically built aircraft carrier — INS Vikrant.

Vikrant was built with 76 per cent indigenous components. While significant, this implied that 24 per cent would still be imported. According to reports, this 24 per cent included imports for the aircraft carrier’s critical Aviation Facility Complex — the area responsible for maintaining and operating the fighters of the battleship.

The imports for the aviation complex, reports explained, included arrestor gears, short-take-off but arrested recovery (STOBAR) systems for the launch and recovery of fighters, and related aircraft handling equipment from Russia. Further, the ship’s two aircraft lifts were also imported from the United Kingdom, along with the hangar doors being brought from Sweden.

Later in September 2022, the first indigenous Light Combat Helicopter (LCH), Prachand, was commissioned into the Air Force. Its indigenous content is



estimated to go up from 45 per cent to 55 per cent in time. However, the chopper's attack component, its air-to-air missiles, will be Mistral 2 Launchers manufactured by European missile maker MBDA.

Even the indigenously manufactured Advanced Light Helicopter (ALH), Dhruv, has significant import dependencies, though it is deemed to have 55 per cent domestically made content.

As Air Marshal Anil Chopra (ret'd) wrote in the Indian Defence Review journal early this year, "Some essential systems (of the ALH) are still imported from the UK, Israel, and France."

"Its aluminium alloys, composite materials, avionics and weapons are also imported. The aero-engine, which accounts for nearly 30 per cent of the aircraft cost, is still Turbomeca-led and is import-dependent," Chopra added.

While the INS Vikrant, LCH, and ALH reflect India's growing indigenous military production capacity — and they all include or will include more than 50 per cent domestically manufactured military content — the data reflects that a significant volume of imported components was integrated into the final systems.

India, however, is not the only country to be dependent on imports for its weapons systems. Major defence-producing nations such as the US and France, with large military-industrial complexes, depend on foreign supplies.

According to data from the Stockholm International Peace Research Institute (SIPRI) between 2018 and 2022, the US imported 365 engines, 271 missiles, and 50 naval weapons. France, in the same period, imported 367 aircraft, 108 engines, and 14 missiles.

Explaining this reality, Lieutenant General Satish Dua (ret'd), former chief of the integrated defence staff, told ThePrint, "In a globalised world, no military can be 100 per cent self-sufficient".

"However, India should be predominantly indigenous and have a robust military-industrial base," he asserted. <https://theprint.in/defence/is-indigenisation-the-only-path-for-indias-military-alh-accidents-spur-debate/1504649/>

## 21. A saga of pending reforms ([financialexpress.com](https://financialexpress.com)) April 29, 2023

**The WTO is neither able to move in sync with the changing times nor is willing to let go of the old rules. Its regulation of a dynamically evolving IT sector is an illustration of this failure to reform.**

In the early 1990s, when the global debate circled around a new international trade architecture—which later emerged as the World Trade Organisation—criticism was aimed at the alleged surrender of sovereignty that would follow for the countries acceding the WTO. The argument was that the rules governing WTO trod upon the sovereign power of nations to address their domestic priorities and welfare agenda. To make such regulations palatable, a unique and differential treatment regime was introduced, extending a time-bound concessional control to developing and least-developed countries.

Ultimately, the view which prevailed—to allow the birth of WTO—was that its accession was not a surrender; instead, it was a pooling of sovereignty in which the nations of the world come together to bring a civilised international trade regime collectively. However, the eluding consensus amongst the WTO members, even on the Doha Development Agenda of 2001, belies the hopes and expectations riding on this giant institution.

As a consequence, the member countries continue to interact basis decades-old rules—which in most cases, owing to the failure to reimagine them, have outlived their utility and, in some cases, have now come to haunt the changed national and geo-economic realities of the times.

On April 17, 2023, the WTO Dispute Panel upheld three grievances raised by the EU (DS582), Japan (DS584) and Taiwan (DS588). It ruled that India violated the rules on certain information technology products by subjecting them to customs duty higher than agreed tariff commitments. Commentators have been quick to write the obituary of the Make-in-India programme and the success story of mobile phone exports. Early in November 2019, the ruling of the WTO Dispute Panel (DS541) faulted India's export promotion subsidies granted to SEZs.

The consequent omission of incentives from the recently unveiled Foreign Trade Policy has been cited as the continuing trend, resulting in a lack of policy space for India to pursue its economic agenda aligned to public policy—encouraging investments in manufacturing and employment generation.

On the one hand, the panel's recent ruling strains India's trade ties with this multilateral forum. On the other hand, ironically, India cannot claim vindication of its rights by invoking further remedies under the WTO dispute settlement mechanism. In both cases, the decision by the Dispute Panel is unenforceable as it is yet to receive the imprimatur of the WTO Appellate; the body continues to be dysfunctional for lack of quorum due to an impasse in decision-making by the United States government. In other words, enforcing WTO rules is a stalemate not just in these cases but across the board. While this immediate position may suit India, the larger question is of a multilateral forum whose dictate is unenforceable. The ability to enforce rules and course-correct deviations was the hallmark of WTO as an international institution, which seems to be a fading hope over time.

At an immediate level, the dispute relates to customs duties levied by India on imports, thereby making them cost-inefficient, apparently to incentivise domestic production of mobile phones. According to the WTO Panel, this violates India's tariff commitments. However, there is more to the story. Pragmatically, customs duties on information technology products are addressed by WTO's Information Technology Agreement (ITA), a subsequent development in 1996. In 2015, many other WTO members concluded ITA2 to expand the scope. However, India is neither a party to ITA2 nor appears pleased with the experience of ITA. Simultaneously, India has also declared at the WTO its protest against expanding the moratorium on customs duties on electronic transmission. In short, the India of today does not want to be held back by decades-old rules governing trade in information technology products.

It is therefore evident that the WTO Panel report, seeking to enforce the original rules against India, reflects an impasse, a situation where the WTO as an institution is neither able to move in sync with the changing times nor is willing to let go of the old rules. A dynamically evolving information technology sector is a quintessential illustration. India's advancement in the digital revolution marching with the world, if not ahead, is a case study in itself. Now an application of rules which have not kept pace with technological evolution is akin to flogging a dead horse without realising that insistence to abide by outdated regulations does more harm to the institutional foundations and legitimacy of WTO. Even though it is a comparatively younger international institution, given the swift tide of geoeconomic shifts, the reform of WTO is excessively overdue.  
<https://www.financialexpress.com/opinion/a-saga-of-pending-reforms/3067860/>

**22. Mumbai: Aaditya Thackeray raises concerns about irregularities in BMC's ₹263 crore street furniture tender ([freepressjournal.in](https://www.freepressjournal.in)) April 30, 2023**

Aaditya Thackeray, the former Maharashtra Minister, has written a letter to Iqbal Singh Chahal, the Municipal Commissioner of Mumbai, raising concerns about irregularities in financial transactions and processes within the Brihanmumbai Municipal Corporation (BMC).

Thackeray has specifically raised questions about the street furniture mess in Mumbai, which has reportedly been created to benefit one contractor friend of the BMC and those in government.

Aaditya: Questions regarding the tender remain unanswered

The former Minister has alleged that the BMC has issued a ₹263 crore tender for street furniture to this particular contractor, but many key questions regarding the tender have gone unanswered.

In the letter, Thackeray has sought clarity on the process followed by the BMC for issuing the tender, as well as the itemized market cost of the items required to be supplied by the contractor.

He has also asked why it is necessary for the contractor to buy all the 13 items required by the BMC and what items have been called for through the purchase and in what quantities.

Demand for access to report of three-member fact-finding committee

Moreover, Thackeray has requested access to the report of the three-member fact-finding committee formed after the allegations were made by VITI's quality testing report of all bidders, remarks of the roads and traffic department of the BMC, and remarks of the urban planners/consultants on the requirements of the same, and whether the urban planners were picked through an Expression of Interest (EOI) or arbitrarily.

Thackeray has further alleged that the entire process seems to be rigged in favor of a particular contractor friend of the BMC and has called for a demonstration of each item and quality testing again by all bidders.

This letter comes amid rising concerns about corruption and irregularities in the BMC. <https://www.freepressjournal.in/mumbai/mumbai-aaditya-thackeray-raises-concerns-about-irregularities-in-bmcs-263-crore-street-furniture-tender>