

NEWS ITEMS ON CAG /AUDIT REPORTS

1. **About 700 ASI antiquities lent to London museum a century ago yet to return** (*newindianexpress.com*) Aug 06, 2023

The artefacts are still lying with the borrower in the UK and ASI has not made a single effort to get hold of the noted assortment.

About 700 pieces belonging to the Aural Stein Collection of Central Asian antiquities owned by the Archeological Survey of India (ASI) were lent to Victoria and Albert Museum in London about 100 years ago.

The artefacts are still lying with the borrower in the United Kingdom and the ASI has not made single effort to get hold of the noted assortment dating between 200 BC and 1200 AD despite the issue being flagged by the CAG in its two previous audit reports in 2013 and 2022.

Non-action of the ASI has apparently upset the Committee of Parliamentarians.

Taking note of the position of the national watchdog of national monuments, the 31-member parliamentary standing committee on transport, tourism and culture has recently asked the ASI to establish contact with the London Museum and set off the process of repatriating the collection.

Stein, a British-Hungarian archaeologist, collected a large number of artefacts -- Chinese, Tibetan and Tangut manuscripts, paintings, Buddhist sculptures, textile fragments, and ceramic objects during his archaeological expeditions to Central Asia at the beginning of the 20th century.

A part of Stein's collection consisting of nearly 600 textile fragments and over 70 ceramic and Buddhist objects was loaned to the museum by the Indian Government through ASI between 1923 and 1933.

The Committee in its recent report titled “Heritage Theft – the illegal trade in Indian antiquities and the challenges of retrieving and safeguarding our tangible cultural heritage—has also expressed dissatisfaction over the response of the Culture ministry. <https://www.newindianexpress.com/nation/2023/aug/07/about-700-asi-antiquities-lent-to-london-museum-a-century-ago-yet-to-return-2602787.html>

2. **ASI has no data on artefacts stolen across the country, lying in police stations: Government** (*presswire18.com*) Aug 06 2023

The Union Culture Ministry has admitted to a parliamentary committee that the Archeological Survey of India (ASI) does not have any indexed data of artefacts stolen and lying in police stations across the country. This information been given by the Ministry of Culture in the report of the Standing Committee on Transport, Tourism and Culture presented in the Parliament last month.

To a question from the committee, the ASI admitted that it does not have a dedicated monitoring cell to detect theft of antiquities from its museums.

The parliamentary committee has recommended setting up of a dedicated cultural heritage squad for recovery of stolen antiquities on the lines of several countries like Italy, Canada, Netherlands, USA, Scotland, Spain and France.

Litigation over the ownership of confiscated antiquities is reported to drag on for a long time and the articles in question gather dust in boxes at police stations.

According to the Comptroller and Auditor General (CAG) report of 2013, it was found that two idols of Mahatma Buddha and one idol of Garuda of Patna circle were lying in Araria police station since 2005. At the same time, four antiquities of the Indian War Memorial Museum, Red Fort, were lying in the Daryaganj police station since 1989.

The Committee asked the Ministry whether the ASI has a list of artefacts currently lying in police stations across the country and whether it has given the number of antiquities seized and retrieved, lying in the gallery of the Central Antiquities Collection, Purana Quila, New Delhi. Have you taken steps to trace and track down their rightful owners?

In this, quoting ASI figures, it has been said that since independence, 210 cases of theft of antiquities have been reported.

As per the report, in these cases 486 antiquities have been reported stolen from centrally protected monuments, sites and museums located in 19 States/UTs. <https://presswire18.com/asi-has-no-data-on-artefacts-stolen-across-the-country-lying-in-police-stations-government/>

3. देशभर में चोरी की गई, पुलिस थानों में पड़ी कलाकृतियों का एएसआई के पास कोई आंकड़ा नहीं: सरकार (*hindi.theprint.in*) 6 August, 2023

केंद्रीय संस्कृति मंत्रालय ने संसदीय समिति के सामने स्वीकार किया कि भारतीय पुरातत्व सर्वेक्षण (एएसआई) के पास देशभर में चोरी की गई और पुलिस थानों में पड़ी कलाकृतियों का कोई सूचीबद्ध आंकड़ा नहीं है।

संसद में पिछले महीने पेश परिवहन, पर्यटन और संस्कृति संबंधी स्थायी समिति की रिपोर्ट में संस्कृति मंत्रालय के हवाले से यह जानकारी दी गई है।

समिति के एक प्रश्न पर एएसआई ने स्वीकार किया कि उसके संग्रहालयों से पुरावशेषों की चोरी का पता लगाने के लिए कोई समर्पित निगरानी प्रकोष्ठ नहीं है।

संसदीय समिति ने इटली, कनाडा, नीदरलैंड, अमेरिका, स्कॉटलैंड, स्पेन और फ्रांस जैसे कई देशों की तर्ज पर चोरी की गई प्राचीन वस्तुओं की वसूली के लिए एक समर्पित सांस्कृतिक विरासत दस्ते की स्थापना की सिफारिश की है।

रिपोर्ट के अनुसार जब्त किये गये पुरावशेषों के स्वामित्व के मुकदमे लंबे समय तक चलते हैं और संबंधित वस्तुएं पुलिस थानों में बक्सों में धूल फांकती रहती हैं।

इसके अनुसार 2013 की नियंत्रक एवं महालेखा परीक्षक (कैग) की रिपोर्ट में पाया गया था कि पटना सर्कल की महात्मा बुद्ध की दो प्रतिमाएं और गरुड़ की एक मूर्ति 2005 से अररिया पुलिस थाने में पड़ी हुई थी। वहीं, भारतीय युद्ध स्मारक संग्रहालय, लालकिले के चार पुरावशेष 1989 से दरियागंज पुलिस थाने में पड़े थे।

समिति ने मंत्रालय से पूछा था कि क्या एसआई के पास वर्तमान में देशभर के पुलिस थानों में पड़ी कलाकृतियों की सूची है और क्या उसने पुराना किला, नई दिल्ली के केंद्रीय पुरावशेष संग्रह की दीर्घा में पड़े, जब्त और पुनः प्राप्त किये गये पुरावशेषों की संख्या का पता लगाने और उनके उचित स्वामियों की जानकारी हासिल करने की दिशा में कदम उठाये हैं?

इसमें एसआई के आंकड़ों के हवाले से कहा गया है कि आजादी के बाद से पुरावशेषों की चोरी के 210 मामले सामने आए हैं।

रिपोर्ट के अनुसार इन मामलों में 19 राज्यों/संघ राज्य क्षेत्रों में स्थित केंद्रीय रूप से संरक्षित स्मारकों, स्थलों और संग्रहालयों से 486 पुरावशेषों की चोरी की सूचना मिली है। <https://hindi.theprint.in/india/asi-has-no-data-on-artefacts-stolen-across-the-country-lying-in-police-stations-government/580145/>

4. Arjun Tank: India Pitches Its ‘Hunter-Killer’ Arjun MBT to African Countries as Indian Army Places Its Last Order (*eurasianimes.com*) Aug 06 2023

The Indian Army has already placed an order for 118 indigenously-built Main Battle Tank (MBT) Arjun with the Ordnance Factory Board (OFB), and it will probably be its last order for the heavyweight tank.

The order is scheduled to be completed by 2025-26, and to keep the production line running, India is scouting for potential customers for its MBT, also known as ‘hunter-killer.’

The Indian Army already has 124 Arjun MBTs, among the world’s heaviest tanks at 68.25 tons. The contract with the OFB is to build 118 upgraded Mk-1A variants.

The first five MBTs would be delivered to the army 30 months after signing the agreement in 2021, followed by 30 MK-1As to be delivered each year until the remaining 113 platforms are handed over to complete two armored regiments by 2025-26.

“India has spent both time and resources in developing the MBT. Its export seems only logical to keep the production line running. And African countries are potential buyers,” a defense official told the EurAsian Times. The deployment of Arjun tanks, made bulky by their heavy armor, is restricted to Rajasthan’s desert region of India.

Arjun Mk1 is a 62-ton tank with a 120-millimeter gun, advanced composite armor, a 1,400-horsepower turbocharged engine, and advanced fire control and thermal sights.

The Indian Defense Research and Development Organization (DRDO) imbibed the Western philosophy for Arjun tanks and gave them heavy armored protection.

The Arjun tank induction in the Indian Army also catapulted India into a select group of 10 countries that have designed and developed their main battle tanks. The group comprises the UK, France, Germany, the US, Israel, South Korea, Russia, Japan, and China.

For African countries seeking armored tanks, the Indian tank is an economical and better option. So far, Russia has been the leading defense exporter to Africa. But as Moscow remains embroiled in the protracted war with Ukraine, there is a void.

A Comptroller and Auditor General (CAG) report tabled in the Indian Parliament in 2014 said that a comparative trial between the Arjun and the imported Russian T-90 tanks was done in April 2010 by the Indian Army. The report stated that the Indian Army fixed different benchmarks – very stringent for the Arjun and relaxed for the T-90. The Arjun still scored over the T-90 in certain aspects. The trials were conducted on four parameters — firepower, survivability, reliability, and miscellaneous issues.

African countries operate lots of tanks. According to data, Egypt has a total of 4,295 tanks, followed by Algeria with 1,195 tanks and Sudan with 465 tanks. In Africa, the average size of the battle tank fleet of countries is around 166.5 tanks.

Another reason India has been actively tapping the defense market in Africa is that China has been making inroads in the continent.

During the DefExpo 2020, Indian Defense Minister Rajnath Singh revealed that in the next five years, India was considering export of military hardware worth US\$5 billion, and African countries will form a big chunk of it. For African countries facing myriad security issues like piracy, coups, insurgency, and terrorism, India can be a trusted defense partner.

“India is geared up to provide Offshore Patrol Vessels, fast interceptor boats, body and vehicle armor, Night Vision Goggles, Unmanned Aerial Vehicles, Dornier aircraft, and arms and ammunition to our African counterparts,” Singh said at the DefExpo 2020 in Uttar Pradesh. Singh was addressing the first Indo-Africa Defense Ministers’ Conference, attended by 12 African defense ministers and representatives from 38 countries.

The joint declaration that followed the conference called for deeper cooperation in the defense sector, including joint ventures for developing military hardware and software.

Since then, India has extended a line of credit of around US\$14 billion to 42 countries in the African Union. While most of it will be used for infrastructure development, India has shown openness to using lines of credit for defense deals. At the beginning of 2023, India hosted the first India-Africa Army Chiefs’ Conclave in Pune.

India showcased its home-grown equipment, like the Arjun battle tank and Pinaka rocket launchers. Indian military vehicles manufacturers such as Tata Motors and Ashok Leyland supply troop carriers, trucks, buses, and other military vehicles to

various African countries like Zimbabwe, Tanzania, Kenya, Djibouti, Seychelles, and Botswana.

Arjun – A Heavyweight Candidate For Africa?

In terms of weight, MBT Arjun is at par with Challenger 2 of the UK, weighs 62.5 tons (combat-ready weight of 75 tonnes), Leopard 2A6M of Canada weighs 62.5 tons, and Abrams M1A1 of the US weighs 67.5 tons.

The Arjun tank project was envisaged in the 1970s, and the tank is fitted with locally designed composite blend Kanchan armor. And this armor gives the tank enormous protection and its weight. This increase in protection came at a cost—decreased tactical and operational mobility. The tank is fitted with a German-made MTU 1,400-horsepower water-cooled diesel engine. Its horsepower-to-weight ratio is 22.5 to 1.

The Arjun was envisaged to replace the Soviet-built T-72 tanks, but the non-compatibility of the heavyweight Arjun with the infrastructure in the Western sector has held back the Indian Army from ordering more units.

More than the weight, it is the Nominal Ground Pressure (NGP) of Arjun Tanks that limits its cross-country mobility and thus ruling out its deployment in Punjab and other areas, which saw major armored battles in the wars that India fought with Pakistan in 1965 and 1971.

“More than the weight, the NGP is concerning,” an Indian Army official stated anonymously. NGP is the pressure exerted on the ground while moving.

The Indian Army has maintained that most bridges across Punjab were built to withstand a load of around 50 tons. The Arjun Mk-1A has been fitted with wide tracks to distribute the weight evenly; with an NPG of 0.85kg/cm sq, it is still difficult to traverse the area. The wide body restricts its movement by rail lines.

The incompatible infrastructure and terrain have been the biggest reason for the Indian Army’s hesitation to induct the MBT Arjun in large numbers. On the eastern front against China, dominated by hills and in Andamans and Nicobar, the Indian Army will prefer to have lightweight tanks.

But, a foray into the African market will be a big win for the MBT. “So far, the tank has only operated in India. Exposure to different operational environments will help make further improvements to the tank,” the Indian Army official added. <https://www.eurasiantimes.com/at-par-with-leopard-mbt-india-starts-pitching-its-hunter-killer/>

STATES NEWS ITEMS

5. **Telangana's total liabilities stood at Rs 3.22 trn by 2021-22: CAG report** (*business-standard.com*) Aug 06 2023

The Comptroller and Auditor General report said the total debt includes Rs 6,949 crore, which was passed on as back-to-back loans by the Centre in lieu of shortfall in GST compensation, during 2021-22

Telangana's total liabilities including public debt stood at Rs 3,21,611 crore by the end of the last financial year even as the guarantees provided by the state government was Rs 1,35,283 crore, according to a CAG report placed in the Assembly on Sunday.

The Comptroller and Auditor General report said the total debt includes Rs 6,949 crore, which was passed on as back-to-back loans by the Centre in lieu of shortfall in GST compensation, during 2021-22.

"Total outstanding guarantees as on 31 March, 2022 were Rs 1,35,283 crore. Government of Telangana amended the FRBM Act in 2020, duly raising the limit of guarantees that it can provide to various institutions to 200 per cent of total revenue receipts of the previous year," it said.

The CAG report further said the public debt and other liabilities showed an increase of Rs 43,593 crore (16 per cent) in 2021-22 over the previous year.

The public accounts watchdog pegged the said capital expenditure during 2021-22 at Rs 28,874 crore (2.51 per cent of Gross State Domestic Product) but stated that the growth in capex "has not kept pace with the steady growth of GSDP".
https://www.business-standard.com/india-news/telangana-s-total-liabilities-stand-at-rs-3-22-trn-by-2021-22-cag-report-123080600205_1.html

6. CAG expresses concern over Telangana Government utilising borrowed amounts for repayment of public debt (*thehindu.com*) August 06, 2023

Borrowings partly utilised for creation of capital assets, it said

The Comptroller and Auditor General of India (CAG) has expressed concern the State Government had utilised borrowed funds for repayment of public debt in the financial year 2021-22.

"Normally, public debt is discharged using revenue surplus. However, the Government incurred revenue deficit of Rs. 9,335 crore during 2021-22. The borrowed funds were utilised for the repayment of public debt," the CAG said in its report tabled in the Legislative Assembly on August 6.

The CAG said the extent to which the fiscal deficit, as represented by borrowed funds, had been channelised towards the creation of capital assets was an indicator of prudent financial management. The borrowings of ₹46,995 crore in the year was partly utilised to meet the capital expenditure of ₹28,883 crore and loans and advances of ₹8,469 crore. The outstanding public debt of Telangana is ₹3.14 lakh crore, 27.4% of the GSDP which was against the State Government's own target set for maintaining outstanding public debt of less than 25% of the GSDP.

The State at the end of 2021-22 had a revenue deficit of ₹9,335 crore and a fiscal deficit of ₹46,639 crore. A revenue deficit of ₹9,335 crore was against the target of maintaining revenue surplus status at the time of presenting the medium-term fiscal policy and strategy statement presented by the Government along with the 2021-22 budget. The

fiscal deficit at ₹46,639 crore as per the accounts was 4.06% of the GSDP during the period while the Government's assertion was it would not exceed 3%, the CAG said.

The fiscal deficit was met from net of borrowings and other liabilities (public debt of ₹42,936 crore), public account (₹3,773 crore) and cash balance (-₹70 crore). Around 50% of the revenue receipts (₹1.27 lakh crore) was spent on committed expenditure like salaries (₹30,375 crore), interest payments (₹19,161 crore) and pensions (₹14,025 crore).

In 2021-22, loans totalling to ₹45,716 crore at interest rates varying from 6.89% to 7.37% repayable between 2032 and 2051 were raised from the open market. In addition, the State Government also raised ₹1,279 crore from other financial institutions like LIC, GIC and NABARD. A huge ₹67,274 crore was availed as ways and means advances and repaid during the year. "Thus the internal Debt raised during the year excluding Ways and Means Advances was ₹46,995 crore. Repayments of Internal Debt of State Government excluding Ways and Means Advances was ₹8,333 crore," the CAG said.

The total loans and advances made by the Government was ₹52,379 crore including ₹8,441 crore towards loans and advances to government companies/corporations. Non-Government institutions and local bodies and ₹28 crore as loans to government servants during the financial year. Interest due on these loans amounted to ₹4,171 crore and only ₹47 crore (0.09% of the total outstanding loan of ₹52,379 crore) was received towards repayment of loans and advances and this pertained to the loans given to government servants.

"Effective steps to recover the outstanding loans would facilitate the Government to maintain better fiscal position," the CAG said.
<https://www.thehindu.com/news/national/tehrangana/cag-expresses-concern-over-ts-government-utilising-borrowed-amounts-for-repayment-of-public-debt/article67164658.ece>

7. CAG points out poor planning in TS Budget, unspent funds (*deccanchronicle.com*) August 7, 2023

Hyderabad: The CAG report tabled in the Legislative Assembly on Sunday revealed improper Budget planning and implementation of schemes and programmes which were not envisaged in the Budget. The Comptroller and Auditor General also pointed to underspending in housing, industries and commerce, and major and medium irrigation sectors.

The CAG stated that Rs 7,222 crore was allocated for housing in the Budget but the actual expenditure was just Rs 252 crore, down by 97 per cent.

The industries and commerce department got Rs 1,696 crore in the Budget but the actual expenditure was just Rs 286 crore. Over 83 per cent of the funds remained unspent.

The state government allocated Rs 9,351 crore for the major and medium education sector which spent just Rs 1,844 crore and left 80 per cent of the funds unused.

"The huge savings under housing, industries and commerce indicates that schemes envisaged in the Budget had been given lesser priority during implementation either due to the conservative approach of the Government to attain the fiscal targets or the shortfall is purely due to inaccuracy in the budget estimation process of the department," the CAG noted in its report.

The CAG pointed out that the supplementary provision was obtained for Rs 24,144 crore which worked out to 15 per cent of the total expenditure incurred by the government during 2021-22. Significant savings were noticed against the original Budget allocation during 2021-22 in the departments of school education, sports, municipal, tribal welfare, BC welfare and endowments departments. <https://www.deccanchronicle.com/nation/current-affairs/070823/cag-points-out-poor-planning-in-ts-budget-unsent-funds.html>

8. Telangana repaying debts from borrowed funds: CAG (*newindianexpress.com*) August 07, 2023

Despite increasing revenues, the government opted for ways and means and overdraft to meet its expenses.

HYDERABAD: The State government is utilising borrowed funds to repay debts. Telangana, which had a revenue surplus up to 2018-19, has been reduced to a revenue deficit State. The government's debts and committed expenditures are increasing every year.

The growth in capital expenditure has not kept pace with the steady growth of the Gross State Domestic Product (GSDP), according to the observations made by Comptroller and Auditor General (CAG) India.

However, the CAG has a word of appreciation for the State's 'prudential financial management'.

The CAG reports on 'the Accounts at a glance' and 'Appropriation Accounts' and 'Finance Accounts' for the year 2021-22 were tabled in the Assembly on Sunday. A total of Rs 63,561 crore, constituting around 50 per cent of the revenue receipts (Rs 1,27,468 crore) were spent on committed expenditures like salaries (Rs 30,375 crore), interest payments (Rs 19,161 crore) and pensions (Rs 14,025 crore). This is an increase of 15 per cent over the previous year, i.e., 2020-21.

"The extent to which the fiscal deficit, as represented by borrowed funds, has been channelised towards the creation of capital assets is an indicator of prudent financial management. The borrowings of Rs 46,995 crore in the year was partly utilised to meet the capital expenditure of Rs 28,883 crore and loans and advances of Rs 8,469 crore. Normally, public debt is discharged using revenue surplus. However, the government incurred a revenue deficit of Rs 9,335 crore for 2021-22. The borrowed funds were utilised for the repayment of public debt," the CAG stated.

Despite increasing revenues, the government opted for ways and means and overdrafts to meet its expenses. During 2021-22, the State government availed a special drawing facility of Rs 9,636 crore for 289 days and ways and means advances of Rs 34,969 crore

for 259 days. For the same period, an overdraft of Rs 22,669 crore was availed for 100 days.

Targets not met

Though a three per cent fiscal deficit was the target for 2021-22, it was Rs 46,639 crore, which was 4.06 per cent of the GSDP. The target for 2021-22 is that the outstanding debts should be less than 25 per cent of the GSDP. But, the outstanding debt was Rs 3,14,663 crore, which was 27.40 per cent of the GSDP in 2021-22. The total tax revenue increased by 37 per cent in the same year, the non-tax revenue increased by 45 per cent. But, the grants-in-aid decreased by 44 per cent in comparison to the previous year. The CAG while analysing the tax revenue trends, stated that the GST increased by 33 per cent in 2021-22 over 2020-21. Likewise, the taxes on property and capital transactions increased by 134 per cent and the total tax revenue increased by 39 per cent.

Capital expenditure is less

The CAG said that capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2021-22 amounted to Rs 28,874 crore (2.51 per cent of GSDP). The growth in capital expenditure has not kept pace with the steady growth of GSDP.

Housing took a back seat

There are significant variations in the Budget for 2021-22. Medical and Health, Panchayat Raj, Major and Medium Irrigation have expenditures in excess of the budget allocations. Whereas, Housing, Civil Supplies and Municipal Administration have substantial savings in budget estimates. For example, the budget allocated for Housing was Rs 7,222 crore in 2021-22, whereas the actual expenditure was just Rs 252 crore, a saving of 97 per cent. "The huge savings under Housing, Industries and Commerce indicate that schemes envisaged in the budget had been given less priority during implementation either due to the conservative approach of the government to attain the fiscal targets or the shortfall is purely due to inaccuracy in the Budget estimation process of the department," the CAG noted.

No payments to pension scheme

The National Pension System (NPS) introduced on September 1, 2004, provides for employee contribution at 10 per cent of his/her monthly salary and is matched by the State government. The entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

The Government transferred an amount of Rs 2,074.22 crore to NSDL/Trustee Bank during the year leaving a balance of Rs 313.72 crore as on March 31, 2022. However, the actual amount payable by the employees and the matching government contribution has not been estimated by the State government.

Further, though the State government is mandated to pay interest on the balance retained, no payment towards the same was made during the year, the CAG observed.

KCR on pensions

The old pension scheme became a ‘multi knotty’ problem. The Congress assured to bring back the old pension scheme in Rajasthan, Chhattisgarh and other states. But, failed to do so. “We will examine the employees demand,” said Chief Minister K Chandrasekhar Rao in the State Legislative Assembly. <https://www.newindianexpress.com/states/telegana/2023/aug/07/teleganarepaying-debts-from-borrowed-funds-cag-2602670.html>

9. CAG concern over TS fiscal health (*thehansindia.com*) August 07, 2023

Hyderabad: The CAG (Comptroller and Auditor General of India) has found that the outstanding debt and fiscal deficit of the state had exceeded the prescribed limits of GSDP for 2021-22 financial year.

The CAG report (financial accounts) was tabled in the Assembly on the last day of the monsoon session on Sunday. The report said the public debt was above the prescribed limit of 25 per cent of the GSDP. It disclosed that state’s outstanding debt (Rs 3,14,662) was 27.40 per cent of the GSDP.

The fiscal deficit of the state also crossed the prescribed 3 per cent of the GSDP. “The fiscal deficit of Rs 46,639 crore was 4.06 per cent of GSDP for 2021-22. The fiscal deficit shall not exceed 3 per cent during a financial year.”

The report further observed the Telangana government had a revenue deficit of Rs 9,335 crore (0,81 percent of GDP) and said that the state should have maintained revenue surplus.

“Various factors have contributed to the increased state debt burden and fiscal deficit,” Finance officials said, adding that the government sought huge loans from the financial institutions to execute many projects and for the implementation of the welfare schemes. The 2021-22 FY witnessed the impact of the Corona pandemic. As a result, the state registered a dip in the revenues generated from various revenue generating wings.

The state government could mobilise Rs 1.27 lakh crore revenue as against the target of Rs 1.76 lakh crore. “The government could achieve only 72 per cent of the revenue target.” The report said the total revenue receipts including grant in aid, capital receipts and borrowings were Rs 1.74 lakh crore. The government has set the target of Rs 2.21 lakh. It means the government registered a deficit of 50,000 crore in the target in 2021-22 financial year.

The CAG report explained: “The state had a revenue deficit of Rs 9,335 crore and a fiscal deficit of Rs 46,639 crore as on March 31, 2022. The fiscal deficit was met from the net of borrowings and other liabilities (Public Debt Rs 42,936 crore), Public Account (Rs 3,773 crore) and cash balance ((-) Rs 70 crore). Around 50 per cent of the revenue receipts (Rs 1,27,468 crore) of the state government was spent on committed expenditure like salaries (Rs 30,375 crore), interest payments (Rs 19,161 crore) and pensions (Rs 14,025 crore)”.

<https://www.thehansindia.com/news/cities/hyderabad/cag-concern-over-ts-fiscal-health-813865>

10. Poor Planning in Telangana Budget, Unspent Funds (*indiaherald.com*) 07 Aug 2023

Inadequate Budget planning and the execution of activities and programs not included in the Budget were highlighted in the CAG report, which was presented to the Legislative assembly on Sunday. The housing, business, and major and medium irrigation sectors, as well as underspending in other areas, were also mentioned by the Comptroller and Auditor General. According to the CAG, the budget included Rs 7,222 crore for housing, while the actual spending was just Rs 252 crore, a decrease of 97%.

Although the budget allocated Rs. 1,696 crore for the industries and commerce department, only Rs. 286 crore was actually spent. More than 83% of the money was not spent. The major and medium education sector received Rs 9,351 crore from the state government, but only Rs 1,844 crore was actually spent, leaving 80% of the money wasted.

"The huge savings under housing, industries, and commerce indicates that schemes envisaged in the Budget had been given lesser priority during implementation either due to the conservative approach of the government to attain the fiscal targets or the shortfall is purely due to inaccuracy in the budget estimation process of the department," the CAG noted in its report.

The CAG made note of the fact that the supplemental provision was secured for Rs 24,144 crore, or 15% of the government's total expenditures for 2021–2022. During 2021–2022, substantial savings were seen compared to the initial Budget allocation in the departments of endowments, sports, municipal, tribal, and school education. <https://www.indiaherald.com/Politics/Read/994615806/Poor-Planning-in-Telangana-Budget-Unspent-Funds>

11. In Telangana, few funds, but many promises (*thehindu.com*) 07 August 2023

The Bharat Rashtra Samithi-led Telangana government's struggle to mobilise funds to effectively implement its flagship schemes is proving to be worrying for it, with the State set for elections in less than six months.

The government made a budgetary provision of ₹17,700 crore for Dalit Bandhu, where the government provides a one-time capital assistance of ₹10 lakh each to Dalit families to aid their entrepreneurial aspirations. Under Rythu Bandhu, another flagship scheme, the government provides ₹5,000 per acre per farmer each season for the purchase of inputs and other investments. The government allocated more than ₹15,000 crore for Rythu Bandhu in the Budget for this fiscal.

It began crediting these amounts to farmers' accounts after the commencement of the kharif season. Farmers who own land up to five acres received the funds. But the process has slowed down due to financial constraints.

The government had made a budgetary provision of ₹38,627 crore for salaries/wages, ₹13,024 crore for pensions, and ₹12,958 crore for subsidies (primarily the provision of free electricity all day to the farm sector). The debt servicing component was pegged at ₹22,407 crore. Of this, the State government incurred ₹5,247 crore at the end of the first quarter, according to the provisional figures submitted to the Comptroller and Auditor General of India.

Even as the Finance Department is struggling to find funds to meet the government's commitments, Chief Minister K. Chandrasekhar Rao recently announced the launch of yet another scheme, Gruha Lakshmi, which is aimed at providing ₹3 lakh each to poor families who own land, for construction of houses. This involves an outgo of ₹7,350 crore — ₹3,900 crore for beneficiaries in urban areas and ₹3,450 crore for beneficiaries in rural areas.

The government's unease in raising resources stems from the fact that the revenue receipts of the first quarter did not meet expectations. The State's total revenue receipts at the end of the April-June quarter were ₹35,024.72 crore. This includes borrowings, and other liabilities in the form of capital receipts of ₹15,876.5 crore. The revenue receipts at the end of the first quarter were about 16.1% of the ₹2.16 lakh crore projected in the Budget estimates for the current fiscal.

Restrictions imposed

Also, the Union Finance Ministry has imposed restrictions on the State's market borrowings citing "over borrowings" during the previous fiscals. The Finance Ministry said that the borrowing limit of Telangana for 2023-24 would be ₹57,813.99 crore, as per the recommendations of the Fifteenth Finance Commission and as per the annual borrowing ceiling for the financial year. "However, as the State government had over-borrowed in the preceding financial years, the gross borrowing ceiling of the State for 2023-24 has been fixed at ₹42,225.17 crore after adjusting over-borrowing of ₹15,588.82 crore of previous years," said a spokesman of the Finance Ministry.

Of the borrowing ceiling, the State Government had opted for negotiated loans of ₹1,500 crore and borrowings from public account to the tune of ₹4,107.82 crore. This left it with the option of raising ₹36,617.35 crore from the open market. This is over ₹1,500 crore less than the ₹38,234 crore proposed to be mobilised through borrowings and other liabilities in the current year's budget.

Even as the State government accused the Centre of stifling the States by imposing restrictions on their borrowing limits, Union Finance Minister Nirmala Sitharaman was categorical that the Centre was discharging its constitutional responsibility of supervising borrowings and said that the limits were equally applicable to all the States.

In her reply to a query in the Lok Sabha, Ms. Sitharaman said that Telangana's outstanding liabilities increased from ₹1.9 lakh crore in FY2019 to ₹3.66 lakh crore in the Budget estimates of the current fiscal. Telangana was next only to Rajasthan in year-wise increase in outstanding liabilities in percentage terms during the last five years.

There are more welfare schemes likely to be announced in Telangana over the next few months. The government would do well in making sure that its finances are in place before announcing them. It can ill-afford to make promises that will put it in a bind for

years to come. <https://www.thehindu.com/opinion/op-ed/few-funds-but-many-promises/article67164876.ece>

12. Telangana repaying debts from borrowed funds: CAG *(newindianexpress.com) 07 August 2023*

Despite increasing revenues, the government opted for ways and means and overdraft to meet its expenses.

HYDERABAD: The State government is utilising borrowed funds to repay debts. Telangana, which had a revenue surplus up to 2018-19, has been reduced to a revenue deficit State. The government's debts and committed expenditures are increasing every year.

The growth in capital expenditure has not kept pace with the steady growth of the Gross State Domestic Product (GSDP), according to the observations made by Comptroller and Auditor General (CAG) India.

However, the CAG has a word of appreciation for the State's 'prudential financial management'.

The CAG reports on 'the Accounts at a glance' and 'Appropriation Accounts' and 'Finance Accounts' for the year 2021-22 were tabled in the Assembly on Sunday. A total of Rs 63,561 crore, constituting around 50 per cent of the revenue receipts (Rs 1,27,468 crore) were spent on committed expenditures like salaries (Rs 30,375 crore), interest payments (Rs 19,161 crore) and pensions (Rs 14,025 crore). This is an increase of 15 per cent over the previous year, i.e., 2020-21.

"The extent to which the fiscal deficit, as represented by borrowed funds, has been channelised towards the creation of capital assets is an indicator of prudent financial management. The borrowings of Rs 46,995 crore in the year was partly utilised to meet the capital expenditure of Rs 28,883 crore and loans and advances of Rs 8,469 crore. Normally, public debt is discharged using revenue surplus. However, the government incurred a revenue deficit of Rs 9,335 crore for 2021-22. The borrowed funds were utilised for the repayment of public debt," the CAG stated.

Despite increasing revenues, the government opted for ways and means and overdrafts to meet its expenses. During 2021-22, the State government availed a special drawing facility of Rs 9,636 crore for 289 days and ways and means advances of Rs 34,969 crore for 259 days. For the same period, an overdraft of Rs 22,669 crore was availed for 100 days.

Targets not met

Though a three per cent fiscal deficit was the target for 2021-22, it was Rs 46,639 crore, which was 4.06 per cent of the GSDP. The target for 2021-22 is that the outstanding debts should be less than 25 per cent of the GSDP. But, the outstanding debt was Rs 3,14,663 crore, which was 27.40 per cent of the GSDP in 2021-22. The total tax revenue increased by 37 per cent in the same year, the non-tax revenue increased by 45 per cent. But, the grants-in-aid decreased by 44 per cent in comparison to the previous year. The

CAG while analysing the tax revenue trends, stated that the GST increased by 33 per cent in 2021-22 over 2020-21. Likewise, the taxes on property and capital transactions increased by 134 per cent and the total tax revenue increased by 39 per cent.

Capital expenditure is less

The CAG said that capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2021-22 amounted to Rs 28,874 crore (2.51 per cent of GSDP). The growth in capital expenditure has not kept pace with the steady growth of GSDP.

Housing took a back seat

There are significant variations in the Budget for 2021-22. Medical and Health, Panchayat Raj, Major and Medium Irrigation have expenditures in excess of the budget allocations. Whereas, Housing, Civil Supplies and Municipal Administration have substantial savings in budget estimates. For example, the budget allocated for Housing was Rs 7,222 crore in 2021-22, whereas the actual expenditure was just Rs 252 crore, a saving of 97 per cent. "The huge savings under Housing, Industries and Commerce indicate that schemes envisaged in the budget had been given less priority during implementation either due to the conservative approach of the government to attain the fiscal targets or the shortfall is purely due to inaccuracy in the Budget estimation process of the department," the CAG noted.

No payments to pension scheme

The National Pension System (NPS) introduced on September 1, 2004, provides for employee contribution at 10 per cent of his/her monthly salary and is matched by the State government. The entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

The Government transferred an amount of Rs 2,074.22 crore to NSDL/Trustee Bank during the year leaving a balance of Rs 313.72 crore as on March 31, 2022. However, the actual amount payable by the employees and the matching government contribution has not been estimated by the State government.

Further, though the State government is mandated to pay interest on the balance retained, no payment towards the same was made during the year, the CAG observed.

KCR on pensions

The old pension scheme became a 'multi knotty' problem. The Congress assured to bring back the old pension scheme in Rajasthan, Chhattisgarh and other states. But, failed to do so. "We will examine the employees demand," said Chief Minister K Chandrasekhar Rao in the State Legislative Assembly. <https://www.newindianexpress.com/states/tehrangana/2023/aug/07/tehranganarepaying-debts-from-borrowed-funds-cag-2602670.html>

13. Telangana spent more on irrigation and health than allocation
(*timesofindia.indiatimes.com*) Aug 07, 2023

Hyderabad: Reflecting the Government's priority, the state spent 34% more on irrigation and health than the budget allocation, as per the the Comptroller and Auditor General (CAG) report for 2021-22 fiscal.

The report tabled in the assembly on Sunday by finance minister T Harish Rao also showed that panchayat raj department, housing and industries departments spent less than allocation.

While the state government spent 75,000 crore more in 11 grants (department wise) in the financial year, its grant-in-aid witnessed a significant decline of 44% in comparison to 2020-21.

Grant-in-aid represents assistance from the Centre and comprises, centrally sponsored schemes (4,461 crore) , finance commission grants (1,787 crore) and other transfer/grants to states/Union territories with legislatures (2,371 crore). During 2021-22, grant-in-aid to zilla parishads, panchayat samitis, gram panchayats and municipalities totaling to 11,769 crore, comprised 18 % of the total grants given during the year.

The report also showed that total tax revenue (including share of Union taxes) increased by 37% and non-tax revenue increased by 45% from the previous year. The proportion of the state's own tax revenue to GSDP was 8%.

"There was an increase in revenue receipts by 26.31% in 2021- 22 as compared to the previous year," the report stated.

During the financial year, an amount of 5,573 crore was received through CGST and 28,917 crore through SGST. Revenue in the form of taxes earned by the state was 1,09,992 crore, while the grants received from the Centre were 8,619 crore.

The revenue deficit stood at 9,335 crore and fiscal deficit at 46,639 crore as on March 31, 2022. The fiscal deficit was met from net borrowings and other liabilities.

The state government also availed special drawing facility of 9,636 crore for 289 days, and ways and means advances of 34,969 crore for 259 days. It also took an overdraft of 22,669 crore for 100 days. <https://timesofindia.indiatimes.com/city/hyderabad/t-spent-more-on-irrigation-and-health-than-allocation/articleshow/102485020.cms?from=mdr>

14. Telangana Stares at Rs 9,335 Cr Revenue Deficit for 2021-22 FY
(*indiaherald.com*) Aug 07, 2023

The Comptroller and Auditor General (CAG) stated in a report that telangana state, which enjoyed a revenue surplus up to 2018–19, now faced a revenue shortfall of Rs 9,335 crore (2021–22 FY), however it was less than the Rs 22,298 crore loss in 2020–21. It claimed that out of the total revenues of Rs. 1,74,155 crore, the fiscal deficit accounted for 27%.

An estimated Rs 1,27,469 crore, or 50% of the income sources, were used for committed expenses such wages (Rs 30,375 crore), interest payments (Rs 19,161 crore), and pensions (Rs 14,025 crore). On Sunday, the Legislature in this city received the seventh edition of the annual "Accounts at a glance" publication from the CAG with reference to Telangana.

In contrast to the budget forecast of \$22,21,687 crore, the total collections for 2021–2022 were Rs. 1,74,155 crore. The state government received Rs 1,09,992 crore in tax revenue, of which Rs 34,490 crore came from GST, Rs 10,871 crore from income and expenditure taxes, Rs 12,375 crore from capital gains taxes, and Rs 52,256 crore from taxes on goods and services, according to the report. A total of Rs 5,573 crore and Rs 28,917 crore in CGST and SGST, respectively, were received throughout the year.

8,619 crore rupees were collected via grants-in-aid for 2021–22. According to the numbers for 2021–22, the percentage of centrally funded programmes in all grants-in-aid was 52%, the percentage of grants from the Finance Commission was 21%, and the percentage of other grants was 27%.

About 29 loans totaling Rs. 45,716 crore were obtained on the open market, with interest rates ranging from 6.89 to 7.37 percent and repayment terms of 2032 to 2051. The state government additionally received Rs 1,279 crore from financial organisations including LIC, GIC, and Nabard in addition to this.

According to the report, 67,274 crore in ways and means advances were used and paid back during the year. This suggests that the total amount of internal debt issued during the year, excluding loans in ways and means, was Rs 46,995 crore, whereas the total amount of internal debt repaid, excluding such advances, was Rs 8,333 crore. The state government also got loans and advances of Rs 4,784 crore from the federal government, with repayments totaling Rs 510 crore, according to the report.

The Rs 46,995 crore in borrowings for the year were used in part to cover the Rs 28,883 crore in capital expenditures as well as the Rs 8,469 crore in loans and advances. <https://www.indiaherald.com/Politics/Read/994615840/Telangana-Stares-at-Rs-Cr-Revenue-Deficit-for-FY>

15. State's net excess expenditure in 2021-22 pegged at ₹75,053 crore
(*thehindu.com*) 06 August 2023

Telangana: The State government has incurred a net excess expenditure of ₹75,053 crore in 11 grants/appropriations against the approved budget of ₹2.55 lakh crore during the financial year 2021-22.

The excess expenditure amounted to 29% of the estimates during the fiscal. In the public debt section, it was mainly under Fiscal Administration, Planning, Survey and Statistics. Of these, expenditure under Fiscal Administration alone was ₹76,117 crore. A major chunk of ₹67,274 crore was utilised for repayment of ways and means advances, exceeding the budget estimate of ₹9,273 crore.

In the capital section, excess expenditure occurred mainly under the grants Major and Medium Irrigation, Medical Health and Panchayat Raj. Expenditure under Medical

Health was ₹509 crore against the budgetary allocation of ₹382 crore exceeding the estimates by ₹128 crore, according to Finance Accounts for the fiscal 2021-22 prepared by the Comptroller and Auditor General (CAG), which was tabled in the Assembly on Sunday.

According to the report, the State availed financial accommodation instruments like special drawing facility, ways and means advances and overdraft during the fiscal. The government availed a special drawing facility of ₹9,636 crore for 289 days and ways and means advances of ₹34,369 crore for 259 days. An overdraft of ₹22,669 crore was availed for 100 days. <https://www.thehindu.com/news/national/tehangana/states-net-excess-expenditure-in-2021-22-pegged-at-75053-crore/article67164833.ece>

16. Maharashtra govt has not carried out security certification of MahaDBT portal since 2020, says CAG report (*economictimes.indiatimes.com, latestly.com*) 04 August 2023

The Maharashtra government has not carried out the security certification of MahaDBT portal since August 2020, the Comptroller and Auditor General of India (CAG) revealed in its audit report. It was found that business rules were not properly mapped in the system, which resulted in instances wherein applications were processed though applicants did not upload vital documents such as income and caste certificates, the report said.

Applications that were approved later were given precedence during bill generation in violation of business rules, it added.

Apart from this, improper mapping of business rules led to excess disbursement of Rs 53.41 crore in scholarship money to institutions/students in the academic years 2018-19 and 2019-20, the report tabled in the Maharashtra Legislature stated.

Implementation of direct benefit transfer (DBT) in scholarship schemes of Other Backward Bahujan Welfare Department is a major reform initiative of the Central government to ensure better and timely delivery of benefits to people.

The state government launched the MahaDBT system in 2018 as an electronic platform for direct transfer of benefits and subsidies to beneficiaries.

Disbursement of scholarships to students was one of the key schemes to be taken up in the DBT system and the process is online.

A total of Rs 7,227.58 crore was disbursed as scholarships by 10 state government departments from 2018-19 to 2019-20 through the online DBT system, the CAG report said.

Since the disbursement of scholarship through the online mode was the Maharashtra government's pioneering initiative and in view of large disbursements, a performance audit was taken up.

The Other Backward Bahujan Welfare Department, which had the highest expenditure of Rs 2,751.47 crore (38.07 per cent) on scholarships disbursed through DBT, was selected in order to review its implementation in the scholarship scheme.

Two schemes, namely the centrally sponsored post-matric scholarship to Other Backward Classes (OBC) students and state-funded post-matric scholarship to Vimukt Jati Nomadic Tribes (VJNT) students, were taken up for detailed scrutiny in the performance audit.

The disbursement of scholarships was through the Maharashtra State DBT and Services (MahaDBT) portal, developed by Maharashtra Information Technology Corporation Limited (MahaIT), a state-run company.

The CAG in the report urged the state government to ensure that security audit of the application is carried out at specified intervals without fail. <https://economictimes.indiatimes.com/news/india/maharashtra-govt-has-not-carried-out-security-certification-of-mahadbt-portal-since-2020-says-cag-report/articleshow/102431734.cms?from=mdr>

17. Maharashtra: Financial, operational turnaround of MSEDCL not achieved despite UDAY scheme, says CAG report (*theprint.in, business-standard.com, bqprime.com*) 04 August 2023

The compliance audit report of the Comptroller and Auditor General of India (CAG) for fiscal 2021 that was tabled in the Maharashtra Legislature on Friday said the financial and operational turnaround of state-run power distribution firm MSEDCL was not achieved despite implementation of the Ujwal DISCOM Assurance Yojana (UDAY).

The report, which was tabled in the Assembly and the Legislative Council on the last day of the Monsoon session, said Maharashtra State Electricity Distribution Company Limited, also called MahaVitaran, received Rs 4,960 crore from the state government under the UDAY scheme to repay its high cost debt.

However, MSEDCL did not receive any other dedicated fund to achieve various operational parameters, which it had improve through its own resources or under other Central/state schemes, as per the report.

The state-run power firm approached the state government in 2017 for availing guarantee for raising bonds of Rs 1,653 crore in accordance with the government resolution of December 2016, but this guarantee was denied, the report said.

“There was no firm commitment from the state to expeditiously clear the MSEDCL’s outstanding dues. MSEDCL could not achieve its targets of bringing down the aggregate technical and commercial (AT&C) losses to the desired level,” it said.

On the contrary, AT&C losses of MSEDCL had increased from 16.9 per cent in 2018-19 to 20.73 per cent in 2020-21 due to poor collection mainly from agricultural consumers and various state government departments. the report added.

This resulted in the main objectives of achieving financial and operational turnaround of MahaVitaran not getting achieved in spite of the UDAY scheme being implemented, the report said.

The report said the state government must ensure all electricity dues of MahaVitaran from departments and local bodies towards public water works and street lights are cleared in a time bound manner.

The report said MahaVitaran should complete DT (Direct Connected) metering and feeder segregation expeditiously and reduce AT&C losses to 15 per cent or less by improving its billing and collection efficiency. <https://theprint.in/india/maharashtra-financial-operational-turnaround-of-msedcl-not-achieved-despite-uday-scheme-says-cag-report/1700836/>

18. In spite of UDAY, no rise in power company turnaround
(*indianexpress.com*) 04 August 2023

The Department of Finance granted refund on account of zero rated exports without obtaining proof of exports.

The Comptroller and Auditor General of India (CAG) in its report on Compliance Audit for the year ended March 2021 said that the main objective of the financial and operational turnaround of the Maharashtra State Electricity Distribution Company (MSEDCL) was not achieved in spite of implementing Ujwal DISCOM Assurance Yojana (UDAY) scheme.

This is despite MahaVitaran having received Rs 4,960 crore from the state government under the scheme to repay its high cost debt. It did not receive any other dedicated fund to achieve various operational parameters.

The MSEDCL was left to improve its operational parameters through its own resources or under other Central/State schemes. It had approached (March 2017) the state government for availing guarantee for raising bonds of Rs 1,653 crore in accordance with the government resolution of December 2016, the state government denied standing guarantee for raising the funds.

“There was no firm commitment from GoM (Government of Maharashtra) departments to expeditiously clear the outstanding dues of MSEDCL. MSEDCL could not achieve its targets of bringing down the aggregate technical and commercial (AT&C) losses to the desired level. On the contrary, AT&C losses of MSEDCL increased from 16.94% in 2018-19 to 20.73% in 2020-21 due to poor collection mainly from agricultural consumers and various State Government departments. Thus, the main objectives of achieving financial and operational turnaround of MahaVitaran were not achieved in spite of implementing the UDAY scheme,” the report said.

“GoM may ensure that all electricity dues of MahaVitaran from departments and local bodies towards public water works and street lights are cleared in a time bound manner. MahaVitaran should complete DT (Direct Connected) metering and feeder segregation expeditiously and reduce the AT&C losses to 15 per cent or less by improving its billing and collection efficiency,” suggested CAG.

GST refunds

Audit of “Goods and Service Tax refunds” revealed that the electronic credit/cash ledgers of the taxpayer were not debited before generation of Application Reference Number of the refund application, resulting in irregular grant of refund. There were cases of delayed issuance of refund order, thereby, creating liability of payment of interest. The grant of provisional refunds in excess of the total due amount were also noticed.

The Department of Finance granted refund on account of zero rated exports without obtaining proof of exports. Department of Finance erred in considering the input tax credit on capital goods, input services and pre-GST invoices for grant of refund wherever applicable. The cases of consideration of incorrect values of components such as Adjusted Total Turnover, Net Input Tax Credit, values of invoices which resulted in excess refunds were noticed, the CAG noted. <https://indianexpress.com/article/cities/mumbai/in-spite-of-uday-no-rise-in-power-company-turnaround-8877264/>

19. OBC scholarship: CAG finds Rs 53 crore excess payment, delay in release
(*indianexpress.com*) 04 August 2023

Two schemes namely centrally-sponsored Post-Matric Scholarship to Other Backward Classes (OBC) students and State-funded Post-Matric Scholarship to Vimukt Jati Nomadic Tribes (VJNT) students were taken up for detailed scrutiny in the Performance Audit.

Looking into the implementation of Direct Benefit Transfer (DBT) in scholarship schemes of Other Backward Bahujan Welfare Department of the state government for the period 2018-19 to 2020-21, the Performance Audit report of the Comptroller and Auditor General of India has observed excess scholarship disbursement of Rs 53.41 crore to institutions/students during academic year 2018-19 and 2019-20.

“Scrutiny of records revealed that the unaided private institutions were paid fees which were more than the fee fixed by the Fee Regulating Authority (FRA). The fee fixed by FRA was all-inclusive fees. However, the payment of separate fees under ‘other fees’ over and above the fee fixed by FRA resulted in excess payment of scholarship of ₹ 53.41 crore to the institutions/students for the academic year 2018-19 and 2019-20,” the audit report said.

“Scholarships approved for disbursements were plagued with significant issues such as non-disbursement of scholarships and time-lag in disbursement of scholarship from bill-generation to final credit to the applicant/college. Audit observed that the scholarship amounts were often disbursed in the years subsequent to the academic year to which the application pertained,” it further observed.

An amount of Rs 7,227.58 crore was disbursed as scholarships by 10 departments of GoM during 2018-19 to 2019-20 through the online Direct Benefit Transfer system. State’s OBBWD having the highest expenditure of Rs 2,751.47 crore (38.07%) on scholarships disbursed through DBT was selected to review the implementation of DBT in the scholarship scheme.

Two schemes namely centrally-sponsored Post-Matric Scholarship to Other Backward Classes (OBC) students and State-funded Post-Matric Scholarship to Vimukt Jati Nomadic Tribes (VJNT) students were taken up for detailed scrutiny in the Performance Audit.

The disbursement of scholarships is through the Maharashtra State DBT and Services (MahaDBT) portal, developed by Maharashtra Information Technology Corporation Limited (MahaIT), a GoM Company.

“Audit revealed that security certification of MahaDBT portal was not carried out through a period of more than one year had elapsed from the last certification in August 2020,” the report said. Audit observed that there was no provision of preparation of system documents and absence of the system of cross-verification of data in the MahaDBT system since it was not integrated with other state government systems which would have contributed towards improving the reliability of data. <https://indianexpress.com/article/cities/mumbai/obc-scholarship-cag-rs-53-crore-excess-payment-delay-release-8876820/>

20. One mobile number linked to 5,019 applications, finds CAG audit of DBT schemes (*hindustantimes.com*) 05 August 2023

An audit of India's Direct Benefit Transfer (DBT) scheme found irregularities, including fake caste certificates and ineligible applicants receiving scholarships. The Comptroller and Auditor General (CAG) report also criticised the lack of monitoring to ensure scholarship benefits were reaching eligible applicants. The CAG recommended data verification through biometric attendance and cross-verification of income claims using registered mobile numbers. The DBT scheme aims to eliminate intermediaries and improve the delivery of benefits such as scholarships, wage payments, and subsidies.

Mumbai: An audit of Direct Benefit Transfer (DBT) scheme done over nine districts found irregularities such thousands of applications providing the same mobile number for verification, submission of fake caste certificates and children of government officials claiming benefits of scholarships despite being ineligible.

In one instance, a mobile number was found to have been linked with 5,019 applications for a caste-based scholarship.

The Comptroller and Auditor General (CAG) in its report tabled in both the houses of the state legislature revealed these irregularities in central government's flagship DBT scheme implemented to plug the leakages in the schemes implemented by the government.

The CAG report pointed out how in five districts there were 15 instances of submission of fake caste certificates to reap the benefits of a scholarship.

After this information was revealed in the audit, the administration of Ahmednagar district recovered the scholarship thus paid wrongly.

The CAG has also rapped the government for paying scholarships of ₹93 crore between 2018-19 and 2020-21 to those students whose attendance was less than 75%, which is the norm for the eligibility. The CAG has recommended data verification through a biometric attendance system.

The CAG has also flayed the government for the lack of a proper monitoring method to ensure that the institutions were passing on the scholarship benefits to the eligible applicants.

It stated that in nine test-checked districts, the auditors found 2,379 applications from the OBC and VJNT categories had no income certificate attached despite which ₹5.45 crore were distributed to them in three years from 2018-19 to 2020-21.

Similarly, 1,173 applications that had no caste certificates were given ₹81 lakh during this period. The report has pointed out that of the 2,241 approved applications for the scholarships, the documents submitted by 922 applicants were not viewable on the system.

In a cross-verification case by the CAG into the post matriculation scholarship (PMS) offered to the other backward castes (OBC) and the Vimukta Jati Nomadic Tribe (VJNT), the auditor found many cases in which children of government employees or pensioners were availing the benefits.

In 353 and 367 cases from two categories respectively, the children of government employees or pensioners had applied for the benefits using forged income certificates.

One of the eligibility criteria for the scholarship is that the annual income should be less than or equal to ₹1 lakh. The auditor has recommended that the government should not rely solely upon the income certificates but also cross verify the claim using the registered mobile numbers.

The report has revealed that 697 mobile numbers were registered with more than 20 applications each for scholarships meant for the OBC and the VJNT. One mobile number was found to have been linked with 5,019 applications while another few were found linked to over a thousand applications.

“The fact that numerous applications were linked with the same mobile number used for verification indicates the absence of validation checks. This also indicates that the objective of the DBT system — to eliminate intermediaries — has been defeated,” the report stated.

The CAG in its report has stated that the DBT is a major reform initiative of the central government for better and timely delivery of the benefits to the people for wage payments, fuel subsidies, food grain subsidies and scholarships.

“Ten departments of the state government disburse scholarships with the amount of ₹7,228 crore in two years in 2018-19 and 2019-20 and therefore the audit of the DBT in scholarship was undertaken,” stated the report.
<https://www.hindustantimes.com/cities/mumbai-news/one-mobile-number-linked-to-5-019-applications-finds-cag-audit-of-dbt-schemes-101691175720181.html>

21. CAG report pulls up forest dept for delay in Bio Diversity Parks
(*timesofindia.indiatimes.com*) Updated: Aug 5, 2023

MUMBAI: The Comptroller and Auditor General (CAG) has slammed the state forest department for failure in completing its Bio-Diversity Park (BDP) project on time.

In its report tabled in the legislative assembly on Friday, the CAG said that out of 67 BDPs, termed as 'Swargiya Uttamrao Patil Van Udyan' BDPs, taken up for creation, only 35 BDPs could be completed and handed over by August 2022.

The scheme, launched in June 2025, was to be implemented by the social forestry wing of the forest department with a budget of Rs 134.14 crore.

The CAG said improper selection of sites resulted in unsuccessful plantations and creation of parks on non-forest government land. There was absence of budgetary and expenditure controls, and short release of funds resulted in extension of scheme and majority of parks remained incomplete.

The audit observed non-completion of BDPs within the stipulated period and deterioration of assets created as there was no provision in the DPR for maintenance of assets formed during creation of BDPs.

“Audit noticed that an expenditure of Rs 96.52 crore (72%) was incurred till March 2021, and only 15 BDPs (22 per cent) were completed (March 2021). As of August 2022, 35 BDPs (52%) were completed and work in the remaining 32 BDPs was in progress. Further, out of 35 completed BDPs, 21 were handed over (August 2022). In 12 BDPs, assets created had deteriorated, damaged or stolen. During site visit, audit observed that the BDP was in poor condition and articles like playing equipment, solar lamps, bird nest and dustbins were dumped in a room,” the report stated.

The CAG also pointed out irregular award of works to contractors and irregular splitting of work adding that there was poor monitoring.
<https://timesofindia.indiatimes.com/city/mumbai/cag-report-pulls-up-forest-dept-for-delay-in-bio-diversity-parks/articleshow/102439332.cms?from=mdr>

22. CAG report hits out at tax, PWD depts. (*timesofindia.indiatimes.com*) Aug 5, 2023

MUMBAI: The Comptroller and Auditor General (CAG) has flayed the sales tax department for inconsistency in departmental circular resulting in benefits to dealers in form of transitional credit.

“Audit noticed cases where transitional credit was availed in excess to the tune of Rs 26.92 crore due to irregular declaration by taxpayers. In other cases, transitional credit amounting to Rs 7.99 crore was availed by taxpayers though they did not file all the prescribed returns,” states the report.

In the case of Public Works Department, the CAG, in a scathing report, said inadequate release of funds led to stalling of works and creation of liability for the department. “Huge amounts of scarce government funds remained unutilised with the public works

divisions even after completion of works,” it said.
<https://timesofindia.indiatimes.com/city/mumbai/cag-report-hits-out-at-tax-pwd-depts/articleshow/102439323.cms?from=mdr>

23. CAG Performance Audit Report on Implementation of DBT in Scholarship Schemes of Other Backward Bahujan Welfare Department, Govt. of Maharashtra (*bestcurrentaffairs.com*) Aug 04, 2023

An amount of ₹ 7,227.58 crore was disbursed as scholarships by 10 departments of Government of Maharashtra (GoM) during 2018-19 to 2019-20 through the online DBT system. Since the disbursement of scholarship through the online mode was a pioneering initiative of GoM and in view of the huge amount of disbursements, a Performance Audit of disbursement of scholarship through DBT was taken up.

The Other Backward Bahujan Welfare Department (OBBWD), GoM having the highest expenditure of ₹ 2,751.47 crore (38.07 per cent) on scholarships disbursed through DBT was selected to review the implementation of DBT in the scholarship scheme. Two schemes namely, centrally sponsored Post-Matric Scholarship to Other Backward Classes (OBC) students and State-funded Post-Matric Scholarship to Vimukt Jati Nomadic Tribes (VJNT) students were taken up for detailed scrutiny in the Performance Audit.

The disbursement of scholarships is through the Maharashtra State DBT and Services (MahaDBT) portal, developed by Maharashtra Information Technology Corporation Limited (MahaIT), a GoM Company. Direct Benefit Transfer (DBT) is a major reform initiative of the Government of India to ensure better and timely delivery of benefits from the Government to the people. The Government of Maharashtra (GoM) launched the Maharashtra DBT system in 2018, as an electronic platform for the direct transfer of benefits and subsidies to the beneficiaries. Disbursement of scholarships to students was one of the key schemes to be taken up in the DBT system and the process is online.

This Performance Audit covering the period 2018-19 to 2020-21 was conducted to assess whether (i) the business re-engineering process was effective for the implementation of DBT in scholarship schemes, (ii) the mapping of business rules was done effectively to ensure efficient functioning of DBT system and (iii) the general and application controls were adequate.

Audit observed that there was no provision of preparation of system documents. Since, technical documentation of an Information Technology system is necessary to ensure the quality of the system as well as for its future maintenance, Government should ensure that the system documents are to be obtained and kept on record, which would aid in future maintenance of the system.

Security audit plays a vital role in ensuring that web-based applications are secure and free from vulnerabilities that may lead to these being hacked or compromised. Audit revealed that security certification of MahaDBT portal was not carried out though a period of more than one year had elapsed from the last certification in August 2020.

Government should hence ensure that security audit of the application is carried out at specified intervals without fail.

Audit found that business rules were not properly mapped into the online system. This resulted in several instances of applications being processed though vital documents i.e., income certificate and caste certificate were not uploaded by the applicants. Also, applications that were approved later were given precedence during bill generation in violation of business rules. Moreover, improper mapping of business rules led to excess scholarship disbursement of ₹ 53.41 crore to institutions/students during academic year 2018-19 and 2019-20. Therefore, Government should ensure that the critical business rules are properly mapped and tested rigorously to ensure that the system functions as required. Government should also ensure that program change controls are adequate to prevent incorrect payments.

Though the entire DBT system was online, submission of bills to treasury for approval and disbursement of funds to the scheme-specific bank account continued in offline mode, exposing the system to risk associated with manual process. Government may, hence, review the existing manual processes in the DBT system for its re-engineering and integration with MahaDBT system.

Scholarships approved for disbursements were plagued with significant issues such as non-disbursement of scholarships and time-lag in disbursement of scholarship from bill-generation to final credit to the applicant/college. Audit observed that the scholarship amounts were often disbursed in the years subsequent to the academic year to which the application pertained. The deficiencies warrant that Government should take appropriate action for reducing the time period in disbursement of scholarships using the DBT system.

A system of cross-verification of data was found to be absent in the MahaDBT system since it was not integrated with other State Government Systems which would have contributed towards improving the reliability of data. Biometric attendance system was also not integrated with the MahaDBT system. Government should ensure data integration amongst various Government agencies including biometric attendance of students, for improving the reliability of data in MahaDBT. <https://bestcurrentaffairs.com/cag-performance-audit-report-on-implementation-of-dbt-in-scholarship-schemes-of-other-backward-bahujan-welfare-department-govt-of-maharashtra/>

24. ‘Major targets missed, yet co got more works from Metro’
(*timesofindia.indiatimes.com*) Aug 05, 2023

Nagpur: MahaMetro had awarded additional works of ₹100.36 crore to an existing contractor without floating fresh tender even as the consortium of three companies failed to help the government agency in achieving major targets. MahaMetro has also not taken any action against the contractor for the failures, said social activist Vijaykumar Shinde.

TOI on August 2 had reported about MahaMetro allotting the additional works worth ₹100.36 citing variation in original contract of ₹121.86 crore awarded to M/s AHE Consortium of Aurionpro Solutions Limited, Highbar Technologies Limited and Excelize Architectural Services Pvt Ltd seven years ago. The Comptroller and Auditor General of India (CAG) had termed it as a violation of rules and loss to MahaMetro.

Now, total value of contract has increased to ₹222.23 crore which is a rise of 82.36% compared to the original one.

The initial contract dated May 24, 2016 was for selection, supply, installation, implementation and support for Enterprise Resource Planning (ERP), 5 Dimensional Building Information Modelling (DBIM), providing services to set-up and ramp-up owner support offices in Nagpur Metro Rail Project.

Shinde told TOI, “Despite awarding works worth ₹122 crore to complete the project within deadline, prevent escalation in cost, ensure good quality of works etc, MahaMetro did not achieve any of these major targets. But, instead of initiating action on the contractor, MahaMetro committed an irregularity by awarding more works to the contractor.”

He demanded an investigation into actual cost of works for which MahaMetro paid the contractor.

Deadline to complete works of phase-I was 2018. The project was delayed by over four years.

The government had approved the project at the cost of ₹8,680 crore and provided alternative revenue sources to MahaMetro. But project cost escalated to ₹9,279.6 crore and quality of works done in phase-I was allegedly not found not up to the mark.

Justifying its decision, MahaMetro stated that cost escalation is very minor and is attributable to factors including land acquisition, Covid-19 pandemic and exchange of rate variation. “5DBIM platform helped in considerable saving of time,” it said. In addition to new works related to Nagpur Metro, MahaMetro also awarded Pune Metro Rail Project works to the contractor. <https://timesofindia.indiatimes.com/city/nagpur/major-targets-missed-yet-co-got-more-works-from-metro/articleshow/102485064.cms?from=mdr>

25. State orders probe into procurement of medicines by BMC-run hospitals
(*hindustantimes.com*) Aug 05, 2023

The state government has ordered an inquiry into the procurement of medicines and equipment by hospitals run by the Brihanmumbai Municipal Corporation (BMC) following reports of an artificial shortage. The government will also release a white paper on the services provided by BMC hospitals.

The state government on Friday announced a high-level inquiry into the procurement of medicines and equipment by the hospitals run by the Brihanmumbai Municipal Corporation (BMC).

HT was the first to highlight the artificial shortage in supply of medicines by BMC’s central purchase department, forcing patients to buy medicines from outside.

Making the announcement in the assembly, industries minister Uday Samant said, “BMC hospitals ask patients to bring medicines from outside. They also ask them to get their medical tests done in private hospitals and laboratories. Considering this,

medicines that are procured by the hospitals and the facilities they are providing require a detailed probe.”

Samant also announced that a white paper on the services provided by five BMC hospitals, including King Edward Memorial Hospital, Lokmanya Tilak Municipal General Hospital, and BYL Nair Hospital, will be released.

“For those coming from rural areas, BMC-run hospitals are nothing less than seven-star hospitals and hence, they need to know what sort of facilities they are providing,” the minister said.

Congress legislator Amin Patel and BJP MLA Ashish Shelar raised the issue, saying though BMC spends ₹4,000 crore a year on healthcare, the basic services offered by its hospitals leave much to be desired.

Samant also assured the house that they will consider setting up a facility to house relatives of those patients coming from outside the city.

About the hospitals run by charitable trusts, he said they are supposed to reserve a certain number of beds for patients who are unable to afford basic healthcare. “A drive will be undertaken to see if they are violating this rule and action will be taken accordingly.”

The hospitals run by charitable organisations are supposed to reserve 20% beds for patients who cannot afford basic healthcare, and 10% of those beds are free of charge for patients from below the poverty line.

There are around 1,574 hospitals in Mumbai. Of them 1,517 are private while 57 are run by the government and BMC.

What HT found

On May 10, HT reported on the artificial shortage of medicines at BMC-run hospitals which in turn forced patients to buy medicines, gloves, saline, medical dressing material etc. from outside. While contractors claimed the corporation’s central purchase department (CPD) had not floated tenders for bulk purchase for three years, BMC officials said they opted for purchasing medicines locally to break the contractors’ monopoly.

However, when HT visited some of the hospitals, it found that relatives of patients were spending heavily on buying medicines. A CAG report titled ‘Public Health Infrastructure of Health Services in Maharashtra’ from 2019-20 to 2021-22 also stated that there was a delay in finalisation of the rate contract for different schedules of medicines for a period ranging from four months to 35 months.

After HT’s reports, BMC’s deputy municipal commissioner (public health), in a meeting on May 10, directed health officials, including hospital deans, to ensure that there was no shortfall of medicines and medical supplies at the facilities. Dr Sudhakar Shinde, the newly appointed additional municipal commissioner, is also holding meetings with the CPD to streamline the purchase process.

<https://www.hindustantimes.com/cities/mumbai-news/state-orders-probe-into-procurement-of-medicines-by-bmc-run-hospitals-101691175659989.html>

26. COVID Centre Scam: EOW Files Case against Former Mumbai Mayor Kishori Pednekar (*republicworld.com*) Aug 05, 2023

The Economic Offences Wing (EOW) of Mumbai police has registered a case against Shiv Sena (UBT) leader and former Mumbai Mayor Kishori Pednekar in connection with the BMC COVID centre scam case. A case has been lodged against Pednekar and others under sections 420 (cheating) and 120(B) (criminal conspiracy) of the Indian Penal Code (IPC).

Confirming the development, Mumbai Police released a statement, saying, "Case registered against former Mumbai Mayor and Shiv Sena (UBT) leader Kishori Pednekar and others by EOW (Economic Offences Wing) under sections 420 (Cheating and dishonestly inducing delivery of property) and 120(B) (Punishment of criminal conspiracy) of the IPC in connection with alleged COVID centre scam."

The alleged BMC COVID Centre scam came to light last year, and it involves substantial financial irregularities and misappropriation of funds during the management of COVID care centres in Mumbai. An FIR in this regard was registered at Mumbai's Azad Maidan Police Station in August 2022 based on a complaint filed by BJP leader Kirit Somaiya. Subsequently, the case was transferred to the EOW of Mumbai Police in October 2022 for further investigation.

Earlier this month, Suraj Chavan, a key aide of Shiv Sena (UBT) MLA Aaditya Thackeray, was questioned by the EOW in connection with the alleged scam. The investigation has been ongoing, revealing various irregularities and lapses in management of COVID care centres.

The EOW had previously arrested two associates of Sanjay Raut's close aide, Sujit Patkar, Rajeev Salunkhe alias Raju Salunkhe, and Sunil Kadam, under various sections of the IPC in connection with the alleged scam.

Maharashtra Deputy CM Devendra Fadnavis had also raised concerns about the alleged scam, stating, "We all know how funds were looted in BMC during COVID. In the CAG report, it's mentioned how the plot worth Rs 3 crores was bought for 350 crores and then they went to court to get more money, this was allowed by the then govt in power. They turned a blind eye and allowed the loot in BMC. This is just the trailer, a picture of scams by MVA is yet awaited."

COVID centre scam

According to sources, the investigation uncovered that BMC had secured contracts for 42 ICU units with 420 beds, along with 1176 medical staff comprising doctors, nurses, and ward boys. Additionally, a contract was floated for 80 units, each containing 50 beds, requiring approximately 5520 staff, including doctors and paramedics. Lifeline Hospital was awarded the contract for 10 ICU beds and 951 other beds in Worli and Dahisar. However, an investigation found that the manpower on the day of bidding was only 18 people, out of which 6-7 were doctors, and one was a partner of the firm.

Moreover, the Enforcement Directorate (ED) conducted a separate investigation into financial transactions related to the Lifeline Hospital. It was found that when the firm paid a bill of Rs 32 crore to BMC, it reported a profit of Rs 12 crore, of which Rs 1 crore was paid as taxes. However, it is suspected that the recorded entry may be bogus, and the actual profit could be closer to Rs 20 crore.

ED claims to have successfully traced the money trail in the Lifeline Hospital scam. A source from the investigation stated that approximately 22 crores were laundered by Sujit Patkar and his partners. The funds were allegedly transferred to shell companies, and some amounts of cash were initially utilised in opening medical shops, the source claimed. <https://www.republicworld.com/india-news/general-news/covid-centre-scam-eow-files-case-against-former-mumbai-mayor-kishori-pednekar-articleshow.html>

27. CAG picks holes in sewer devpt project during Raghubar govt
(*timesofindia.indiatimes.com*) Aug 05, 2023

RANCHI: The office of the Principal Accountant General (Audit), Jharkhand, has pointed out financial anomalies in two key development projects under Ranchi Municipal Corporation (RMC) during the erstwhile Raghubar Das government and the previous governments in the state.

The "Report of the Comptroller and Auditor General of India on Performance and Compliance Audits for the Year Ended March 31, 2021" has found objectionable financial dealings in its audits on "Management of sewerage and drainage system in Ranchi", "Compliance audit on Rejuvenation and Conservation of Harmu River".

"The anomalies have been duly brought to the notice of the state government which in turn has promised to look into it," Ajoy Kumar, senior deputy accountant general, said.

Kumar said during audit in the last fiscal of 10 urban local bodies in Jharkhand (RMC), the CAG noticed the anomalies in the detailed project report (DPR) which was prepared once in 2005 and then again in between 2007 and 2014 where one private company named Meinhardt had conducted a survey for the first phase of the project.

"A sum of Rs 16 crore was paid to Meinhardt for the survey but its survey point does not match with a subsequent survey carried out for the first phase of the project. The tendering of the phase was done twice and both the times we found forged signatures in the joint venture companies," he said.

The RMC made excess payments of Rs 4.2 crore for sewage pumping station (in place of the set norms of Rs 75.40 lakh) wasted Rs 48 crore in partial execution of storm water drainage systems.

‘Rejuvenation project a failure’

Champak Roy, secretary to the accountant general, claimed the government had in 2014 taken up the conservation and rejuvenation of Harmu river at a next expense of Rs 100 crore but the Union government had turned down its approval for seeking central funds under the National River Conservation Plan.

“The sewage network was designed for originally channelizing 22.15 million litres per day sewage while its plan was channelizing 47.12 million litres per day. The project was also designed on the basis of reduced catchment area of 8.49 square km against the river’s total catchment area of 22.59 square km,” Roy said.

The authorities also set up seven sewer treatment plants against the sanctioned strength of eight STPs. These STPs are only treating 2.89 MLD of waste per day. Terming the rejuvenation project, a failed one, the CAG said the department was paying inflated power bills of Rs 33 lakh a year instead of estimated Rs 6 lakh a year. <https://timesofindia.indiatimes.com/city/ranchi/cag-picks-holes-in-sewer-devpt-project-during-raghubar-govt/articleshow/102440378.cms?from=mdr>

28. CG News: निजी बैंकों को अनुचित लाभ दिलाकर सरकार को लगाया चार करोड़ का चूना, CAG की रिपोर्ट में सामने आए तथ्य (naidunia.com) 04 Aug 2023

छत्तीसगढ़ मेडिकल सर्विसेस निगम लिमिटेड (CGMSC) ने निजी बैंकों को अनुचित लाभ दिलाने के लिए राज्य सरकार को करीब चार करोड़ का चूना लगाया है। भारत के नियंत्रक व महालेखापरीक्षक (CAG) की रिपोर्ट में मामला सामने आया है। इसके मुताबिक निजी बैंकों में आटो स्वीप सुविधा के लिए असामान्य रूप से उच्च थ्रेस होल्ड सीमा को मान्य करके निजी बैंकों को अनुचित लाभ पहुंचाया गया है। सीजीएमएससी स्वास्थ्य सेवाओं में दवा, चिकित्सा उपकरण आदि की खरीदी करने वाली सरकारी कंपनी है। कंपनी ने सरकारी योजनाओं के संचालन के लिए 36 अलग-अलग बैंकों में 31 मार्च 2019 तक खाता खोले और इसमें आटो स्वीप की सुविधा भी ली ताकि अतिरिक्त राशि पर ब्याज से आमदनी हो सके।

फरवरी 2020 में लेखापरीक्षा ने पाया कि 36 बैंक खातों में से सीजीएमएससी ने फरवरी 2017 से दिसंबर 2017 तक एक्सिस बैंक में पांच खाते खोले। पहला खाता अगस्त 2016 और अन्य चार खाते सितंबर 2017 में खोले गए। 2017-18 से 2019-20 की अवधि में अन्य बैंकों में जहां न्यूनतम थ्रेस होल्ड की सीमा दो लाख रुपये से 10 लाख थी और इसके अधिक की राशि पर ब्याज मिल रहा था उस समय सीजीएमएससी को एक्सिस बैंक के आटो स्वीप सुविधा के लिए थ्रेसहोल्ड सीमा 15 करोड़ थी। इससे विभाग को 3.82 करोड़ रुपये का चूना लगा है। असामान्य रूप से उच्च थ्रेस होल्ड सीमा होने के कारण एक्सिस बैंक के केवल एक खाते ने 8.84 लाख की राशि का ब्याज अर्जित किया और शेष चार बैंक खातों ने आटो स्वीप सुविधा पर कोई ब्याज अर्जित नहीं किया।

सरकार के जवाब से कैंग ने जताई असंतुष्टि

इस मामले में राज्य सरकार ने कहा कि कंपनी ने सुधारात्मक कार्रवाई करते हुए एक्सिस बैंक के खातों को बंद कर दिया है मगर कैंग इससे संतुष्ट नहीं है। कैंग ने रिपोर्ट में लिखा कि यह उत्तर स्वीकार्य नहीं है क्योंकि अन्य बैंकों की तुलना में कंपनी ने एक्सिस बैंक के मामले में निर्धारित असाधारण उच्च थ्रेस होल्ड सीमा की अनदेखी की है और अपने वित्तीय हितों की सुरक्षा करने में विफल रही है।

क्या होता है आटो स्वीप ?

स्वीप-इन-एफडी एक आटो स्वीप बैंकिंग सेवा है। इसमें आपके बैंक अकाउंट की अतिरिक्त रकम को एफडी (फिक्स्ड डिपॉजिट) में ट्रांसफर कर दिया जाता है। इस तरह से आपको अपने अकाउंट में जमा रकम पर पहले की तुलना में ज्यादा ब्याज मिलता है।

सीजीएमएससी प्रबंध संचालक चंद्रकांत वर्मा का कहना है कि कैग की रिपोर्ट में वित्तीय सुधार के लिए जो भी कमियां बताई जाती है। उसमें सुधार किया जाता है। इस मामले में भी पूरी जानकारी लेंगे और आगे की कार्रवाई की जाएगी।

<https://www.naidunia.com/chhattisgarh/raipur-government-was-defrauded-of-four-crores-by-giving-undue-benefits-to-private-banks-facts-revealed-in-the-cag-report-8206806>

29. Jharkhand Financial Report: झारखंड सरकार पर 1.11 हजार करोड़ का कर्ज, बजट से ज्यादा खर्च; पढ़ें सीएजी रिपोर्ट (livehindustan.com) 05 Aug 2023

झारखंड पर राजकोषीय देनदारियां (कुल ऋण) वित्तीय वर्ष 2021-22 में 1,10,998 करोड़ हो गई है। 2020-21 में यह राशि 1,07,496 करोड़ थी। यह राशि जीएसटी क्षतिपूर्ति में कमी की जगह प्राप्त बैंक टू बैंक ऋण को छोड़कर है। नियंत्रक महालेखा परीक्षक (सीएजी) की यह ऑडिट रिपोर्ट 2022 के 31 मार्च को समाप्त हुए वित्तीय वर्ष की है। झारखंड विधानसभा के मानसून सत्र के आखिरी दिन शुक्रवार को वित्त मंत्री रामेश्वर उरांव ने सीएजी की यह रिपोर्ट सदन में पेश किया।

विज्ञापन वित्तीय वर्ष 2022 के 31 मार्च तक 1,03,459 करोड़ राशि के 39064 उपयोगिता प्रमाण पत्र बकाया है। महालेखाकार कार्यालय को अभी तक ये प्रमाण पत्र नहीं मिल पाया है। सीएजी की रिपोर्ट के मुताबिक 2021-22 के दौरान राज्य का राजस्व खर्च कुल खर्च का 85.28 प्रतिशत था, जिसका 44.41 प्रतिशत वेतन और मजदूरी, ब्याज भुगतान और पेंशन पर खर्च किया गया था। वेतन और मजदूरी, ब्याज भुगतान और पेंशन पर किया गया खर्च 2021-22 में राजस्व प्राप्तियों का 39.99 प्रतिशत था। 2020-21 में पूंजीगत खर्च 8466 करोड़ के विरुद्ध 2021-22 के दौरान 9,377 करोड़ था।

पूंजीगत खर्च में वृद्धि पिछले साल की तुलना में सामाजिक सेवाओं पर सात प्रतिशत और आर्थिक सेवाओं पर 14 प्रतिशत अधिक खर्च के कारण हुई। 31 मार्च 2022 को समाप्त राज्य के सालाना एकाउंट्स के अनुसार, सरकार ने नवंबर 2000 में राज्य गठन के बाद 2,250.22 करोड़ का निवेश (सरकारी कंपनी, ग्रामीण बैंक तथा सहकारी संस्थाओं) में किया था। इन निवेशों का प्रतिफल 2021-22 के दौरान शून्य था जबकि सरकार ने वर्ष 2020-21 के दौरान उधार पर 5.76 प्रतिशत की औसत दर पर ब्याज भुगतान किया।

झारखंड ने राजस्व संग्रहण में बेहतर किया

प्रधान महालेखाकार उदय शंकर प्रसाद ने बाद में अपने कार्यालय में आयोजित प्रेस कांफ्रेंस में बताया कि झारखंड ने इस बार राजस्व संग्रहण में बेहतर कार्य किया है। इस वर्ष राजस्व सरप्लस स्टेट के रूप में देखा जा रहा है। इस वर्ष झारखंड ने राजस्व के रूप में 6944 करोड़ सरप्लस है, जो पिछले वर्ष से बेहतर है। वही फिजिकल डिफिसिट की बात करेंतो

इस वर्ष 2604 करोड़ रहा जो पिछले वर्ष से काफी कम है। पावर की जगह झारखंड सरकार ने माइनिंग और सॉइल कंजर्वेशन में ज्यादा खर्च किया है।

बजट से ज्यादा किया खर्च

प्रधान महालेखाकार ने कहा कि 3473 करोड़ रुपए बजट से ज्यादा खर्च किए गए हैं। उसका हिसाब भी अभी तक पूर्णरूप से नहीं मिल पाया है, जो संवैधानिक प्रावधानों का उल्लंघन करता है। 103460 करोड़ रुपए का उपयोगिता प्रमाण पत्र राज्य सरकार की तरफ से अभी तक महालेखाकार को नहीं दिया गया है। उन्होंने बताया कि कई विभागों के अधिकारियों के द्वारा हजारों करोड़ रुपए का उपयोगिता प्रमाण पत्र नहीं मिला है जो कि दुखद है। <https://www.livehindustan.com/jharkhand/story-hemant-govt-have-thousand-crores-debt-spend-more-money-than-budget-cag-report-8534985.html>

30. राज्य वित्त लेखा परीक्षा प्रतिवेदन में कैग ने सरकार को दिए कई सुझाव, कमियां भी गिनाई (etvbharat.com) August 04, 2023

रांची: विधानसभा के मानसून सत्र के अंतिम दिन वित्त मंत्री रामेश्वर उरांव नेभारत के नियंत्रक महालेखा परीक्षक का 31 मार्च 2022 को समाप्त वर्षका राज्य वित्त लेखा परीक्षा प्रतिवेदन पेश किया. इस दौरान कैग की तरफ से सरकार को कुछ सुझाव के साथ कमियों की तरफ ध्यान आकृष्ट कराया गया है.

कैग के मुताबिक राज्य को 2021-22 में 6944 करोड़ का राजस्व आधिक्य हुआ. मार्च 2022 के अंत मेंरांची का राजकोषीय घाटा सकल राज्य घरेलू उत्पाद का 0.72% था. ऐसेमेंकैग नेसुझाव दिया हैकि वास्तविक आंकड़ों पर पहुंचनेके क्रम मेंस्पष्ट देनदारियों के प्रभाव, समेकित निधि मेंराँयल्टी जमा नहीं करने, नई पेंशन योजना में कम योगदान जैसी अनियमितताओं को बदलनेकी जरूरत है.

रिपोर्ट के मुताबिक 2021-22 के दौरान राज्य के राजस्व व्यय कुल व्यय का 85.28% था, जिसका 44.41% वेतन और मजदूरी, ब्याज भुगतान और पेंशन पर व्यय किया गया था. वेतन और मजदूरी, ब्याज भुगतान और पेंशन पर किया गया, वह 2021-22 मेंराजस्व प्राप्ति का 39.99% था. पूंजीगत व्यय मेंवृद्धि पिछले वर्षकी तुलना मेंसामाजिक सेवाओं पर 7% और आर्थिक सेवाओं पर 14% अधिक होनेके कारण हुई.

रिपोर्ट के मुताबिक 31 मार्च 2022 को समाप्त राज्य के वार्षिक लेखा के अनुसार राज्य मेंराज्य के गठन के बाद से 2250 करोड़ का निवेश सरकारी कंपनी, ग्रामीण बैंक और सहकारी संस्थाओं नेकिया था. इन निवेशों पर प्रतिफल 2021-22 के दौरान शून्य था, जबकि सरकार ने वर्ष 2021-22 के दौरान उधार पर 5.76% की औसत दर पर ब्याज भुगतान किया. वहीं, निवेश के अलावा सरकार द्वारा अपनेसंस्थाओं को ऋण के रूप मेंदी गई बड़ी राशि करीब 24,348 करोड मार्च 2022 के अंत तक बकाया थी.

कैग की रिपोर्ट के मुताबिक सरकार नेराज्य आपदा मोचन निधि यानी एसडीआरएफ के गठन के पश्चात सेकोई ब्याज नहीं दिया, जो 2011-12 से 2021-22 की अवधि के लिए

लागू दर पर 870 क गू रोड़ होता है. लिहाजा ब्याज का भुगतान न करनेसेराज्य के राजस्व घाटे और राजकोषीय घाटे पर प्रभाव पड़ा है. रिपोर्ट में यह भी बताया गया कि मार्च 2022 तक एकत्रित 664 करोड़ राशि का श्रम उपकर को 2021-22 के दौरान श्रम कल्याण बोर्ड मेंस्थानांतरित नहीं किया गया, इसका प्रभाव राजस्व अधिशेष का राजकोषीय घाटे पर हुआ.

कैग की रिपोर्ट में 31 मार्च 2022 तक 1,03,459 करोड़ राशि के 39,064 उपयोगिता प्रमाण पत्र बकाया थे. यह भी बताया गया कि इसी अवधि तक 6,094 करोड़ की राशि के 18,206 एसी विपत्रों के विरुद्ध डीसी विपत्र बकाया थे.
<https://www.etvbharat.com/hindi/jharkhand/state/ranchi/cag-gave-many-suggestions-to-government-in-state-finance-audit-report/jh20230804203815142142829>

31. Uttarakhand: घपलों को लेकर विजिलेंस के निशाने पर छह विभाग, जानें कैग ने किस विभाग में क्या गड़बड़ी पकड़ी (*amarujala.com*) August 06, 2023

प्रधान महालेखाकार कार्यालय ने भारत के नियंत्रक एवं महालेखा परीक्षक की मार्च 2020 व 2021 की ऑडिट रिपोर्टों में उजागर हुए गंभीर किस्म के वित्तीय घपलों की एक सूची निदेशक विजिलेंस को भेजी है। इससे राज्य के छह विभाग इन घपलों को लेकर विजिलेंस के निशाने पर आ गए हैं।

माना जा रहा है कि इन मामलों में विभागीय स्तर पर कार्रवाई हुई तो कतिपय अफसर व कर्मचारियों की जवाबदेही तय हो सकती है। निदेशक विजिलेंस ने शासन को महालेखाकार कार्यालय की मंशा से अवगत करा दिया है। उसके पत्र पर कार्मिक एवं सतर्कता विभाग ने संबंधित विभागों को विभागवार घपलों की सूची भेजकर इस संबंध में रिपोर्ट मांगी है। अपर सचिव कार्मिक ललित मोहन रयाल ने इसकी पुष्टि की है।

महालेखाकार कार्यालय में वरिष्ठ लेखा परीक्षा अधिकारी ने निदेशक विजिलेंस को पत्र लिखा जिसमें 2022-23 की अवधि में जारी हुई दो वर्षों की ऑडिट रिपोर्ट के विभिन्न प्रस्तर संलग्न हैं। समाज कल्याण, सिंचाई, वन, संस्कृति, लघु एवं खनिज विभाग से संबंधित इन प्रस्तरों में पेंशन भुगतान में वित्तीय गड़बड़ी, रॉयल्टी वसूली में फर्जीवाड़ा, खराब वित्तीय प्रबंधन लाखों की चपत लगने के मामले शामिल हैं। पत्र में इन सभी प्रकरणों में कार्रवाई की अपेक्षा की गई है।

विजिलेंस ने शासन और कार्मिक ने विभागों को लिखा

पुलिस अधीक्षक विजिलेंस (मुख्यालय) ने कार्मिक सतर्कता विभाग को पत्र भेजकर कैग के पत्र और सूची के आधार पर संबंधित प्रशासनिक विभाग के स्तर पर कार्रवाई का अनुरोध किया। वहीं, विजिलेंस के पत्र पर कार्मिक विभाग ने समाज कल्याण, सिंचाई, वन, संस्कृति, औद्योगिक विकास (खनन) के एसीएस, प्रमुख सचिव व सचिव को पत्र लिखकर आवश्यक कार्रवाई कर इसकी सूचना विभाग को भेजने का अनुरोध किया है।

कैग ने किस विभाग में क्या गड़बड़ी पकड़ी

समाज कल्याण विभाग : विभाग में एक ही आधार संख्या, एक ही बैंक खाता संख्या व एक ही बीपीएल आईडी पर एक से अधिक पेंशन दी गई। एक ही व्यक्ति को दो-दो पेंशन पर 63.62 लाख रुपये का दोहरा भुगतान हुआ।

सिंचाई विभाग : सिंचाई खंड देहरादून ने रॉयल्टी के साक्ष्य में फर्जी फार्म जमा किया।

वन विभाग : 2018-20 में वनाग्नि से करीब 7634.28 हेक्टेयर वन क्षेत्र प्रभावित हुआ। इससे एक करोड़ 46 लाख 55 हजार रुपये का नुकसान हुआ। विभाग यूकाडा व संबंधित से 2.69 करोड़ की रिकवरी करने में विफल रहा।

संस्कृति विभाग : खराब वित्तीय प्रबंधन के कारण 57.61 लाख रुपये खर्च कर दिए गए। विभाग पर 31.52 की देनदारी बनी हुई है।

लघु एवं खनिज विभाग : भुगतान की गई रॉयल्टी के साक्ष्य के रूप में फॉर्म की नकली प्रति प्रस्तुत कर दी गई, जिससे 9.35 लाख रुपये की चपत लगी।

आईएफएमएस डेटा : जांच में कैग ने पाया कि डीडीओ ने 18.34 लाख रुपये विभागीय खाते से निकालकर स्वयं के खाते में जमा कर दिए। इसे सरकारी खातों में खर्च के रूप में दिखाया गया। <https://www.amarujala.com/dehradun/vigilance-targets-six-departments-for-scams-uttarakhand-news-in-hindi-2023-08-06?pageId=1>

32. A decade after the floods, is Kedarnath safer? (thethirdpole.net) August 04, 2023

The Kedarnath Valley, located above 3,500 metres in the northern Indian state of Uttarakhand, has changed significantly since it was hit by deadly floods in 2013. A reconstruction project aimed at revamping and rebuilding Kedarnath, the site of a famous temple to which thousands trek to every year, started in March 2014. But delays, allegations of misappropriation, and – above all – the dangers of heavy construction in an ecologically sensitive mountainous zone have raised serious questions about whether Kedarnath is safer now than before the 2013 disaster, or even more vulnerable.

A fresh reminder of the area's fragility came on the night of 4 August 2023, when a major landslide hit the Kedarnath pilgrimage route amid heavy rains. The landslide washed away several shops near Gaurikund, the start of the Kedarnath trek. At the time of writing, the incident had resulted in three deaths, with 16 others missing.

With a death toll of over 6,000, the 2013 floods in Uttarakhand were one of India's worst ever natural disasters. Heavy rainfall on 16 and 17 June 2013, combined with melting of the Chorabari Glacier, caused a breach of the Chorabari glacial lake, in a glacial lake outburst flood (GLOF). This increased the flow of the Mandakini River, flooding the whole Kedarnath Valley and settlements downstream, and destroying the 14km pilgrimage route to the Kedarnath Temple.

“I was at Rambara village [near Kedarnath] on the day of the floods,” recalls Roshan, a former palki or palanquin bearer, who would help elderly or infirm pilgrims reach their destination. “All I remember is the mind-numbing destruction. The whole of Rambara just vanished in front of my eyes. In mere seconds, hotels, shops, people, and animals were all gone. The memories still give me chills.”

Manish Mehta, a scientist at the Wadia Institute of Himalayan Geology, says that the risk of future GLOFs from the Chorabari Lake has receded. He tells *The Third Pole*: “As Chorabari Lake breached all its boundaries, it has now turned into a pathway, which basically means that... it cannot hold water anytime soon.”

But environmental scientist Ravi Chopra disagrees with this optimistic assessment, and warns of the dangerous impacts of climate change in the region. “Fragmentation of glaciers can happen, leading to the formation of lakes... in the areas surrounding Chorabari Lake, [therefore] the possibility of glacial lake outbursts must never be ignored.”

Tourism income drives reconstruction

In the aftermath of the 2013 floods, there were pressing reasons to overlook the enduring vulnerabilities of Kedarnath, and immediately focus on reconstruction. Uttarakhand is deeply dependent on tourism, and in particular on visitors to famous sites like Kedarnath. The state suffered a huge economic blow from the disaster – the World Bank estimated losses from the floods at more than USD 3.8 billion, more than the Uttarakhand state budget for that financial year (April 2013-March 2014) of roughly USD 3 billion. If the Kedarnath yatra (pilgrimage) were not restarted, the state was staring at further losses of up to USD 2.5 billion per year.

After the flood, Uttarakhand received an aid package of INR 73.5 billion (around USD 888 million). Of this, INR 62.6 billion (around USD 756 million) was for medium and long-term re-construction, to be provided to the state between 2013 and 2016, with the remaining funds going towards emergency relief and rescue efforts.

Cars lined up in a car park in a mountainous area, construction site behind

A top priority was to make the major tourist hub of Kedarnath town (also known as Kedarpuri) hospitable and suitable for pilgrims as soon as possible. Initially, this task was given to the Nehru Institute of Mountaineering, and then in 2017, it was transferred to the Shri Kedarnath Utthan Charitable Trust (SKUCT), constituted by the state government under its direct supervision to ensure that a single authority oversaw all reconstruction and infrastructure building in the area.

Vishwanath Singh, a project supervisor with SKUCT, tells *The Third Pole*: “Our initial task involved reconstructing the trekking route to the shrine, as the previous path was severely damaged after Rambara [village]. We created an alternative route on the left bank of Mandakini [River], connecting it to Rambara via a bridge. Additionally, we focused on Kedarnath town, constructing bridges, a three-layer protective wall behind the temple, ghats, and retaining walls along the Saraswati and Mandakini rivers. Furthermore, we built cottages, a temple access road ... and other necessary structures at the Kedarnath base camp.”

Is reconstruction making Kedarnath unsafe?

The heavy construction in the Kedarnath area has been an issue for some experts. A 2014 study by the Disaster Mitigation and Management Centre, an autonomous institute of the Uttarakhand government's Department of Disaster Management, had explicitly warned against heavy construction in the Kedarnath area.

Conducted just after the 2013 disaster, the study stated: "No new constructions should be allowed in the temple township. Small and light structures can, however, be erected for those responsible for performing essential services related to the temple. The temple township has freshly deposited cover of debris and boulders, and any attempt to disturb these could initiate mass movement besides accelerating the pace of erosion."

Ravi Chopra says that the lessons that should have emerged after the 2013 floods have not been well understood by engineers and planners. "We are in a severe earthquake-prone zone, and the valley base where Kedarnath is located has been formed by the rolling down of big rocks and boulders over the centuries. So, the base of that valley is not a consolidated mass of rock, and in the event of an earthquake, these boulders will shake, which will make the superstructure on top quite susceptible to collapse."

"In fact, the good thing would be to minimise the stationary population in Kedarnath and encourage people [who are visiting] to return soon after their temple visit, and that requires limiting the number of people who visit Kedarnath on a daily basis."

Mallika Bhanot, a member of Ganga Ahvaan, a citizens' forum working for the free-flowing Ganga in its upper stretches, says that reconstruction work is putting too much pressure on the fragile Kedarnath Valley. "The rampant construction of roads, hydropower projects, guest houses, and...helicopter tourism is adding cumulative stress of excessive infrastructure construction and increased carrying capacity. Therefore, more people are reaching the shrine and adding to the load. The area is basically systematically being degraded... If another [flood like that in] 2013 happens, then the impact of the disaster will be manifold."

This multilevel car park near Rudraprayag, around 75km from Kedarnath, was built to replace one washed away by the 2013 floods. A protecting wall built after the 2013 disaster to offer protection from future floods is visible on the other side (Image: Sandhya Agrawal)

As per a report by the Hindustan Times, a study on the carrying capacity of the Char Dham (pilgrimage site) was recommended by a High Powered Committee appointed by the Supreme Court of India in 2018. The committee had recommended a daily limit of 5,000 pilgrims to the Kedarnath shrine, but officially 13,000 are currently allowed to visit each day. In 2023, the chief minister of Uttarakhand, Pushkar Singh Dhami, announced a study of the carrying capacities of various hill towns, including Kedarnath.

Delays in Kedarnath reconstruction receive scathing report

Although the creation of a single authority was meant to make sure that the reconstruction in Kedarnath happened in a holistic and timely manner, a 2018 report by the Comptroller and Auditor General of India found that construction had missed several deadlines. It also noted the non-approval of infrastructure projects, delays in under-construction projects by different agencies, and excessive allocation of funds.

Neither the state nor the Union government has responded to these criticisms, but a number of pending construction projects were completed by June 2021.

Vishwanath Singh of SKUCT says that reconstruction work faced a number of issues. “The climate poses the biggest challenge, allowing only about five to six months of work [during the summer], which mostly aligns with the pilgrimage season [making work difficult]. Initially, ponies transported construction material, but a helipad was later built to expedite the process, and since then, we have been using the Air Force’s Mi-26 helicopter for heavy machinery transportation. I think completion of the remaining projects will take at least six to seven more years,” says Singh.

This completion date would be long after December 2023, which is when Sukhbir Singh Sandhu, chief secretary of Uttarakhand and president of SKUCT stated last year that all reconstruction projects in Kedarnath would be completed by.

Construction of a three-layered protecting wall surrounding Kedarnath (Kedarpuri) Township was finished in June 2021 and is now well into the beautification stage. Authorities claim that the wall will protect the township from future floods by diverting water away. But only another flash flood can test such claims.

Heavy rains in July this year led to the stoppage of the Kedarnath pilgrimage. Shortly thereafter, the 4 August landslide led to significant loss of life. This suggests that after a great deal of money and time, the route remains significantly unsafe. <https://www.thethirdpole.net/en/climate/a-decade-after-the-floods-is-kedarnath-safer/>

33. New book on Kerala’s economic development advises radical changes for regaining fiscal stability (*thehindu.com*) August 04, 2023

The changes should be directed at ramping up revenue, restricting non-priority, non-plan revenue spending, limiting borrowings to manageable levels and achieving fiscal targets set by the Fiscal Responsibility Act.

Kerala will need to work out radical changes in its fiscal policy in the troubled post-COVID-19 economic scenario to resolve the acute fiscal crisis that it faces and restore stability, according to a new book on the State’s economic development against the backdrop of the pandemic.

The changes should be directed at ramping up revenue, restricting non-priority, non-Plan revenue spending, limiting borrowings to manageable levels and achieving fiscal targets set by the Fiscal Responsibility Act, observes Kerala’s Economic Development: COVID-19 Pandemic, Economic Crisis and Public Policy, a collection of essays edited by B. A. Prakash, former chairman of the Kerala Public Expenditure Review Committee and the State Finance Commission, and Jerry Alwin, Associate Professor of Economics, SN College, Varkala.

The book, which has 21 essays by different authors on diverse Kerala-specific topics set against the backdrop of the pandemic, will be released in Thiruvananthapuram on Saturday.

Regaining its ‘lost fiscal capacity’ is perhaps the most important challenge that Kerala faces today, the book notes.

Persistent fiscal crisis

Reports of the Comptroller and Auditor General of India (CAG) and the June 2022 Reserve Bank of India article ‘State Finances: A Risk Analysis’ reveal that Kerala has been experiencing a persistent and acute fiscal crisis and is heading towards a fiscal collapse. ‘The CAG’s accounts at a glance (March 2022) show that Kerala has a revenue deficit of ₹26,582 crore and fiscal deficit of ₹42,785 crore. The State does not have the resources or the borrowing capacity to afford this huge increase in revenue expenditure. The above evidences suggest Kerala is heading towards a fiscal collapse and debt trap.’

The book, published by Pearson, warns that the effects of the pandemic-induced global recession could be prolonged and recovery slow.

Other factors

On other fronts, Kerala needs to learn from the food supply disruptions caused by the pandemic and the Ukraine war and focus on the growth of the primary sector and food production within its boundaries, it noted. ‘The economic slogan in the world prior to COVID-19 was, produce for the foreign markets from which we earn maximum profit, price and foreign exchange. This principle has less relevance for food items in the Post-COVID era,’ it said. Besides, policy initiatives in this direction are vital in the context of the floods, droughts and climate change-induced phenomena which affect food production and the supply chain.

Given the very real possibility of future pandemic outbreaks and health crises, the State should take up the strengthening of the health-care system as a top priority. Kerala’s farm sector would require policy measures to lift it out from the stagnation that it is in and ensure a stable and sustainable growth trajectory. It emphasises the need to select crops on the basis of agroclimatic conditions and promote agri-entrepreneurship and homestead farming. <https://www.thehindu.com/news/national/kerala/new-book-on-keralas-economic-development-advises-radical-changes-for-regaining-fiscal-stability/article67158081.ece>

SELECTED NEWS ITEMS/ARTICLES FOR READING

34. Indian Navy Issues RFI For 12 Minesweepers After Long-awaited Delay (*republicworld.com*) 5 August, 2023

The Indian Navy released a Request for Information (RFI) for the procurement of 12 state-of-the-art Counter Mine Warfare Vessels (MCMVs) on Aug 3. The long-awaited RFI signals India’s renewed efforts to enhance its mine-warfare capabilities after several failed attempts over the past 15 years.

The need for MCMVs

The Indian Navy currently operates without a single minesweeper, and the last of its fleet of six minesweepers, acquired from the Soviet Union in the late 1970s, was decommissioned four years ago. The absence of dedicated mine-countermeasure

vessels has left a significant gap in India's naval fleet, prompting the urgent need for modern and advanced MCMVs.

How will Navy get its MCMVs

The RFI outlines the requirements for the 12 MCMVs, which are set to be constructed over an eight-year period. The order will be split between the lowest and second-lowest bidding shipyards. The proposed delivery timeline for the MCMVs ranges from 2030 to 2037.

Armament and advanced capabilities

The centrepiece of these vessels is said to lie in their armament and "cutting-edge" technologies, which will be tailored to tackle a range of threats in both anti-submarine warfare (ASW) and naval mine countermeasures (NCM) domains, as per the RFI.

Unmanned mines counter-measure (MCM) suite: The MCMVs will be equipped with an Unmanned Mines Counter-Measure (MCM) suite, integrating state-of-the-art technologies like underwater drones and remotely operated vehicles (ROVs). These autonomous systems will play a critical role in detecting, identifying, and neutralising underwater mines, minimising risks to the crew during mine countermeasure operations.

Weapons systems: The MCMVs will be armed with advanced weapons systems, including a 76 mm Super Rapid Gun Mount (SRGM) with an Autonomous Fire Control System (FCS) for precise targeting and engagement of surface and aerial threats. Very short-range defence (VSHORADS) will be provided by 12.7 mm Stabilised Remote-Controlled Guns (SRCG). Directed Energy Weapons or 30 mm mountings controlled by EOIRST will add further flexibility to the vessel's offensive capabilities.

Communication and electronic suite: The MCMVs will boast a state-of-the-art communication and electronic suite, including radar systems, electronic warfare (EW) systems, and secure communication networks, ensuring seamless data exchange and real-time information sharing.

Sonars: Equipped with state-of-the-art ASW systems, the vessels will feature advanced sonars for efficient submarine detection and tracking. Advanced sonar systems, including hull-mounted and towed array sonars, will detect and track underwater threats, such as submarines and mines. The comprehensive sonar suite allows for early detection and swift response to potential underwater dangers.

As intended in the RFI, the MCMVs will be versatile platforms capable of undertaking various operational roles, including mine counter-measure operations, route survey and sanitization, search and rescue, humanitarian assistance, and disaster relief. These vessels will operate efficiently in the Indian Ocean region, safeguarding vital maritime interests.

Mine countermeasure operations: The MCMVs will excel in locating, identifying, and neutralising sea mines, ensuring safe passage for friendly vessels and countering potential threats to maritime security.

Route survey and sanitisation: These vessels will conduct comprehensive surveys of sea routes, identifying and removing any underwater obstacles or hazards to enable secure and efficient navigation for maritime traffic.

Search and rescue: Equipped with advanced capabilities, the MCMVs will be ready to undertake search and rescue missions, swiftly responding to distress calls and providing vital assistance to mariners in need.

Humanitarian assistance and disaster relief: During times of natural disasters or emergencies, the MCMVs will play a crucial role in delivering humanitarian aid and relief efforts, supporting affected communities and facilitating rescue operations.

Make in India Initiative

The MCMV procurement is part of India's commitment to the Make in India initiative, promoting indigenous shipbuilding capabilities. The procurement marks a transformative phase in India's naval modernization, aligning with the government's vision of self-reliance in defence and naval procurement. <https://www.republicworld.com/india-news/general-news/indian-navy-issues-rfi-for-12-minesweepers-after-long-awaited-delay-articleshow.html>

35. Only 22 out of 148 operational airports making profit: Parliamentary Panel (*economictimes.indiatimes.com*) August 04, 2023

Only 22 airports out of 148 airports in the country are making profits and despite being on a growth path for the last two decades, the Civil Aviation sector in India has not been able to reap full benefits and demographic dividends, according to a Parliamentary panel.

The panel headed by Rajya Sabha MP Sujit Kumar has noted that the number of operational airports in the country is very low for a country of India's size.

"Though the civil aviation sector in India has been on a growth path for the last two decades, it has not been able to reap the full benefits of the growth in Indian economy and demographic dividends, which is evident from the fact that in all, India has 148 operational airports which is very low for a country of our size. To make matters worse, out of 148 airports, only 22 are profit-making," the panel said in its report tabled in Rajya Sabha on Friday.

"There is thus a huge upside in constructing airports. India is a country of approx. 1.4 billion people and though passenger and cargo traffic have witnessed significant growth during the last two decades, there are significant challenges to be overcome. "Despite India being the world's fastest-growing aviation market, the country's airport expansion is yet to gain the desired pace which is hindering India's booming air travel demand and aviation growth," it added.

The panel report on "Petition Praying for Modernization of Airports by Airports Authority of India" also noted that despite the phenomenal growth in traffic, most Indian carriers are reeling under losses and in this context, cost-effective operations and sustainability are a must for airlines to operate in the long run.

Noting that civil aviation is a customer-centric industry and exists to serve the consumers and therefore consumer interest should be of paramount importance, the panel has recommended that more endeavors be made to enhance the passenger experience and operational excellence at AAI airports so that they could match the PPP airports and their service levels are at par with the international standards.

"The Committee welcomes that government's plans to boost airport infrastructure which is certain to bring a huge amount of economic upside. The panel however notes that development of airport infrastructure projects are highly capital-intensive in nature and also has a long gestation period and they have suffered from long delays in the past on account of key approvals and land acquisition issues.

"The committee, therefore, recommends that the government should proactively obtain all pre-project clearances and complete the planned airports in a time-bound manner and obviate the possibility of cost escalation and time overruns," it added. <https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/only-22-out-of-148-operational-airports-making-profit-parliamentary-panel/articleshow/102433352.cms?from=mdr>

36. Ray of hope for distressed DISCOMs (*thehindubusinessline.com*) August 04, 2023

Any measures taken to reform the country's power sector has mostly been overshadowed by Centre-State politics. So what has changed now? Though the power struggle continues, what has changed is the firmness with which reforms are being implemented particularly to boost the health of ailing State distribution companies (DISCOMs), which are seen as the weakest link in the whole growth story.

Recently, the Union Power Ministry put in place additional measures, such as streamlining the process of accounting, reporting, billing and payment of subsidy by States to the DISCOMs, to improve the financial health of these entities.

As Ashok Khurana, Director General, Association of Power Producers, puts it, "Earlier there was no legal sanctity to Aggregate Technical and Commercial (AT&C) reduction trajectory agreed to by the DISCOMs in any national scheme or programme. Therefore, these remain only as intent with no enforcing mechanism."

But now these latest set of rules provide legal backing to the agreed trajectory and put the onus on State Electricity Regulatory Commissions (SERCs) to ensure compliance and in case of non-adherence, punitive action too has been provided, he said.

Further, the rules also lay down elaborate procedure to ensure the payment of subsidy as assured at the time of tariff finalisation, he pointed out, adding that these rules will ensure financial sustainability of DISCOMS.

Theoretically, AT&C (Aggregate Technical & Commercial) loss is calculated as the difference between the energy input in the distribution network and revenue collected for the same.

According to the Ministry, the measures come in the wake of the need for a framework for sustainability of the sector and the fact that improper and non-transparent accounting as well as non-payment or delayed payment of subsidy announced by the States is one of the reasons for financial distress of DISCOMs.

What do the rules mandate?

The rules mandate that a quarterly report shall be submitted by the distribution licensee within 30 days from the end date of the respective quarter and the State Commission shall examine the report, and issue it within 30 days of submission of the quarterly report. The Ministry adds that: “The report will, inter alia, cover the findings regarding raising of demands for subsidy based on accounts of the energy consumed by the subsidised categories; and the subsidy payable to these categories as announced by State Government and the actual payment of subsidy. This is in accordance with section 65 of the Electricity Act.”

Provision has been made that if subsidy accounting and the raising of bills for subsidy is not found in accordance with the Act or rules or regulations issued thereunder, the State Commission shall take appropriate action against those responsible for non-compliance as per provisions of the Act.

Under the framework for sustainability, in order to define a definite and reasonable goal for reduction of AT&C loss, it is prescribed that the loss reduction trajectory would be approved by the State Commissions for tariff determination in accordance with the trajectory agreed by the respective State Governments and approved by the Central Government under any national scheme or programme, or otherwise. The trajectory for both collection and billing efficiency, for distribution licensee have to be determined by the State Commission, accordingly.

In order to ensure the recovery of full costs incurred by the distribution licensee in distributing electricity, it has been prescribed that all prudent costs of power procurement, done in a transparent manner, would be taken into account, while approving the tariff. Similarly, all the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system would be accounted for subject to fulfilment of prescribed conditions.

It is also provided that gains or losses accrued to distribution licensee due to deviation from approved AT&C loss reduction trajectory would be shared between the distribution licensee and consumers.

For establishing norms for operation and maintenance of the distribution system, Central Electricity Authority has been mandated to issue guidelines.

Reasonable Return on Equity (RoE) is one of the major factors required to ensure investment in the sector. The rule provides that the RoE by the State Commission would be aligned with the RoE specified by the CERC in its tariff regulations for the relevant period, with appropriate modification taking into account the risks involved in distribution business.

According to experts, the latest decision basically highlights the inadequate measures to identify the gaps in Annual Revenue Requirement (ARR) filings by the DISCOMs.

These filings fail to accurately represent the actual cost and revenue disparities, leading to financial imbalances and the accumulation of regulatory assets each year. As a consequence, there is a frequent need to submit and approve numerous cost ‘true-up’ — that is, the process of adjusting a financial account or transaction to reflect the actual, correct, or expected amount — petitions.

Therefore, to address this critical issue, the central authorities are taking action to impose more rigorous and direct accountability measures on DISCOMs and State regulators.

The primary objective is to improve the methodology of ARR filings, bridge the gap between costs and revenues, ensure more effective cash flow management, and reduce reliance on cost true-up petitions. If these proposed stringent measures are earnestly implemented, they have the potential to bring about a revolutionary transformation in the power sector.

There is no argument that it is a positive measure, but as Vikram V, Sector Head and Vice President, Corporate Ratings, ICRA, points out, “the implementation again depends on how SERCs take it up.”

Clearly, the Union Government has tried to fix accountability, but there is still one per cent chance that States may not accept. Therefore, there is a need of constant dialogue between all stakeholders to ensure the measures are implemented in their true spirit. <https://www.thehindubusinessline.com/opinion/ray-of-hope-for-distressed-discoms/article67159375.ece>

37. Tracing the missing: Global tax transparency must extend beyond financial sector, and get “real” (*financialexpress.com*) August 7, 2023

Thanks to prodding by India as the incumbent G20 Chair, the OECD announced during the recent meeting of G20 finance ministers and central bank governors that it would “explore the scope” of standardised, automatic information-sharing among countries on cross-border real estate holdings and deals. To start with, “readily available” data would be shared “on a voluntary basis,” via existing gateways, but the aim is to shift to a model giving government agencies direct access to real-time data, it said. The move by the global body may seem largely symbolic for now. Yet, it signals that the intent to prevent any erosion of the recent gains in global tax transparency is reasonably strong. The concerns over durable fiscal capacity have tended to rise in recent years, with the world struggling to deal with a protracted economic turmoil. Rich nations are no exception to this.

The OECD’s move immediately followed the decision of 136 countries to tie themselves to its two-pillar global tax reform plan. It was also a logical extension of the crypto-asset reporting framework, which it approved in last August. The two-pillar plan aims to ensure that each country will get a share of the tax on profits earned in its jurisdiction, even if it is collected elsewhere. It also seeks to arrest the “race to the bottom” among countries as far the corporate tax rate is concerned, with the endorsement of a minimum tax of 15% on multinational companies’ global income.

While the ongoing global drive for tax transparency is beneficial to most countries, its success is far more critical to India. The country is home to 180 million of the world's poor, but has tax and other fiscal resources far unequal to the huge public investments required to meet the sustainable development goals. Despite the steps taken by the government over the years to expand the tax base, India's tax-GDP ratio has stagnated at around 20%, a far cry from the rates even among peers like Brazil (31%) and South Africa (27%).

The GST Council's journey: From introduction of the e-way bill to integration of the e-invoicing system with return filing, it has taken several important decisions. Cross-border real estate holdings are an increasing tool for HNIs and the super-rich to hide wealth and evade tax. The shift to this asset class has gained momentum, even as financial information exchange within and among countries has increased in currency and usefulness. It is significantly more difficult now to hide assets like or obfuscate beneficial ownership via complex corporate layering. The realty sector largely escaped this information network and sleuthing. To illustrate, 80% of the real estate money laundering cases in the US are being traced to funds originating from outside that country, including India. There are growing instances of India HNIs being booked in money laundering cases in the US, UK and elsewhere.

At the same time, anecdotal evidence suggest inequality in India is only turning starker, exposing the inadequacy of tax incidence at the top of the income pyramid. With India's corporate tax rate being slashed to the level of advanced economies, the rich have an incentive to transfer wealth to incorporated firms and start-ups, and aid capital formation in the economy. Tracking tax evaders among them more aggressively would help expedite this shift. It is an exaggeration to say that the rising trend of HNI migration is caused by tax bite. To be sure, only a small fraction of the rich would still migrate, and even they leave the country for quality jobs, better education, and in search of higher standards of life. <https://www.financialexpress.com/opinion/tracing-the-missing-global-tax-transparency-must-extend-beyond-financial-sector-and-get-real/3201627/>