

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Congress slams the Modi government for transferring CAG officials (*thehindu.com*) October 11, 2023

Reacting to news reports that audit officials of the Comptroller and Auditor General (CAG), who had exposed corruption in the Ayushman Bharat scheme and Dwarka Expressway project, have been transferred, the Congress on Wednesday accused the Narendra Modi government of intimidating the officials, and demanded their reinstatement.

Congress general secretary Jairam Ramesh, in a post on X, alleged that the Narendra Modi government threatens and removes anyone who “exposes” it.

“The Modi government operates mafia style under a cloak of silence and intimidation. If anyone exposes its modus operandi of corruption, they are threatened or removed,” he said.

“We demand that these transfer orders should be cancelled immediately, the officers return to the CAG and action must be taken on these mega scams relating to Dwarka Expressway, Bharatmala and Ayushman Bharat,” Mr. Ramesh added.

The Congress leader pointed out that the CAG reports that were tabled in Parliament recently had pointed to “massive scams” in infrastructure projects and social welfare schemes.

“It [the CAG report] documented 1400% cost inflation and tendering irregularities in the Dwarka Expressway, in addition to a diversion of Rs. 3,600 crore from highways projects, faulty bidding practices, and 60% cost inflation of Bharatmala scheme,” Mr. Ramesh said.

Similarly, the Congress leader pointed out, the CAG report had shown how an audit of the Ayushman Bharat scheme revealed how “lakhs of claims made to dead patients and at least 7.5 lakh beneficiaries were linked to a single mobile number”.

The Congress leader alleged that three CAG officers in charge of reporting on the alleged Ayushman Bharat and Dwarka Expressway scams had been transferred “to hide the blatant corruption in the Modi Government, despite the fact that the CAG is supposed to be an independent body”.
<https://www.thehindu.com/news/national/congress-slams-the-modi-government-for-transferring-cag-officials/article67407050.ece>

2. Cong attacks govt over transfer of CAG officers involved in audit of Dwarka Expressway Ayushman Bharat schemes (*theweek.in, telegraphindia.com*) 11 Oct 2023

The Congress on Wednesday accused the government of intimidating officers of the Comptroller and Auditor General (CAG), who had exposed "corruption" in various schemes, and demanded that their transfer orders be revoked.

Citing a media report on the transfer of the officers, Congress general secretary Jairam Ramesh charged that it is the modus operandi of the Modi government to threaten and remove anyone who "exposes" them.

"We demand that these transfer orders should be cancelled immediately, the officers return to the CAG and action must be taken on these mega scams relating to Dwarka Expressway, Bharatmala and Ayushman Bharat," he said in a post on X.

The Congress leader charged that "the Modi government operates mafia style under a cloak of silence and intimidation. If anyone exposes its modus operandi of corruption, they are threatened or removed".

The latest victims are three officers of the CAG, who exposed "massive scams" in government schemes in a report tabled during the Monsoon Session of Parliament, he alleged.

The CAG report showed scams across infrastructure and social schemes. It documented 1400 per cent cost inflation and tendering irregularities in the Dwarka Expressway, in addition to a diversion of Rs 3,600 crore from highways projects, faulty bidding practices, and 60 per cent cost inflation of the Bharatmala scheme, he claimed.

"Not only that, an audit of the Ayushman Bharat scheme showed lakhs of claims made to dead patients and at least 7.5 lakh beneficiaries linked to a single mobile number," he also claimed.

Ramesh charged that the three CAG officers in charge of reporting on the Ayushman Bharat and Dwarka Expressway scams have been transferred "to hide the blatant corruption in the Modi Government, despite the fact that the CAG is supposed to be an independent body". <https://www.theweek.in/wire-updates/national/2023/10/11/del16-cong-govt-cag.html>

3. CAG Officers' Transfers: Opposition Accuses Modi Government of 'Intimidation', 'Corruption' (*thewire.in*) 11 Oct 2023

Opposition parties have accused the Bharatiya Janata Party (BJP) government of corruption after The Wire reported that the Comptroller and Auditor General (CAG) has transferred officers, including three who were coincidentally involved with and in charge of two audit reports that highlighted graft in the Ayushman Bharat Scheme and cost irregularities in the construction of Dwarka Expressway.

In a statement on Wednesday, Congress MP and general secretary in-charge of communications Jairam Ramesh on X (formerly Twitter) accused the Narendra Modi government of "intimidation."

"The Modi government operates mafia style under a cloak of silence and intimidation," he wrote.

"If anyone exposes its modus operandi of corruption, they are threatened or removed. The latest victims are three officers of the Comptroller and Auditor General

(CAG), who exposed massive scams in government schemes in a report tabled during the Monsoon Session of Parliament.”

The CAG report on highway projects under the Implementation of Bharatmala Pariyojana Phase-I (BPP-1) found massive overrun costs in the Dwarka Expressway project and said that the National Highway Authority of India’s decision to opt for an elevated carriageway in the Haryana portion pushed up costs to Rs 250.77 crore per kilometre as against the approved cost of Rs 18.20 crore per kilometre.

The audit of Ayushman Bharat revealed corruption in insurance settlement claims. The report, among other findings, said that lakhs of claims continued to be made against people who had been shown as ‘deceased’ in the database.

Ramesh said that the Congress party demands that the transfer orders be cancelled immediately and that action be taken “on these mega scams relating to Dwarka Expressway, Bharatmala and Ayushman Bharat.”

The Aam Aadmi Party (AAP) said that with the transfers of these CAG officers, “Modi’s real face is in front of the country. The one who gave the slogan of corruption free India has kept corruption in his lap,” the AAP tweet said in Hindi on X.

“Modi ji, if you have courage then instead of transferring these officers, get these scams investigated? Do you have the courage?”

Reacting to The Wire’s report, TMC MP Jawhar Sircar said that the transfer orders come as the CAG is now being headed by “Modi’s closest secretary”.

“CAG officers who revealed Modi-Govt scams in Ayushman Bharat, Bharatmala, etc, transferred! And why not? Modi’s closest Secretary who saw him through Gujarat Riot Allegations is now his dear CAG! Only Opposition States will be targeted,” he said.

The CAG, Girish Chandra Murmu is a 1985-batch Gujarat cadre Indian Administrative Service (IAS) officer, believed to be a trusted aide of both Modi and Union home minister Amit Shah.

Prior to his appointment as the CAG in 2020, Murmu was the first Lieutenant Governor of Jammu and Kashmir after was downgraded to a Union Territory in the aftermath of the dilution of Article 370. Murmu was also the principal secretary in the chief minister’s office when Modi helmed the state government in Gujarat.

The twelve CAG reports revealed corruption and irregularities in the functioning of several Union government ministries and departments. The Monsoon session of Parliament, where these reports were tabled, ended on August 11. The transfer orders were issued on September 12. <https://thewire.in/politics/cag-officers-transfers-opposition-accuses-modi-government-intimidation>

4. Revoke transfer orders of CAG officers who exposed graft: Congress to Government (*dailypioneer.com*) 12 Oct 2023

The Congress on Wednesday accused the Central Government of intimidating officers of the Comptroller and Auditor General (CAG), who had exposed “corruption” in various schemes, and demanded that their transfer orders be revoked.

Citing instances on the transfer of the officers, Congress chief spokesman Jairam Ramesh charged that it is the modus operandi of the Modi government to threaten and remove anyone who “exposes” them.

“We demand that these transfer orders should be cancelled immediately, the officers return to the CAG and action must be taken on these mega scams relating to Dwarka Expressway, Bharatmala and Ayushman Bharat,” he said.

The Congress leader charged that “the Modi government operates mafia style under a cloak of silence and intimidation. If anyone exposes its modus operandi of corruption, they are threatened or removed”.

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“Not only that, an audit of the Ayushman Bharat scheme showed lakhs of claims made to dead patients and at least 7.5 lakh beneficiaries linked to a single mobile number,” he also claimed.

Ramesh charged that the three CAG officers in charge of reporting on the Ayushman Bharat and Dwarka Expressway scams have been transferred “to hide the blatant corruption in the Modi Government, despite the fact that the CAG is supposed to be an independent body”. <https://www.dailypioneer.com/2023/india/revoke-transfer-orders-of-cag-officers-who-exposed-graft--congress-to-government.html>

5. CAG अधिकारियों के तबादले पर कांग्रेस ने केंद्र सरकार को घेरा, तुरंत आदेश रद्द करने सहित की यह मांग (*jagran.com*) 11 Oct 2023

कांग्रेस ने भारत के नियंत्रक एवं महालेखा परीक्षक के तीन अधिकारियों को स्थानांतरित करने के लिए केंद्र सरकार की आलोचना की है। कांग्रेस महासचिव जयराम रमेश ने कहा कि नए पीड़ित सीएजी के तीन अधिकारी हैं। उन्होंने संसद के मानसून सत्र के दौरान पेश की गई एक रिपोर्ट में सरकारी योजनाओं में बड़े पैमाने पर घोटालों का पर्दाफाश किया।

कांग्रेस ने भारत के नियंत्रक एवं महालेखा परीक्षक (CAG) के तीन अधिकारियों को स्थानांतरित करने के लिए केंद्र सरकार की आलोचना की है। उसने कहा है कि भाजपा चुप्पी और धमकी की आड़

में माफिया शैली में काम कर रही है। यदि कोई इसके भ्रष्टाचार के तौर-तरीकों को सामने लाता है तो उसे धमकी दी जाती है या फिर हटा दिया जाता है।

क्या है कांग्रेस की मांग?

कांग्रेस ने मांग की है कि तबादला आदेश तुरंत रद्द किया जाए और अधिकारी सीएजी के पास वापस आए। उसने यह भी मांग की है कि द्वारका एक्सप्रेस-वे, भारतमाला और आयुष्मान भारत से संबंधित मेगा घोटालों में कार्रवाई की जानी चाहिए, जो संसद के मानसून सत्र (Monsoon Session) के दौरान उजागर हुए थे।

क्या कुछ बोले जयराम रमेश?

एक्स (पूर्व में ट्विटर) पर एक पोस्ट में कांग्रेस महासचिव जयराम रमेश (Jairam Ramesh) ने कहा कि नए पीड़ित सीएजी के तीन अधिकारी हैं। उन्होंने संसद के मानसून सत्र के दौरान पेश की गई एक रिपोर्ट में सरकारी योजनाओं में बड़े पैमाने पर घोटालों का पर्दाफाश किया। उन्होंने कहा कि सीएजी रिपोर्ट में बुनियादी ढांचे और सामाजिक योजनाओं में घोटाले दिखाए गए हैं।

रमेश ने कहा कि घोर भ्रष्टाचार को छिपाने के लिए आयुष्मान भारत और द्वारका एक्सप्रेस-वे घोटालों पर रिपोर्टिंग के प्रभारी तीन सीएजी अधिकारियों को स्थानांतरित कर दिया गया है। इस तथ्य के बावजूद कि सीएजी को एक स्वतंत्र निकाय माना जाता है। हम मांग करते हैं कि इन स्थानांतरण आदेशों को तुरंत रद्द किया जाना चाहिए। <https://www.jagran.com/news/national-congress-attacks-govt-over-transfer-of-cag-officers-23553667.html>

6. Sports Authority of India erred in procuring equipment in 2017-22 (tribuneindia.com) Oct 11, 2023

At a time when the country is celebrating the Indian contingent's best-ever show at the Asian Games, the Comptroller and Auditor General of India's report about how the Sports Authority of India procures equipment does not read well.

The performance audit report by the CAG has highlighted how the SAI officials have majorly erred by either not procuring essential equipment in time or not utilising the sourced equipment at all.

From 2017 to 2022, the SAI officials purchased kits and equipment, including that for sports sciences, worth Rs 67.07 crore. However, the report suggests that equipment worth Rs 1.33 crore is lying idle at 13 centres at least. The report also says that the National Centre for Sports Sciences and Research (NCSSR) was not consulted before buying equipment for which the Sports Ministry had released Rs 20 crore from the approved sum of Rs 80 crore in March 2020.

The initial plan was to procure equipment for departments of anthropometry, biochemistry, biomechanics/GTMT, nutrition, physiology, physiotherapy, psychology, and strength and conditioning for 11 centres of excellence and two centres in Patiala and Bengaluru. It was to help the elite athletes before the Tokyo Olympics. However, the CAG notes that the purpose was defeated as the centres were not ready in time. Further, the report says that the SAI failed to check the requisite space and availability of medical/para-medical and scientific staff needed to operate the equipment.

Delays

The CAG has also highlighted how the top SAI officials have dealt with this process in a high-handed manner. As an example, the report cites how gymnastics equipment to be procured for the NERC Imphal centre in 2018 was delivered to the regional centre in Kolkata in 2019. Interestingly, the Kolkata centre had not raised a demand for the said equipment. The report says that SAI director general Sandip Pradhan ordered the equipment to be delivered to Kolkata instead.

In the case of procurement of shuttlecocks for the badminton team in 2019, the report says that the price bid evaluation committee (PBEC) observed that the single technically qualified bidder failed the requirement of the tender document as the company claimed it would deliver the shuttles within five-six months as opposed to 75 days. As a result, a member of the PBEC representing BAI dissented and did not sign the minutes of the meeting, stating that the SAI has not supplied shuttles for over one-and-a-half years.

Similarly, the SAI delayed procuring yachting equipment, including boats worth Rs 1.28 crore. The Yachting Association of India put up a proposal to get the equipment in November 2017 ahead of the 2018 Asian Games. However, the procurement process was only initiated in June 2018. The delay meant that the athletes failed to get time to train and the equipment had to be delivered in Jakarta, Indonesia, directly. <https://www.tribuneindia.com/news/sports/sports-authority-of-india-erred-in-procuring-equipment-in-2017-22-552598>

STATES NEWS ITEMS

7. 7 lakh missed out on Pradhan Mantri Awas Yojana - Urban benefits due to govt delay (*newindianexpress.com*) Oct 12, 2023

CHENNAI: About half of the total 13.92 lakh identified in the state to benefit from Pradhan Mantri Awas Yojana - Urban (PMAY-U) missed out on receiving a house until 2021 under the Union government scheme that rolled out in 2015, a CAG report pointed out.

A delay in submission of the details of the prospective beneficiaries, to the Union Ministry of Housing and Urban Affairs, before a March 2022 deadline and the delay in framing of a state housing policy led to 6.84 lakh in Tamil Nadu not being sanctioned a house during the period, it stated.

While the Tamil Nadu Urban Habitat Development Board (TNUHDB) obtained sanction only for 7.08 lakh houses against the total demand during 2015-2021, the board could not properly assess the housing demand for 2019 to 2021 due to a delay in framing the Tamil Nadu Affordable Urban Housing and Habitat Policy, the CAG stated.

“The absence of an updated demand survey (through the policy) has deprived a large number of the urban poor from becoming beneficiaries,” it added. Further, the Union government did not allow additional sanctions for houses under the PMAY-U scheme beyond March 2022, it noted. The report also highlighted non-allotment and non-

occupancy of constructed tenements, delay in completion and higher beneficiary contributions fixed for various tenements as major issues.

An audit of 4,536 tenements that came up in 43 projects under the Ministry of Housing and Urban Affairs scheme discovered that only 2,463 of them were occupied as of October 2022, the CAG pointed out. The government, however, has assured of tangible action to allocate the balance tenements to beneficiaries. <https://www.newindianexpress.com/states/tamil-nadu/2023/oct/12/7-lakhmissed-out-on-pradhan-mantri-awas-yojana---urban-benefits-due-to-govt-delay-2623132.html>

8. CAG pulls up TN Higher Education Dept on data SIM cards distribution to college students (*thehindubusinessline.com*) Oct 12, 2023

The Comptroller and Auditor General of India has pulled up the Tamil Nadu government's Higher Education Department on "infructuous expenditure" on procurement of data SIM cards under the free distribution of data SIM card scheme to college students during Covid pandemic.

The non-adherence to the original decision while framing rules for the scheme of free distribution of data SIM cards by the department, amending tender conditions to the advantage of the supplier and delaying implementation of the scheme resulted in infructuous expenditure of ₹4.93 crore on excess procurement of the cards and avoidable expenditure of ₹3.46 crore. This was due to the non-synchronisation of data SIM card validity with the academic calendar, the audit observed.

The report of CAG (Compliance Audit) for the year ended March 31, 2022 tabled in the Tamil Nadu Assembly on Wednesday says the scheme was introduced to facilitate students to attend online classes conducted by the colleges during the Covid pandemic. The State government launched the scheme to benefit the students studying in government schools and government-aided arts and science graduates, polytechnic colleges/engineering colleges and students studying in self-financing institutions who were availing scholarships.

The State government in January 2021 accorded administrative sanction to procure 9.69 lakh data SIM cards for supply to students through Electronic Corporation of Tamil Nadu Ltd. A sum of ₹43.16 crore was released to Elcot in March 2021 to implement the scheme.

Elcot placed orders through an open tender in January on four network service providers — BSNL, Bharti Airtel, Reliance jio and Vodafone for the supply of 9.69 lakh data SIM cards. BSNL was the lowest bidder and agreed to match the price of ₹92 per month per card.

The CAG noted that as of April 2022, a total of 1.10 lakh cards remained undistributed with the nodal officers/colleges. The sampled colleges stated that this was due to the lockdown, and students did not return to colleges to collect the cards.

'No action taken'

The State government in January 2023 accepted the audit observation on non-delivery of the activated data SIM cards and stated they came to know about this issue only after

being pointed out by the audit. However, no action was proposed to remedy the lapses on the part of the authorities responsible, the report noted.

The CAG recommended that the government should direct Elcot to immediately refund ₹3.26 crore retained by it.

The auditor pulled up the Department of Home, Prohibition and Excise stating that the non-devolution of fire service functions as per the 74th Constitutional Amendment Act, 1992, hampered the prevention of fire incidents. In Tamil Nadu, 17 of the envisaged 18 functions have been devolved to municipal bodies with varied responsibilities but the fire service function has been devolved to the urban local bodies.

Pulling up the Social Welfare and Women Empowerment Department, the audit noted that incorrect adoption of gold rate and forex rate in the procurement of gold coins for marriage assistance schemes of the State government had resulted in avoidable additional expenditure of ₹2.22 crore.

The Audit noted that the failure of Commissioner of Handlooms and Textiles to notice and prevent the bid rigging by tenderers and the failure of Director of Elementary Education to adequately monitor the implementation of the scheme resulted in an avoidable excess expenditure of ₹4.81 crore and blocking of ₹33.23 crore in bank account. <https://www.thehindubusinessline.com/news/education/cag-pulls-up-tn-higher-education-dept-on-data-sim-cards-distribution-to-college-students/article67408180.ece>

9. 1,10,846 data SIM cards procured to help students attend online classes during COVID-19 not distributed: CAG (*thehindu.com*) Oct 12, 2023

Of the 9,20,102 data SIM cards supplied under the State government's scheme to help students attend online classes during COVID-19, 1,10,846 remained undistributed, the Compliance audit report of the Comptroller and Auditor General (CAG) for the year ended March 2022, tabled in the Assembly, on Wednesday said.

In January 2021, the government accorded administrative sanction for the procurement of 9.69 lakh data SIM cards for supplying to students studying in institutions coming under the Directorate of Collegiate Education (DCE) (6.12 lakh cards) and Directorate of Technical Education (DTE) (93.58 lakh cards).

The data SIM cards were to provide 2 GB of data per day for four months from January-April 2021 and the Electronics Corporation of Tamil Nadu Limited (ELCOT) was the procuring agency. The State released ₹43.16 crore to ELCOT in March 2021 for implementing the scheme.

The Chief Minister of Tamil Nadu launched the distribution of 4G data SIM card in February 2021 and the cards were distributed to students over a period of three months from February-April 2021.

The network service providers supplied a total of 9,20,102 data SIM cards to the nominated nodal officers in all districts, who, in turn, distributed the cards to the

principals of colleges for distribution to the students. The CAG's audit noted that of the 9,20,102 data SIM cards supplied, as of April 2022, 1,10,846 (DCE-60,495 and DTE-50,351) remained undistributed with the Nodal Officers/colleges.

Sampled colleges said that due to lockdown, students did not return to colleges to collect the cards.

In its reply in January 2023, government had accepted the audit's observation on non-delivery of activated data SIM cards and said that it came to know of the issue only after it was pointed out by audit. However, no action was proposed to remedy the lapses, the CAG said.

The audit further observed that the Higher Education Department failed to adhere to the decision made to procure SIM cards only for students not having the data connections and, thus, failed to assess the requirement correctly, which resulted in excess procurement of data SIM cards and causing avoidable expenditure of ₹4.93 crore on 1.11 lakh undistributed SIM cards.

The State government in its reply said some students did not come forward to receive their SIM cards because of pandemic-related reasons, however it was silent on the non-adherence to the decision to procure the cards only for students who did not possess such cards, CAG said.

It also pointed out that 3.11 lakh data SIM cards were supplied and activated only during March-April 2021, thereby the four-month validity of these cards overlapped with the summer vacation of colleges which happens during May/June in the State.

The non-synchronisation of the SIM card activation period with the academic calendar resulted in an avoidable expenditure of ₹3.46 crore incurred towards data charges for one month on 3.11 lakh data SIM cards during June 2021, the CAG said.

ELCOT recovered ₹1.05 crore in liquidated damages/penalties and did not refund it to the government till date. It procured only 9.20 lakh cards, out of the 9.69 lakh cards, and retained the balance of ₹2.21 crore for more than a year, it added.

The audit recommended inquiry into the circumstances leading to excess procurement and State government to refund ₹3.26 crore retained by it.

CAG also pointed out to lapses in free coaching classes offered by School Education Department for competitive exams like NEET and JEE.

Under the scheme, coaching was provided to a total of 73,885 students during the year 2018 and 2019. From 2020, the Directorate of School Education did not conduct classes as the service provider Sai Speed Medical Institute Pvt Ltd. exited from providing coaching on issues relating to settlement of bills and no effort was made to engage another service provider, the CAG added.

Non-adherence to due process in selection of service provider and failure to sign an agreement with payment terms and measures to enforce the agreement had resulted in

the service provider existing in mid-way leading to non-continuation of the coaching after 2019, it added.

This had resulted in idling of infrastructure established for the purpose and non-achievement of the scheme objective led to infructuous expenditure of ₹2.12 crore on procurement of hardware, which were not utilised and an avoidable additional expenditure of ₹2.15 crore on procurement of books published by a different agency, the CAG added.

The enrolment of students reduced significantly from 54,066 in 2018 to 19,819 in 2019 and the percentage of students who cleared the exam after availing the coaching was very low. This indicates that the coaching did not have significant impact on the results of the examination, the report pointed out.

The audit further said that the government must order an investigation and proceed against those involved in bid rigging through cartelisation in procurement of school uniforms for 2021-22.

It resulted in avoidable expenditure of ₹4.81 crore and the Commissioner of School Education and Director of Elementary Education failed to effectively monitor the scheme, which resulted in blocking of unspent balances of ₹33.23 crore in bank account, it added.

The audit report also pointed out lapses in Water Resources, Social Welfare and Women Empowerment, Fisheries, Health and Revenue Department, among others. <https://www.thehindu.com/news/national/tamil-nadu/110846-data-sim-cards-procured-to-help-students-attend-online-classes-during-covid-19-not-distributed-cag/article67409336.ece>

10. 11-10-Fire service dept squandered crores in buying ill- advised vehicles: CAG (*timesofindia.indiatimes.com*) Oct 12, 2023

Chennai: Even as 43 fire service stations in Tamil Nadu did not have even a single vehicle to attend rescue calls, the state purchased ill-fitting and expensive aerial ladder platform (ALP) vehicles spending crores of rupees, said the Comptroller and Auditor General (CAG) tabled in the assembly on Wednesday.

Out of the 352 Fire Rescue Safety and Services (FRSSs) in the state, 43 did not have any vehicle. However, the aerial ladder platform (ALP) vehicles of 54 meters in height were bought at a total cost of ₹11.82 crore. While these 54- meter ALP vehicles were used on 14 occasions in six years from 2016 to 2022, the 104-meter ALP vehicles stationed at Tambaram and the Raj Bhavan were never put to use for fire calls/rescue calls.

Worse, on 33 occasions from 2014 to 2021, though the ALPs were supposed to attend fire/rescue calls, they could not be used as they are not in sync with local conditions and due to 'operational limitations'.

The department's response to emergency calls remained poor, too. At least 83% of distress calls received by the department were not attended within 10 minutes.

As per the state government's policy submitted in 2016- 2017, the targeted response time in Chennai city is approximately six minutes, while in rural areas, it should be less than 10 minutes. However, in January 2023, the state government increased the response time from six minutes to 10 minutes in Chennai city and 10 minutes to 20 minutes for rural areas in the state.

Linking this poor response to the shortage of manpower and lack of vehicles in the department, the CAG report also said having an adequate number of fire safety and rescue services (FRSSs) vehicles and manpower was a prerequisite for achieving the targeted response time. <https://timesofindia.indiatimes.com/city/chennai/11-10-fire-service-dept-squandered-crores-in-buying-ill-advised-vehicles-cag/articleshow/104351615.cms?from=mdr>

11. NOC granted for reconstructing Chennai Silks building, despite difficulties in extinguishing fire: CAG (*thehindu.com*) Oct 12, 2023

Despite the difficulties experienced in extinguishing fire in Chennai Silks building in Chennai, no objection certificate (NOC) was issued to reconstruct the building, according to the compliance Audit report of the Comptroller and Auditor General of India (CAG) for the year ended March 2022 tabled in the Assembly on Wednesday.

The fire accident occurred in Chennai on May 31, 2017, and the Fire and Rescue Services Department took 30 hours to douse the fire, mainly due to inaccessibility to the building which was situated on a busy commercial road, the CAG said in its specific Area Compliance Audit on 'Preparedness and Response of Fire and Rescue Services Department'.

The Aerial Ladder Platform vehicle brought to the scene by the department could not be put to use due to locational difficulties and the department had to bring in additional crash tender from airport to douse the fire, it said.

Audit found that the NOC was issued despite the side and rear setbacks of the proposed construction being narrower than what the department had considered insufficient in the enquiry report of the fire accident. This brought to light the lack of convergence between rules governing building permissions and actual requirement from the point of view of fire protection, the CAG said.

In January 2023, the State government replied that issuing building licence was the discretion of the building licensing authority. The reply reconfirmed the audit's observation, the CAG noted.

It also pointed to the fire incident during a temple chariot possession in Thanjavur in April 2022, instances of fire in dump yards and fire incidents at hospitals. Though the Director of Fire and Rescue Services (DFRS) proposed a bill on regulation of temporary structure and pandals as early as in 2001, no action has been taken by the State government on the proposed bill nor was any amendment made to the existing Act in this regard, it said. Thus temporary structures remained vulnerable without fire safety approvals from DFRS, it said.

The State government replied in January 2023 that fire safety permission / NOC was not required for smaller religious festivals. Audit observed that at least after the accident involving a large death toll, the DFRS should have reassessed the risks associated with such events and considered suitable measures.

On fire in dump yards, the State government accepted that there is a need to have fire safety measures like provision for gangway, minimum 10 lakh litre capacity of water sump etc, but viewed that implementation rests with the Corporations/Municipalities. The reply is not acceptable as monitoring the enforcement of these fire safety measures is vital for ensuring safety and protection from fire in dump yards, the CAG said.

As per fire audit conducted by the Department in 2,200 Government Hospitals/Health Centres, post the fire incident in Rajiv Gandhi Government General Hospital, Chennai, in April 2022, it was found that in 1,223 institutions fire safety norms were not followed, the CAG said. The State government said a consolidated report on fire audit in Government Hospitals was received in June 2022. However, the reply was silent on the action taken, it added.

Meanwhile, the specific Area Compliance Audit on scheme for providing free house site pattas to Adi Dravidar (SC) and Scheduled Tribe (ST) beneficiaries pointed out that the scheme suffered due to non-institution of a formal system for receipt, processing and monitoring of applications for allotment of house sites.

Large extents of acquired land remained undistributed to eligible beneficiaries and more than 50% of the beneficiaries in four out of the eight sampled districts had not constructed houses in the sites allotted to them for periods ranging from 13 to 49 years due to non-convergence of Pradhan Mantri Awas Yojana (PMAY-G) scheme, the CAG said. Significant number of beneficiaries sold their land within the lock-in period but the existing system could not prevent such irregular sale of assigned land, it said.

The specific area compliance audit also focused on implementation of welfare schemes in Department for the Welfare of Differently abled persons. The implementation of welfare schemes suffered due to lack of timely sanctioning of funds and deficient planning at the Commissionerate level which lead to delay and denial of timely benefits to beneficiaries, it said.

Inadequate number of special schools in several districts impacted access to education for differently abled children. Lapses in procurement of scooters and gold coins connected with scheme implementation caused avoidable additional expenditure, the CAG said.

It also said the government lacked a centralised database of Differently Abled Persons and relied on manual records which were not maintained properly in district offices. Deficiencies in monitoring and lack of regular follow-up hindered the effective implementation of schemes, it said. <https://www.thehindu.com/news/national/tamil-nadu/noc-granted-to-reconstruction-of-chennai-silks-building-despite-difficulties-in-extinguishing-fire-cag/article67408836.ece>

12. CAG report slams state government for not formulating policy for differently-abled (*timesofindia.indiatimes.com*) Oct 12, 2023

Chennai: The report of the comptroller and auditor general (CAG), tabled in the state assembly on Wednesday, has come down hard on the Tamil Nadu government for not formulating a policy for differently-abled and for failing to maintain proper database.

The report observed that “lack of state policy, non-conduct of regular state advisory board meetings and nonaggregation of manual data did not help in effective planning and resulted in deficiencies in implementation of welfare schemes”.

The report covering the period 2019-2022 was prepared based on the study done in Chennai, Madurai, Salem, Trichy and Tiruvannamalai districts. The report said the Rights of Persons with Disabilities Rules, 2018, mandate the state government to constitute an advisory board with experts in the field and to meet once in six months. But in the six years, from 2017 to 2022, the board has met only thrice as against the mandated 12 times.

The report pointed out that not even once had the board discussed the formulation of a policy for the welfare of the differently-abled.

"The (differently-abled welfare) department was functioning without a clear policy in line with the RPWD Act. Lack of an updated policy was one of the reasons for the deficient implementation of the schemes," the report observed.

The report further observed that the national policy for persons with disabilities-2006 mandates regular collection, compilation and analysis of data relating to socioeconomic conditions of people with disabilities and to maintain a centralised database of beneficiaries.

Also the RPWD act envisages that a survey of school students should be conducted and updated every two years to identify children with disabilities. Until November 2022, however, no such survey was conducted to identify the total number of people with disabilities.

The differently-abled welfare department had been issuing national disability identity certificate cards. In Tamil Nadu, 14.34 lakh cards have been issued so far. The CAG report said these details were not consolidated into a centralised database and were maintained as manual registers at the district level.

Further scrutiny of records revealed that the manual data held in the districts were in a disaggregated manner and the report recommended that the state government make an effort to maintain a centralised database of people with disabilities. <https://timesofindia.indiatimes.com/city/chennai/cag-report-slams-state-government-for-not-formulating-policy-for-differently-abled/articleshow/104351722.cms?from=mdr>

13. Chennai marshland overrun by illegal buildings; water spread has shrunk in 2 decades: CAG (*timesofindia.indiatimes.com*) Oct 12, 2023

CHENNAI: Much of the blue-green water spread of the Pallikaranai-Velachery marshland in south Chennai has been overrun by concrete buildings and encroachers and the lake area has shrunk drastically over the past two decades, flagged the Comptroller and Auditor-General (CAG) of India's report.

The report, which compared spatial data of the marshland from 2005 and 2021, said there has been an indiscriminate growth of slums and houses inside the marshland and it was also polluting the waterbody. The water-holding area of the marshland areas seen in the 2005 map are full of houses in the 2021 map, the report showed.

Though the CAG had called it the Velachery marshland, the coordinates given by it indicated the Pallikaranai marshland behind which the Velachery lake area is located.

The Pallikaranai marshland has shrunk from 5,500 hectares in 1956 to barely 550 hectares as of 2023. Apart from tenements, the marshland, which is a Ramsar Site, is also eaten up by a dumpyard measuring about 191 acres where about 2,000 tonnes of waste is dumped daily.

Similarly, in Kovilambakkam lake, the CAG's comparison of spatial data of 2002 and 2021 showed drastic shrinking of the lake area.

The report stated these encroachments were polluting this waterbody too. As for burgeoning encroachments in the city, the CAG report said Chennai saw a 92% increase in untenable slums between 2014 and 2018. From 235 slums as of 2014, the city in 2018 had 451 slums (92% increase), said the report. Similarly, the number of untenable households in those slums saw a 74% increase from 61,830 houses to 1,07,395 houses.

Water management expert S Janakarajan asked, “Why did the government not act on day one when encroachments sprouted up here?” Apoorva, secretary, housing and urban development department, told TOI: “It is important to protect waterbodies. Encroachments are being monitored by the government as well as the high court. Necessary rehabilitation work will be done.”
<https://timesofindia.indiatimes.com/city/chennai/city-marshland-overrun-by-illegal-buildings-water-spread-has-shrunk-in-2-decades-cag/articleshow/104354944.cms?from=mdr>

14. CAG slams delay in building houses under central scheme (*timesofindia.indiatimes.com*) October 12, 2023

Chennai: The Comptroller and Auditor General (CAG) of India has slammed the Tamil Nadu Urban Habitat Development Board (TNUHDB) for delay in framing Tamil Nadu Affordable Urban Housing and Habitat policy and preparing the Housing for All Plan of Action (HFAPoA), saying this defeated the purpose of Pradhan Mantri Awas Yojana – Urban (PMAY-U) and caused urban poor to live in unhygienic conditions.

The performance audit for the year ended March 31, 2021, tabled in the assembly, said against the total housing demand of 13.92 lakh, the TNUHDB obtained sanction for only 7.08 lakh houses during 2015-21. Of them, 3.44 lakh houses were completed, and the balance 3.64 lakh houses were under different stages of construction.

In its reply, the government said that out of the demand for 13.92 lakh, 4.84 lakh pertained to housing under credit-linked subsidy scheme, which was not being implemented by the TNUHDB. Of the remaining 9.08 lakh, sanction has been accorded for 5.60 lakh and 2.94 lakh houses had been built.

In response, the CAG said that even after completion of the targeted period of the mission – March 2022 – the state government had not sought approval for the balance 3.48 lakh tenements. “Further it has not completed construction of 2.66 lakh tenements sanctioned during the mission period. Due to this urban poor continue to live in unhygienic conditions.”

The CAG said the state housing policy – Tamil Nadu Affordable Urban Housing and Habitat Policy — which was formulated and approved in March 2020, should have been implemented at the start of the Housing for All mission. Failure to do so has resulted in delay in arriving at solutions for key housing schemes such as private partnership and financing. The report also pointed out that the HFAPoA) containing the demand for housing, in respect of all urban local bodies, was completed in March 2022 instead of June 2016. “Since the government of India did not allow additional sanction of houses beyond March 2022, 6.84 lakh out of 13.92 lakh identified houses were deprived of intended benefits as the state government failed to get houses sanctioned for them during the mission period. The Tamil Nadu government should ensure that responsibility is fixed for this lapse,” the report said. <https://timesofindia.indiatimes.com/city/chennai/cag-slams-delay-in-building-houses-under-central-scheme/articleshow/104351594.cms?from=mdr>

15. CAG raps TNUHDB, CMDA for construction on water body (*timesofindia.indiatimes.com*) October 12, 2023

Chennai: The Comptroller and Auditor General of India (CAG) has come down heavily on the Tamil Nadu Urban Habitat Development Board (TNUHDB) for allowing construction of tenements on a water body. It also highlighted that the Chennai Metropolitan Development Authority’s (CMDA) reclassification of water bodies for residential use can cause environmental damage.

The audit report recommended that construction projects should be initiated only after obtaining planning permission from the authorities concerned and responsibility needs to be fixed for violations.

According to the CAG performance audit on Housing for Urban Poor for the year ended March 31, 2021, the Tamil Nadu government in July 2005 allotted 74.57 acres on Moorthingar Street, Chennai, for construction of TNUHDB tenements. In 2018, the board constructed 960 tenements under Phase I on 8.96 acres. Subsequently, phase II and Phase III projects on Moorthingar Street were sanctioned in 2018 for construction of 1,080 tenements on 11.17 acres. The report said that of the 74.57 acres allotted, 4.24 acres was classified as water body. The audit team carried out spatial data analysis of

the site and observed that the construction of Phase II and III was done on the water body. “Despite sufficient availability of land, the board constructed tenements in the water body posing dangers to the lives of the inhabitants,” the audit said.

It found the CMDA had in October 2020 issued orders for reclassification of water body for residential use. “As per the second master plan, water body should not be converted for any other use. Though this was highlighted in the CAG Report for the year ended March 31, 2016, the violation continues,” the report said.

In its reply, the government said the CMDA had notified certain areas as water body during the preparation of master plan. “As the competent authority CMDA has reclassified thereafter following proper procedures,” the government said. However, the CAG said both CMDA and TNUHDB are under administrative jurisdiction of the same department and work should have commenced only after obtaining statutory clearances. “Further the revenue department is the competent authority for classification and reclassification of land. The reply did not mention about obtaining approval from the revenue department in this regard,” the audit report said. <https://timesofindia.indiatimes.com/city/chennai/cag-raps-tnuhdb-cmda-for-construction-on-water-body/articleshow/104351605.cms?from=mdr>

16. Over 50 per cent land meant for SC/ST houses vacant in Tamil Nadu (*newindianexpress.com*) October 12, 2023

CAG compliance report on Free House Site Patta scheme flags gaps in Adi Dravidar welfare department’s data, lack of norms and targets

CHENNAI: More than 50% of the land acquired for distribution to SC/ ST individuals in the state is lying vacant, as the scheme has not been linked to housing programmes such as Pradhan Mantri Awas Yojana - Gramin (PMAY-G) for construction of houses.

Furthermore, there is a lack of accurate data regarding homeless SC/ST individuals in the state and the scheme’s beneficiaries, according to the CAG compliance report on the Free House Site Patta (FHSP) scheme. It also points out the lack of a database with the Commissioner of Adi Dravidar and Tribal Welfare on the number of landless and economically disadvantaged SC/STs in need of housing plots.

This data gap, along with the absence of established norms and targets, results in a reactive rather than proactive implementation of the scheme. “No system was in place to record the receipt of applications for grant of FHSP, verification, issue of patta, rejection, and details of house site granted at the selected Adi Dravidar Welfare division, taluk and district offices.

Proper mechanism was not put in place to check fairness and correctness in the disposal of applications and adherence to seniority of applicants for the grant of FHSP,” said the report. The reasons for the vacant lands include nonassignment of lands, assignees’ inability to construct houses on the allocated land and challenges in transferring land titles to legal heirs.

The audit also revealed that beneficiaries in six districts - Ariyalur, Kanniyakumari, Krishnagiri, Perambalur, Nilgiris and Tiruvarur -did not receive free pattas as no

expenditure was incurred for land acquisition in the period from 2012 to 2022. The government attributed this to difficulties in land acquisition after the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act.

Additionally, more than 10% of the land within 15 sampled divisions was sold within the lock-in period. Although the government issued instructions to address issues faced by assignees under the scheme, such as outdated land records, challenges in mortgaging land for housing loans and land transfers to legal heirs, enumeration drives had not yet commenced in six out of the 15 sampled ADW Divisions. The government also wasted Rs 3.65 crore by dragging enhanced compensation to private landowners. <https://www.newindianexpress.com/states/tamil-nadu/2023/oct/12/over-50-per-cent-land-meant-for-scst-houses-vacant-in-tamil-nadu-2623127.html>

17. Tamil Nadu fire dept failed to respond in 10 mins in 80 per cent of cases (*newindianexpress.com*) October 12, 2023

CHENNAI: At least 83% of calls received by the state fire service department were not attended to within ten minutes, according to the CAG audit of calls made to the department between August 2021 to March 2022. Out of 46,902 calls analysed, 8,598 calls (18.33%) were not undertaken as the callers or the public themselves put out fires or rescued people in need.

“On further analysis of the remaining 35,309 calls, it was found that 83% of fire calls and 82% of rescue calls were not attended within the prescribed 10 minutes,” states the report. According to the policy note of the Government of Tamil Nadu (2016-17), the targeted response time in Chennai City is approximately six minutes and in other areas, it is less than 10 minutes.

The audit observed that an inadequate number of fire and rescue service stations (FRSS), a shortage of vehicles and manpower, were the reasons for the delay. “Government replied (January) that the targeted response time of 10 minutes for urban areas and 20 minutes for rural areas will be achieved in due course of time,” said the report. Audit added that having adequate FRSSs, vehicles and manpower was a prerequisite for achieving the targeted response time. <https://www.newindianexpress.com/states/tamil-nadu/2023/oct/12/tamil-nadu-fire-dept-failed-to-respond-in-10-mins-in-80-per-cent-of-cases-2623136.html>

18. ‘In violation of court order, CMDA reclassified waterbody’ (*newindianexpress.com*) October 12, 2023

CHENNAI: Chennai Metropolitan Development Authority (CMDA) has converted a waterbody into ‘residential use zone’ for building tenements, thus violating a High Court order. The state government allocated 74.57 acres of land on Moorthingnagar Street in Chennai for the construction of tenements. The site had 4.24 acres of waterbody, a CAG report said.

The CMDA issued orders in October 2020 for the reclassification of ‘Water Body’ into ‘Residential Use’. The action of conversion of a waterbody to residential use is not

permissible and violates the Madras High Court besides causing environmental damage.

As per the second Masterplan, waterbody should not be converted for any other use. Despite an earlier CAG report highlighting it in its report 'Flood Management and Response in Chennai and its suburban areas' in 2016, the violation of converting waterbodies to residential plots continues. The state government in its reply said CMDA had notified certain areas as waterbodies. As a competent authority, CMDA has reclassified by following proper procedures. The layout approval was delayed due to the reclassification of land use from waterbody to residential area.

"The reply is not tenable since both CMDA and the TNUHD Board are under the administrative jurisdiction of the same department and work should have commenced only after obtaining statutory clearances," the audit report said. "The revenue department is the competent authority for classification or reclassification of land and the reply did not mention obtaining approval from the revenue department," the report added. <https://www.newindianexpress.com/cities/chennai/2023/oct/12/in-violation-of-court-order-cmda-reclassified-waterbody-2623141.html>

19. Delay in Avinashi-Athikadavu project cost Tamil Nadu govt Rs 8.13 crore more on power bills (*newindianexpress.com*) October 12, 2023

CHENNAI: The Comptroller and Auditor General of India's report shows that the Water Resources Department (WRD) had the potential to save Rs 8.13 crore as electricity charges for the Avinashi-Athikadavu project.

"Tamil Nadu government accorded administrative sanction for implementation of Athikadavu - Avinashi scheme at an estimated cost of Rs 1,652 crore in March 2018. The scheme involved pumping of 1.5 TMC of surplus water of Bhavani river and conveying through main pipelines," the report stated.

The construction of the project commenced in December 2019 and it was scheduled to be completed in January 2022. As of March 2022, 98% of the work was completed and WRD granted an extension till December 2022, the report added.

"As per regulation 31 of the Tamil Nadu Electricity Distribution Code, the HT consumer should avail the power supply within three months from the date of issue of the Supply Available Notice (SAN) by TANGEDCO. If the HT consumer fails to avail the supply within the period, TANGEDCO is authorised to levy monthly minimum charges from the date of SAN till the date of availing HT supply," it said.

In March 2020, WRD requested TANGEDCO to provide new HT service connections to the six pumping stations. In September 2020, WRD executed an agreement with TANGEDCO for each pumping station by declaring that the consumer will comply with the terms and conditions, including payment of monthly minimum charges.

After that, TANGEDCO issued SAN to all 20 pumping stations between December 2020 and November 2021. But, as the pipeline and pump house works were incomplete, WRD could not avail HT power. This had resulted in an avoidable expenditure of Rs 8.13 crore towards payment of minimum charges to TANGEDCO from the date of SAN

to December 2021. <https://www.newindianexpress.com/states/tamil-nadu/2023/oct/12/delay-in-avinashi-athikadavu-project-cost-tamil-nadu-govt-rs-813-crore-more-on-power-bills-2623047.html>

20. Yarn for school uniforms: Rs 4.8 cr loss, Tamil Nadu govt told to probe rigging of tender (*newindianexpress.com*) October 12, 2023

CHENNAI: The Commissionerate of Handlooms and Textiles (CHT) failed to use the e-procurement system and prevent bid rigging during the procurement of yarn for government school uniforms during the 2021-22 academic year, resulting in a loss of Rs 4.8 crore as more than 1,000 tonnes of yarn was procured at prices higher than the market rate.

The CAG report has recommended an investigation into bid rigging through cartelisation and the resulting losses apart from making the e-procurement system mandatory. The report also pointed out that the commissioner of school education (CSE) and the director of elementary education (DEE) failed to verify utilisation certificates submitted by CHT, leading to Rs 33 crore being blocked in a bank account from 2015-22. Based on the requirement for uniforms given by CSE and DEE, CHT procured 3,011 tonnes of yarn through tender and 2,876.08 tonnes of polyester cotton yarn without tender.

While open tenders were invited, only three bids were received from yarn traders, and no bids were received from yarn manufacturers. The Tender Acceptance Committee (TAC) finalised the supply rate on January 29, 2021, and it was noted that the same individuals represented three companies in different instances.

The report highlighted that CHT didn't use the e-procurement system despite receiving only three bids. "The prevalent market price at that time ascertained from the Southern India Mills Associations was Rs 438 per kg, but due to bid rigging, CHT procured the yarn at a higher price through the first bidder at Rs 475 per kg.

With regard to procurement of 1,300 T of combed dyed cotton yarn alone, Tamil Nadu government approximately incurred an avoidable excess expenditure of Rs 4.81 crore," the report said. While the state government said that the National Handloom Development Corporation Limited (NHDC) rate was fixed by TAC, scrutiny of tender proceedings did not reveal why it was preferred over the Southern India Mills Associations rate which was lower. <https://www.newindianexpress.com/states/tamil-nadu/2023/oct/12/yarn-for-school-uniforms-rs-48-cr-loss-tamil-nadugovt-told-to-probe-rigging-of-tender-2623138.html>

21. 20 districts in Tamil Nadu don't have schools for special kids (*newindianexpress.com*) October 12, 2023

CHENNAI: Over 20 districts do not have a special school for persons with disabilities, as only 22 government and 50 government-aided special schools are functioning, catering to four disability categories, across the state. The CAG report on the welfare of differently-abled persons department revealed that most districts do not have special schools.

According to the audit report, special schools were not available for visually impaired children in 20 districts, hearing-impaired children in 10 districts and locomotor-disabled children in 26 districts. The report also reveals most of the districts do not even have special schools run privately.

The report also points out that 38% of the sanctioned posts have been lying vacant in the 22 government schools since Mar 2022. “The proposal to recruit contract teachers was initiated in March 2021 and was under consideration for quite some time, without any tangible results even as of December 2022,” the report states.

The report also highlights the lack of a new state policy for differently-abled and poor management of state funds as the State Advisory Board formed in 2017, to advise the government on policies concerning disability, had met only thrice since March 2022 against the mandate of conducting a meeting every six months.

“CAG report findings are our long pending demands,” said Namburajan S, vice-president of Tamil Nadu Association for the Rights of All Types of Differently Abled and Caregivers. He urged the government to act on the recommendations of the report. <https://www.newindianexpress.com/states/tamil-nadu/2023/oct/12/20-districts-in-tamil-nadu-dont-have-schools-for-special-kids-2623133.html>

22. Tamil Nadu: CAG points to loss of public money (*deccanchronicle.com*) October 12, 2023

Chennai: The Comptroller and Auditor General’s report that was placed in the Assembly on Wednesday has made references to several instances of wrong decisions by the authorities and loss to exchequer caused by various government departments due to different reasons.

One of them is the government failing to get back the Rs 210.10 crore spent on importing sand, which was kept in storage for four years due to the inordinate delay in formulating regulations for sales by the Water Resources department, besides making imprudent decisions.

The reports point to needless expenses to the tune of Rs 32.22 crore in the Free Gold for Marriage scheme, Rs 74.93 crore in the procurement of free data sim card for students and a loss of Rs 715.73 crore due to the delay in appealing against court orders by the revenue department in land acquisition cases.

Pointing to several lapses in the implementation of the free house patta scheme and disabled welfare scheme, the reports found the Fire and Rescue Department not working to full capacity but to 78 per cent of the requirement.

While there should be 451 fire stations in the State, there were only 352 of them and the 3 snorkel firefighting equipment purchased in 2016 for a cost of Rs 46.96 crore had very little use since then. But no vehicles and drivers led to 352 calls going unattended, it said.

A building constructed at a cost of Rs 23.10 crore could not be put to full use at the Chennai Central Polytechnic premises as the measurement of the land requirement was not taken properly and basic infrastructure could not be provided, a report said.

Lapses in the implementation of the State government scheme to provide free coaching to those appearing for competitive examinations by the School Education Department led to the government incurring unwanted expenses of Rs 2,12 crore and avoidable expenses of Rs 72.15 crore. <https://www.deccanchronicle.com/nation/current-affairs/121023/tamil-nadu-cag-points-to-loss-of-public-money.html>

23. Integrated workshop building at CIT campus comes under CAG scrutiny (*dtnext.in*) October 12, 2023

CHENNAI: The construction of integrated workshop building at the Central Institutes of Technology (CIT) campus without assessing the floor space requirements and the lack of adequate basic facilities resulted in an unfruitful expenditure of Rs 23.10 crore, CAG report released on Wednesday said.

The campus houses seven technical institutions including the Central Polytechnic (CPT). The proposal for the construction of a new integrated workshop building was submitted to the state government in December, 2013 by the Commissioner of Technical Education (CoTE) as the buildings housing the workshops and laboratories in CPT were over 50-year-old.

Accordingly, the state PWD awarded the work through open tender to a contractor, who completed the construction in August 2016 at a cost of Rs 23.10 crore. The building was handed over to the CPT in October 2016.

While auditing the place after 2021, the CAG said several basic infrastructure facilities like concrete beds for machines, air conditioner points were lacking in IWB.

They ordered the government must ensure that the vacant space in IWB is allotted to needy departments/agencies of government without any further delay <https://www.dtnext.in/news/tamilnadu/integrated-workshop-building-at-cit-campus-comes-under-cag-scrutiny-741453>

24. CAG flags construction of slum tenements on city's water body (*dtnext.in*) October 12, 2023

CHENNAI: In a shocking revelation, an audit report on 'housing for urban poor' projects by the Comptroller and Auditor General (CAG) has revealed that the State government constructed tenements on a water body in Chennai despite having sufficient land at disposal.

According to the report, the State government acquired 74.57 acres on Moorthingar Street, Chennai for construction, and the TN Urban Habitat Development Board constructed 960 tenements under Phase 1 at an extent of 8.96 acres. Further, Phase 2 and Phase 3 works were sanctioned to construct 1,080 tenements on 11.17 acres, works of which are under way.

“Of 74.57 acres allotted, an extent of 4.24 acres was classified as ‘waterbody’. An audit performed spatial data analysis of the site and observed that the construction of phases 2 and 3 was done on the water body of 4.24 acres.

Audit observed that despite sufficient availability of land, the Board constructed tenements on the water body, posing danger to the lives of inhabitants,” it said.

On further scrutiny of the plan approval documents, the audit noticed that the CMDA (Chennai Metropolitan Development Authority) had issued orders in October 2020 for the reclassification of ‘water body’ into ‘residential use’. Such a conversion of a water body to residential use is not permissible and is in violation of High Court judgments. Incidentally, the audit found that a payment of Rs 24.55 crore was made for ‘completion’ of the project up to the plinth level while satellite images showed that the project was only at ground level and had not reached the plinth level in two blocks. The undue payments to the contractor “for completion up to the plinth level for all blocks” were made in a phased manner

Incidentally, the audit found that a payment of Rs 24.55 crore was made for ‘completion’ of the project up to the plinth level while satellite images showed that the project was only at ground level and had not reached the plinth level in two blocks. The undue payments to the contractor “for completion up to the plinth level for all blocks” were made in a phased manner.

Noting that the CMDA has reclassified the water body into a ‘residential use’ zone, the audit opined that the Revenue Department is the competent authority for such classification or reclassification of land into a residential zone.

Meanwhile, the report pointed out that the slum areas encroaching on Velachery Marshland and Kovilambakkam Lake in Chennai have grown in size between 2005 and 2021. Also, slums in Pudhu Colony and Pillayarapuram hills in Coimbatore, and Pookara Thoppu in Madurai have grown during the period.

The audit recommended that the government ensure a demand survey, including a comprehensive slum survey, and devise a plan of action to provide houses to all identified beneficiaries. <https://www.dtnext.in/news/tamilnadu/cag-flags-construction-of-slum-tenements-on-citys-water-body-741391>

25. CAG pulls previous AIADMK govt over purchase of imported sand (dtnext.in) October 11, 2023

CHENNAI: The Comptroller and Auditor General has pulled up the state government and the Water Resource Department over the delay in framing of guidelines for sale of imported sand and the consequent injudicious decision of the previous AIADMK government to purchase sand from an importer had resulted in non-realisation of Rs 10.10 crore from stored sand even after a lapse of four years.

In the compliance audit for the year ended March 2022, the CAG said that after the union government allowed import of natural sand in November 2014 due to shortage

of sand prevailed in the country, a private company imported 55,000 metric ton of sand from Malaysia in October 2017 through the Tuticorin port.

It said when the importer transported a portion of sand through lorries, it was seized by the police in Kanyakumari district citing lack of permits.

With the sand mining and sale was exclusively done by the WRD department, the Thoothukudi district collector ordered the port to seize the imported sand until it receives valid permit.

However the importer approached the Madras High Court stating that the Tamil Nadu Minor Minerals Concession Rules would not be applicable to imported sand and got an order in its favour in November 2017. The government's writ appeal was also dismissed by the court in January 2018. Subsequently, the Thoothukudi district collector moved the Supreme Court with an appeal petition.

Meanwhile, the WRD in December 2017 asked the government to issue guidelines to regulate the sale of imported sand by allowing it to store and sell imported sand.

After the regulation was notified, the government informed the SC that only WRD was allowed to sell imported sand and it is ready to purchase the sand from the importer.

Thereby, it brought the 50,000 MT of imported sand at Rs 2,050 per MT and "deposited (October 2018) Rs 10.76 crore in the Supreme Court Registry while pleading that the Court may release the deposited amount to the Importer only after proceeds from the sale are accrued to the government." As of January 2023, only 3,003 MT of sand was sold by WRD and balance stock was lying unsold, the CAG noted.

The VOC port has levied Rs 47 lakh as storage fee till July last year.

Meanwhile the government has stated that the sale rate has been reduced to Rs 1,556 per MT (Rs 7,000 per unit) to clear the stock soon to avoid the increasing Port rent.

Despite that, WRD could not sell any significant quantity of the sand. <https://www.dtnext.in/news/tamilnadu/cag-pulls-previous-aiadm-govt-over-purchase-of-imported-sand-741326>

26. Bid rigging in free uniform scheme to school students incurs excess expenditure of Rs 4 cr (*dtnext.in*) October 11, 2023

CHENNAI: Owing to the failure in monitoring the implementation and bidding of free supply of uniforms to all government school students, the State government incurred an avoidable excess expenditure of Rs 4.81 crore.

For the supply of free uniforms, the scheme is jointly implemented by the Commissioner of School Education (CSE), Director of Elementary Education (DEE) and Commissioner of Handlooms and Textiles (CHT).

The report stated that, based on the requirements of uniforms for 2021- 22 academic year, CHT decided to procure 3,011 metric ton (MT) of various yarn varieties through

tender and another 2,876 MT polyester cotton yarn without tender from co-operative spinning mills.

"The audit observed that the tender process was rigged through cartelisation by the bidders. And, CHT did not take measures to prevent the cartelisation, "stated the CAG report.

Further, the audit noticed that though the market price for the clothing material at the time was at Rs 438 per kg, due to bid rigging, CHT procured the yarn at a higher price of Rs 475 per kg.

"With respect to procurement of 1,300 MT of combed dyed cotton yarn alone, the State government incurred an avoidable excess expenditure of Rs 4.81 crore, "the report stated. <https://www.dtnext.in/news/tamilnadu/bid-rigging-in-free-uniform-scheme-to-school-students-incurs-excess-expenditure-of-rs-4-cr-741346>

27. '58,000 plots acquired for SC/ST under free house site patta scheme remains vacant in eight districts' (*dtnext.in*) October 11, 2023

CHENNAI: The Comptroller and Auditor General have revealed that over 58,458 plots acquired under the free house site patta scheme by the Adi Dravida and Tribal Welfare Department in eight districts have remained vacant due to the non-identification of beneficiaries.

In the compliance audit report for the year ended March 2022, CAG said that the department acquires land from private parties or obtains government land through assignment and develops the land into residential layouts for distribution to approved beneficiaries.

It said that the department acquired 1,905 parcels of land over the years in eight districts including Dindigul, Erode, Tiruchirappalli, Virudhunagar and Tiruppur.

"These parcels of lands were divided into a total of 1.17 lakh house plots. As per the details furnished by the department, 50 per cent of the plots were lying vacant as of January 2023," it said.

Audit observed that a large number of plots were lying vacant due to non-alignment to eligible applicants, the inability of the assignees to construct houses and the lack of title to the legal heirs of the assignees after the demise of the assignee him/herself.

It added that during the joint physical inspection of 113 sampled layouts, 18 layouts (16 per cent) comprising 1,245 plots were lying entirely vacant.

"Out of those 18 layouts, 12 layouts were made more than 20 years before. In one case, the details of the acquisition were not available. As of November 2022, the lands acquired from the year 1973 to 2020 to the extent of 22.64 hectares, valuing Rs 12.88 crore remained vacant thereby defeating the objective of the scheme, " it added.

CAG also pointed out that there was no mechanism to monitor the sale of assigned land.

"Changes were not effected in land records to prevent sale. Lack of an established institutional mechanism and coordination and monitoring of assigned lands by both the Adi Dravida Welfare Department and Revenue and Disaster Management department enabled the beneficiaries to sell the assigned free house sites within the lock-in period," it noted. <https://www.dtnext.in/news/tamilnadu/58000-plots-acquired-for-scst-under-free-house-site-patta-scheme-remains-vacant-in-eight-districts-741348>

28. CAG finds faults in the free SIM card scheme to the students (*dtnext.in*) October 11, 2023

CHENNAI: The AIADMK government's scheme in January 2021 to distribute free SIM cards with a view to facilitate students to attend online classes conducted by colleges during Covid-19 pandemic might have been welcomed.

However, the CAG, in its report, has clarified that non-adherence to original decision while framing the rules of the scheme amending tender conditions to the advantage of the supplier and delaying implementation of the scheme had resulted in "infructuous" expenditure of Rs 4.93 crore on excess procurement of data SIM cards and an avoidable expenditure of Rs 3.46 crore due to non-synchronisation of data SIM card validity with the academic calendar.

The report further said that state-owned Electronic Corporation of Tamil Nadu (ELCOT) had placed orders through an open tender (January 2021), on four Network Service Providers (NSPs), such as Bharat Sanchar Nigam Limited (BSNL), Bharti Airtel Limited, Reliance Jio Infocomm Limited and Vodafone Idea Limited, for supply of 9.69 lakh data SIM cards. BSNL was the lowest bidder and the other NSPs agreed to match the price of Rs 92 per month per card plus taxes, quoted by BSNL.

Accordingly, the Tamil Nadu government had sanctioned Rs 43.16 crore for the supply of 9.69 lakh data SIM cards in March 2021.

The CAG noted that out of 9,20,102 data SIM cards supplied, as of April 2022, as many as 1,10,846 SIM cards remained undistributed.

The audit report said that the scheme was originally envisaged as supply of free data SIM cards in January 2021 to aid students in attending online classes from January to April 2021. It was however seen that 3.11 lakh data SIM cards procured from different telecom companies were supplied/activated only during March/April 2021, thereby the four month validity of these cards overlapped with the summer vacation of colleges which happens during May/June in the State", the CAG pointed out.

With mistakes having been identified, the CAG audit recommends that circumstances leading to procurement of excess number of data SIM cards and procurement of different numbers of data SIM cards without specific rationale should be enquired and responsibility fixed and the government should direct ELCOT to immediately refund Rs 3.26 crore retained by it. <https://www.dtnext.in/news/tamilnadu/cag-finds-faults-in-the-free-sim-card-scheme-to-the-students-741341>

29. 'Edu dept incurs Rs 4 cr wasteful expenditure on free coaching classes for students' (dtnext.in) October 11, 2023

CHENNAI: The report by the Comptroller and Auditor General of India (CAG) has revealed that the lapses in the implementation of free coaching classes for students appearing in competitive exams has resulted in infructuous expenditure of Rs 4.27 crore on different purchases.

The wasteful expenditure was Rs 2.12 crore on hardware purchase and avoidable additional expenditure of Rs 2.15 crore on purchasing books.

For students in government and aided schools, free coaching was held for students to prepare for competitive exams such as National Eligibility cum Entrance Test (NEET) and Joint Entrance Examination (JEE) from 2017.

The CAG report, pointed out that under the scheme, 73,885 students were coached in 412 schools, including 27 District Institute of Educational Training (DIET).

TN government accepted the proposal of setting up coaching centres at the cost of Rs 19.79 crore, to be incurred by TN Text Book and Educational Services Corporation (TNBESC).

A further scrutiny revealed that dish antennae purchased for Rs 55,000 for each of 385 coaching centres, amounting to Rs 2.12 crore was largely kept ideal. Also, TNBESC printed 4.24 lakh books at the cost of Rs 3.18 crore upon the recommendation of the service provider.

But, the provider themselves preferred guide books published by a different agency, which was brought at the cost of Rs 2.15 crore, incurring wasteful expenditure.

Subsequently, the audit analysis of the scheme implementation, revealed violation of the provision of the TN Transparency in Tender Act, 1998.

"The open tender was not called in for the selection of service provider, which is a violation of the Act. Instead, the service provider M/s Sai Speed Medical Institute Private Limited was finalised merely on the basis of a powerpoint presentation made to the school education minister and principal secretary," stated the report.

Additionally, the MoU signed between October 2017 and May 2020, was discontinued due to payment issues. Interestingly, the MoU did not mention mandatory provisions like payment, penalty, dispute resolution. <https://www.dtnext.in/news/tamilnadu/edu-dept-incurs-rs-4-cr-wasteful-expenditure-on-free-coaching-classes-for-students-741339>

30. CAG ने आयातित रेत की खरीद पर पिछली अन्नाद्रमुक सरकार की खिंचाई की (jantaserishta.com) October 11, 2023

नियंत्रक एवं महालेखा परीक्षक ने आयातित रेत की बिक्री के लिए दिशानिर्देश तैयार करने में देरी और एक आयातक से रेत खरीदने के पिछली अन्नाद्रमुक सरकार के अविवेकपूर्ण निर्णय के

परिणामस्वरूप राज्य सरकार और जल संसाधन विभाग की खिंचाई की है। -चार साल बीतने के बाद भी भंडारित रेत से 10.10 करोड़ रुपये की वसूली।

मार्च 2022 को समाप्त वर्ष के अनुपालन ऑडिट में, CAG ने कहा कि देश में रेत की कमी के कारण नवंबर 2014 में केंद्र सरकार द्वारा प्राकृतिक रेत के आयात की अनुमति देने के बाद, एक निजी कंपनी ने अक्टूबर में मलेशिया से 55,000 मीट्रिक टन रेत का आयात किया। 2017 तूतीकोरिन बंदरगाह के माध्यम से।

इसमें कहा गया है कि जब आयातक ने लॉरी के माध्यम से रेत के एक हिस्से का परिवहन किया, तो परमिट की कमी का हवाला देते हुए कन्याकुमारी जिले में पुलिस ने इसे जब्त कर लिया।

रेत खनन और बिक्री विशेष रूप से डब्ल्यूआरडी विभाग द्वारा की जाती थी, थूथुकुडी जिला कलेक्टर ने बंदरगाह को वैध परमिट प्राप्त होने तक आयातित रेत को जब्त करने का आदेश दिया।

हालाँकि आयातक ने यह कहते हुए मद्रास उच्च न्यायालय का दरवाजा खटखटाया कि तमिलनाडु लघु खनिज रियायत नियम आयातित रेत पर लागू नहीं होंगे और नवंबर 2017 में उसके पक्ष में आदेश मिला। सरकार की रिट अपील को भी अदालत ने जनवरी 2018 में खारिज कर दिया। थूथुकुडी जिला कलेक्टर ने एक अपील याचिका के साथ सुप्रीम कोर्ट का रुख किया।

इस बीच, डब्ल्यूआरडी ने दिसंबर 2017 में सरकार से आयातित रेत के भंडारण और बिक्री की अनुमति देकर आयातित रेत की बिक्री को विनियमित करने के लिए दिशानिर्देश जारी करने को कहा।

विनियमन अधिसूचित होने के बाद, सरकार ने सुप्रीम कोर्ट को सूचित किया कि केवल डब्ल्यूआरडी को आयातित रेत बेचने की अनुमति है और वह आयातक से रेत खरीदने के लिए तैयार है।

इस प्रकार, इसने 50,000 मीट्रिक टन आयातित रेत को 2,050 रुपये प्रति मीट्रिक टन पर लाया और "सुप्रीम कोर्ट रजिस्ट्री में 10.76 करोड़ रुपये जमा (अक्टूबर 2018) किए, जबकि दलील दी कि अदालत बिक्री से प्राप्त आय के बाद ही आयातक को जमा राशि जारी कर सकती है। सरकार को अर्जित।" सीएजी ने कहा कि जनवरी 2023 तक, डब्ल्यूआरडी द्वारा केवल 3,003 मीट्रिक टन रेत बेची गई थी और शेष स्टॉक बिना बिके पड़ा था।

वीओसी पोर्ट ने पिछले साल जुलाई तक भंडारण शुल्क के रूप में 47 लाख रुपये लगाए हैं।

इस बीच सरकार ने कहा है कि पोर्ट किराया बढ़ने से बचने के लिए स्टॉक को जल्द खत्म करने के लिए बिक्री दर घटाकर 1,556 रुपये प्रति मीट्रिक टन (7,000 रुपये प्रति यूनिट) कर दी गई है।

इसके बावजूद डब्ल्यूआरडी कोई खास मात्रा में रेत नहीं बेच सका।
<https://jantaserishta.com/state/cag-pulls-previous-aiadm-govt-over-purchase-of-imported-sand-2901704-348016>

31. Assam: Despite closure, Rs 4,141 crore fund utilised for revival of paper mills (nenow.in) October 11, 2023

Guwahati: The Joint Action Committee of Recognised Unions (JACRU) of Cachar and Nagaon Paper Mills on Wednesday demanded a probe by the Central Bureau of Investigation (CBI) into the alleged embezzlement of Rs 4,141 crore Central funds allotted for the revival of two defunct paper mills at Cachar and Nagaon under Hindustan Paper Mills Corporation.

Nagaon Paper Mill and Cachar Paper Mills have been non-operational since October 2017 and March 2015 respectively and are under liquidation proceedings on account of non-clearance of dues of Rs. 98 lakh and operational creditors as per the order of the National Company Law Tribunal (NCLT), Delhi on November 25, 2019.

“According to a PIB report on July 9, 2019, the Ministry of Heavy Industries and Public Enterprises (MoHIPE) invested Rs 4,141 crore during 2014-15 to 2017-18 for the revival of two paper mills. But during this period operation of both the mills was suspended without any closure notice,” JACRU president Manoabendra Chakraborty and general secretary Ananda Bordoloi said addressing a press conference at Guwahati Press Club here on Wednesday.

“We have written to the Comptroller and Auditor General (CAG) to dig out the whereabouts of Rs 4,141 crore, but till today we have not received any response from them,” Chakraborty said.

“The CBI has lodged an FIR against some officials of the paper mill in another corruption case but the investigation agency is yet to file its chargesheet,” he said.

“JACRU demands in-depth investigation by the CBI under the monitoring of Supreme Court of High Court to find out the truth behind it,” he said and claimed that the huge fund was not invested for the revival of the two paper mills during this period.

“We want all officials and persons concerned responsible for embezzlement of this huge fund should be punished under the law,” he further said.

The JACRU announced that they would resort to a series of democratic agitations from mid-November for full settlement of their demands. The organisation also demanded the revival of the two mills under the Central, state or private sector.

The JACRU sent a one-month notice to Prime Minister, Union minister for labour and employment for settlement of their issues, including payment of pending salaries, provident fund dues with interest accrued and gratuity.

In the notice, JACRU demanded the execution of a Supreme Court order for payment of a provident fund of Rs 285 crore with interest accrued, and execution of higher pension for the odd-employees of the two paper mills.

“Despite Prime Minister, then chief minister and other ministers assurances, 115 employees of the two papers mills attained premature death, many of them committed suicide under various compelling circumstances due to non-payment of salaries and statutory dues, including PF, gratuity,” the notice stated.

“The employer, the central government deducted PF contribution from the salary of the employees and workers but not credited to the PF accounts of employees and workers amounting to Rs. 286 crore.

The Employees Provident Fund Organisation (EPFO) played the role of silent spectator avoiding appropriate action for recovery of PF dues,” the notice also stated.

“The EPFO authority issued a demand notice for payment of Rs. 285 crore on the head of PF and other allied dues. The EPFO and the liquidator of the mills also violated the order of the Supreme Court for recovery of PF, gratuity, pension and other dues from the liquidator in place of the employer,” it further stated.

On March 28, 2022, the Assam government announced that it had acquired HPC’s two defunct paper mills for Rs 375 crore. Assam Industrial Development Corporation (AIDC) was declared as the successful bidder.

In a humanitarian gesture, the Assam Government distributed one-time relief to the employees through a relief package of Rs. 810.02 crore which benefitted benefit 2751 employees of both the mills including 2003 regular employees and 748 contractual workers on July 7, 2022.

On November 16, 2022, the state government issued an expression of interest and notice inviting bidders for a 30-year lease of machinery and land of Cachar paper Mill in Panchgram along with the township.

The notice issued by Assam Industrial Development Corporation (AIDC) also invited bidders for the sale of the plant and machinery of Nagaon Paper Mill at Jagiroad without land on an ‘as is where is’ basis

The bidding process started online from November 16, 2022, to January 9, 2023. Later, the date was extended to January 25. But there is no response from the bidders to take over the Cachar Paper Mill. <https://nenow.in/north-east-news/assam-despite-closure-rs-4141-crore-fund-not-utilised-for-revival-of-paper-mills.html>

32. Punjab gets Rs 3,670 crore as pending GST compensation (*indianexpress.com*) October 12, 2023

Punjab Finance, Excise and Taxation Minister Harpal Singh Cheema on Wednesday said that the government has received Rs 3,670.64 crore as pending compensation under Goods and Services Tax (GST) from the Government of India for the July 2017 to March 2022 period.

Cheema said that the era of compensation under GST had ended on June 30, 2022, however, Punjab had raised the issue of pending GST compensation with the Centre through its excise and taxation department. He stated that due to the state’s efforts, the Centre issued sanction orders for Rs 3,670.64 crore.

Cheema expressed his gratitude to Union Finance Minister Nirmala Sitharaman and thanked the office of the Comptroller and Auditor General of India CAG and Principal Accountant General of Punjab for the release of the pending compensation amount. He also appreciated the work of the field and head office officers of the excise and taxation department.

Cheema said that the excise and taxation department has achieved this under the direct supervision and guidance of Financial Commissioner (Taxation) Vikas Pratap and Taxation Commissioner Arshdeep Singh Thind. He also mentioned the role of Additional Commissioner (Audit) Ravneet Singh Khurana and DCFA Harpreet Kaur.

The finance minister also praised the roles of finance department officers, including Principal Secretary (Finance) A K Sinha, Secretary (Expenditure) Mohammad Tayyab and Special Secretary (Finance) Yashanjit Singh. <https://indianexpress.com/article/cities/chandigarh/punjab-pending-gst-compensation-8979422/>

33. Rs 36220 cr worth AC, DC, GIA bills pending for settlement with Deptts (*dailyexcelsior.com*) October 12, 2023

JAMMU: Rs 36220 crore worth Abstract Contingent (AC), Detailed Contingent (DC) and Grant-in-Aid (GIA) bills are pending for settlement with the departments of Government of Union Territory of Jammu and Kashmir and Principal Accountant General has conveyed concern over the prevailing situation to the Finance Department.

Now, the Government has warned of appropriate action in case of further slackness in submission of bills and Utilization Certificates for settlement and Director General Accounts and Treasuries will review the situation with the Director Finance, Financial Advisor and Chief Accounts Officers of all the Administrative Departments tomorrow.

The list of outstanding AC Bills and Grant-in-Aid Bills was provided to the Administrative Departments from time to time since January 2023 for submission of Red Detailed Contingent Bills and Utilization Certificates against advance drawls and Grant-in-Aids in the office of Principal Accountant General for clearance of outstanding AC/DC/GIA Bills.

The progress against the clearance of outstanding AC/DC/GIA bills is being monitored by the Principal Secretary to Government, Finance Department on weekly basis. Even format for providing information has already been sent to all Director Finance and Financial Advisor and Chief Accounts Officers of the concerned Administrative Departments with regard to the progress achieved by the concerned department.

However, it has been observed that no information has been provided by the concerned Administrative Department which has created hindrance in providing information to the Principal Secretary to Government, Finance Department. This has been viewed seriously by the authorities, read a document, the copy of which is available with EXCELSIOR.

As per the document, the latest position of outstanding AC/Grant-in-Aid Bills has been provided by the office of the Principal Accountant General with huge outstanding up to September 2023. Even Senior Accounts Officer of the Principal Accountant General (PAG) has personally visited some of the Administrative Departments in this regard.

For quarter 6/2023 there was opening balance of Rs 19212 crore worth pending AC/DC bills and the closing balance was Rs 20678 crore. Likewise, for quarter 9/2023 there was opening balance of Rs 20678 crore and the closing balance was Rs 21327 crore. The clearance of the bills was far less than the addition of new bills in the list of pending ones.

As far as GIA Bills are concerned, for quarter 6/2023 there was opening balance of Rs 14273 crore and the closing balance was Rs 14001 crore. For quarter 9/2023, there was opening balance of Rs 14001 but the closing balance increased to Rs 14893 crore worth bills.

The Director General, Accounts and Treasuries, who has been specifically directed by the Principal Secretary, Finance Department to monitor the settlement and reconciliation of accounts, follow-up of the UCs and resolution of Audit Paras, has directed all the concerned to submit the AC/DC/GIA bills to the office of Principal Accountant General for settlement of outstanding against the department and furnish information on weekly basis for further submission to the higher authorities.

“Any laxity on this part will be brought to the notice of higher authorities for appropriate action”, read the communication of Director General, Accounts and Treasuries. Moreover, he is going to convene meeting of all the concerned officers tomorrow to review the situation. https://www.dailyexcelsior.com/rs-36220-cr-worth-ac-dc-gia-bills-pending-for-settlement-with-depts/#google_vignette

SELECTED NEWS ITEMS/ARTICLES FOR READING

34. Bihar: Over 5 lakh 'ghost' students, causing Rs 300 cr loss to state, removed from government schools (*indiatvnews.com*) October 12, 2023

Bihar Education Department is once again in the news for the wrong reason. According to media reports, the names of over 5 lakh students in Bihar were struck off from the government schools. The Education Department officials removed the names of these students after they found no physical presence of them in their respective schools. The irregularity in the total number of students in the government schools was detected after officials began a review drive to improve attendance in the state-run schools.

The action by the Education Department hinted at a scam which was going on as the government provides several benefits to the students. The reports suggest 'fake or ghost students' were availing government benefits which were meant for the genuine students. Now, according to the reports, the state exchequer will save approximately Rs 300 crore after excluding over 5 lakh students from the government data. The move will help the government to get the real enrolment figures in government schools in Bihar.

KK Pathak, the additional chief secretary of the Education Department, launched several initiatives a few months ago to reform the education system in the state. The "weeding out" operation is part of his initiatives. The reports suggested that Pathak ordered to strike off the names of students after he, during his school visits, found students were absent for extended periods. People, in the know, suspect that a large number of "ghost students" were enrolled elsewhere or studying in private schools or school staffers might have involvement in the alleged corruption.

The Education Department will soon launch a door-to-door survey to cross-check the enrollment registers. The officials will also identify the families whose children are not attending schools.

Meanwhile, the Bihar government spends over Rs 3,000 crore on benefits for students under the Direct Benefit Transfer (DBT) which means the "ghost students" cost a huge loss to the state exchequer. <https://www.indiatvnews.com/bihar/news-bihar-over-5-lakh-ghost-students-causing-rs-300-crore-loss-to-state-removed-from-government-schools-2023-10-12-897409>

35. J&K Admin Ignored Own Depts' Advice to Amend Multi-Crore Contract to Favour Private Co: IAS Officer (*thewire.in*) Oct 12, 2023

The Jammu and Kashmir administration headed by Lieutenant Governor Manoj Sinha went against the advice of the finance and law departments and amended a multi-crore contract midway to favour a private insurance company, a letter by an IAS officer has alleged.

The contract was signed between the State Health Agency (SHA), the nodal department involved in rolling out the Pradhan Mantri-Jan Arogya Yojna (PM-JAY) insurance scheme in Jammu and Kashmir, and Bajaj Allianz General Insurance Company, on December 26, 2020.

A day later, on December 27, 2020, J&K Chief Secretary Dr Arun K. Mehta's son, Lakshya Mehta, was hired by the insurance company where he currently serves as a 'Senior Executive', according to his LinkedIn profile.

When the insurance company sought to pull out of the contract in September next year, the SHA modified the contract by providing a 15% addendum to the existing policy without any legal backing. The 'illegal' changes were regularised by the Administrative Council headed by Lieutenant Governor Sinha, even though J&K's finance and law departments objected to the decision.

When an activist flagged these alleged irregularities to the Central Bureau of Investigations, the agency transferred the complaint after six months to Jammu and Kashmir's Anti-Corruption Bureau (ACB) whose director reports to the Lieutenant Governor, one of the alleged suspects in the purported case.

These claims are part of a letter by the Chairman of the Bureau of Public Enterprises, J&K, and 1992 IAS officer, Ashok Kumar Parmar, to the Central Bureau of Investigations. The letter seeks a "deeper probe" by the Insurance Regulatory and Development Authority of India (IRDA) and the CBI into the matter.

Also read: J&K: Why a Top IAS Officer Has Sought a CBI Probe Into the Flagship Jal Jeevan Mission

Parmar, who previously flagged the alleged irregularities in the implementation of Jal Jeevan Mission, a centrally-sponsored scheme, in Jammu and Kashmir, has also sought protection under the Whistleblowers Protection Act, 2014 in his latest letter which is also marked to the Principal Secretary to Prime Minister in PMO, Cabinet Secretary, Ministry of Home Affairs, Department of Personnel and Training and Chairman, IRDA.

The Wire has reached out to Yatish Yadav, the Media Advisor to the Lieutenant Governor, and also Chief Secretary Mehta, on the allegations of “abuse of official position” and “illegal acts” to “confer undue benefit” on a private firm linked to Mehta. This story will be updated as and when their responses are received.

A top government official who did not want to be named said the government will hold a press conference on the issue.

The CBI spokesperson could not be reached for comment.

The PM-JAY insurance scheme is fully funded by the Union government in Ladakh while in J&K, local administration provides 10% funding support while the rest is borne by the Union government.

According to Parmar’s letter, the State Health Agency (SHA) of J&K and Bajaj Allianz signed the three-year contract on December 25, 2020, with a provision of annual review after two years, according to official documents.

Clause 9(A) of the contract, accessed by The Wire, states: “The three year term of this insurance contract is subject to renewal after two years for one more year.”

In September 2021, less than a year after the contract came into force, Bajaj Allianz sought to withdraw, reportedly citing losses. A top official of the administration, who is privy to the matter, told The Wire that the insurance company didn’t have the freedom to withdraw from the contract unless the SHA agreed in writing.

“The SHA never agreed to the plea in writing. Instead, it changed the contract into a full reimbursement contract on December 25, 2021 with a top up fee of 15%,” the official said, underlining that “the original contract happened as a part of tendering process, but the addendum was arbitrary.”

“Insurance companies cannot claim that they are running into a loss due to a particular insurance policy for J&K as that is what insurance is all about. Diversification leads to its viability. These claims and the SHA agreement in this particular contract has no basis in the insurance world,” the official added, claiming that the number of families was also “increased by 1,087,108 to provide more financial benefit” to Bajaj Allianz.

The alleged scam happened between December 2021 and April 2022, as per the modified agreement, and it has caused losses worth more than Rs 500 crore to the state exchequer, according to Parmar’s letter.

As per a J&K government order (No. 49-JK(GAD) of 2019 Dated: 19-11-2019), fund authorisation in central and state schemes in J&K having financial implication of more than Rs 50 crore need the approval of Chief Secretary Mehta.

A notification dated January 9, 2020, by J&K’s finance department states that projects above Rs 20 crore shall be green-lighted after the approval of Lieutenant Governor Sinha. “Both the offices have to be in the loop on the matter. It is either pure incompetence or a criminal nexus,” the official quoted above said.

A top J&K administration official, rejecting the claims made by Parmar in his letter to the CBI, said that the policy was modified midway because Bajaj Allianz “refused to renew” the contract.

“New contract would have taken perhaps three more months to finalise. During the intermediate period, an arrangement was made by the Health department as per General Finance Rules,” the official said, asking not to be quoted.

The official couldn’t point to the rules under which the contract was modified, “The choice was between continuity of service or disruption. Calculations made by the health department show that the model they adopted (to provide 15% extra charge to Bajaj Allianz was least costly,” the official added. <https://thewire.in/government/manoj-sinha-jammu-kashmir-bajaj-allianze-pmjay>

36. HP Govt Allows Construction in 17 Protected Green Belts Months after Torrential Rains, Landslides (*thewire.in*) Oct 12, 2023

After facing devastating effects of natural disasters only two months ago, the Himachal Pradesh government has decided to allow construction in as many as 17 sacrosanct green belts in Shimla.

The Himachal Pradesh Cabinet amended the Shimla Development Plan (SDP) to allow new constructions in the green belt area lying above the road from Navbahar to Ram Chandra Chowk, Machhiwali Kothi, Christ Church, Lakkar Bazar, IGMC and Sanjauli Chowk, the Tribune reported.

The move has come in the wake of torrential rains that caused unprecedented damage in the state capital in August. Worsening climate and constructions in the region often combine to increase the human cost of human disasters in the region. More interestingly, the government had enforced a complete ban on construction activities in these belts in December 2000.

The 17 green belts, spread over 414.36 hectares, were protected from constructions to save the deodar forests. It is estimated that the rains in August that were accompanied by landslides and flash floods led to the loss of nearly 1,000 deodar trees.

According to the report, construction has only been allowed on land where there are no trees but the entire area is already heavily burdened with buildings and could pose a threat to the forests.

The Supreme Court gave a nod to the SDP on May 3 followed by the Cabinet’s approval on June 19. However, the apex court had ordered that the notified SDP should be kept on hold till all objections were addressed.

A study conducted in 2013, based on the Environmental Impact Assessment of the green belts, recommended a complete ban on construction activity in Shimla. The report highlighted the rampant haphazard construction, portraying Shimla’s transformation from the “Queen of Hills” into an urban nightmare.

Heavy rains in July and August had wreaked havoc in multiple areas of Himachal Pradesh, causing widespread damage to buildings and properties. Over 200 people died and nearly 11,000 houses were partially or completely damaged, the Economic Times reported.

Himachal Pradesh chief minister Sukhvinder Singh Sukhu had said his state would take a year to recover from the damage incurred in this year's monsoon season and the estimated loss in the two devastating spells of heavy rain was about Rs 10,000 crore. <https://thewire.in/environment/hp-govt-allows-construction-in-17-protected-green-belts-months-after-torrential-rains-landslides>