

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. CAG pulls up HAL for serious design lapses in engine that led to loss of ₹159 crore (*thehindubusinessline.com*) August 11, 2023

The Comptroller and Auditor General (CAG) of India has castigated leading state-owned Hindustan Aeronautics Limited (HAL) for serious lapses in the design and development of aircraft engines including the absence of feasibility studies and project reports, ignoring technical review by domain experts, use of “substitute” and not original materials in manufacturing, that lead to production delay and a loss of ₹159.23 crore as of March 2022.

In its 18th report on defence PSUs for the year ended March 2020 presented in parliament on Thursday, the auditors critically observed that “HAL did not envisage the risks associated with Project 1 which resulted in taking up several unplanned activities. The scope of the project was modified after the initiation of the D&D (Design and Development) activities. Further, HAL failed to anticipate the delay in availability of the originally planned material due to which the Core Engine 1 was manufactured using substitute materials.”

This resulted in, as per the CAG, HAL manufacturing a second Core Engine 2 with the originally planned material. “The expenditure of ₹159.23 crore incurred as of March 2022 was impaired,” the auditors revealed.

The CAG indictment comes after a parliamentary standing committee on defence in an earlier report had also come down heavy on HAL for the inordinate delay of Tejas fighter jet production which is impinging Indian Air Force preparedness due to depleting fleet strength.

The CAG in its report further highlighted deep flaws such as “incorrect assessment of the required thrust and lack of clarity on availability of A Type Engine leading to improper engine selection which in turn had a cascading effect on the D&D process of Project 2 (engine)“. Further, lack of clarity on the resolution of stall and spin issues and improper planning in the initial stages of the development process, led to a delay of more than 20 years in the project that was initiated in July 1999, the CAG pointed out.

The D&D of Aircraft 2 was initiated in 2014 with the internal resources of HAL for the avionics upgrade of the platform. “No business plan was drawn up either before embarking upon the project or during the progress of the project so as to ensure Recovery of Investment (RoI). As there was no firm commitment for Aircraft 1, the entire expenditure incurred amounting to ₹153.98 crore was impaired,” it said.

According to CAG, HAL took up the possible UAV ‘Project 3’ and the D&D was started without seeking specific requirements from potential customers and market exploration or survey was also not carried out either before or after completion. “Despite incurring an expenditure of ₹9.54 crore, Project 3 was not feasible for Defence security applications and therefore HAL could not penetrate the market in an emerging UAV industry,” the auditors remarked.

HAL's goof up in copter certification

The legacy issues like the half-hearted approach were also witnessed in HAL's attempt to get European Aviation Safety Agency (EASA) certification of helicopters which culminated in a wasteful expenditure of ₹21.31 crore.

HAL applied for EASA certification of copter 1 in 2009, in order to enhance its export potential to European countries. But, CAG stated that HAL failed to anticipate the stringent requirements of EASA which took longer time for compliance and a consequential additional fee.

At the same time, it could not identify technical experts to avail consultancy services for timely compliance with the stringent requirements of EASA. The expenditure of ₹108.24 crore incurred on the exercise turned out to be wasteful, said the auditors. <https://www.thehindubusinessline.com/companies/cag-pulls-up-hal-for-serious-design-lapses-in-engine-that-led-to-loss-of-159-crore/article67183454.ece>

2. Improper engine choice, planning delayed Intermediate Jet Trainer project: CAG (*hindustantimes.com*) August 11, 2023

Improper engine selection and faulty planning in the early development stage by state-owned aircraft maker Hindustan Aeronautics Limited led to significant delays in the intermediate jet trainer (IJT) project that was sanctioned almost 25 years ago, the Comptroller and Auditor General (CAG) said in a report tabled in Parliament on Thursday.

The IJT project was sanctioned in July 1999 with a grant of ₹180 crore.

“Incorrect assessment of the required thrust and lack of clarity on availability of A Type Engine led to improper engine selection, which, in turn, had a cascading effect on the design and development of Project 2 (IJT),” the national auditor said in its latest report.

Lack of clarity on resolution of stall and spin issues and improper planning in the initial stages of development led to a delay in the project, the report said.

The IJT, first powered by a French engine and now a Russian one, was expected to get initial operational clearance by 2006 with deliveries to the Indian Air Force planned a year later. However, there is no indication from the IAF about a possible order. The much-delayed IJT was planned as a replacement for the IAF's Kiran fleet to carry out stage-II training of fighter pilots.

Rookie IAF pilots go through a three-stage training involving the Swiss-origin Pilatus PC-7 MkII planes, Kiran trainers and finally the British-origin Hawk advanced jet trainers before they can fly supersonic fighter jets. The Kiran trainers were first inducted into the IAF in the 1960s.

The IJT or the HJT-36 single-engine aircraft has completed a raft of crucial trials, but the testing process is still on, officials aware of the project said, asking not to be identified. The inordinate delay in the project upset the IAF's calculations and forced it to fly the Kiran trainers longer than it would have liked.

To be sure, the CAG report on defence public sector undertakings is for the year ended March 2020. The IJT project has made some progress since.

In January 2022, HAL announced that the IJT had successfully demonstrated the capability to carry out six turn spins, a key requirement for trainers and the most crucial phase of flight testing. The capability to enter and recover from a spin is a necessity for a trainer aircraft to familiarise trainee pilots with departure from controlled flight and the actions required to recover from such situations.

The IJT project is no longer backed by the IAF, and HAL had to dig into its internal funds to carry out key trials after the project suffered a critical setback during spin testing in 2016 and brought the programme to a temporary halt. The future of the IJT project looks uncertain and the IAF could lease trainer aircraft to meet its requirements after the Kirans retire, the officials cited above said.

Commenting on design and development in HAL, the report said, "Project feasibility studies, project definition phase reports and detailed project reports were not prepared. Technology gap analysis was not carried out and the D&D of the projects was taken up based on inputs from the customers."

Technical reviews by a separate committee including domain experts were not carried out for the important phases of the D&D projects, it added. <https://www.hindustantimes.com/india-news/improper-engine-choice-planning-delayed-intermediate-jet-trainer-projectcag-101691692475652.html>

3. HAL failed to anticipate EASA requirements: CAG (*economictimes.indiatimes.com, theprint.in, business-standard.com*) August 11, 2023

The Hindustan Aeronautics Limited applied for European Aviation Safety Agency (EASA) certification of Helicopter 1 in 2009 to enhance its export potential to European countries, but failed to anticipate stringent requirements of EASA which took longer time for compliance and a consequential additional fee, a CAG report has found.

The Comptroller and Auditor General of India (CAG)- Union Government (Public Sector Undertakings - Ministry of Defence) for the year ended March 2020 - Report No 18 of 2023 was presented in Parliament on Thursday, according to an official statement.

"The Hindustan Aeronautics Limited (HAL) also failed to identify technical experts to avail consultancy services for timely compliance of the stringent requirements of EASA. The expenditure of Rs 108.24 crore incurred was impaired," it said.

As on March 31, 2021, there were nine main defence PSUs, six subsidiaries and two joint venture companies under the Ministry of Defence, the CAG has said in the report.

On design and development (D&D) in HAL, the audit has found that the "project feasibility studies, project definition phase reports and detailed project reports were not prepared".

"Technology Gap Analysis was not carried out and the Design and Development (D&D) of the projects were taken up based on inputs from customers. The meetings of the Committee of Institutions Network were not held as per the schedule mandated under the R&D Policy. The technical reviews by a separate Committee inclusive of domain experts were not carried out for all the important phases and stages of D&D projects," according to the statement.

Also, HAL "did not envisage the risks associated with the Project 1 which resulted in taking up several unplanned activities," it added.

The D&D of Project 3 was started by HAL for which "no specific requirements" from potential customers or users were obtained, the audit has flagged.

"HAL applied for European Aviation Safety Agency (EASA) certification of Helicopter 1 in 2009, in order to enhance its export potential to European countries. However, HAL failed to anticipate stringent requirements of EASA which took longer time for compliance and a consequential additional fee. HAL also failed to identify technical experts to avail consultancy services for timely compliance of the stringent requirements of EASA. The expenditure of Rs 108.24 crore incurred was impaired," the statement said. <https://infra.economictimes.indiatimes.com/news/aviation/hal-failed-to-anticipate-easa-requirements-cag/102636970>

4. HAL failed to anticipate time-consuming EASA requirements for compliance, additional fee: CAG (*etvbharat.com*) 11 Aug 2023

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5. HAL and BEL caused loss of crores: CAG (*tribuneindia.com*)
August 11, 2023

The Comptroller and Auditor General of India (CAG), in a report, today said public sector firms Hindustan Aeronautics Ltd (HAL) caused a loss of Rs 159.23 crore due to faulty planning of projects. In case of BEL, it said a loss of Rs 142 crore was incurred as the electronic circuit boards could not be indigenised. <https://www.tribuneindia.com/news/business/hal-and-bel-caused-loss-of-crores-cag-534059>

6. House panel pulls up MoD on misuse of defence land
(*tribuneindia.com*) Updated: Aug 11, 2023

The Public Accounts Committee (PAC) today, in a report, has taken serious exception to the undue delay in submission of 'action taken' by the Ministry of Defence while dealing with the issue of unsatisfactory management of defence estates.

The committee report said the CAG in its report in 2015 mentioned about the serious lapses and irregularities, misuse of defence land by the local military authorities for unauthorised purposes. In 2018, the Parliamentary Standing Committee on Defence took up the matter. The PAC found undue delay in tackling the matter. The PAC said approximately Rs 838.34 crore loss had been caused over the years. <https://www.tribuneindia.com/news/nation/house-panel-pulls-up-mod-on-misuse-of-defence-land-534039>

7. CAG flags Bharatmala bidding irregularities
(*timesofindia.indiatimes.com*) Updated: Aug 11, 2023

NEW DELHI: The federal auditor, in its latest report, has found irregularities in award of the government's flagship Bharatmala highway projects and said that the implementing agencies violated the tendering processes. The violations include successful bidder not fulfilling tender conditions or bidder selected on the basis of falsified documents and award of works without approved detailed project reports (DPRs) or faulty reports.

The report on "Implementation of Phase-I of Bharatmala Pariyojna", which was submitted to the Parliament on Thursday, also said the implementing agencies were awarding projects without ensuring availability of required land and forest clearance, which are resulting in delayed commencement and completion of projects. The National Highways Authority of India (NHAI) and National Highways and Infrastructure Development Corporation Ltd (NHIDCL) are the implementing agencies.

The Comptroller and Auditor General (CAG) also found deficiencies in the appraisal and approval mechanism proposed to the cabinet committee on economic affairs (CCEA) as many of the high cost engineering procurement and construction (EPC) or fully government-funded projects such as the Delhi-Vadodara Expressway and Dwarka Expressway could not be assessed by either CCEA or the highways ministry "to have the advantage of the scrutiny at that level". It added that even the appraisal and approval mechanism decided by CCEA was not strictly followed.

The CAG has also flagged that the DPRs prepared by consultants were not appraised with due diligence before their approval.

"Instances of adoption of different specifications by contractors or concessionaires at the time of execution of projects than what were prescribed by detailed project report consultants, highlighted the fact that specifications of detailed project reports were not found suitable as per site conditions," the CAG said.

On the fund management, the auditor also found that only 75.6% of Cabinet approved length has been awarded while 158% of approved financial outlay had been sanctioned till this March end. "This has resulted in sanctioned civil cost being Rs 23.89 crore per km as against the CCEA approved cost of Rs 13.98 crore per km and sanctioned pre-construction cost being Rs 8.28 crore per km as against the CCEA approved cost of Rs 1.39 crore per km," it said.

While the original cost of the 34,800 km mega highway development programme was Rs 5.4 lakh crore, this has crossed Rs 10 lakh crore due to changes in projects and increase in the share of expressway and economic corridors.

It also said besides increase in requirement of funds, the funds approved for other schemes worth Rs 1.6 lakh crore were being utilised to report the achievement. <https://timesofindia.indiatimes.com/india/cag-flags-bharatmala-bidding-irregularities/articleshow/102625792.cms?from=mdr>

8. Faulty DPRs, Irregularities in Bharatmala Project Tenders Pointed out By CAG Report (swarajyamag.com) Updated: Aug 11, 2023

The CAG report submitted in Parliament has highlighted that successful bidders were not fulfilling tender conditions or bidders were selected on the basis of falsified documents.

Flagging the issues with awarding of projects, the Comptroller and Auditor General (CAG) of India has pointed out instances of irregularities in awarding of projects, by implementing agencies.

Observing the lacunae, the CAG pointed out that this was in clear violation of the prescribed processes of tendering. <https://swarajyamag.com/infrastructure/faulty-dprs-irregularities-in-bharatmala-project-tenders-pointed-out-by-cag-report>

9. CAG flags irregularities in Bharatmala project tenders (*b2bchief.com*) Updated: Aug 11, 2023

The Comptroller and Auditor General (CAG) of India has found instances of irregularities in award of projects by agencies implementing central government funded highway projects. In its report on implementation of Phase-I of Bharatmala Pariyojana, the auditor has also found deficiencies in the appraisal and approval mechanism proposed to the Cabinet Committee on Economic Affairs (CCEA) in many of the high cost Engineering Procurement and Construction (EPC) projects.

The CAG has named the Delhi-Vadodara Expressway and the Dwarka Expressway which could not be assessed by either CCEA or the Ministry of Road Transport and Highways (MoRTH) to have the advantage of the scrutiny at that level. “Even the appraisal and approval mechanism decided by CCEA was also not strictly followed,” the CAG said.

Highlighting issues with awarding of projects by implementing agencies, the CAG said that instances of irregularities in award of projects by implementing agencies were observed. This was in clear violation of the prescribed processes of tendering. According to the CAG, the lacunae was in instances of successful bidder not fulfilling tender condition or bidder selected on the basis of falsified documents, award of works without there being approved detailed project reports or based on faulty detailed project report.

The National Highways Authority of India (NHAI) and the National Highways & Infrastructure Development Corporation Limited (NHIDCL) are the implementing agencies that develop central funded road projects.

CAG also noted that detailed project reports prepared by consultants were not appraised with due diligence by the competent authority before approval of projects. “Instances of adoption of different specifications by contractors or concessionaires at the time of execution of projects than what were prescribed by detailed project report consultants, highlighted the fact that specifications of detailed project reports were not found suitable as per site conditions,” the CAG said.

Pointing out that there were significant cost overruns, the auditor noted that only 75.62% of CCEA approved length has been awarded while 158.24% of approved financial outlay was sanctioned up to March 31, 2023.

The Phase-I of Bharatmala Pariyojana was for development up to September 2022, at an investment outlay of Rs 5,35,000 crore.

According to the CAG, significant changes made in the scope of projects and cost estimates as well as richer project specifications adopted have pushed up the sanctioned cost of projects. "This has resulted in sanctioned civil cost being Rs 23.89 crore per kilometre (km) as against the CCEA approved cost of Rs 13.98 crore per km and sanctioned pre-construction cost being Rs 8.28 crore per km as against the CCEA approved cost of ₹ 1.39 crore per km," the auditor noted.

In another report, the CAG found that NHAI continued to collect user fee in three toll plazas (namely Nathavalsala, Chalageri, Hebbalu in Southern India) during delayed period of construction. This was in violation of rules stating that no user fee shall be levied for the delayed period, leading to higher toll collection from commuters. <https://b2bchief.com/cag-flags-irregularities-in-bharatmala-project-tenders-infra-news-et-infra/>

10. Toll rules violated, NHAI collected Rs 154cr from commuters, says CAG (*timesofindia.indiatimes.com*) Updated: Aug 11, 2023

NEW DELHI: The federal auditor has revealed how nonimplementation of the toll rules by the National Highways Authority of India (NHAI) not only caused losses to the highways authority but in some cases, it also cost the commuters dear. In two instances, NHAI collected Rs 154 crore from commuters in violation of toll rules, the Comptroller and Auditor General of India (CAG) said in a report tabled in Parliament on Thursday.

As per the report, due to non-implementation of NH Fee Amendment Rules of 2013 with respect to upgradation of existing 4-lane highways, NHAI continued to collect user fee at three toll plazas - Nathavalsala, Chalageri, Hebbalu - during the delayed period of construction, though the amended rule provides for no toll during the delayed period. "The road users continued to pay user fee during the delayed period of the projects. This resulted in collection of user fee of Rs 124.18 crore during May 2020 to March 2021 in violation of the amended toll fee rules," the report said.

It added that NHAI delayed reduction in user fee to 75% of fee applicable in case of Paranur toll plaza in Tamil Nadu and in case of Madpam toll plaza in Andhra Pradesh, the user fee was revised annually despite the stipulation of no revision of user fee during upgradation as per the amended rules.

The report said NHAI collected Rs 7.9 crore from road users on the two toll plazas from August 2018 to March 2021. "Thus the toll collection in these five toll plazas led to undue burden of Rs 132.05 crore on road users," the report said.

In another case, the CAG found that despite the NH Fee Rules specifying that no toll can be levied on bridge built before September 1956, NHAI collected toll at Paranur public-funded toll plaza, a bridge that was constructed in 1954.

It said NHAI collected excess toll fee of Rs 22 crore from road users during 2017-2018 to 2020-2021. <https://timesofindia.indiatimes.com/india/toll-rules-violated-nhai-collected-rs-154cr-from-commuters-says-cag/articleshow/102625827.cms?from=mdr>

11. Changes increase NH project cost by Rs 10 cr per km: CAG
(*indianexpress.com*) Aug 11, 2023

Comptroller and Auditor General (CAG), marquee highway project, Bharatmala, Indian Express, India news, current affairs The Bharatmala Pariyojana for the development of 74,942 km of NHs was approved in 2017. Out of total length, national highways worth 34,800 km, including remainder work of National Highways Development Programme of 10,000 km, was approved under Phase-I of Bharatmala Pariyojana for development up to September 2022, at investment of Rs 5,35,000 crore.

‘Richer specifications’, and changes made in its scope and cost have made the Union government’s marquee highway project, Bharatmala, costlier by around Rs 10 crore per kilometre, an audit by the Comptroller and Auditor General (CAG) found.

“This has resulted in sanctioned civil cost being Rs 23.89 crore per km as against the Cabinet Committee on Economic Affairs (CCEA)-approved cost of Rs 13.98 crore per km & sanctioned preconstruction cost being Rs 8.28 crore per km as against the CCEA-approved cost of Rs 1.39 crore per km,” the CAG said in report tabled in Parliament Thursday.

In a detailed analysis of the Bharatmala project Phase 1, it said that up to 31 March 2023, while only 75.62 per cent of the CCEA-approved length has been awarded, the project has already sanctioned 158.24 per cent of CCEA-approved financial outlay.

The audit noted that apart from increase in funds requirement, funds approved for other schemes to the tune of Rs 1,57,324 crore were utilised to report BPP-I achievement. “...as observed in NHIDCL whereby 78 such projects (1,752 km) approved in other schemes, were being reported as achievements of Bharatmala-1 as on 31 March 2023,” it said.

The Bharatmala Pariyojana for the development of 74,942 km of NHs was approved in 2017. Out of total length, national highways worth 34,800 km, including remainder work of National Highways Development Programme of 10,000 km, was approved under Phase-I of Bharatmala Pariyojana for development up to September 2022, at investment of Rs 5,35,000 crore. <https://indianexpress.com/article/india/changes-increase-nh-project-cost-by-rs-10-cr-per-km-cag-8886900/>

12. Dead beneficiaries to poor infra: CAG flags massive issues in Ayushman Bharat scheme (*thenewsminute.com*) AUGUST 11, 2023

As many as 88,760 patients were recorded to have died while availing treatment under the Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), and a total of 2,14,923 claims were subsequently made towards “fresh treatment” of these same patients, reveals a performance audit report by the Comptroller and Auditor General (CAG) of India. The report, tabled in the Lok Sabha on August 7, covers the period from September 2018 to March 2021 and details numerous irregularities and incidents of data manipulation that have plagued the implementation of the Union government’s flagship health insurance scheme.

Around 7.87 crore beneficiary households are registered for the PMJAY, which aims to provide a health cover of up to Rs 5 lakh per family every year for secondary and tertiary care hospitalisation services, according to the records of the National Health Authority (NHA) that manages the scheme's implementation on behalf of the Union government. This comprises up to 73% of the scheme's target of 10.74 crore households. For its report, the CAG has zeroed in on a sample size of 964 hospitals from 161 districts across 28 states. Here are a few selected details from the report.

'Dead' beneficiaries

The CAG report states that after a desk audit in July 2020, the NHA was informed that the system was allowing pre-authorisation requests of even patients who were earlier recorded as 'dead' while availing of treatment under the scheme. The NHA acknowledged the audit comment, and said that necessary check(s) have been put in place to ensure that the PMJAY ID of dead patients would be disabled from availing further benefits, the report says.

But patients shown as dead continued to "avail treatment" even in the months that followed.

Of the 2,14,923 claims, up to 3,903 claims — pertaining to 3,446 patients and amounting to Rs 6.97 crore — were paid to hospitals. The highest number of such claims was recorded in Kerala, where 1,022 claims were made for 'fresh treatments' of 966 formerly dead patients. An amount of Rs 2.60 crore was paid towards these claims. This was followed by Chhattisgarh, where 404 claims were made for 365 dead patients. Haryana, Jharkhand, and Madhya Pradesh also recorded a significant number of such claims.

One Aadhaar, one mobile number, many patients

The Aadhaar is one of the primary ID cards to be used for registration under the AB-PMJAY. The NHA has reportedly authenticated beneficiaries with the Unique Identification Authority of India (UIDAI) through Aadhaar e-KYC (Electronic Know Your Customer) to ensure that the information furnished is authentic. In Tamil Nadu, the CAG found that multiple beneficiaries were linked with the same or erroneous Aadhaar numbers.

The NHA has stated that this has happened because Tamil Nadu is using its own IT platform and database for beneficiary identification. It urged the state to migrate to the Aadhaar-based BIS platform of NHA to strengthen the verification protocol. At the same time, the report notes that the successful generation of multiple e-cards (PMJAY ID) against the same/erroneous Aadhaar number indicates a "lack of essential validation controls."

Though communications related to the scheme such as post-discharge feedback is expected to be done through the contact number provided by the beneficiary, the CAG reveals that there are large numbers of beneficiaries registered against the same or invalid mobile number. For instance, the BIS database links as many as 7.49 lakh beneficiaries to a single invalid phone number '9999999999'. There are 1.39 lakh people whose registered phone number is mentioned as '8888888888'. Another 96,046 beneficiaries have their number as '9000000000'.

Duplicate IDs, erroneous data

Once a beneficiary is verified to be eligible, a PMJAY ID — a nine-digit alphanumeric code that is supposed to serve as a unique identification key — is supposed to be assigned to them. But CAG’s data analysis found that this ID was not unique in as many as 1.57 lakh approved cases.

“The presence of duplicate IDs in the system indicates failure of the system to generate a unique ID for each beneficiary. In such circumstances, the possibility of the presence of ineligible beneficiaries in the BIS database cannot be ruled out,” the CAG report says.

The audit also revealed that in up to 43,197 households, the size of the family was unrealistic, ranging from 11 to 201 members. It is to be noted that there is no cap on family size for eligible households in the guidelines. The report says that the presence of such unrealistic members in a household in the BIS database points towards the lack of essential validation controls in the registration process.

Besides, the NHA has used the Socio-Economic and Caste Census (SECC) database of 2011, seven years old at the time of PMJAY’s inception, as the eligibility criteria for the scheme. Even if we do not factor in the economic development and employment opportunities that could have realistically changed the dynamics of the said census data, the SECC database has also been found to be riddled with several inconsistencies, including invalid and blank entries on name and gender columns, unrealistic dates of birth such as ‘1814’ and ‘1824’, etc.

A ‘match confidence score’ of little use

As per the scheme’s beneficiary identification system (BIS) guidelines, relevant documents are to be approved for insurance claims only after the details of the applicant are matched with the list of eligible beneficiaries. For this, a ‘match confidence score’ of one to 100 is generated online based on the level of documents matched. In the absence of any uniform threshold for this score by the NHA, approvals and rejections were made irrespective of the confidence score, the report says.

The CAG’s data analysis revealed that the match confidence score was not applied as a criterion during the approval/rejection process of registration of a person. Up to 32.25% of the 11.38 crore approved cases failed to even generate a match confidence score, while the score was zero for around 14.84% of the cases. On the other hand, nearly 40.65% of the 94 lakh rejected applications had a match confidence score of 51 to 100.

Shortage of infra, equipment

As of November 2022, a total of 26,209 — 11,930 private and 14,279 government — hospitals were empanelled across India’s states and union territories. According to the PMJAY scheme’s hospital empanelment and management (HEM) guidelines, the Empanelled Health Care Providers (EHCPs) should meet certain minimum requirements.

These criteria were not met by some of the EHCPs in 12 states/UTs, namely Andaman and Nicobar Islands, Assam, Bihar, Chandigarh, Gujarat, Himachal Pradesh, Jammu and Kashmir, Manipur, Nagaland, Puducherry, Tripura, and Uttar Pradesh, the CAG

report says. The centres reportedly had “deficiencies such as medical equipment being out of order, lack of basic infrastructure such as IPD beds, operation theatres, ICU care with ventilator support systems, pharmacy, dialysis unit, blood banks, round-the-clock ambulance services.”

The report also says that in Bihar, Himachal Pradesh, Jharkhand, Karnataka, Meghalaya, Puducherry and Uttarakhand, some of the hospitals were empanelled even though they did not comply with appropriate fire safety measures, standard treatment guidelines, and waste management support services. The State Health Agencies (SHAs) are required to ensure that the EHCPs follow all the norms and safety measures.

The availability of EHCPs was very low in the states/UTs of Assam (3.4 per lakh beneficiaries), Dadra Nagar Haveli-Daman Diu (3.6), Maharashtra (3), and Rajasthan (3.8). Though beneficiaries in Bihar and Uttar Pradesh are numerous at 5.56 crore and 6.47 crore, availability of EHCPs was very low in comparison at 1.8 and five EHCPs to a lakh of the population respectively, the report says.

Low performance under PMJAY

The CAG audit also notes instances of either zero or low performance in several states, especially Andhra Pradesh, Jharkhand, Punjab, Tamil Nadu, and Uttar Pradesh. In Andhra, for instance, out of 1,421 empanelled EHCPs, 524 submitted zero claims while 81 submitted one to five claims — indicating that they are not fully functional. In Jharkhand, it was found that 59 EHCPs were not treating patients since empanelment. In Punjab, five selected EHCPs in five test-checked districts did not provide any treatment up to March 2021. None of the 19 EHCPs empanelled in September 2020 in Tamil Nadu were entertaining patients under the scheme as of March 31 2021. Out of the 416 EHCPs in seven districts in Uttar Pradesh, 40 did not provide any treatment.

Beyond these, the CAG report also details issues such as inordinate delays in authorisation and settling of claims, excessive and inadmissible payments made to EHCPs, faulty formats of data maintenance, transfer of grants to states/UTs before the implementation of the scheme, SHAs’ failure to remit interest on unspent grants, and several more such discrepancies and irregularities. <https://www.thenewsminute.com/article/dead-beneficiaries-poor-infra-cag-flags-massive-issues-ayushman-bharat-scheme-180924>

13. CAG finds irregularities in Ayushman Bharat scheme in MP, says ₹1.1 crore paid to 403 'dead' patients (*livemint.com*) Aug 10, 2023

The Comptroller and Auditor General of India (CAG) in its pan-India audit has found serious irregularities in the Ayushman Bharat scheme in Madhya Pradesh, reported NDTV on 10 August.

According to the report, over ₹1.1 crore was paid to about 403 patients who were declared 'dead' in the database, the report added.

Apart from it, the CAG audit report even mentioned that across the state during the same period, around 8,000 patients were shown to be hospitalized at multiple hospitals.

In the report, CAG named 24 state hospitals, including a government hospital, that surprisingly showed much higher occupancy than the actual bed strength.

The audit stated that 25 hospitals had submitted claims for 81 patients twice for various surgical treatments. "The Madhya Pradesh health authority paid the full amount for both claims as against the prescribed rate of 50% payment on the second claim," NDTV quoted the audit report as saying.

Implemented by the National Health Authority (NHA), the flagship scheme provides a health cover of ₹5 lakh per family per year to beneficiaries.

Over 23 crore beneficiaries have been verified and issued Ayushman cards to date so that they can avail of free treatment under the scheme.

As per details, the person is verified through mandatory Aadhaar-based e-KYC for the scheme. <https://www.livemint.com/news/india/independence-day-2023-ayushman-bharat-to-amrit-mahotsav-a-look-back-at-pm-modis-big-announcements-in-last-9-years-11691740926258.html>

14. Ayushman Bharat Yojana: 1,285 People Tied To '000000000000' Aadhaar; 7.5 Lakh Beneficiaries Linked To '9999999999' Mobile Number | CAG Report Unearths MASSIVE Irregularities (timesnownews.com) Aug 10, 2023

As many as 1,285 people enrolled under the Ayushman Bharat- Pradhan Mantri Jan Aarogya Yojana (PMJAY) in Tamil Nadu are linked with the Aadhaar number '000000000000', the Comptroller and Auditor General of India (CAG) has revealed while highlighting irregularities in registration and validation of beneficiaries under India's flagship health scheme.

In its audit report on Performance Audit of Ayushman Bharat — PMJAY, tabled in Lok Sabha on Tuesday, the CAG revealed overall, 7,49,820 beneficiaries were linked with a single mobile number '9999999999', which was invalid, in the Beneficiary Identification System (BIS) of the scheme, TOI report cited.

Data analysis of the BIS database revealed that there were large numbers of beneficiaries registered against the same or invalid mobile number. Overall, 1119 to 7,49,820 beneficiaries were linked with a single mobile number in the BIS database...," the report states. Related News PMJAY: CAG flags data gaps, errors | Startling revelations made in the auditor's report on flagship health scheme

There were also at least 20 cellphone numbers to which between 10,001 and 50,000 beneficiaries were linked, as per the report.

The report further shows as many as 43,197 households included in the scheme have declared family size ranging from 11 to 200. In 43,180 households, the data analysis by the CAG shows family size has been stated to be between 11 and 50.

There are 12 households where family size is stated to be between 50-100 members and four households have declared 100 to 200 family members. In one case, the audit shows, a household has declared 200 to 201 members, as per the CAG report.

“Presence of such unrealistic members in a household in the BIS database indicates not only lack of essential validation controls in the beneficiary registration process but also the possibility that beneficiaries are taking advantage of the lack of a clear definition of family in the guidelines,” the CAG pointed out as quoted by TOI. The

National Health Authority (NHA), implementing agency for AB-PMJAY, while agreeing with audit observation, stated that the National Anti-Fraud Unit (NAFU) had sent periodic reminders to the states/UTs highlighting discrepancies in verified data.

"However, 'public health' being a state subject, the final decision in this regard vests with the state governments. Also, NHA is developing a policy to disable 'Add Member' functionality in case of any beneficiary family with more than 15 members," NHA said. Related News Rajasthan govt to distribute 1.3 cr smartphones with free data for 3 years to women | Know the scheme, number of beneficiaries in 1st phase and cost of each smartphone

“NAFU is sending a communication to the states/UTs to fully audit all such cases where family size is above a certain threshold,” it added.

Replying to the errors in linking Aadhaar in Tamil Nadu, NHA said that the state is using its own IT platform (and database) for beneficiary identification. NHA has urged states to migrate to the Aadhaar-based BIS platform of NHA to strengthen beneficiary verification protocols, according to the CAG report.

In cases of linking around 7.5 lakh beneficiaries with the same mobile number, the Health Ministry sources claimed this may have been possible because initially, the mobile number was not a mandatory field during beneficiary verification. "However, since there was a field for mobile numbers, it is possible a random 10-digit number was entered by the field-level workers," one of the sources said as quoted by TOI. <https://www.timesnownews.com/business-economy/economy/ayushman-bharat-yojana-1285-people-tied-to-000000000000-aadhaar-7-5-lakh-beneficiaries-linked-to-9999999999-mobile-number-cag-report-unearths-massive-irregularities-article-102613284>

15. Not quite healthy (*timesofindia.indiatimes.com*) 11 Aug 2023

It's five years since GOI launched PMJAY, the state-funded health insurance scheme meant to cover the poorest 40% of the population. An important goal of PMJAY is to reduce out-of-pocket expenditure in healthcare. CAG this week unveiled a performance audit of the scheme. It covers the period between 2018 and 2021. Since then, PMJAY has expanded coverage. Juxtaposing CAG's report with other data presented by GOI in Parliament provides a sense of the scheme's performance.

States are the pioneers in government-funded health insurance coverage. Hence, PMJAY had to be grafted on to existing insurance plans in many states. A consequence is that State Health Authorities (SHAs) directly administer the working of the scheme

for more than half the beneficiaries under PMJAY. It's also led to health coverage of about 15.5 crore families, a level that's above GOI's target as many states foot the bill to ensure families in their original schemes are covered. Given this background, the CAG report and other data point to some structural weaknesses.

Tight control over data and processes is critical to the smooth functioning of health insurance. CAG's report showed that PMJAY has a problem. PMJAY Id, a 9-digit unique alphanumeric code shouldn't be duplicated. That's, however, not the case. In addition, there are other problems with names and even age – some beneficiaries are apparently born in the 19th century. Database issues mean that dubious healthcare providers can game the system and also exploit the information asymmetry that characterises the relationship between doctors and patients. Here, one data point is a puzzle. GOI said that the average cost per episode of hospitalisation in 2022-23 was ₹13,703, which is not even 3% of the overall cover of ₹5 lakh/family. It's out of sync with general inflation in medical costs. What impact could it have on OOP?

Health insurance needs enough empanelled hospitals. Hospitals are unevenly spread, which means poorer states are inadequately covered. For example, Bihar has a population that exceeds TN by almost 50 million but has less than half the latter's empanelled hospitals. Therefore, adding beneficiaries in absence of healthcare infrastructure is meaningless. Media reports show that even in public hospitals patients are being defrauded and denied benefits under PMJAY. SHAs, the dominant administrators, need to up their game. The fifth anniversary is a good time to iron out PMJAY's design flaws. GOI also needs to do an independent audit of PMJAY's impact on OOP. <https://timesofindia.indiatimes.com/blogs/toi-editorials/not-quite-healthy/>

16. The Government of India uses AI & ML to detect potential frauds under AB-PMJAY (*indiaai.gov.in*) 10 Aug 2023

The MoS Health and Family Welfare SP Singh Bhaghel informed the Rajya Sabha through a written reply that the Government of India uses Artificial Intelligence and Machine Learning to spot suspicious transactions and the potential fraud risks under the AB-PMJAY scheme.

The report by the Comptroller and Auditor General of India (CAG) revealed that a large number of patients earlier shown as dead continued to grant treatment under the Ayushman Bharat-Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY). Chhattisgarh, Haryana, Jharkhand, Kerala and Madhya Pradesh reported the maximum number of these fraud cases.

The report stated, "Data analysis of mortality cases in TMS revealed that 88,760 patients died during treatment specified under the scheme. A total of 2,14,923 claims are shown as paid in the system, related to fresh treatment for these patients. The audit further commented that 3,903 of the above claims amounting to ₹ 6.97 crores pertaining to 3,446 patients were paid to hospitals."

Further data analysis revealed that the same patient could get admission to multiple hospitals during the same period of hospitalisation. Moreover, the report noted no mechanism to prevent any patient from gaining admission to different hospitals during the same period of hospitalisation.

Earlier in July 2020, the National Health Authority (NHA) had already acknowledged this case and mentioned that such issues arise when a baby is born in one hospital and shifted for neo-natal care in another hospital using the PMJAY ID of the mother. Meanwhile, the data analysis by CAG opposes this explanation of NHA and found out that 78,396 claims of 48,387 patients were initiated in the database wherein the date of discharge of these patients for earlier treatment was later than the admission date for another treatment of the same patient.

These patients included 23,670 male patients. Such cases were more prevalent in Chhattisgarh, Gujarat, Kerala, Madhya Pradesh and Punjab. The report noted, “Successful payment of such claims further indicates lapses on the part of state health agencies (SHAs) in processing the claims without even verifying the requisite checks.”

The NHA mentioned earlier that the issue was because of non-synchronisation of the date and time of the computers, cases of neo-natal babies, and recording of pre-authorisation after the date of admission.

Tackling the issue with AI & ML

The MoS Health and Family Welfare SP Singh Bhaghel informed the Rajya Sabha through a written reply that the Government of India uses Artificial Intelligence and Machine Learning to spot suspicious transactions and the potential fraud risks under the AB-PMJAY scheme.

These technologies are reportedly used for detecting and preventing healthcare fraud while the scheme is implemented. It aids in ensuring appropriate treatment for the eligible beneficiaries. The technology partners are involved in developing and deploying anti-fraud measures by harnessing the power of AI/ML. As per the report on 1 August 2023, a total number of 23.33 crore Ayushman cards were created under the scheme. <https://indiaai.gov.in/news/the-government-of-india-uses-ai-ml-to-detect-potential-frauds-under-ab-pmjay>

17. CAG की रिपोर्ट: PM स्वास्थ्य बीमा योजना में मिले घपले, बड़ी संख्या में अवैध लाभार्थी उठा रहे फायदा (ndtv.in) 11 Aug 2023

आयुष्मान भारत योजना में CAG को घपले मिले हैं. दुनिया की सबसे बड़ी सरकारी स्वास्थ्य सेवा योजना पीएम बीमा योजना और पीएम जन औषधि योजना में एक ही मोबाइल नंबर है. इसमें बहुत सारे लाभार्थी आ गए. इसी तरह से फर्जी पंजीकरण और भी कई मुद्दों में हुआ. सरकार के कंट्रोलर एंड ऑडिटर जनरल (CAG) ने एक आंकड़ा जारी किया है जिसमें उन्होंने यह बताया है कि, सिर्फ यही नहीं आयुष्मान भारत योजना में और भी बहुत सारे घपले हुए हैं.

प्रधानमंत्री हेल्थ इंश्योरेंस स्कीम में बहुत सारी गड़बड़ियां सामने आई हैं. CAG की रिपोर्ट में यह सामने आई हैं. जबकि हेल्थ मिनिस्ट्री संसद में यह कहती है कि वह फ्राड और संदिग्ध ट्रांजेक्शन का ट्रैक करने के लिए आर्टिफिशियल इंटेलीजेंस का इस्तेमाल कर रही है.

कैग ने आयुष्मान भारत की प्रधानमंत्री जन आरोग्य योजना की एक रिपोर्ट जारी की है। यह योजना विश्व की सबसे सरकारी फंडेड स्कीम है। कैग की रिपोर्ट में कहा गया है कि 9.85 लाख लाभार्थी सिर्फ तीन मोबाइल रजिस्टर्ड हैं। करीब साढ़े सात लाख लाभार्थी मोबाइल नंबर 9999999999 पर रजिस्टर्ड हैं। 1.3 लाख मोबाइल नंबर 8888888888 पर रजिस्टर्ड हैं। इसके अलावा 96,046 लोग मोबाइल नंबर 9000000000 पर रजिस्टर्ड हैं। इन गलत नंबरों पर लाखों लोग रजिस्टर्ड हैं। 4761 लाभार्थी सात आधार नंबरों पर रजिस्टर्ड हैं। कैग ने डेटा का विश्लेषण नवंबर 2022 तक किया है।

इस स्कीम में करीब 24 करोड़ लाभार्थी हैं। रिपोर्ट में कहा गया है कि इसमें इनवेलिड बेनिफीशियरी हैं। इस तरह के लोग कम से कम छह राज्यों में लाभ ले रहे हैं। करोड़ों रुपये इन अवैध लाभार्थियों पर खर्च किया जा रहा है। इस तरह के सबसे अधिक अयोग्य लाभार्थियों पर सबसे ज्यादा व्यय तमिलनाडु में 22.4 करोड़ रुपये व्यय हो रहा है। कर्नाटक में 4.65 करोड़, महाराष्ट्र में 1.47 करोड़ इन पर खर्च किए जा रहे हैं।

रिपोर्ट में यह भी कहा गया है कि योजना में बहुत सारे मृत लोगों के नाम पर उन्हें मरीज दिखाकर इलाज पर व्यय किया गया है। करीब 88,760 मृत लोगों के नाम पर 2.15 लाख दावे किए गए। इन पर पेमेंट भी किया गया। <https://ndtv.in/india/cag-report-scams-found-in-pm-health-insurance-scheme-a-large-number-of-illegal-beneficiaries-are-taking-advantage-4288157>

18. Delay in empanelling hospitals, failure to meet standards plague PMJAY scheme: CAG (downtoearth.org.in) Aug 10, 2023

Some Empanelled Health Care Providers (EHCP) failed to meet the minimum criteria of the standards and quality prescribed, according to a performance audit of the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PM-JAY) tabled in the parliament August 8, 2023.

The EHCPs that failed to meet the standards were in 12 states and Union territories — Andaman and Nicobar Islands, Assam, Bihar, Chandigarh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Manipur, Nagaland, Puducherry, Tripura, and Uttar Pradesh.

“There were deficiencies such as medical equipment being out of order, lack of basic infrastructure such as inpatient beds, operation theatres, intensive care with ventilator support systems, pharmacy, dialysis unit, blood banks, round-the-clock ambulance services,” the audit report said.

Under PMJAY, state health authorities through State Empanelment Committees (SEC) are authorised to empanel private and public health service providers in their states. This is for both secondary and tertiary care hospitalisation services.

Health cover of up to Rs 5 lakh per family per year on a family floater basis, for secondary and tertiary care hospitalisation, is provided through a network of public and private EHCPs. A beneficiary can avail of AB-PMJAY benefits in empanelled hospitals from any state.

The availability of EHCPs per 100,000 beneficiaries was very low in some states / UTs, according to the report. This was found in Assam (3.4), Dadra & Nagar Haveli-Daman & Diu (3.6), Maharashtra (3), Rajasthan (3.8), Uttar Pradesh (5).

Further, the availability of EHCPs per 100,000 beneficiaries ranged from 1.8 EHCPs in Bihar to 26.6 EHCPs in Goa.

According to the guidelines, the states are free to decide the mode of verification of empanelment applications, either through physical verification through the district empanelment committee or using a selected insurance company.

Physical verification was not conducted by the District Empanelment Committee (DEC) before empanelment in 163 EHCPs in Manipur (17), Tripura (103) and Uttarakhand (43).

Moreover, in Assam (18), Chhattisgarh (65), Gujarat (20), Jharkhand (08) and Manipur (15), EHCPs treated beneficiaries for non-empanelled specialties, the CAG report stated.

In Andhra Pradesh (524 EHCPs), Jharkhand (59 EHCPs), Punjab (5 EHCPs), Tamil Nadu (19 EHCPs) and Uttar Pradesh (40 EHCPs), no treatment was provided by the EHCPs, the audit observed.

Furthermore, in 14 states / UTs, 2,733 hospitals were empanelled with delays ranging from one day to 44 months.

In Bihar, Gujarat, Jharkhand, Punjab, Rajasthan and Uttar Pradesh, empanelment of 418 hospitals was under process with delays from two days to 873 days, with reasons like non-submission of replies of required documents, details of manpower, hospital infrastructure from hospitals as required by the DEC, the report added.

Additionally, in Himachal Pradesh (50) Jammu and Kashmir, (459), Jharkhand (36) and Meghalaya (13,418) beneficiaries were charged for their treatment in empanelled EHCPs. This resulted in an increase in the out-of-pocket expenditure for the poor beneficiaries, the report said. <https://www.downtoearth.org.in/news/health/delay-in-empaneling-hospitals-failure-to-meet-standards-plague-pmjay-scheme-cag-91133>

19. Five General Insurance Companies to Refund Rs 458 Cr for Low Claims in PM-JAY (*businessworld.in*) Aug 10, 2023

Five general insurance companies that offer health insurance coverage through the Pradhan Mantri Jan Arogya Yojana (PM-JAY) have been flagged by the Comptroller and Auditor General (CAG) as needing to refund premiums totaling Rs. 458 crore because they failed to meet the required claim-to-premium ratio in five states and one Union Territory.

PMJAY provides free health coverage of Rs 5,00,000 per year to 107 million low-income households nationwide, or roughly the bottom 40 per cent of the population. According to the insurance model, the Centre and the states split the expense of the premiums in a 6:4 ratio.

As per the CAG audit of PM-JAY scheme from 2018-19 till June 2022, in Maharashtra, the National Insurance Company has to refund Rs 214 crore while United India Insurance needs to refund Rs 72 crore. United India Insurance has to refund Rs 111 crore in Tamil Nadu and Oriental Insurance has to refund Rs 55 crore in Gujarat.

According to reports, 100 per cent of the surplus shall be returned by the insurer to the state health agency within 30 days after adjusting a specified percentage for management expenses (which ranges from 10 per cent to 20 per cent) and after all claims have been resolved. The insurers must pay 1 per cent weekly interest on the refund amount after 30 days.

As of November 2022, both the trust model and the insurance model had resolved 35.7 million claims totaling Rs 42,433 crore. The six brownfield States of Andhra Pradesh, Arunachal Pradesh, Rajasthan, Karnataka, Maharashtra, and Tamil Nadu were the recipients of claims totaling Rs 22,620 crore (53.3 per cent). These States process the claims using their own IT platforms, which they then input through an Application Programming Interface (API) into PMJAY's Transaction Management System. <https://www.businessworld.in/article/Five-General-Insurance-Companies-To-Refund-Rs-458-Cr-For-Low-Claims-In-PM-JAY-/10-08-2023-487349/>

20. Funds Allotted for Pension Schemes for BPL Families Were Diverted: CAG Report (*outlookindia.com*) Updated: Aug 11, 2023

Several crores of rupees were diverted from National Social Assistance Programme (NSAP) to fund campaigning programmes of different welfare schemes of the Ministry of Rural Development, revealed the recent report of the Comptroller and Audit General of India. The NSAP was launched in 1955 to provide social security to the population living below the poverty line and includes pension schemes for old age. The CAG report, on the performance audit of the NSAP from 2017-18 to 2020-21, was tabled in Lok Sabha on Tuesday.

“Funds of ₹ 2.83 crore earmarked for IEC (Information, Education, and Communication) activities under NSAP were diverted for campaigning of other schemes. Further, total funds of ₹ 57.45 crore were diverted in six States/UTs for other schemes/purposes,” the reports stated.

Under the funds allocation of the NSAP to states/ UTs, meant for disbursement of pension under various sub-scheme, three per cent was meant for administrative expenditure.

“The Ministry of Rural Development in January 2017 decided to campaign through hoardings in states and UTs for giving due publicity to all programmes/ schemes of the ministry. Administrative approval and financial sanction of Rs 39.15 lakh were taken (June 2017) for a publicity campaign through hoardings, with a limit of 10 hoardings at each capital city of the state and UT. Administrative approval and expenditure sanction of Rs 2.44 crore were taken (August 2017) for campaigning (for) Gram Samridhhi, Swachh Bharat Pakhawada and publicity material of multiple schemes of the ministry through five hoardings in each district of 19 states,” it said.

However, the funds for the campaign which were allocated under the National Rural Employment Guarantee Scheme, were not taken from there. Instead, it was incurred from the funds of the NSAP.

Work orders were issued to DAVP (Directorate of Advertising and Visual Publicity) in June and September 2017. "...the campaigns were to be undertaken by DAVP under intimation to the department; however, the payment to DAVP was made without confirmation of the execution of the work," the report stated.

"Hence, planned IEC (Information, Education and Communication) activities under NSAP were not undertaken as envisaged and funds of Rs 2.83 crore were diverted for campaigning in respect of other schemes of the ministry. Hence, IEC activities intended to create awareness among potential beneficiaries of NSAP could not be taken up even though there was earmarking of funds for IEC activities," it said.

Further, the report points out that there were delays in the identification of potential beneficiaries and the sanction of pensions to eligible beneficiaries. Non-disbursement of pension from pension effective date resulted in short payment of ₹ 61.71 crore to 92,602 beneficiaries in 11 States/UTs". <https://www.outlookindia.com/national/funds-allotted-for-pension-schemes-for-bpl-families-were-diverted-cag-report-news-309644>

21. Government Disbursed Rs 2 Crore as Pensions to 2,103 Dead Beneficiaries, Rs 2.8 Crore Diverted for Publicity: CAG (*latestly.com*) Updated: Aug 11, 2023

The Ministry of Rural Development (MORD) made payment of pensions amounting Rs 2 crore to 2,103 National Social Assistance Programme (NSAP) beneficiaries in 26 states and Union Territories even after their death, and funds worth Rs 2.83 crore were diverted for publicity and campaign, the Comptroller Auditor General of India has said in its report.

The CAG report, on the performance audit of the NSAP from 2017-18 to 2020- 21, was tabled in the Lok Sabha on Tuesday. The report said that according to NSAP guidelines, a pensioner's pension may be discontinued due to death or migration or crossing BPL or any other reason and the pension payment should be stopped accordingly.

It said that further, gram panchayats or municipalities shall report every case of death of a pensioner to the designated Sanctioning Authority. "Non-reporting of death leads to continuation of pension even after the death of the beneficiary leading to irregular payment of pension," it said.

The death of beneficiaries was not being reported by gram panchayats or municipalities in a timely manner in case of 23 states and UTs of Arunachal Pradesh, Assam, Bihar, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Kerala, Ladakh, Madhya Pradesh, Maharashtra, Manipur, Nagaland, Odisha, Punjab, Sikkim, Telangana, Uttar Pradesh, Uttarakhand, Andaman and Nicobar Islands and Puducherry.

"In 26 States and UTs, payment of pension amounting to Rs two crore was made in case of 2,103 beneficiaries even after the death of NSAP beneficiaries," the report flagged.

The report said that in West Bengal 453 beneficiaries got Rs 83.27 lakh, in Gujarat 413 beneficiaries worth 11.83 lakh and 250 beneficiaries in Tripura got Rs 1.83 lakh even after their death.

"During the course of the beneficiary survey, it was observed that in case of 290 out of 8,461 beneficiaries, the pension payment was continued even after death of the beneficiaries. This indicated that the reporting of death and stopping of pension was not being done as required as per NSAP guidelines," the CAG report said.

Non-reporting of deaths of NSAP beneficiaries by gram panchayats or municipalities to the concerned authorities in a timely manner resulted in irregular payment of pension. This needs to be addressed with measures like submission of life certificates, etc., to avoid continuation of pension payment after death of the beneficiaries, it said.

The CAG report also flagged that MoRD diverted funds from the NSAP which includes old age pension schemes, for publicising some of its other schemes. It said that the allocation under NSAP to the states and UTs were meant for disbursement of pension under various sub-schemes of NSAP.

"Out of the total allocation to a State/UT, three per cent fund was meant for administrative expenditure. During audit instances of diversion of funds by the Ministry and States and UTs out of allocated funds for NSAP were noticed. Rajasthan CM Ashok Gehlot Distributes Smartphones Among Women Under New Scheme .

"The MoRD in January 2017 decided to campaign through hoardings in States and UTs for giving due publicity to all programmes and schemes of the Ministry. "Administrative approval and financial sanction of Rs 39.15 lakh was taken (June 2017) for a publicity campaign through hoardings with a limit of 10 hoardings at each capital city of the state and UT," the report said.

It further said that the administrative approval and expenditure sanction of Rs 2.44 crore was taken (August 2017) for campaigning in Gram Samridhi, Swachh Bharat Pakhawada, and the publicity material of multiple schemes of the Ministry through five hoardings in each district for 19 States. The report said that work orders were issued to DAVP in June and September 2017. Publicity campaigns were to be undertaken in September 2017.

The funds for the said campaign were stated to be available under National Rural Employment Guarantee Scheme and were approved by the competent authority to be incurred under the same head.

"However, the audit observed that funds were actually incurred from social security welfare-NSAP schemes," it said. However, the advertisement of only PMAY-G and DDU-GKY schemes were mentioned in the work order and no schemes of NSAP were included in the work order, it said.

It also said that the campaigns were to be undertaken by DAVP under intimation to the department; however, the payment to DAVP was made without confirmation of the execution of the work.

"Hence, planned IEC activities under NSAP were not undertaken as envisaged and funds of Rs 2.83 crore were diverted for campaigning in respect of other schemes of the Ministry," the CAG report said.

"Hence, IEC activities intended to create awareness among potential beneficiaries of NSAP could not be taken up even though there was earmarking of funds for IEC activities," it added. The report also said that the Ministry in its reply in December 2022 stated that the matter has been taken up with the IEC division of the Department. <https://www.latestly.com/india/news/government-disbursed-rs-2-crore-as-pensions-to-2103-dead-beneficiaries-rs-2-8-crore-diverted-for-publicity-cag-5332629.html>

22. 2,103 Dead Beneficiaries Given Rs2 Crore Pension, Govt Diverted Rs2.83 Crore from NSAP for Publicity: CAG *(moneylife.in)* 11 Aug 2023

The Union ministry of rural development (MoRD) paid pensions worth Rs2 crore to 2,103 beneficiaries in 26 states and union territories even after their death under the national social assistance programme (NSAP). Further funds worth Rs2.83 crore were diverted from NSAP for publicity and campaign, the comptroller auditor general of India (CAG) says in a report.

The CAG report on the performance audit of the NSAP from financial year (FY)17-18 to FY20-21 was tabled in the Lok Sabha.

The report says that according to NSAP guidelines, a pensioner's pension may be discontinued due to death or migration or crossing below poverty line (BPL) or any other reason and the pension payment should be stopped accordingly. However, "In 26 states and UTs, payment of pension amounting to Rs2 crore was made in case of 2,103 beneficiaries even after the death of NSAP beneficiaries. During the course of the beneficiary survey, it was observed that in case of 290 out of 8,461 beneficiaries, the pension payment was continued even after the death of the beneficiaries. This indicated that the reporting of death and stopping of pension was not being done as required as per NSAP guidelines."

CAG also found a diversion of funds in NSAP for some other purposes. For example, it says funds of Rs2.83 crore earmarked for information education and communication (IEC) activities under NSAP were diverted for campaigning of other schemes. Further, total funds of Rs57.45 crore were diverted in six states and UTs for other schemes or purposes.

NSAP is being implemented in rural and urban areas by respective state governments and UT administrations. During 2017-21, the government of India allocated Rs34,432 crore for NSAP. Further, states and UTs also allocated Rs1,09,573 crore as additional assistance for pension and for coverage of additional beneficiaries. NSAP reached out to 2.83 crore beneficiaries annually through central allocations and additional 1.82 crore beneficiaries through states and UTs funds on an average per year from 2017 to 2021.

Data analysis carried out by CAG in first phase indicated that 61,933 beneficiaries of Indira Gandhi National Old Age Pension Scheme (IGNOAPS) were below the age of

60 years (as against criteria of BPL and above 60 years), 56,758 beneficiaries of Indira Gandhi National Widow Pension Scheme (IGNWPS) were below the age of 40 years (criteria is BPL, widow, 40 years and above) and 5,869 beneficiaries of Indira Gandhi National Disability Pension Scheme (IGNDPS) were below the age of 18 years as against BPL, 18 years and above with disability of 80% and above.

In 14 states, the IGNOAPS pension of Rs30.47 crore was paid to 57,394 ineligible persons who were less than 60 years of age. In 17 states and UTs, the IGNWPS pension of Rs26.45 crore was paid to 38,540 ineligible persons who were less than 40 years of age. Further, in six states and UTs, IGNOAPS pension of Rs57 lakh was paid to 414 persons other than widows, including male family members.

In 12 states and UTs, IGNDPS pension of Rs4.36 crore was paid to 5,380 ineligible persons who were less than 18 years of age, while in 16 states and UTs, IGNDPS pension of Rs15.11 crore was paid to 21,322 persons whose disability was either below 80 per cent or could not be ascertained.

"Due to non-verification of existing beneficiaries as well as due to lack of data cleaning, verification and authentication, cases of ineligible beneficiaries drawing benefits were noticed in many states and UTs. Further, in many states and UTs, pension was not being paid on a monthly basis. The scheme is not fully direct benefit transfer (DBT) compliant as pension is being paid in cash in some states. There were cases of over-payment, short-payment and multiple pension payments noticed in many states and UTs," the report says.

CAG has recommended instituting specific measures for cleaning or weeding out ineligible beneficiaries, stopping of pensions after the death of beneficiaries and verification and authentication of beneficiary data.

"Pension may be paid on a monthly basis through bank and post office accounts integrated with Aadhaar or biometric authentication. A mechanism for reviewing cases of irregular pension payments and fixing of responsibility on such cases may be instituted. Robust social audit and grievance redressal mechanisms may be established for ensuring transparency and accountability," CAG says. <https://www.moneylife.in/article/2103-dead-beneficiaries-given-rs2-crore-pension-govt-diverted-rs283-crore-from-nsap-for-publicity-cag/71664.html>

23. ‘Centre stops funds under MGNREGA for state but gives Rs 2 cr to non-eligible beneficiaries’ (*millenniumpost.in*) 11 Aug 2023

Kolkata: Trinamool Congress (TMC) attacked the BJP government at the Centre saying that around Rs 1.15 lakh crore meant for Bengal’s poor people under MGNREGA and Awas Yojana has been withheld whereas major lapses were found in the implementation of the National Social Assistance Programme (NSAP) where non-eligible candidates received benefits worth Rs 2 crore.

“The The Comptroller and Auditor General of India (CAG) audit report has exposed the Ministry of Rural Development’s jumla! Funds meant for publicity of the ministry’s schemes were diverted from the pension scheme for campaigning. No wonder the people of Bengal are being deprived of their rightful dues worth Rs 7500 Cr under

MGNREGA, since the Centre is busy spending on its flashy PR stunts!” Trinamool Congress tweeted.

Launching a further attack on the BJP, the ruling party in Bengal said: “Incompetence at its peak! Under the National Social Assistance Programme, @BJP4India Govt generously doled out Rs 2 Cr to over 2,103 deceased beneficiaries! Meanwhile, they have withheld Rs 1.15 lakh crore owed to Bengal’s LIVING poor under MGNREGS & Awas Yojana, who genuinely require the funds for survival. If this isn’t the epitome of failure, then what is?”

Bengal Chief Minister and Trinamool Congress Supremo Mamata Banerjee on several occasions raised her voice against the Centre’s stepmotherly attitude in clearing the dues of the state government. The CAG has recently highlighted several major lapses in the implementation of the NSAP, which is being carried out under the Ministry of Rural Development. These lapses include the lack of verified data leading to ineligible beneficiaries receiving benefits, ineffective monitoring and on-ground checks, diversion of funds meant for creating awareness to other schemes, idling of funds, delays in proposal submission for funds by states, and most states not maintaining ‘BPL lists’. The CAG report also revealed that payments amounting to Rs 2 crore were made to 2,103 NSAP beneficiaries in 26 states and Union territories even after their death.

The audit report covers the period from 2017-18 to 2020-21 and states that the central expenditure for NSAP during this period was Rs 34,432 crore, while total expenditure by states on the scheme was Rs 1,09,573 crore.

The CAG report emphasises that the non-verification of beneficiaries and lack of data cleaning, verification, and authentication have resulted in ineligible beneficiaries receiving benefits in many states.

<https://www.millenniumpost.in/bengal/centre-stops-funds-under-mgnrega-for-state-but-gives-rs-2-cr-to-non-eligible-beneficiaries-528937>

24. CAG: Undue benefits to contractors in Ayodhya development project (*indianexpress.com*) Aug 11, 2023

The CAG has conducted a performance audit of the Swadesh Darshan Scheme from its inception in January 2015 to March 2022. According to the performance audit report, which was tabled in the Lok Sabha on Wednesday, undue benefits of Rs 19.73 crore were made to contractors in six projects/circuits across six states.

Ayodhya CAG report Workers giving final touches to the first floor of the Ram Janambhoomi Temple in Ayodhya (Express Photo by Vishal Srivastav)

The Comptroller and Auditor General of India (CAG) has found irregularities, including undue benefits to contractors, in the implementation of the Ayodhya development project in Uttar Pradesh under the Centre’s Swadesh Darshan Scheme.

The CAG has conducted a performance audit of the Swadesh Darshan Scheme from its inception in January 2015 to March 2022. According to the performance audit report, which was tabled in the Lok Sabha on Wednesday, undue benefits of Rs 19.73 crore were made to contractors in six projects/circuits across six states.

These projects included the one for development of Ayodhya; development of Singuerim-Aguada Jail, Goa; Himalayan Circuit, Himachal Pradesh; Heritage Circuit, Telangana; development of Rangpo-Singtam, Sikkim; and Buddhist Circuit, Madhya Pradesh.

Giving a detailed account of the undue benefits made to contractors in the Ayodhya development project, the CAG report noted: “The contractor engaged by the implementing agency viz., Uttar Pradesh Rajkiya Nirman Nigam, was required to submit performance guarantee at the rate of five per cent of the contract price of Rs 62.17 crore, which worked out to Rs 3.11 crore. However, the contractor submitted a lesser amount of performance guarantee i.e., Rs 1.86 crore only, at the time of its renewal (September 2021) without citing any reason on record.”

“Work at Guptar Ghat, Ayodhya was split into 14 lots of equal sizes and works were awarded to different private contractors. However, the executing agency (Irrigation Department) did not take due care in making comparative analysis of the financial bids/rates offered by the contractors and awarded works of similar nature and sanctioned costs to the same contractors but at varying rates resulting in failure to save Rs 19.13 lakh,” the report said.

“GST registrations of three contractors were cancelled by the state government suo motu after awarding of works to them. Thus, they were no more registered contractors and were not entitled to collect GST. However, a total of Rs 19.57 lakh was irregularly paid to one contractor against his GST registration and in case of other two contractors, it was pending for payment, whereas full amount of GST was liable to be deducted and deposited by the executing agency (Irrigation Department) itself,” it said.

The CAG has also provided a case study in its report, showing irregular payment to contractors for works not executed for development of Guptar Ghat.

“The work of development of the Guptar Ghat included work of 23,767 sq.mtr ‘supplying and fixing of stone patia’ at the rate of Rs 1,447.50 per sq.mtr. This work included the cost of MS clamp (supply and fixing) at Rs 216.88 per sq.mtr. (Rs 136.88 for supply and Rs 80.00 for fixing). The work was executed and payment was made to the private contractors at the rates quoted by them in their respective agreements,” the report said.

“During site inspection, it was observed that no MS clamps were fixed. However, work was measured, including supply and fixing of MS clamps, against which an amount of Rs 51.55 lakh (excluding GST at 12 per cent) was paid to the contractors. Since no work of supply and fixing of MS clamps was done at site, the cost of the same should have been deducted from the bills of the contractors. Thus, non-deduction thereof resulted in excess payment of Rs 57.73 lakh (including GST at 12 per cent) to contractors in the final bill,” the report said.

“During the Exit Conference held (July 2022) with the Tourism Department and Irrigation Department (executing agency), Government of Uttar Pradesh, the State Tourism Department accepted the audit observation and directed the executing agency to initiate recovery of excess payment,” the report said.

The CAG also highlighted wasteful/excess expenditure of Rs 8.22 crore in the implementation of the Ayodhya development project.

“The state government failed to exercise due care in assessment of actual amount payable towards centage, GST and Labour cess. Thus, excess amount of Rs 6.07 crore was sanctioned due to considering incorrect cost (estimated cost instead of actual cost) of the works carried out by implementing agencies and out of this, Rs 3.98 crore was also released (Irrigation Department: Rs 1.18 crore and Uttar Pradesh Rajkiya Nirman Nigam: Rs 2.80 crore), resulting in excess payment,” the report said.

“Executing agency (Uttar Pradesh Rajkiya Nirman Nigam) did not reduce the cost of the works by five per cent towards departmental savings in the estimates being government work in terms of State government orders. Thus, the sanctioned cost of the works was found overestimated by Rs 3.86 crore,” it said.

The report also highlights the lack of a monitoring mechanism in the initial years of the project.

“As per the scheme guidelines, the state government was to appoint a state level monitoring committee (SLMC) for monitoring and timely implementation of the project. However, the committee was formed (August 2019) after a delay of two years from the date of sanction of the project. Further, no progress report was sent to MoT (Ministry of Tourism) prior to February 2021 and even after that financial and physical progress reports were not sent on monthly basis to MoT indicating inadequate monitoring by the state government,” it said.

The Ayodhya development project is part of the Ramayana Circuit under the Swadesh Darshan Scheme. It was sanctioned with a cost of Rs 127.21 crore on September 27, 2017, of which Rs 115.46 crore have been released. Apart from Ayodhya, Chitrakoot and Shringverpur are two other projects under the Ramayana Circuit in Uttar Pradesh. <https://indianexpress.com/article/india/cag-undue-benefits-to-contractors-in-ayodhya-development-project-8886869/>

25. CAG flags undue benefits to contractors in Ayodhya development project (*financialexpress.com*) Aug 11, 2023

The Comptroller and Auditor General of India has flagged several irregularities in the implementation of the Ayodhya development project in Uttar Pradesh under the Centre’s Swadesh Darshan Scheme.

The audit report, tabled in the Lok Sabha on Thursday, states that undue benefits to the tune of Rs 19.73 crore were made to contractors in six projects/circuits across six states.

The Ayodhya development project is part of the Ramayana Circuit under the Swadesh Darshan Scheme. It was sanctioned with a cost of Rs 127.21 crore on September 27, 2017, of which Rs 115.46 crore have been released. Apart from Ayodhya, Chitrakoot and Shringverpur are two other projects under the Ramayana Circuit in Uttar Pradesh.

The audited projects under the Swadesh Darshan Scheme included Ayodhya development; development of Sinquerim-Aguada Jail, Goa; Himalayan Circuit, Himachal Pradesh; Heritage Circuit, Telangana; development of Rangpo-Singtam, Sikkim; and Buddhist Circuit, Madhya Pradesh.

“The contractor engaged by the implementing agency viz., Uttar Pradesh Rajkiya Nirman Nigam, was required to submit performance guarantee at the rate of five per cent of the contract price of Rs 62.17 crore, which worked out to Rs 3.11 crore. However, the contractor submitted a lesser amount of performance guarantee i.e., Rs 1.86 crore only, at the time of its renewal (September 2021) without citing any reason on record,” the report states referring to irregularities in the Ayodhya development scheme.

“Work at Guptar Ghat, Ayodhya was split into 14 lots of equal sizes and works were awarded to different private contractors. However, the executing agency (Irrigation Department) did not take due care in making comparative analysis of the financial bids/rates offered by the contractors and awarded works of similar nature and sanctioned costs to the same contractors but at varying rates resulting in failure to save Rs 19.13 lakh,” the report added.

The report further states that GST registrations of three contractors were cancelled by the state government suo motu after awarding of works to them. The move left no registered contractors who, as a result, were no longer entitled to collect GST. “However, a total of Rs 19.57 lakh was irregularly paid to one contractor against his GST registration and in case of other two contractors, it was pending for payment, whereas full amount of GST was liable to be deducted and deposited by the executing agency (Irrigation Department) itself,” it said.

To substantiate its claim of irregular payments to contractors for works not executed by them, the CAG report also cites a case study of Gupkar Ghat development. “The work of development of the Guptar Ghat included work of 23,767 sq.mtr ‘supplying and fixing of stone patia’ at the rate of Rs 1,447.50 per sq.mtr. This work included the cost of MS clamp (supply and fixing) at Rs 216.88 per sq.mtr. (Rs 136.88 for supply and Rs 80.00 for fixing). The work was executed and payment was made to the private contractors at the rates quoted by them in their respective agreements,” the report said.

“During site inspection, it was observed that no MS clamps were fixed. However, work was measured, including supply and fixing of MS clamps, against which an amount of Rs 51.55 lakh (excluding GST at 12 per cent) was paid to the contractors. Since no work of supply and fixing of MS clamps was done at site, the cost of the same should have been deducted from the bills of the contractors. Thus, non-deduction thereof resulted in excess payment of Rs 57.73 lakh (including GST at 12 per cent) to contractors in the final bill,” the report said.

The CAG report further also highlighted wasteful/excess expenditure to the tune of Rs 8.22 crore in the implementation of the Ayodhya development project and faulted the state government for failing to exercise due care in the assessment of the actual amount payable towards centage, GST and Labour cess.

“Thus, excess amount of Rs 6.07 crore was sanctioned due to considering incorrect cost (estimated cost instead of actual cost) of the works carried out by implementing agencies and out of this, Rs 3.98 crore was also released (Irrigation Department: Rs 1.18 crore and Uttar Pradesh Rajkiya Nirman Nigam: Rs 2.80 crore), resulting in excess payment,” it said.

The report said that the sanctioned cost of the works was found overestimated by Rs 3.86 crore since the Uttar Pradesh Rajkiya Nirman Nigam, the executing agency did not reduce the cost of the works by five per cent towards departmental savings in the estimates being government work in terms of State government orders.

The report also cites a lack of an appropriate monitoring mechanism during the initial stages of the project. The CAG report states that a state-level committee that the state government was to appoint as per the scheme guidelines for monitoring and timely implementation of the project was set up two years after the sanction of the project.

“Further, no progress report was sent to MoT (Ministry of Tourism) prior to February 2021 and even after that financial and physical progress reports were not sent on monthly basis to MoT indicating inadequate monitoring by the state government,” it said. <https://www.financialexpress.com/india-news/cag-flags-undue-benefits-to-contractors-in-ayodhya-development-project/3207550/>

26. CAG Report Finds Irregularities in Ayodhya Development Project (*thewire.in*) Aug 11, 2023

The Comptroller and Auditor General of India (CAG) has reportedly found irregularities in the implementation of the Union government’s Ayodhya development plan, under the Swadesh Darshan Scheme. Irregularities include undue benefits to contractors, The Indian Express reported.

The CAG audited the Swadesh Darshan Scheme between January 2015 to March 2022. The report from the audit was tabled in parliament on Wednesday, and stated that undue benefits of Rs 19.73 crore were made to contractors in six projects/circuits across six states.

On the undue benefits specific to the Ayodhya project, the CAG report says, “The contractor engaged by the implementing agency viz., Uttar Pradesh Rajkiya Nirman Nigam, was required to submit performance guarantee at the rate of five per cent of the contract price of Rs 62.17 crore, which worked out to Rs 3.11 crore. However, the contractor submitted a lesser amount of performance guarantee i.e., Rs 1.86 crore only, at the time of its renewal (September 2021) without citing any reason on record.”

“Work at Guptar Ghat, Ayodhya was split into 14 lots of equal sizes and works were awarded to different private contractors. However, the executing agency (Irrigation Department) did not take due care in making comparative analysis of the financial bids/rates offered by the contractors and awarded works of similar nature and sanctioned costs to the same contractors but at varying rates resulting in failure to save Rs 19.13 lakh,” it continued

“GST registrations of three contractors were cancelled by the state government suo motu after awarding of works to them. Thus, they were no more registered contractors and were not entitled to collect GST. However, a total of Rs 19.57 lakh was irregularly paid to one contractor against his GST registration and in case of other two contractors, it was pending for payment, whereas full amount of GST was liable to be deducted and deposited by the executing agency (Irrigation Department) itself,” The Indian Express quoted the CAG report as saying.

Contractors were paid for work that has not been executed, the CAG said. “The work of development of the Guptar Ghat included work of 23,767 sq.mtr ‘supplying and fixing of stone patia’ at the rate of Rs 1,447.50 per sq.mtr. This work included the cost of MS clamp (supply and fixing) at Rs 216.88 per sq.mtr. (Rs 136.88 for supply and Rs 80.00 for fixing). The work was executed and payment was made to the private contractors at the rates quoted by them in their respective agreements,” the report said.

The other five projects mentioned in the report are the development of Sinkerim-Aguada Jail, Goa; Himalayan Circuit, Himachal Pradesh; Heritage Circuit, Telangana; development of Rangpo-Singtam, Sikkim; and Buddhist Circuit, Madhya Pradesh. <https://thewire.in/government/cag-report-finds-irregularities-in-ayodhya-development-project>

27. CAG Reports Irregularities In Swadesh Darshan Scheme In Ayodhya Development Project (*timesnownews.com*) Aug 11, 2023

A performance audit report by the Comptroller and Auditor General of India (CAG) has revealed irregularities in the implementation of the Ayodhya development project in Uttar Pradesh under the Centre’s Swadesh Darshan Scheme. The report, which was tabled in the Lok Sabha on Wednesday, found that contractors were given undue benefits in six projects/circuits across six states, including Ayodhya. The CAG conducted a performance audit of the Swadesh Darshan Scheme from January 2015 to March 2022 and found that contractors were given undue benefits of Rs 19.73 crore. <https://www.timesnownews.com/videos/times-now/india/breaking-news-cag-reports-irregularities-in-swadesh-darshan-scheme-in-ayodhya-development-project-video-102641323>

28. Comptroller & Auditor General of India reports on tea board gaps over five fiscals (*telegraphindia.com*) Aug 11, 2023

A report filed by the Comptroller & Auditor General of India (CAG) in Parliament on August 8 has brought under glare the role of the Tea Board India, the apex government agency, over a span of five years.

The CAG report cited several shortcomings on the part of the board.

According to the CAG release, a performance audit of the tea board was conducted between November 2021 and April 2022, covering five fiscals from 2016-17 to 2020-21.

The CAG found that even though small tea growers contributed towards more than 50 per cent of total tea production in 2020-21, around 38 per cent of such growers were not registered as of March 2021 with the board and were outside the ambit of the board's regulatory activities and developmental aid.

“This happened in the absence of a well-defined strategy to identify and register small tea growers. Also, 119 out of 1,573 big tea growers were not registered as of March 2021,” said a source.

The CAG also found lapses on the part of the tea board in monitoring tea production to confirm that brews of standard quality are produced.

Under the Tea Act, the board is authorised to inspect the quality of tea. However, factories were not adequately inspected in the five financial years, the report said.

“The shortfall of inspection ranged between 78.62 per cent and 91.95 per cent which showed poor monitoring on the part of the tea board,” reads the CAG release.

The board directs its officials to collect tea samples from manufacturing units and sends those to authorised laboratories for testing. These samples are to be tested once every six months. However, the audit observed that there was a shortfall in sample collection ranging between 84 per cent and 97 per cent.

Under the Tea (Waste) Control Order 1959, all tea factories should declare a minimum of 2 per cent of their production as tea waste.

“But the CAG has found that 72 per cent to 78 per cent of tea manufacturing units generated less than 2 per cent tea waste during these five years. There are also instances where factories had not generated any tea waste,” said a senior tea planter in Siliguri.

In each tea-growing district of the country, there is a provision to form a committee to monitor the price of green tea leaves payable to small tea growers. Under the Tea Marketing Control (Amendment) Order, 2015, the committee should hold a meeting each month.

But from 2016-17 to 2020-21, in Bengal, the number of meetings was less than two a year, the planter cognisant with the CAG report said. In the same period, not a single meeting was held in 10 of the 18 tea-growing districts of Assam. In the remaining eight districts, the number of meetings held in a year was less than four.

During the audit, the CAG also found that the tea board didn't maintain a database on areas of extensions of plantation, replacement and replanting of tea bushes, their age, the district-wise yield of tea, labour productivity rate, among others.

The CAG release stressed updated and authentic data to help form policies related to the tea industry.

Sourav Pahari, the deputy chairman of the tea board, when contacted over the phone for his reactions on the CAG report, said he was busy in a meeting.

A source in the board, however, said they were aware of the observations of the CAG and the issues would be taken up.

Stakeholders of the tea industry reacted to the report.

“The issues raised by the CAG are serious, but the tea board alone cannot be blamed in all cases. We hope the gaps are resolved soon,” said Bijoygopal Chakraborty, the president of the Confederation of Indian Small Tea Growers Associations.

Prabir Bhattacharjee, the secretary general of the Tea Association of India, said the board would surely take appropriate steps. “As an important stakeholder of the tea industry, we continue to look at the tea board for proactive steps to develop the industry,” said Bhattacharjee, who represents an association of tea planters. <https://www.telegraphindia.com/west-bengal/comptroller-auditor-general-of-india-reports-on-tea-board-gaps-over-five-fiscals/cid/1958177>

29. No price panel meetings in 10 Assam tea-growing districts in 5 years, finds CAG (*downtoearth.org.in*) Aug 11, 2023

The Green Leaf Price Monitoring Committee, which monitors the average green leaf price payable to small tea growers, did not meet even once in 10 out of 18 tea growing districts in Assam in the 2016-17 to 2020-21 period, an audit by Comptroller and Auditor General of India has revealed.

This is significant against the backdrop of recent reports that small tea growers have been facing a price crisis this year, with many of them having to sell tea leaves at prices less than the cost of production.

The report, Role of Tea Board India in the Development of tea in India, was tabled in the Parliament on August 8, 2023.

Tea Marketing Control (Amendment) Order, 2015 provides for the constitution of the Green Leaf Price Monitoring Committee in each tea growing district. The committee must monitor the average green leaf price payable to small tea growers.

In the remaining eight out of 18 districts in Assam, the number of meetings held in a year was less than four. Similarly, in five tea-growing districts in West Bengal, the number of meetings held was less than two per year during the period 2016-17 to 2020-21.

Meetings of the Committee should be conducted as stipulated in the Tea Marketing Control Order to protect the interests of small tea growers and ensure payment of the minimum benchmark price of green leaves, the report recommended.

In June this year, the Confederation of Indian Small Tea Growers Associations (CISTA), which is the apex body of small tea growers, released a status paper on the constraints under which small tea growers are working and the interventions needed to help them out.

Small tea growers contributed over half of total tea production in 2020- 21. However, in absence of a well-defined strategy for identification and registration of small tea growers, 38 per cent of them were not registered as of March 2021 and were out of the ambit of Tea Board’s regulatory activities and developmental assistance, the audit report highlighted.

Similarly, 119 out of 1,573 big tea growers were not registered as of March 2021.

“Thus, it is recommended that the Tea Board build a well-defined strategy for identification of all the small tea growers, maintain a database and bring them under its ambit for extending developmental assistance and regulatory control,” the CAG said.

Further, though the Tea Act, 1953 authorised the Board to inspect the quality of tea, factories were not adequately inspected during 2016-17 to 2020-21, the report found. The shortfall of inspection ranged between 78.62 per cent and 91.95 per cent, which showed poor monitoring on the part of the Tea Board.

The Board directed its officials to collect tea samples from the manufacturing units and send the same to the authorised laboratories for testing. The samples are to be tested for quality assurance once in six months, in line with Clause 12 of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011.

However, there was a shortfall in sample collection ranging between 84 per cent and 97 per cent during the audit period, indicating poor monitoring, the audit observed.

It also found the Tea Board disbursed subsidy amounting to Rs 12.87 crore under various schemes, without adhering to the guidelines.

Moreover, government funds of Rs 1.55 crore were lying in the bank account of one beneficiary who could not set up a new factory within the time frame stipulated in scheme guidelines, but no recovery was initiated by the Board.

<https://www.downtoearth.org.in/news/agriculture/no-price-panel-meetings-in-10-assam-tea-growing-districts-in-5-years-finds-cag-91140>

30. Tea Board failed in its job as regulator: CAG report (*eastmojo.com*) Aug 11, 2023

The Comptroller and Auditor General of India said the absence of any specific strategy means most small tea growers continue to remain outside the ambit of regulations of the Tea Board.

This was mentioned in the Performance Audit Report No. 8 of 2023 of the Comptroller and Auditor General of India on the ‘Role of Tea Board India in development of tea in India’ presented in the current session of the Parliament.

The Audit covered the period from 2016-17 to 2020-21. The report examined the impact of the activities undertaken by Tea Board India towards its regulatory, developmental, research, market promotion and financial management aspects to ensure that the efforts undertaken by the Board were adequate and effective towards the execution of regulatory functions, increasing production and productivity of tea in

India, supporting tea research activities, the promotion of Indian tea in domestic and overseas markets as well as effective financial management.

“Inspection for monitoring the activities of various stakeholders was found to be inadequate and non-transparent. Further, an internal procedure in the Tea Board to collect tea samples from factories for testing in laboratories was inadequate to ensure that the quality of tea complied with the Food Safety and Standards Authority of India norms. Moreover, the Tea Board failed to encourage the tea manufacturers to sell mandatory 50 per cent of tea production through e-auction. Thus, the regulatory function of the Tea Board was inadequate and the Board failed to effectively exercise its role as a Regulator of Tea in India,” it said.

The Tea Board had started the process of identification of small tea growers by issuing them ID cards with QR codes from 2017-18 so that they come under the purview of registration.

The Audit observed that QR code-based identity cards had been issued only to 1,37,800 out of 2,22,746 identified small growers, which account for 62 per cent of the total identified small tea growers. QR code-based cards have not been issued to any of the small tea growers in Mizoram, Arunachal Pradesh and Manipur and the percentage of small tea growers not registered in Meghalaya, Tripura and Uttarakhand was as high as 69 per cent, 71 per cent and 77 per cent respectively.

It found that 84,946 small tea growers constituting about 38 per cent of the total small tea growers were continuing tea cultivation, as on 31 March 2021, without the requisite permissions of the Tea Board under the provisions of the Tea Act, 1953.

The reasons for the non-issuance of QR code-based cards were the non-availability of land details, cultivation of tea, incomplete application /non-receipt of application fees etc.

On the deficiencies in the process of registration of small tea growers for tea plantation, it found the process of granting planting permission to the small tea growers was not in accordance with the provisions as contained in Tea Rules, 1954 as necessary documents were not furnished by the small tea growers while applying for permission for plantation of tea. “Moreover, in the absence of verified information of small tea growers, formulation of any scheme for development of the small tea growers would not be able to deliver the desired results,” the CAG report said.

On the e-auction system which was set up to create an efficient marketplace for trading Indian tea and to reach out to a wide range of buyers for fair realisation of the price of tea, it found out tea sold through the e-auction system was only 42 per cent to 44 per cent of the total tea produced in the country.

It was further mandated as per paragraph 21 of the Tea Marketing Control Order (TMCO), 2003 (as amended in 2015) that every registered tea manufacturer, should, on and from the date of commencement of the notification, sell not less than 50 per cent of the total tea manufactured in a calendar year through public tea auctions in India.

“Thus, the Tea Board could not achieve the minimum threshold limit of 50 per cent in any of the five years,” the report said.

The Audit found that the number of buyers who participated in the e-auction but did not purchase tea ranged between 61 per cent and 68 per cent.

“Thus, the majority of participants did not purchase tea from e-auctions. As such, the stipulation of the Tea Marketing Control Order to sell not less than 50 per cent of the total tea manufactured in a calendar year through public tea auctions could not be achieved and the purpose of e-auction to realise the fair price of tea got defeated,” the report said.

The Tea Board received several representations from producers’ associations representing sellers from the industry requesting to make it mandatory for the buyers to purchase 50 per cent tea from the auction out of the total tea purchased in a year.

“But no such mandatory procurement of 50 per cent tea from the auction system could be facilitated by the Board till date due to huge resistance from the buyer community,” the report said. <https://www.eastmojo.com/national/2023/08/11/tea-board-failed-in-its-job-as-regulator-cag-report/>

31. Over 19k cable-cut cases in 5 years: Railways to parliamentary panel (*timesofindia.indiatimes.com*) Aug 11, 2023

The railways informed a parliamentary panel that there were 19,700 instances of cable cut across its zones in the past five years and in 11,760 such cases, it did not even impose penalties for violation of procedures laid down for digging work near signalling, electrical and telecommunication cables.

Stating that such lapses could lead to severe mishaps, the Public Accounts Committee (PAC) said the recent accident involving Coromandel Express in Balasore "serves as a stark reminder" of the serious consequences such incidents may have. "The committee observes that to mitigate such risks, the ministry must take immediate action and invest in advanced technology for proactive fault detection," the panel said in its report, which was submitted in Lok Sabha on Thursday. It said the railways should plan for a common duct for all signal, electrical and telecommunication systems, which would minimise cable cuts and ensure safety of the rail network.

The PAC report is based on the Comptroller and Auditor General (CAG) report of 2021 which had flagged the railways' failure to implement the Joint Procedure Orders (JPO), which relates to digging work in the vicinity of signalling, electrical and telecommunication cables, which had led to damaged cables in South Eastern Railway and West Central Railway.

The committee took note that the railway ministry had issued the JPO in 2004 to address cable protection after a major accident in Northern Railway. It also took note of how the national transporter increased the penalty for non-compliance to prevent careless digging by executing agencies and to reduce instances of cable cut.

The panel said that there was a visible lack of coordination among various departments of the railways and many times, the railway administration had not provided cable route plans to contractors which resulted in damage to cables. "The committee, therefore, feel that the railway administration should invariably provide cable route plans to the contractors before initiating any work," the report said. <https://timesofindia.indiatimes.com/india/over-19k-cable-cut-cases-in-5-years-railways-to-parliamentary-panel/articleshow/102626217.cms?from=mdr>

STATES NEWS ITEMS

32. CAG flags Goa govt billing 28% of its expenditure as ‘other expenditure (hindustantimes.com) Aug 10, 2023

PANAJI: The Comptroller and Auditor General of India (CAG) has pulled up the Goa government for billing as much as 28% of its expenses under the “other expenditure” minor head, which, according to the CAG, “not only affected transparency in financial reporting but also prevented proper analysis of allocative priorities and quality of expenditure.”

In the CAG report on state finances for the financial year ending in March 2022, the CAG also found that as many as seven state departments had more than 50% of their expenditure booked under the “other expenditure” minor head when that category is to be resorted to only when the appropriate minor head has not been provided in the accounts.

“Finance Accounts 2021-22 of Government of Goa disclosed that expenditure aggregating ₹4,708.07 crore, constituting 28 % of the total expenditure (₹16,908 crore) was classified under Minor Head ‘800-Other Expenditure’ in 61 Major Heads under revenue and capital sections,” the report pointed out.

“Similarly, receipts aggregating ₹502.85 crore, constituting four per cent of the total revenue receipts (₹14,286 crore) was classified under Minor Head ‘800-Other Receipts’ in 42 Major Heads,” the report states.

“The booking of expenditure under omnibus Minor Head 800 increased by ₹887 crore (23%) during 2017-22,” the report added.

In the case of ‘Major Head 2801 (Power)’ category, an expenditure of ₹1,777 crore (80 %) was booked under ‘Minor Head 800’.

This expenditure was incurred towards cost of bulk supply of power from the National Thermal Power Corporation, the Karnataka Power Transmission Corporation Limited and and Rajasthan State Petroleum Corporation Limited.

“The expenditure could have been booked either partially or wholly under Minor Head 101 (Purchase of Power) falling under any of the Sub-Major Heads namely, 02 (Thermal Power Generation), 01 (Hydel Power Generation) or 06 (Rural Electrification),” the Auditor said.

During the exit conference, the finance department said a circular has been issued to all the departments to avoid booking under omnibus 'Minor Head 800', if an appropriate 'Minor Head' is available under the relevant 'Major Head'.

“Accounting of large amounts under the omnibus Minor Head 800 - Other expenditure/ Receipts affects transparency in financial reporting, as it fails to indicate disaggregated information on different activities of the Government separately in the accounts,” the auditor said.

The CAG report also reported that during 2021-22, the state's revenue receipts increased by ₹3,846 crore (37%); own tax revenue by 1,654 crore (40%); and non-tax revenue by ₹844 crore (30%), over the previous year.

Fund transfers from the central government increased from ₹1,073 crore in 2012-13 to ₹4,694 crore in 2021-22.

The state's share in central taxes also increased by ₹1,061 crore and grants-in-aid by ₹247 crore over the previous year, the report added.

Per capita income of the State stood at ₹5,44,865 which was significantly higher than the all-India per capita income of ₹1,72,913 during the year 2021-22. <https://www.hindustantimes.com/india-news/cag-flags-go-govt-billing-28-of-its-expenditure-as-other-expenditure-101691675856571.html>

33. CAG red-flags state govt's Rs 12k cr spending without legislative nod (*timesofindia.indiatimes.com*) Aug 11, 2023

Porvorim: Sounding a wake-up call to the state government over its “financial indiscipline,” the Comptroller and Auditor General of India (CAG) found that Rs 12,505 crore was spent between 2008-09 and 2021-22 without proper approvals.

In its audit of the appropriation bills, the CAG found that the government obtained unnecessary funds through supplementary grants and incurred excess expenditure.

“Excess expenditure of Rs 12,505 crore pertaining to the period 2008-09 to 2021-22 escaped legislative oversight, as it was pending regularisation as per Article 205 of the Constitution of India,” said the CAG audit report for March 2022. “

This vitiates the system of budgetary and financial control and encourages financial indiscipline in the management of public resources,” the report said.

The CAG said that excess expenditure violates Article 204 of the Constitution, which stipulates that no money shall be withdrawn from the consolidated fund of the state except under appropriations made by law by the state legislature.

The audit report also said that supplementary provisions (Rs 5 crore or more in each case) aggregating to Rs 1,312 crore obtained in 30 cases during the year proved unnecessary, as the expenditure (Rs 8,410 crore) did not reach even the original provision of Rs 10,985 crore.

The CAG report also found “excess disbursement” of Rs 515.5 crore over the authorisation made by the state legislature during the financial year 2021-22. The excessive funds pertained to Rs 161.7 crore for the treasury and accounts administration and Rs 353.7 crore for servicing the government’s debt. “The Government of Goa is responsible for obtaining authorisation of budget from the legislative assembly of Goa,” the CAG report said.

“The Government of Goa and those responsible for the execution of the budget such as pay and accounts offices, treasuries, offices and departments of the Government of Goa are responsible for the preparation and correctness of the initial and subsidiary accounts as well as for ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations.”

The extra money taken by the government through supplementary grants was ultimately surrendered at the end of the year, with the government giving up Rs 7,607 crore at the end of 2021-22.

The CAG audit found that for twelve years in a row, the budgeted funds for revenue and capital expenditure were not fully utilised, “pointing to over-estimation and defective budgeting.” <https://timesofindia.indiatimes.com/city/goa/cag-red-flags-state-govts-rs-12k-cr-spending-without-legislative-nod/articleshow/102622122.cms?from=mdr>

34. Targets set by Fiscal Responsibility Act not met for 5 years (*timesofindia.indiatimes.com*) Aug 11, 2023

Porvorim: The Comptroller and Auditor General of India (CAG) has pointed out several flaws in the government’s fiscal practices, particularly with the outstanding debt of the state breaching the target set by the Goa Fiscal Responsibility and Budget Management (GFRBM) Act.

While the government managed to contain and reduce the fiscal deficit to GSDP ratio, the CAG identified instances of off-budget borrowings and overstatement of revenues, which mask the state’s fiscal health.

“It may be seen that the state government breached the ceiling of outstanding debt to GSDP ratio of 25 per cent every year during the last five years (2017-22),” said the CAG in the State Finances Audit Report for the year ended March 2022. The report was tabled in the House on Thursday.

During the last five years, the total outstanding debt of the state government to GSDP increased from 26.7% to 32%, which was way above the ceiling of 25% set under the GFRBM Act, 2014.

The CAG report showed that during 2021-22, the state’s total outstanding debt increased by Rs 2,597 crore compared to the previous year, mainly due to an increase in market borrowings (Rs 1,450 crore). There was a spike in total outstanding debt to GSDP ratio from 26.7% in 2017-18 to 32% in 2021-22, said the CAG.

“Budgetary surplus or deficit is an indicator of prudent fiscal management by the government,” said the CAG in the report. “Further, the ways in which deficits are financed and the application of the resources raised have important implications for the fiscal health of the state.”

The CAG noted that during the 2017-22 period, the state government managed to contain the fiscal deficit within the GFRBM limits but also noted that the government resorted to unorthodox moves to do so.

According to the government’s budget for the year ending March 2022, the government’s fiscal deficit decreased from Rs 3,648 crore in March 2021 to Rs 2,624 crore in March 2022. However, the CAG said that the fiscal deficit will increase from Rs 2,624 crore to Rs 2,761 crore if one takes into account the deferred revenue expenditure. “Thus, the fiscal deficit to GSDP ratio would be 3.2% instead of 3.07%,” said the CAG. “Similarly, the depiction of overstatement of Rs 137 crore would turn the revenue surplus of Rs 59 crore to a revenue deficit of Rs 78 crore in 2021-22.”

The CAG also found that the government understated its debt by resorting to off-budget borrowings. Goa State Infrastructure Development Corporation borrowed Rs 219.7 crore and Sewerage and Infrastructural Development Corporation borrowed Rs 150 crore on behalf of the state government where the loans were to be repaid from funds from the state budget. <https://timesofindia.indiatimes.com/city/goa/targets-set-by-fiscal-responsibility-act-not-met-for-5-years-cag-report/articleshow/102621092.cms?from=mdr>

35. CAG report exposes govt failure to monitor transport services, granting driving licence to underage drivers (*thegoan.net*) Aug 11, 2023

PANAJI: The Comptroller Auditor General of India (CAG) has pointed out government’s failure to put in place a mechanism and action plan to monitor the progress of Vahan 4.0 and Sarathi 4.0 applications meant for automation of vehicle and licence-related transport services.

The National Informatics Centre (NIC) developed centralised web-based applications that were implemented by Goa Directorate of Transport in 2017-2018.

The CAG noted that the department neither had an action plan nor a formal mechanism for monitoring the progress of implementation of these applications. “At the end of April 2021, 14 modules of Vahan 4.0 and 05 modules of Sarathi 4.0 were implemented and only 09 out of 31 online services were provided end-to-end, while the remaining 22 services were partially implemented,” it said.

The report has recommended the department prepare an action plan for the time-bound implementation of the remaining modules, including all the end-to-end online services envisaged.

The audit also noticed certain instances of incorrect/ non-mapping of business rules resulting in irregularities in the levy of fees on the fresh issue of Smart Registration Card in certain cases and even granting of Driving Licence (DL) to underage persons

besides penalties for registration beyond validity period, misclassification of certain vehicle categories, inconsistent application of rules for issue of Fitness certificate, etc.

“This indicated gaps in the application controls, which impacted the correct application of rules, data integrity and Management Information System (MIS) reporting,” it said. <https://www.thegoan.net/goa-news/cag-report-exposes-govt-failure-to-monitor-transport-services-granting-driving-licence-to-underage-drivers/102572.html>

36. CAG report reveals incorrect levy of excise licence fees (*thegoan.net*) Aug 11, 2023

PANAJI: The Comptroller Auditor General of India (CAG) has charged the excise department with incorrect rates for the levy of licence fees to the tune of Rs 18 lakh.

During the audit of Excise stations at Sanguem, Quepem, Pernem and Canacona, the scrutiny of records of hoteliers from April 2015 to March 2021 revealed a short levy of licence fee amounting to Rs 9,93,630 which is recoverable along with a leviable penalty of Rs 8,06,304 from 15 hoteliers.

The CAG stated that the short levy of licence fee was communicated to the government in December 2021 and the Excise Commissioner in April 2022 claimed that an amount of Rs 6,79,500 (including interest) has been recovered from eight out of 15 licensees. Notices for payment of dues were issued to five licensees and with respect to one licensee, out of Rs 1,32,660 only an amount of Rs 50,000 has been recovered. “For the balance amount notice has been issued for payment of dues and the remaining one licensee requested for personal hearing which is under process,” it said.

The CAG further reported that out of the 12 auditable units in the Excise Department, seven units were selected for test check during the year 2020-21 consisting of 2,780 licensees. Of these, the CAG audited records of 662 licensees (23.81 per cent) 32 cases of non-payment surfaced regarding minimum bottling fee, application of incorrect license fee on hotel, non-levy of excise duty on old stock lying idle for more than three years in bonded warehouse, non-renewal of licenses of distilleries, non-recovery of amount towards offenses compounded by the Commissioner, non-levy of surcharge of 100 per cent of the license fee on Foreign Liquor (FL) retailers, etc involving a whopping Rs 2.24 crore. <https://www.thegoan.net/goa-news/cag-report-reveals-incorrect-levy-of-excise-licence-fees/102578.html>

37. CAG hints at possible misuse of Rs 1,971 cr public funds (*thegoan.net*) Aug 11, 2023

PANAJI: The Comptroller and Auditor General (CAG) has hinted at possible misuse of massive public funds to the tune of Rs 1,971 crore by the BJP-led State government.

The CAG in its report ending March 2022, tabled on the floor of the House on Thursday said that a total of 10,534 Utilisation Certificates (UCs), for an amount of Rs 1,971.11 crore were due for submission from 26 departments as of March 31, last year.

“Such huge pendency in submission of UCs was fraught with the risk of misuse of public funds,” CAG stated.

CAG pointed out that 26 departments did not submit 973 UCs involving Rs 475.00 crore which were due to be submitted during the year 2021-22.

“There was, therefore, no assurance that the expenditure of Rs 475.00 crore had actually been incurred for the purposes for which it was authorised,” the auditor said.

In addition to this, CAG said that 9,561 UCs for an amount of Rs 1,496.11 crore were due for submission up to the year 2020-21 were also outstanding as on March 31, 2022.

CAG has also slammed the government for not being able to rectify the irregularities pointed out by them. CAG pointed out that the government failed to respond to the audit observations in the case of 323 inspection reports (IR) pending compliance involving revenue of around Rs 3,571.34 crore.

“Analysis of IRs issued up to December 2020 disclosed that 1,143 observations involving Rs 3,571.34 crore relating to 232 IRs remained outstanding at the end of June 2021. Out of these, 341 observations from 123 IRs were outstanding for more than five years,” the CAG said.

“This indicated that the Heads of offices/ departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs,” it concluded. <https://www.thegoan.net/goa-news/cag-hints-at-possible-misuse-of-rs-1971-cr-public-funds/102577.html>

38. THE CAG IS OUT OF THE BAG; Flags debt to GSDP ratio of State (*thegoan.net*) Aug 11, 2023

Goa's burgeoning debt which has been a matter that consistently earns the Government criticism annually has also caught the attention of the Comptroller and Auditor General (CAG) who's report for the 2021-22 fiscal was presented to the House on Thursday by Chief Minister Pramod Sawant.

The CAG has flagged the astronomical debt to Gross State Domestic Product (GSDP) ratio of the State which touched 32.13 per cent as of March 2022, way above the 25% upper limit envisaged in the Fiscal Responsibility & Budget Management (FRBM) Act.

According to the CAG report, the debt to GSDP ratio has steadily climbed in five years between 2016-17 and 2021-22 from 26.75 per cent to 32.13 per cent as of March 31, 2022.

In 2021-22 alone, the net debt of the State spiked by Rs 2,597 crore. Pertinently, it was the peak of the Covid-19 pandemic in that year, and States were permitted to borrow above the FRBM Act limits.

The CAG's audit report for 2021-22 also flagged several other fiscal misdemeanors of the State administration including the failure to obtain utilisation certificates in thousands of cases collectively aggregating a spend of Rs 1,971 crore.

The report also found fault in some cases where the State suffered loss of income, including one in which controversial contractor M/s Venkata Rao Infra Projects Pvt Ltd got underassessed for Value Added Tax (VAT).

The CAG pointed out that by allowing M/s Venkata Rao Infra Projects Pvt Ltd, 58 per cent deduction on gross turnover instead of the eligible 50 per cent, the State granted the contractor an excess refund of Rs 3.75 crore.

Short levying licence fees from hotels for sale of liquor by Excise stations in Sanguem, Quepem, Pernem and Canacona was also flagged in the CAG report. <https://www.thegoan.net/goa-news/the-cag-is-out-of-the-bag-flags-debt-to-gsdpratio-of-state/102575.html>

39. Tur dal was left to rot, not safe for humans, cattle, reveals CAG (*thegoan.net*) Aug 11, 2023

PANAJI: The controversy around the wastage of tur dal, which was put to rest by the government, has been exposed by the Comptroller Auditor General of India (CAG) which has pegged a loss of around Rs 2 crore to the State exchequer. Goa government's failure to a proper procurement plan has led to the massive loss, as per the CAG report tabled on the floor of the House on Thursday.

The report also pointed out that tur dal, which was left to rot in the godown for two years, was unsafe for not only human consumption but also cattle. It cited findings of the Indian Council of Agricultural Research dated April 9, 2021, that efforts to dispose of the tur dal as ingredients for cattle/poultry feed did not fructify as the tur dal was not suitable.

“Other efforts for disposal through alternate channels proved to be too late and led to the subsequent declaration of remaining 241.21 MT of tur dal as unsafe, not only for human consumption but also as cattle feed,” it said adding that an audit found that before taking up procurement, the Civil Supplies Department neither assessed the demand nor was Goa State Horticulture Corporation Limited consulted/ contracted for sale of 100 MT.

“...led to excess procurement and failure to sell in a timely manner, resulting in 241.21 MT of tur dal being declared “unsafe food,” which caused a loss of Rs 1.91 crore to the exchequer,” the report mentioned.

How the scam unfolded

During the Covid-19 pandemic, the department decided to provide relief to the 2.04 lakh ration card holders through the supply of one kg tur dal at Rs 83/kg per for four months from April to July 2020 under the Public Distribution System.

The sale of 100 MT of tur dal was planned through the GSHCL while the remaining tur dal was to be sold through Fair Price Shops (FPS). Accordingly, the department on March 30, 2020 placed an order with the National Agriculture Co-operative Marketing Federation of India (NAFED) for supply of 800 MT of tur dal at Rs 79,000 per MT.

Through the Secretary, the department on April 8, 2020 granted post-facto administrative approval and expenditure sanction of Rs 6.80 crore for procurement of 800 MT. The State cabinet on April 22, 2020 resolved to distribute 408 MT tur dal, one kg per card for a period of two months from April to May 2020. Accordingly, the department Director modified the purchase quantity to 408 MT.

Out of 400 MT supplied by NAFED, 139.57 MT (34.23 per cent) was lifted by FPS during April-May 2020. Despite further extensions till September 2020, only 16.42 MT of the balance of 260.43 MT was lifted by FPS and the reason for the low off-take was poor response from ration card holders.

Horticulture refused to lift expensive tur dal

GSHCL, on August 31, 2020 refused to lift the tur dal as they were procuring polished dal from the open market at Rs 73/kg, which was preferred by consumers, as against the partially polished tur dal supplied by the department at a higher price of Rs 80/kg.

Thereafter, the Education Department on November 10, 2020 agreed to lift the entire 241.21 MT for distribution under the mid-day meal scheme. However, a quality check carried out by the Food and Drugs Administration at the behest of the Secretary, Civil Supplies revealed that the entire quantity of tur dal was “unsafe food”.

“Thus, non-preparation of an appropriate procurement plan, based on an estimation of the capacity of the FPS/other channels resulted in 241.21 MT (60 per cent) of tur dal valued at Rs 1.91 crore remaining unsold for seven months. Moreover, the consignments of tur dal were accepted by the department from NAFED’s vendor without adequate checks,” the CAG observed.

Civil Supplies accepts mistake

The department, in its communication last year admitted that GSHCL was not consulted during the planning stage to sell 100 MT tur dal through their outlets.

CAG stated that the failure of the department to estimate consumer demand, ascertain the lifting capacity of FPS and accordingly plan for procurement/ distribution of required quantities in a staggered manner, led to excess procurement and failure to sell in a timely manner, resulting in 241.21 MT of tur dal being declared “unsafe food”, which caused a loss of Rs 1.91 crore to the exchequer. <https://www.thegoan.net/goa-news/tur-dal-was-left-to-rot-not-safe-for-humans-cattle-reveals-cag/102570.html>

40. Failure to pay charges in time by Goa police led to late fee payment: CAG (*business-standard.com*) Aug 10, 2023

The report of CAG tabled in the Goa Assembly said failure of the state police department to pay annual spectrum charges to the Union government resulted in avoidable payment of late fee of Rs 2.39 cr

The report of the Comptroller and Auditor General (CAG) tabled in the Goa Assembly on Thursday said failure of the state police department to pay annual spectrum charges to the Union government resulted in avoidable payment of late fee of Rs 2.39 crore.

The CAG report was tabled in the House by Chief Minister Pramod Sawant on the last day of the Monsoon session.

"The main duty of the state police force is to maintain law and order and wireless communication systems play an important role in this function. The Union ministry of communication is responsible for facilitating faster means of communication through the allotment of necessary spectrum," the report said.

"The failure of the police department to pay spectrum charges in timely manner resulted in avoidable payment of Rs 2.39 crore as late fees for the period of 2018-19 to 2020-21. The department was required to pay annual licence fee plus royalty amounting to Rs 0.20 crore from 2004 to 2012 and Rs 0.47 crore from April 2012 to January 2022," it added.

The CAG report informed that these charges were required to be paid in advance every year and a late fee at the rate of 2 per cent compounded annually was applicable for all delayed payments.

"Till March 2018, the department had paid only 0.07 crore. The total amount payable worked out to Rs 23.77 crore, which included a late fee of Rs 19.38 crore. The ministry conveyed waiver of late fee up to June 2018 on all networks existing prior to June 01, 2004 and requested all states to clear their dues to at the earliest but not later than December 06, 2018," it said.

Thus, with the waiver of late fee of Rs 19.38 crore, the liability of the department as on March 31, 2018 was Rs 4.39 crore, and, accordingly, the department should have cleared the outstanding dues of Rs 4.86 crore by June 30, 2016.

The CAG has noted that the department continued to make part payments which resulted in levy of late fee of Rs 2.39 crore. https://www.business-standard.com/india-news/failure-to-pay-charges-in-time-by-go-a-police-led-to-late-fee-payment-cag-123081000994_1.html

41. Failure to Pay Spectrum Charges in Time by Goa Police Dept Resulted in Avoidable Late Fee Payment of Rs 2.39 Cr: CAG Report (latestly.com) Aug 10, 2023

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42. State did not carry out security certification of MahaDBT portal since August 2020: CAG report (hindustantimes.com) Aug 11, 2023

Mumbai: The Maharashtra government has not carried out the security certification of the MahaDBT portal since August 2020, leading to critical security lapses in the portal, the Comptroller and Auditor General of India (CAG) stated in its audit report.

The MahaDBT portal, developed by Maharashtra Information Technology Corporation Limited (MahaIT), was the avenue for disbursing scholarships.

The report revealed that the lack of proper automated system mapping for document scrutiny within the MahaDBT system has led to significant irregularities wherein the system processed scholarship applications without crucial documents such as income and caste certificates, raising concerns about the reliability of the process.

The CAG report also flagged a concerning trend where applications approved at a later stage were given preferential treatment during bill generation, a direct violation of established business rules.

The audit revealed an excess disbursement of a staggering ₹53.41 crore in scholarship funds to institutions and students during the academic years 2018–19 and 2019–20. This discrepancy arose due to the improper mapping of business rules, as detailed in the report presented to the Maharashtra Legislature.

The scrutiny focused on the Other Backward Bahujan Welfare Department, which accounted for a significant expenditure of ₹2,751.47 crore in scholarships disbursed via DBT. Specifically, the centrally sponsored post-matric scholarship to Other Backward Classes (OBC) students and the state-funded post-matric scholarship to Vimukt Jati Nomadic Tribes (VJNT) students were closely examined in the performance audit.

The MahaDBT system was launched in 2018 as a groundbreaking initiative for the direct transfer of benefits and subsidies to beneficiaries. One of its key components was the online disbursement of scholarships to students.

The CAG report disclosed that ₹7,227.58 crore in scholarships was disbursed by various state government departments through the online DBT system between 2018-19 and 2019-20.

Notably, the audit report underscored the significance of this issue, as the disbursement of scholarships through the online mode was a pioneering step by the Maharashtra government. Given the substantial financial outlays involved, the report emphasised that a performance audit is imperative. In light of the audit findings, the CAG has strongly suggested the state government conduct regular security audits of the application to prevent such lapses in the future.

Kuldeep Ambekar, founder of Students Helping Hands, an NGO, said, “Students have been demanding a serious inquiry about the MahaDBT portal for a long time, but the government is not ready to do it. After this report, we are hoping that now at least the government will act on our demands and do an investigation into this.”

<https://www.hindustantimes.com/cities/mumbai-news/water-crisis-in-navi-mumbai-as-residents-face-repeated-shutdowns-nmmc-blamed-for-inadequate-supply-and-pipeline-issues-101691697036949.html>

43. CAG expresses concern over TS utilising borrowed amounts for repayment of public debt (*thehindu.com*) August 10, 2023

The Comptroller and Auditor General of India (CAG) has expressed concern that the State government 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 ₹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 Sunday.

The CAG said the extent to which the fiscal deficit, as represented by borrowed funds, had been channelised towards 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 capital expenditure of ₹28,883 crore and loans and advances of ₹8,469 crore.

The State at the end of 2021-22 had revenue deficit of ₹9,335 crore and fiscal deficit of ₹46,639 crore and 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 per cent 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 per cent to 7.37 per cent 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 per cent 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/telangana/cag-expresses-concern-over-ts-utilising-borrowed-amounts-for-repayment-of-public-debt/article67180439.ece>

44. KASP issues: CAG report puts State Health Agency in the dock (*thehindu.com*) August 10, 2023

Kerala's health insurance scheme, Ayushman Bharat-Karunya Arogya Suraksha Padhati (KASP), has undoubtedly been a major fiscal disaster, with huge cost overruns and high rate of overdue claims.

To those wondering how an insurance scheme meant to provide health cover for the poor can end up as the State's nemesis, the Comptroller and Auditor General's (CAG) just-released audit report on AB-PMJAY would be an eye-opener.

The report is a telling commentary on how the implementing agency of KASP – the State Health Agency (SHA) – has been running the scheme with no checks and balances, that Kerala now figures prominently in all the major lapses/frauds that the CAG has unearthed .

According to the CAG report, as on November 22, the total unprocessed claim amount across the country is ₹6,052.43 crore, of which Kerala accounts for unsettled claims worth ₹985.28 crore, from 8,43,790 claims.

The CAG report clearly states that “Kerala's SHA had not conducted any medical audit, death audit, beneficiary audit (post discharge through home visit), pre-authorisation audit, and claim audits (rejected as well as approved claims).

More seriously, the Third Party Administrator (TPA) contracted by Kerala's SHA to scrutinise claims had also not conducted any beneficiary audit (post discharge through telephone and home visits) or preauthorisation of claims audit”

“The shortfall in conduct of audits resulted in a lax control environment with possibility of unauthorised/ excess payments of claims, fraud and shortcomings in facilities to be provided to the beneficiaries,” the CAG has noted.

‘Dead’ patients

One of the major scams unearthed by the CAG audit is that patients earlier shown as ‘dead’ in a previous hospital admission by the Transaction Management System (TMS) software, continued to avail further treatment under the scheme. The State topped the country when it came to this scam, with the State paying out ₹2,60,09,723 as treatment claim amount to 966 “dead” patients.

CAG report points out that there have been cases wherein, same patients seem to have been admitted in multiple hospitals during the same hospitalisation period. Again, Kerala was one of the States from where the highest number of such frauds were found.

As public health experts in the State have pointed out earlier, the problem is not with KASP per se, but the unprofessional manner in which it is run.

Lack of scrutiny

The concept of health insurance scheme itself calls for a robust monitoring mechanism so that the claims are scrutinised and untenable claims weeded out. This financial discipline is necessary for the sustainability of any health insurance scheme.

The CAG report clearly points out that this is where Kerala's SHA has failed miserably. KASP, which was launched in alignment with Ayushman Bharat in insurance mode in April 2019, was shifted to the Trust/assurance mode in 2020. It was projected that avoiding the insurance company and running the scheme directly through SHA would make KASP more profitable.

“Insurance claims ratio has been traditionally high in Kerala, which boasts of a high health-seeking behaviour. This called for stringent financial discipline and scrutiny in running KASP. However, the SHA seriously lacks the technical expertise or resources to professionally manage the scheme. It has not even been able to ensure that the TPA it recruited is doing its job properly,” a health finance expert pointed out.

In the past three years, KASP has bled the State finances dry, paying out ₹1,400 crore in claims settlement in 2021-22 and ₹1,630 crore in 2022-23, more than double the budget at which the State had been running health insurance schemes till 2021. It has pushed public hospitals in the State to the brink of financial ruin because the SHA currently owes over ₹820 crores to both public and private hospitals as claim reimbursement arrears. <https://www.thehindu.com/news/national/kerala/kasp-issues-cag-report-puts-state-health-agency-in-the-dock/article67180530.ece>

45. CAG Objects To Excess Withdrawal of Funds In UP (*ommcomnews.com*) August 10, 2023

Lucknow: The Comptroller and Auditor General (CAG) has objected to rushing the expenditure at the end of a financial year in Uttar Pradesh.

It has also taken strong exception to the failure of successive state governments in Uttar Pradesh to place excess disbursement of Rs 32,533.46 crore under 48 grants for regularisation before the state legislature.

The excess disbursement of funds made from 2005-2006 to 2020-2021, in violation of Articles 204 and 205 of the Constitution of India “vitiates the system of budgetary and financial control and encourages financial indiscipline”, the government auditor said in the State Finances Audit Report (for year ended March 31, 2022) placed before the state Assembly here earlier this week.

The CAG has further noted that the excess expenditure over the authorisation and subsequent non-regularisation have been regularly reported in the previous State Finances Audit Reports of Uttar Pradesh.

It has recommended the state government should ensure that all the existing cases of excess expenditure are placed before the state legislature for regularisation.

Leading economist Professor Yashvir Tyagi said: “Disbursement of grants by successive state governments without legislative approval, which has been objected to by the CAG, is not healthy fiscal practice. It also shows a lack of fiscal discipline. In a way it takes away the right of the legislature to scrutinise the funds disbursed and spent by the government. Such a lapse should have been avoided.”

The CAG has also objected to lump sum provisions of Rs 7,696.63 crore made by the state government under various heads. Out of this lump sum provision, Rs 4,261.46 crore (55.37 percent of the provision) was actually spent. It mentioned that lump sum provisions of Rs 4,260.01 crore were made for road works, which constituted 27.88 per cent of the budgeted provisions.

Out of this, the actual expenditure was Rs 3,533.50 crore.

“Lump sum provisions without identifying the exact object of expenditure is against transparent budgetary practices,” the CAG observed.

The CAG further objected to the practice of rushing expenditure in the last month of the financial year, and recommended that the state government should issue guidelines to control the rush of expenditure towards the closing months, especially in March, in order to maintain a steady pace of spending. <https://ommcomnews.com/india-news/cag-objects-toexcess-withdrawal-of-funds-in-up>

46. Bihar Per Capita Income Lower than Jharkhand, Uttar Pradesh, Odisha and Madhya Pradesh, Says CAG Report (*latestly.com*) 11 Aug 2023

The Comptroller and Auditor General (CAG) of India has said that the per capita income of Bihar is lower than its neighbours -- Jharkhand, Uttar Pradesh, Odisha and Madhya Pradesh.

The CAG report has shown an increase in economic growth for the period from 2011 to 2022 as the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product GSDP has been 10.18 per cent, which is higher than the national CAGR of the country within 10.11 per cent.

However, the per capita income of Bihar is Rs 54,383 at the end of 2021-22. The figure is lower compared to other states like Jharkhand, Uttar Pradesh, Odisha and Madhya Pradesh having Rs 88,535; Rs 79,396; Rs 1,39,995 and Rs 1,37,339 respectively.

This is an eye-opener for the Nitish Kumar government as he has been in power in the state for 18 years, but the per capita income is much lower than neighbouring states.

Bihar has registered Rs 6,75,448 crore as the GSDP with a growth rate of 15.04 per cent during the year of 2021-22. It has witnessed a growth of 10 per cent per year except for the pandemic period when the growth rate was 0.80 per cent in 2020-21.

The Gross Domestic Product (GDP) of India was recorded at -1.36 per cent in 2020-21 compared to previous year. During 2021-22, the fiscal liabilities increased by 13.34 per cent over previous year due to increase of internal debt by 14.60 per cent and the loan and advance from the Government of India was 47.57 per cent.

The government entities have obtained loans amounting Rs 1,482.50 crore on behalf of the state government of Bihar as on March 31, 2022. These loans are off budget borrowings by the state government.

The state government has provided guarantees for these loans since these borrowings did not form part of the borrowing of the government directly. These were not included in the public debt of the financial accounts and therefore figures are being calculated as a fiscal deficit of the state.

Thus, taking into account the off-budget borrowing of the state, the total outstanding debt at the end of March 2022 worked out to be Rs 2,58,992,71 crore against the Rs 2,57,510,21 crore. Consequently, the overall debt percentage of GSDP at the end of the year 2022 was understood to be 0.22 per cent. <https://www.latestly.com/india/news/bihar-per-capita-income-lower-than-jharkhand-uttar-pradesh-odisha-and-madhya-pradesh-says-cag-report-5332704.html>

47. CAG objects to excess withdrawal of funds in UP (*thestatesman.com*) August 10, 2023

The Comptroller and Auditor General (CAG) has objected to rushing the expenditure at the end of a financial year in Uttar Pradesh.

It has also taken strong exception to the failure of successive state governments in Uttar Pradesh to place excess disbursement of Rs 32,533.46 crore under 48 grants for regularisation before the state legislature.

The excess disbursement of funds made from 2005-2006 to 2020-2021, in violation of Articles 204 and 205 of the Constitution of India “vitiates the system of budgetary and financial control and encourages financial indiscipline”, the government auditor said in the State Finances Audit Report (for year ended March 31, 2022) placed before the state Assembly here earlier this week.

The CAG has further noted that the excess expenditure over the authorisation and subsequent non-regularisation have been regularly reported in the previous State Finances Audit Reports of Uttar Pradesh.

It has recommended the state government should ensure that all the existing cases of excess expenditure are placed before the state legislature for regularisation.

Leading economist Professor Yashvir Tyagi said: “Disbursement of grants by successive state governments without legislative approval, which has been objected to by the CAG, is not healthy fiscal practice. It also shows a lack of fiscal discipline. In a way it takes away the right of the legislature to scrutinise the funds disbursed and spent by the government. Such a lapse should have been avoided.”

The CAG has also objected to lump sum provisions of Rs 7,696.63 crore made by the state government under various heads. Out of this lump sum provision, Rs 4,261.46 crore (55.37 percent of the provision) was actually spent. It mentioned that lump sum provisions of Rs 4,260.01 crore were made for road works, which constituted 27.88 per cent of the budgeted provisions.

Out of this, the actual expenditure was Rs 3,533.50 crore.

“Lump sum provisions without identifying the exact object of expenditure is against transparent budgetary practices,” the CAG observed.

The CAG further objected to the practice of rushing expenditure in the last month of the financial year, and recommended that the state government should issue guidelines to control the rush of expenditure towards the closing months, especially in March, in order to maintain a steady pace of spending. <https://www.thestatesman.com/india/cag-objects-to-excess-withdrawal-of-funds-in-up-1503210331.html>

48. प्रयागराज: जल, सीवर समेत अन्य कर वसूली में लापरवाही से 50 करोड़ से अधिक का नुकसान, CAG की रिपोर्ट से खुलासा (amarujala.com) 10 Aug 2023

कर वसूली में अफसरों की लापरवाही से नगर निगम एवं जलकल को 50 करोड़ रुपये से अधिक का नुकसान हुआ है। सरकारी भवनों का ही जल एवं सीवर कर नहीं लिए जाने से विभाग को 2016-17 में 11 करोड़ से अधिक का नुकसान हुआ है। इतना ही नहीं अलग-अलग कार्यों में अरबों रुपये की अनियमितता भी सामने आई है।

स्थानीय निधि लेखा परीक्षा विभाग की ओर से नगर निकायों की ऑडिट रिपोर्ट मंगलवार को विधानमंडल में रखी गई। इसके अनुसार प्रयागराज नगर निगम में बड़े स्तर पर वित्तीय अनियमितता सामने आई है। रिपोर्ट के अनुसार 2014-15 से 2016-2017 के बीच निगम तथा जलकल विभाग कर वसूली नहीं कर पाया। इससे 50 करोड़ से अधिक नुकसान हुआ है।

जलकल विभाग सेवाकर भी नहीं वसूल पाया। रिपोर्ट के अनुसार 1.99 करोड़ के बजाय 37 लाख की ही वसूली कर सका। ऐसे में 1.61 करोड़ रुपये की क्षति हुई। रिपोर्ट के अनुसार शासन की अनुमति के बगैर एजेंसी ने अलग-अलग काम में गलत तरीके से श्रमिकों की नियुक्ति करने के नाम पर भुगतान प्राप्त कर लिया। इसमें 6.83 करोड़ रुपये से अधिक की अनियमितता सामने आई है।

इसी तरह से गलत तरीके से 2.41 करोड़ का भुगतान एक अन्य एजेंसी को भी किया गया है। 2016-17 में नगर स्वास्थ्य अधिकारी ने दैनिक भोगी कर्मचारियों को 44 लाख रुपये का अनियमित तरीके से भुगतान किया है। कई काम में एजेंसी को टेंडर से 10 फीसदी से अधिक का भुगतान कर दिया गया। इससे निगम को 50 लाख रुपये से अधिक का नुकसान हुआ है। सड़क, नाली, सीवर, नाला आदि के निर्माण में कई अन्य स्तर पर भी अनियमितता बरती गई, जिससे निगम को अरबों रुपये का नुकसान हुआ है।

ठेकेदारों ने लेबर सेस का नहीं किया भुगतान

हर निर्माण कार्य पर कुल लागत का एक फीसदी लेबर सेस लगता है। यह राशि श्रम विभाग को दी जाती है। यह राशि श्रमिकों के लिए शुरू योजनाओं पर खर्च की जाती है। ऑडिट रिपोर्ट के अनुसार इसकी वसूली निर्माण एजेंसियों से नहीं की गई। इससे श्रम विभाग को एक करोड़ से अधिक का नुकसान हुआ है। इतना ही नहीं चाचर नाला के मरम्मत कार्य में सेस के अलावा डेढ़ फीसदी वाटर चार्ज भी नहीं लिया गया। इससे भी चार लाख रुपये से अधिक का नुकसान हुआ।

ऑडिट रिपोर्ट में प्रमुख आपत्तियां

नगर निगम

-एक दर्जन निर्माण कार्यों में टेंडर से 10 फीसदी अधिक भुगतान

- भोला का पुरवा में सड़क निर्माण में ठेकेदार से 6.19 लाख अर्धदंड नहीं लिया गया
- बेकार हो चुके सामानों को स्टोर में नहीं रखे जाने से 13.08 लाख से अधिक का नुकसान
- नगर स्वास्थ्य अधिकारी ने गलत तरीके से दैनिक भोगी कर्मियों को 44 लाख का भुगतान किया- बिना मास्टर रोल के लिए एजेंसी को 2.41 करोड़ का भुगतान

जल संस्थान

- ओवरटाइम-त्योहारी भत्ता के नाम पर गलत तरीके से 1.02 करोड़ का भुगतान
- कर्मचारी होने के बावजूद नलकूप-टैंकर आदि संचालन का ठेके पर देकर गलत तरीके से 4.11 लाख का भुगतान
- काफी अधिक मूल्य पर बिजली उपकरणों की खरीद से 5.46 लाख का नुकसान
- बिना टेंडर 9.98 लाख रुपये के वर्दी, ब्लेजर आदि खरीदे गए
- वाहन होने के बावजूद निजी लिए गए और 6.31 लाख का भुगतान हुआ

कर वसूली में लापरवाही की बात ऑडिट के दौरान सामने आई थी। जवाब दिया गया है। यह नुकसान नहीं है। लोग टैक्स जमा नहीं करते हैं तो उनसे आगे वसूली की जाती है। सरकारी विभागों से भी 80 फीसदी तक जल एवं सीवर कर की वसूली की गई है। अन्य विभागों से आगे की जाएगी। सरकारी भवनों से कर वसूली की नीति है। इसी के अनुसार कर लिया जाता है। जांच के दौरान कई अन्य बिंदुओं पर भी आपत्ति उठाई गई थी। सभी का जवाब दिया गया है। - कुमार गौरव, जलकल

स्थानीय निधि लेखा परीक्षा विभाग की ओर से ऑडिट रिपोर्ट को लेकर जानकारी नहीं है। रिपोर्ट में यदि किसी तरह की आपत्ति उठाई गई है तो नियमानुसार कार्रवाई की जाएगी। - चंद्र मोहन गर्ग, नगर आयुक्त <https://www.amarujala.com/uttar-pradesh/allahabad/loss-of-more-than-50-crores-due-to-negligence-in-water-sewer-and-other-tax-collection-cag-report-revealed-2023-08-10?pageId=1>

49. Bihar: बिहार की प्रति व्यक्ति आय झारखंड-यूपी और ओडिशा से कम, कैग रिपोर्ट में कर्ज 13 प्रतिशत से अधिक बढ़ने का खुलासा (navbharattimes.indiatimes.com) 11 Aug 2023

पटना: बिहार की प्रति व्यक्ति आय उसके पड़ोसियों झारखंड, उत्तर प्रदेश, ओडिशा और मध्य प्रदेश से कम है। भारत के नियंत्रक एवं महालेखा परीक्षक (सीएजी) रिपोर्ट के अनुसार 2011 से 2022 की अवधि के लिए आर्थिक विकास में वृद्धि दिखाई गई है, क्योंकि इसके सकल राज्य घरेलू उत्पाद जीएसडीपी की चक्रवृद्धि वार्षिक वृद्धि दर (सीएजीआर) 10.18 प्रतिशत रही है, जो देश के राष्ट्रीय सीएजीआर 10.11 फीसदी से अधिक है।

हालांकि, 2021-22 के अंत में बिहार की प्रति व्यक्ति आय 54,383 रुपये है। यह आंकड़ा झारखंड, उत्तर प्रदेश, ओडिशा और मध्य प्रदेश जैसे अन्य राज्यों की तुलना में कम है, जहां क्रमशः 88,535 रुपये, 79,396 रुपये, 1,39,995 रुपये और 1,37,339 रुपये है।

नीतीश सरकार के लिए आंखें खोलने वाला

यह नीतीश कुमार सरकार के लिए आंखें खोलने वाला है, क्योंकि वह 18 वर्षों से राज्य में सत्ता में हैं, लेकिन प्रति व्यक्ति आय पड़ोसी राज्यों की तुलना में बहुत कम है। बिहार ने वर्ष 2021-22 के दौरान 15.04 प्रतिशत की वृद्धि दर के साथ जीएसडीपी के रूप में 6,75,448 करोड़ रुपये दर्ज किए हैं। महामारी की अवधि को छोड़कर इसमें प्रति वर्ष 10 प्रतिशत की वृद्धि देखी गई है, जब 2020-21 में विकास दर 0.80 प्रतिशत थी। भारत का सकल घरेलू उत्पाद (जीडीपी) 2020-21 में पिछले साल की तुलना में -1.36 फीसदी दर्ज किया गया।

राजकोषीय देनदारियां 13.34 प्रतिशत बढ़ी

2021-22 के दौरान, आंतरिक ऋण में 14.60 प्रतिशत की वृद्धि और भारत सरकार से ऋण और अग्रिम 47.57 प्रतिशत की वृद्धि के कारण राजकोषीय देनदारियां पिछले वर्ष की तुलना में 13.34 प्रतिशत बढ़ गईं। 31 मार्च, 2022 तक सरकारी संस्थाओं ने बिहार राज्य सरकार की ओर से 1,482.50 करोड़ रुपये का ऋण प्राप्त किया है। ये ऋण राज्य सरकार द्वारा बजट से बाहर उधार हैं।

राजकोषीय घाटे में वृद्धि चिंताजनक

राज्य सरकार ने इन ऋणों के लिए गारंटी प्रदान की है, क्योंकि ये उधार सीधे सरकार की उधारी का हिस्सा नहीं है। इन्हें वित्तीय खातों के सार्वजनिक ऋण में शामिल नहीं किया गया और इसलिए आंकड़ों की गणना राज्य के राजकोषीय घाटे के रूप में की जा रही है। इस प्रकार, राज्य की ऑफ-बजट उधारी को ध्यान में रखते हुए, मार्च 2022 के अंत में कुल बकाया ऋण 2,57,510,21 करोड़ रुपये के मुकाबले 2,58,992,71 करोड़ रुपये हो गया। फलस्वरूप वर्ष 2022 के अंत में जीएसडीपी का कुल ऋण प्रतिशत 0.22 प्रतिशत माना गया।

<https://navbharattimes.indiatimes.com/state/bihar/patna/bihar-per-capita-income-is-less-than-jharkhand-up-odisha-cag-report-reveals-debt-has-increased-by-more-than-13-percent/articleshow/102635008.cms>

50. Kolkata: बंगाल सरकार की केंद्र सरकार से सहायता अनुदान पर निर्भरता बहुत अधिक: कैग रिपोर्ट (*jagran.com*) August 11, 2023

Kolkata रिपोर्ट में कहा गया है कि पिछले वर्ष की तुलना में 2020-21 के दौरान राज्य की राजस्व प्राप्तियों में 3.83 प्रतिशत की वृद्धि देखी गई जिसका मुख्य कारण भारत सरकार से सहायता अनुदान में वृद्धि है। रिपोर्ट के अनुसार वृद्धि के बावजूद समीक्षाधीन वित्त वर्ष के दौरान राज्य के राजस्व व्यय में 9.44 प्रतिशत की गिरावट आई। वहीं राज्य की देनदारियां साल-दर-साल बढ़ रही हैं।

रिपोर्ट के अनुसार वृद्धि के बावजूद समीक्षाधीन वित्त वर्ष के दौरान राज्य के राजस्व व्यय में 9.44 प्रतिशत की गिरावट।

कोलकाता, राज्य ब्यूरो। नियंत्रक एवं महालेखा परीक्षक (कैग) की नवीनतम रिपोर्ट के अनुसार राज्य की राजस्व प्राप्तियों में सुधार के लिए बंगाल सरकार की केंद्र सरकार से सहायता अनुदान पर निर्भरता बहुत अधिक है। रिपोर्ट में कहा गया है कि पिछले वर्ष की तुलना में 2020-21 के दौरान राज्य की राजस्व प्राप्तियों में 3.83 प्रतिशत की वृद्धि देखी गई, जिसका मुख्य कारण भारत सरकार से सहायता अनुदान में वृद्धि है। रिपोर्ट में राजस्व व्यय में तेज वृद्धि के मुकाबले संपत्ति निर्माण या पूंजीगत व्यय के पीछे राज्य के खर्च में गिरावट पर भी गौर किया गया है।

राज्य की देनदारियां साल-दर-साल बढ़ रही हैं

रिपोर्ट के अनुसार वृद्धि के बावजूद समीक्षाधीन वित्त वर्ष के दौरान राज्य के राजस्व व्यय में 9.44 प्रतिशत की गिरावट आई, जबकि उसी वित्तीय वर्ष के दौरान संपत्ति निर्माण पर व्यय में 18.39 प्रतिशत की गिरावट आई। 2016 के दौरान बकाया देनदारियां भी लक्ष्य से ऊपर थीं।

राज्य की देनदारियां साल-दर-साल बढ़ रही हैं और वर्ष 2020-21 के दौरान बाजार उधार का 58.84 प्रतिशत से अधिक का उपयोग राजस्व खाते को संतुलित करने के लिए किया गया, जिससे राज्य में संपत्ति निर्माण प्रतिबंधित हो गया।

रिपोर्ट में यह भी बताया गया है कि राजस्व व्यय में 9.44 प्रतिशत की बढ़ोतरी के कारण राज्य के राजस्व घाटे में 40.18 प्रतिशत की बढ़ोतरी हुई है। घाटा और भी अधिक हो सकता था यदि पूंजीगत अनुभाग के तहत राजस्व लेदेन के गलत वर्गीकरण और अन्य देनदारियों के गैर-हिसाब के उदाहरण न होते। रिपोर्ट ने राज्य के बजटीय प्रबंधन पर भी सवाल उठाए। <https://www.jagran.com/west-bengal/kolkata-bengal-government-dependence-on-grants-in-aid-from-the-central-government-very-high-cag-report-23497942.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

51. How high is India's national debt? (*livemint.com*) Updated - August 11, 2023

New Delhi: While the central government raises debt mainly from the domestic market, it also has exposure to international debt through multilateral and bilateral agreements. Mint takes a look at the government's debt situation.

What was the total debt of the union government as of 31 March, 2023?

The national debt stood at ₹155.6 lakh crore (57.1% of GDP) as of 31 March, 2023. It was ₹58.6 lakh crore (52.2% of GDP) on 31 March 2014, just before the current government came to power.

Did the government's debt increase during the pandemic?

At the end of FY20, the government's debt stood at ₹105.1 lakh crore (52.4% of GDP). This increased to ₹121.9 lakh crore (61.5% of GDP) at the end of FY21. This increase of about 9% in a single year was mainly on account of the pandemic, which hugely disrupted projections of the government's finances. However, the debt has fallen since then.

Is this debt held in rupees or foreign currencies?

It is held predominantly in rupees. As of 31 March, 2014, the government's external debt (at current exchange rates) was 6.4% of total debt and 3.3% of GDP. This declined to 4.8% of total debt and 2.7% of GDP as of 31 March, 2023. The government's external debt is mainly financed by multilateral and bilateral agencies.

Which multilateral agencies finance India's external debt?

These include the International Bank for Reconstruction and Development, International Development Association, International Fund for Agriculture Development, Asian Development Bank, New Development Bank, Asian Infrastructure Investment Bank, European Economic Community, Organisation of Petroleum Exporting Countries, and European Investment Bank.

Which countries have exposure to India's external debt?

They include Germany, France, Japan, the US, Russia and Italy. As of 31 March, India's debt exposure to Japan stood at ₹169,381 crore, Russia at ₹25,448 crore, Germany at ₹22,615 crore, France at ₹9,402 crore, and the US at ₹274 crore. <https://www.livemint.com/opinion/online-views/mint-explainer-how-high-is-india-s-national-debt-11691736924426.html>

52. Multidimensional Poverty Index is a holistic measure (*thehindubusinessline.com*) Updated - August 10, 2023

An editorial in this newspaper, 'Chasing a mirage: Govt alone can't handle multidimensional poverty' (August 8), argues that the national Multidimensional Poverty Index (MPI) includes too many indicators, such as having a bank account, clean cooking fuel, sanitation, assets, etc., to qualify as poor and that this may create a perverse incentive for governments trying to provide private goods with public money, burdening the fisc. The Edit may be conflating issues, and a few points demand attention.

Firstly, the MPI has three dimensions: health, education, and standard of living, with 12 weighted indicators. The weights range from 1/6 for nutrition to 1/21 for bank accounts, drinking water, assets, etc. A weighted deprivation score of 0.33 is required to qualify as MPI poor. Thus, not all deprivations have equal weightage. These deprivations are very basic (advisable to read 2.3 of NITI Aayog's MPI report for specific indicators) and hence emblematic of real poverty besides informing policymaking on the necessities that are lacking in the country.

Second, poverty is about lacking purchasing power for an acceptable standard of living. What 'acceptable' means will vary from country to country. While consumption expenditure is a telling statistic, poverty is more than having a particular sum of money. As a thought experiment, if a household earning just enough to be above the poverty line does not have a functional tap water connection or sanitation facilities at home or if none of the members has a bank account, wouldn't we say that the monetary yardstick is missing something? This used to be one of the criticisms of monetary poverty lines, but now with MPI showing significant improvements, the narrative seems to have flipped.

Third, if a government handout (subsidised cooking gas connection, health insurance and other subsidies) supplements one's income, it is like an in-kind/in-cash transfer. It either supplements the purchasing power or obviates the need for purchasing power since the government provides those goods and services. Therefore, they are not 'poor'.

Consequently, the consideration of the availability and enjoyment of these goods and services in estimating whether a household is poor or not — whether sourced with their own money or provided by the government — is valid. Moreover, goods such as an LPG connection have positive externalities, and their purchase is also an intra-household prioritisation exercise, i.e., women's health and drudgery may or may not be the top priority for a resource-scarce household. Even if a government provides tap water connections (not unlimited free water) or LPG connections (not refills), it is creating massive societal gains, which are higher than private gains.

Now, whether these should be privately provided and the households have to earn on their own to pay for them, whether the said provision is an opp

<https://www.thehindubusinessline.com/opinion/multidimensional-poverty-index-is-a-holistic-measure/article67181444.ece>