NEWS ITEMS ON CAG/ AUDIT REPORTS

1. How ISRO plans to tackle Sriharikota coastal erosion *(indiatoday.in)* Sep 14, 2023

The mitigation efforts at Satish Dhawan Space Centre, which has lost 100 metres of coastline, must holistically stretch to the entire peninsular shoreline

Even as it conquers space with exclusive missions, the Indian Space Research Organisation (ISRO) is steadily losing space on earth. It has, in the past four years, lost 100 metres of coastline of the Satish Dhawan Space Centre (SDSC), the prestigious spaceport at Sriharikota in Andhra Pradesh. As a mitigation measure, the Andhra Pradesh State Coastal Zone Management Authority (APSCZMA) has recommended an ISRO proposal to the Union ministry of environment, forest and climate change (MoEF&CC) to build shore-protection groynes along the seafront at Sriharikota. This is to check the steady coastal erosion by the Bay of Bengal.

Erosion at SDSC is a growing concern since 2019. The cyclonic storms washed off two coastal roads and a third road also got damaged recently. So, five groynes, three of which will be over 100 metres long, are to be developed on the northern tip of the spindle-shaped Sriharikota island. A gryone is a shore-protection structure build perpendicular to the shoreline, over the beach and into the shore face (the area between the near shore region and the inner continental shelf) to reduce long shore drift and trap sediments. Groynes, breakwaters and artificial reefs are commonly implemented to counter erosion and wave action in coastal areas.

The Coastal Processes and Shoreline Management Group (CPSM) of the Chennai-based National Centre for Coastal Research (NCCR) has, on the basis of a study on shoreline changes, suggested the remedial measures for sea erosion. CPSM analysis shows the island and nearby coastal areas experience erosion due to both natural and anthropogenic activities. However, in recent times, low pressure systems and sea level changes have increased and extensive erosion is noticed at Sriharikota. So, site-specific studies have compelled NCCR scientists to recommend building groynes to prevent the erosion from spreading to the nearby coastal villages north of Sriharikota. Beach nourishment is also proposed as it is well known that groynes, while leading to accretion on the south side, can trigger erosion in the north.

This is the outcome of the national mission of NCCR, which has prepared 526 detailed maps for the entire Indian coast after studying shoreline changes between 1990 and 2016, using satellite datasets. State-wise maps for nine states, including Andhra and two Union territories, and 66 district level maps were prepared to initiate shoreline management by identifying hotspots and vulnerable coastal areas. “We had a meeting with NCCR officials on the details of erosion and accretion along the Andhra Pradesh coast for a comprehensive understanding of the shoreline changes assessment and make a shoreline management plan accordingly,” APSCZMA chairman Neerabh Kumar Prasad told INDIA TODAY.

“The NCCR is to prepare the draft plan by October-end and the final shoreline management plan by the year-end.” Another issue facing Sriharikota is the heavy silting of the Pulicat Lake around the northern inlet. APSCZMA has proposed dredging and related measures to clear the inlet and improve inflow.

While the APSCZMA initiative may tackle the problem at Sriharikota, the broader challenge posed by the clearance given to a slew of coastal projects, across the country, without proper environmental impact assessment remains. Only last year, in August, the Comptroller and Auditor General of India (CAG) released a report on the large-scale violations of coastal zone regulation by several projects. It found that norms set down by the Coastal Regulation Zone (CRZ) notification, 2019 were not being allowed and MoEF&CC had cleared projects without proper approval of environmental impact assessment consultants. The pre-audit studies also recorded illegal construction and effluent discharges from industries and farms.

Worse still, the report says that projects were approved even though environmental impact assessment consultants were not accredited, outdated baseline data was used, environmental impacts of the project were not being evaluated and disasters the project area was prone to were not being addressed. Further, the coastal zone management authorities conducted meetings in a few states without fulfilling the required quorum and in the absence of stakeholder bodies. The authority did not have enough manpower to perform their mandate in Andhra, Karnataka, Goa, Tamil Nadu, Odisha and West Bengal.

The CAG also found there was no active website to disseminate the information to the National Coastal Zone Management Authority, like agenda notes and minutes of the meeting. This is against the mandated responsibilities of the institution. So, what is being done at Sriharikota may be reduced to a knee-jerk reaction if the lurking threats posed by sea erosion are not tackled in a holistic manner along the entire stretch of the peninsular coastline. https://www.indiatoday.in/india-today-insight/story/how-isro-plans-to-tackle-sriharikota-coastal-erosion-2435629-2023-09-14

2. India's legal system has 'no interest' in deliberating on existential nuclear threat *(counterview.net)* 15 Sep 2023

An article by Dr MV Ramana, "The global footprint of nuclear fallout - We are all Hibakusha", should leave no one under the wrong impression that most sections of the global society, which are not in the geographical proximity of nuclear explosions/ weapon test sites/ nuclear facilities, are safe from nuclear contamination threats. It should not be difficult for any one with a modest understanding of radiation related threats to appreciate the overall message of this article.

As has been vividly explained in the article, it is credibly safe to assume that almost all sections of the global society (except, probably the remotest corners of South/ North poles) are facing/ experiencing the risk of exposure to nuclear radiation.

The early nuclear fission tests, subsequent weapon tests (totaling more than 528 nuclear weapon tests as per an estimate), nuclear power plant accidents (such as at Chernobyl and Fukushima), radiation leakage during the processing/ transportation of nuclear materials/ wastes etc. are acknowledged as having contaminated almost all habitats in the world, with unacceptable health implications to all living beings.

And the authorities, nowhere in the world, seem to be concerned about the associated implications to the humanity. In our own backyard, even the dedicated agencies such as National Disaster Management Authority (NDMA), Comptroller and Auditor General of India (CAG), Department of Atomic Energy (DAE) etc. seem to be un-aware/ disinterested of the associated risks/ costs/ implications to the billions of people; despite repeated representations from civil society groups. And the successive governments continue to happily pour billions of rupees into the nuclear sector thereby continuously escalating the risks/ costs to the entire society.

What is most disconcerting is the fact that nuclear power has been acknowledged as the costliest, riskiest, slowest and most complex of various techno-economically available options at any part of global society to generate electricity; and that there are vastly more attractive and least costly options such as solar and wind power technologies to meet the ever increasing global electricity demand.

It is credibly safe to assume that almost all sections of global society face risk of exposure to nuclear radiation

Dr MV Ramana is a physicist, and has been writing effectively on many issues of nuclear energy sector. This article has also identified him as the Simons Chair in Disarmament, Global and Human Security and Professor at the School of Public Policy and Global Affairs, University of British Columbia, and the author of a forthcoming book explaining why nuclear power is not a solution to climate change to be published by Verso Books.

It is amazing that even our legal system seems to have no interest in deliberating on such existential threats despite many representations from civil society. Whereas the same legal system has taken many suo-moto cases, and has even taken cases on issues which have been discussed and passed in the Parliament, it is disappointing that the associated risks/ costs/ implications to the billions of people from vast but unsubstantiated investments in nuclear industry are of no concern to the same legal system.

Since it is increasingly becoming clear that none of the concerned authorities, not just in India but all over the globe, are not heeding to the associated and genuine concerns of civil society groups, there is an ever increasing onus on civil society groups to deliberate on what we can do safeguard our people from the credible threats of nuclear radiation.

It is acknowledged that it is a daunting task to persuade the concerned authorities to provide utmost priority in dealing such existential threats with high level of responsibility, but there are no options other than continuing to make efforts.

In this backdrop, can we say that we will have a bright future, or "Acche din ayenge"? As a matter of fact can we not say that global society seem to moving towards multiple nuclear related disaster in addition to climate change? https://www.counterview.net/2023/09/amazing-indias-legal-system-has-no.html

STATES NEWS ITEMS

3. CAG calls out Kerala's tardy revenue collection, arrears exceed Rs 28,000 crore *(newindianexpress.com)* Sep 14, 2023

In terms of revenue growth, the state's own tax revenue experienced a significant growth of 22.41 per cent in 2021-22, rising from Rs 47,660.84 crore in the previous year to Rs 58,340.52 crore.

THIRUVANANTHAPURAM: Highlighting the lethargic approach of the state government in addressing pending arrears, the Comptroller and Auditor General of India (CAG) raised concerns over Kerala's mounting revenue arrears, which now stand at a staggering Rs 28,258.39 crore. This financial burden comes at a time when the state is grappling with severe fiscal crisis. The compliance audit report from the CAG for the 2021-22 fiscal, presented in the assembly on Thursday, reveals these arrears account for a substantial 24.23 per cent of the state's total revenue.

These arrears are spread across 17 departments or heads of accounts. Notably, the SGST Department holds the highest arrears at Rs 13,410.12 crore, followed by MVD with Rs 2,868.47 crore. Additionally, arrears related to electricity taxes and duties amount to Rs 3,118.50 crore.

The report called for urgent intervention from the state government to clear the arrears. "The absence of prompt reporting of arrears to the Revenue Department and tardy pursuance by the departments concerned for realising the arrears are the main reasons for the pendency," the report said.

Of the total arrears, Rs 6,267.31 crore, which accounts for 33.74 per cent, is pending due to stay orders. The report calls upon the relevant departments to take effective action to lift these stay orders and recover the outstanding amounts.

Revenue growth

In terms of revenue growth, the state's own tax revenue (SOTR) experienced a significant growth of 22.41 per cent in 2021-22, rising from Rs 47,660.84 crore in the previous year to Rs 58,340.52 crore. This substantial growth was primarily attributed to the recovery from the negative impact of the COVID-19 pandemic in the preceding year.

The report reveals that State Goods and Services Tax (SGST) constituted 41 per cent of Kerala's own tax revenue in 2021-22, followed by sales tax at 39 per cent, stamps and registration at 8 per cent, and vehicle taxes at 7 per cent. However, when compared to the pre-Covid period of 2018-19, the growth rate in Own Tax Revenue (SOTR) was 15 per cent. The report also highlights that the share of SOTR in the state's total receipts decreased from 56 per cent in 2017-18 to 50 per cent in 2021-22, suggesting that the SOTR did not grow significantly in real terms as it did before the COVID-19 pandemic.

The total revenue receipts of the state in 2021-22 amounted to Rs 1,16,640.24 crore, marking a 19.49 per cent increase from the previous year and a 25.62 per cent rise from the pre-Covid year of 2018-19. Of this, tax revenue generated by the state amounted to Rs 68,803.03 crore, while receipts from the central government stood at Rs 47,837.21

crore. State-generated revenue, including OTR and non-tax revenue, constituted 59 per cent of the state's total revenue receipts, while the remaining 41 per cent came from the central government, including the net proceeds of divisible Union taxes and duties and grants-in-aid.

Regarding non-tax revenue (SNOTR), the state's SNOTR for 2021-22 reached Rs 10,462.51 crore, representing a substantial increase of 42.79 per cent compared to the previous year. This surge was mainly attributed to the increased revenue from state lotteries, a significant component of SNOTR, which reached Rs 7,134.93 crore compared to the previous year's Rs 4,873.01 crore.

STATE FLAYED FOR NEGLECTING SCIENTIFIC WASTE MGMT STUDY
A CAG audit report criticised the government's failure to conduct a scientific study to assess the quantity, composition, and physical and chemical characteristics of waste generated within the state. The report titled "Waste Management in Urban Local Bodies" revealed that the 22 urban local bodies examined had adopted per capita waste generation estimates without conducting surveys during the audit period from 2016 to 2021. The report highlighted a major issue with the Brahmapuram plant in Kochi. The plant operated without the authorisation of the Kerala State Pollution Control Board for several years

CALL FOR DIRECT PAYMENT OF SOCIAL SECURITY PENSIONS
A performance audit report by the CAG called for a full transition to Direct Benefit Transfer (DBT) for Kerala's social security pension payments. According to the "Performance Audit on Direct Benefit Transfer of Social Security Pension Schemes" by the CAG, cash payments through Primary Agricultural Credit Societies in direct-to-home mode did not qualify as DBT as they were not made directly to beneficiaries, without reducing intermediary levels. The report also revealed that 9,201 service pensioners and government employees got Social Security Pension irregularly between 2017-18 and 2019-20, amounting to D39.27 crore in disbursements. https://www.newindianexpress.com/states/kerala/2023/sep/15/cag-calls-out-keralas-tardy-revenue-collection-arrears-exceed-rs-28000crore-2614956.html

4. CAG report exposes glaring lapses and missing crores from Kerala treasury *(asianetnews.com)* Updated Sep 15, 2023

Thiruvananthapuram: The Comptroller and Auditor General's (CAG) report found serious lapses including including a lack of accurate accounting and records for welfare pensions paid through the Kerala Social Security Pension Limited. The total amount received and disbursed to pensioners, according to the data, differed by Rs 4478 crores between 2018 and 2021. According to reports, the government has been able to explain the cause of the issue.

According to sources, the CAG report states that the transaction data for the financial years 2018–19 and 2019–20 between the pension firm and the direct benefit transfer (DBT) Cell does not match. The pension company paid Rs 11,088.09 crore to the panchayat directorate, according to information provided to the CAG by the DBT cell. However, according to company records, there were transactions totaling Rs 9699.48 crore.

In the meantime, the state government has informed the CAG that it has directed the pension firm and the panchayat director to investigate the accounts and transaction records. The government should make sure that account misuse doesn't result in corruption, the report said.

Since 2018, the pension company has reportedly been overborrowing consistently. The corporation borrowed Rs 4049 crore more than was necessary for the 2019–20 fiscal year to pay for pension distribution. The government later justified the borrowing of the funds by claiming that it was an error.

The company received Rs 1000 crore in 2018–19 from the Kerala State Beverages Corporation (Bevco). However, the audited accounting showed that there was insufficient information or justification to verify the transactions.

PWD's construction works without acquiring land caused loss of Rs 54 crore

The Public Works Department (PWD) started three construction projects without the required land, according to the Comptroller and Auditor General's (CAG) report, costing the state government Rs 54.08 crore in financial losses. These initiatives include work on the Nilambur and Kothamangalam-Thankalam routes, as well as the construction of a Kalmandapam (stone building) at Palakkad.

Before floating tenders for construction work, 100 per cent of the land must be acquired without opposition, according to the PWD manual. After gaining prior approval from the government, tenders may be invited if 60 per cent of the necessary land has been obtained. According to the report, only the length of the road was submitted for the bypass building project, and work began without taking into account the funding situation. Before accepting tenders, the CAG suggested that the divisional authorities (land acquisition) closely follow government requirements. https://newsable.asianetnews.com/india/cag-report-exposes-glaring-lapses-and-missing-crores-from-kerala-treasury-anr-s10lc9

5. Damning CAG report slams Kerala govt amid financial crisis *(asianetnews.com)* Updated Sep 15, 2023

Thiruvananthapuram: A Comptroller and Auditor General of India (CAG) report on the state revenue sector was tabled in the Kerala Assembly on Thursday, pointed the CPI(M)-led LDF government for its failure to impose and collect taxes.

Here are some of the highlights of the CAG report tabled in the Assembly:

1. Personal Income tax collection has not increased as much as before the COVID pandemic.
Skip

2. Growth in Personal Tax Revenue is 22.41% in 2021-22

3. Excise tax revenue decreased by Rs 489.17 crore

4. The growth rate of land tax revenue has declined sharply

5. GST revenue increased by Rs 4141 crore; The reason is because of higher sales

6. Rs 3135 crore increased in non-tax income; As lottery sales have increased

7. Rs 28,258 crore due for seizure; CAG calls for immediate government intervention

8. Departments do not report dues to the Revenue Department on time

9. 68 cases of low GST assessment and irregularities, detected leading to Rs 49.35 crore loss

10. Rs 2.51 crore loss of revenue due to non-collection of additional security amount by the distillery

11. Rs 2.17 crore revenue lost due to illegal transfer of foreign liquor license.

The revenue arrears to be collected from various departments have increased to Rs 28,258 crore till March 2022. This is around 25 per cent of the state's total income.

The report, tabled in the assembly on Thursday, said that during the year 2021-22, the revenue collected by the state government decreased to 59 per cent from 69 per cent in 2017-18. In addition, it noted that the Center's receipts climbed from 31 per cent in 2017–18 to 41 per cent in that year.

Pending arrears to be recovered

GST Rs 13,410 cr

Interest Rs 5.979.91cr

Electricity Rs 3,118.50cr

Motor Vehicles Rs 2,868.47cr

Land tax Rs 635.19cr

Land registration Rs 590.86cr
https://newsable.asianetnews.com/india/damning-cag-report-exposes-kerala-govt-amid-financial-crisis-anr-s0z0a8

6. Kerala's revenue collection in 2021-22 down 10% compared to 2017-18: CAG *(business-standard.com, newsdrum.in)* Sep 14, 2023

A report of the Comptroller and Auditor General of India (CAG) on Kerala's revenue sector for the financial year 2021-22 has found that the state's revenue collection had decreased by 10 per cent from what it was in 2017-18, while the receipts from the Centre had increased.

The report, tabled in the assembly on Thursday, said that during the year 2021-22, the revenue collected by the state government decreased to 59 per cent from 69 per cent in 2017-18.

At the same time, the receipts from the Centre increased to 41 per cent that year from the 31 per cent in 2017-18, it said.

The report also said that even though the revenue raised by the state government during the year 2021-22 shows an increase from the previous year of 2020-21, the percentage of revenue raised by it to total revenue receipts has reduced when compared with that of 2017-18, 2018-19 and 2019-20 financial years.

"The revenue receipts of the state increased by Rs 19,023.41 crore during 2021-22, compared to 2020-21. This was mainly due to an increase in own tax revenue by Rs 10,679.68 crore followed by the state's share of union taxes and duties by Rs 6,259.69 crore," it said.

The non-tax revenue of the state saw an increase in 2021-22 mainly due to the increase in the receipts under the head state lotteries by Rs 2,261.92 crore, the report said.

The Goods and Services Tax (GST) collection also increased from Rs 20,028.31 crore in 2020-21 to Rs 24,169.81 crore in 2021-22 due to an increase in sales turnover of goods and services, it said.

However, that same year, the revenue collection under the State Excise decreased by Rs 489.17 crore from Rs 2,521.40 crore in 2018-19 (pre-Covid period) to Rs 2,032.23 crore.

Furthermore, the report also found arrears totalling Rs 28,258.39 crore that year which amounted to 24.23 per cent of the total revenue of the state.

"This necessitates urgent intervention from the government to clear the outstanding arrears. The arrear figures are furnished by the departments every year only at the instance of audit.

"The absence of prompt reporting of arrears to Revenue Department and tardy pursuance by the departments concerned for realising the arrears are the main reasons for the huge pendency of arrears," the CAG report said.

Besides that, the growth rate of revenue collection under Land Revenue also saw a sharp decline from 48.41 per cent in 2020-21 to (-) 4.56 per cent in 2021-22, it said. https://www.business-standard.com/economy/news/kerala-s-revenue-collection-in-2021-22-down-10-compared-to-2017-18-cag-123091401333_1.html

7. Revenue arrears of govt at Rs 28,258.39 crore: CAG *(timesofindia.indiatimes.com)* Updated: Sep 15, 2023

Thiruvananthapuram: A report by the comptroller and auditor general (CAG) on state's revenue till March 31, 2022, placed in the assembly on Thursday, showed that the revenue arrears were a whopping 24.23% of the total revenue of Kerala. As per the report, the arrears amounted to Rs 28,258.29 crore. This necessitates urgent intervention from the government to clear the arrears.

"The absence of prompt reporting of arrears to revenue department and tardy pursuance by the departments concerned for realizing the arrears are the main reasons for huge pendency of arrears," said the report. Among the 17 departments that have pending arrears, the goods and services tax department (Rs 13,410.12 crore) had the highest pendency, followed by arrears in interest receipts under finance department (Rs 5,979.91 crore). Of the total arrears, Rs 6,267.31 crore that forms 33.74% of the total, is pending under stay orders.

The report found that there was an increase of Rs 19,023.41 crore (19.49%) in total revenue receipts of Kerala in 2021-22, compared to 2020-21. While it was Rs 97,616.83 crore in 2020-21, it increased to Rs 1,16,640.24 crore in 2021-22. Compared to pre-Covid period (2018-19), revenue receipts increased by 25.62% in 2021-22, said the report. The receipts from Centre increased from 31% in 2020-21 to 41% in 2021-22, whereas revenue collection by state government decreased from 69% in 2017-18 to 59% by 2021-22.

The state's own tax revenue (state GST, excise duty etc) registered an increase of 22.41% in 2021-22, compared to the previous year. But, the significant growth of SOTR is mainly due to fall in GSDP in the previous year, which was a Covid-19 year.

CAG report found that GST collection increased from Rs 20,028.31 crore in 2020-21 to Rs 24,169.81 crore in 2021-22. This was due to an increase in sales turnover of goods and services. Also, the state received a total compensation of Rs 12,594.86 crore on account of loss of revenue arising out of implementation of GST during 2021-22. Of this, Rs 3,855.55 crore was received by the state as grants under revenue receipts while the balance Rs 8,739.31 crore as loan, back-to-back, from the Centre.

The non-tax revenue increased by Rs 3,135.20 crore (42.79%) in 2021-22, compared with the previous year. This increase in non-tax revenue in 2021-22 was mainly due to increase in the receipts from state lotteries. https://timesofindia.indiatimes.com/city/thiruvananthapuram/revenue-arrears-of-govt-at-rs-28258-39-crore-cag/articleshow/103684990.cms?from=mdr

8. Recovery of Rs 28,258 cr revenue arrears pending in Kerala: CAG *(onmanorama.com)* Sep 15, 2023

Thiruvananthapuram: Kerala's revenue collection had decreased by 10 per cent in 2021-22 from what it was in 2017-18, while the receipts from the Centre had increased, a report of the Comptroller and Auditor General of India (CAG) has stated.

The revenue arrears to be collected from various departments has increased to Rs 28,258 crore till March 2022. This is around 25 per cent of the state's total income.

The report, tabled in the assembly on Thursday, said that during the year 2021-22, the revenue collected by the state government decreased to 59 per cent from 69 per cent in 2017-18.

At the same time, the receipts from the Centre increased to 41 per cent that year from the 31 per cent in 2017-18, it said.

The report also said that even though the revenue raised by the state government during the year 2021-22 shows an increase from the previous year of 2020-21, the percentage of revenue raised by it to total revenue receipts has reduced when compared with that of 2017-18, 2018-19 and 2019-20 financial years.

"The revenue receipts of the state increased by Rs 19,023.41 crore during 2021-22, compared to 2020-21. This was mainly due to an increase in own tax revenue by Rs 10,679.68 crore followed by the state's share of union taxes and duties by Rs 6,259.69 crore," it said.

The non-tax revenue of the state saw an increase in 2021-22 mainly due to the increase in the receipts under the head state lotteries by Rs 2,261.92 crore, the report said. The Goods and Services Tax (GST) collection also increased from Rs 20,028.31 crore in 2020-21 to Rs 24,169.81 crore in 2021-22 due to an increase in sales turnover of goods and services, it said.

However, that same year, the revenue collection under the State Excise decreased by Rs 489.17 crore from Rs 2,521.40 crore in 2018-19 (preCovid period) to Rs 2,032.23 crore. Furthermore, the report also found arrears totalling Rs 28,258.39 crore that year which amounted to 24.23 per cent of the total revenue of the state.

"This necessitates urgent intervention from the government to clear the outstanding arrears. The arrear figures are furnished by the departments every year only at the instance of audit."The absence of prompt reporting of arrears to Revenue Department and tardy pursuance by the departments concerned for realising the arrears are the main reasons for the huge pendency of arrears," the CAG report said.

Besides that, the growth rate of revenue collection under Land Revenue also saw a sharp decline from 48.41 per cent in 2020-21 to (-) 4.56 per cent in 2021-22, it said.

Pending arrears to be recovered
GST Rs 13,410 cr I
Interest Rs 5.979.91cr
Electricity Rs 3,118.50cr
Motor Vehicles Rs 2,868.47cr
Land tax Rs 635.19cr
Land registration Rs 590.86cr
https://www.onmanorama.com/news/kerala/2023/09/15/revenue-arrears-pending-recovery-cag.html

9. CAG says nearly half of Kerala's welfare pensions can be pilfered *(onmanorama.com)* Sep 15, 2023

The LDF government in Kerala has always held up the payment of social security pensions (SSPs) to over 60 lakh beneficiaries as one of its biggest triumphs. Now, the Comptroller and Auditor General report on Direct Benefit Transfers of SSPs has stated that nearly half such payments - the direct to home payments made through the agents of Primary Agricultural Credit Societies (PACS) - are susceptible to fraud.

The report was tabled in the Assembly on Thursday. The period under audit was 2017-18 to 2020-21. During this period, a total of Rs 29,622.67 crore was disbursed as SSPs under five heads: Indira Gandhi National Old Age Pension, Indira Gandhi National Widow Pension, Indira Gandhi National Disability Pension, Pension for Unmarried Women above 50 years and Agriculture Labour Pension. The first three has a small percentage of central government support, the last two is fully paid by the Kerala Government.

Of the total, Rs 15,312.33 crore, 51.69 percent, was transferred directly to the bank accounts of beneficiaries and Rs 14,310.34 crore, 48.31 percent, was paid in cash to the beneficiaries by PACS agents right at their doorsteps. According to the government, the 'direct to home' (DTH) mode was adopted because many beneficiaries did not possess a bank account.

"In respect of DTH disbursements, only the signature/thumb impression of the beneficiaries are obtained as acknowledgement by the PACS agent (who hands over the money)," the CAG report said."The absence of an automated beneficiary-wise acknowledgement had resulted in the possibility of fraud," the report added.

In fact, the CAG did detect fraud. In Varkala Municipality, for instance, in three cases, the pension was shown as paid after the death of the beneficiaries."This has resulted in irregular payment of pensions amounting to Rs one lakh," the report said.

The Audit team visited the Varkala Service Cooperative Bank and scrutinised the acknowledgements, or the signatures or thumb impressions, of the beneficiaries kept at the PACS.

As proof of fraud, it was found that "different types of signatures and thumb impressions were recorded against the acknowledgement column of the same beneficiary."It was also noticed that most of the amount were remitted by the same person," the report said."Under these circumstances, Audit suspects the possibility of fraud in respect of these transactions," it added.

Realising that the DTH mode is prone to corruption, Varkala Municipality conducted its own audit and found that 38 beneficiaries were paid SSPs after their deaths.

The CAG report said that money paid through the DTH mode could not be considered as Direct Benefit Transfer. DBT, as elaborated in Rule 87 of General Financial Rules, 2017, stipulates that transfer of benefits should be done directly to beneficiaries.

The report then spoke about the need to "minimise intermediary levels" and reduce delay in payments to beneficiaries with the objective of "minimising pilferage and duplication". The report has also recommended that the PACS should report the cases of deceased to the concerned local body.

But even after this is done, certain local bodies continue to transfer money to PACS for dead beneficiaries."On an analysis of SSP disbursement data table for the period from

2017-18 to 2020-21, it was noticed that funds were transferred to PACS in 6.8 lakh transactions to 96,285 beneficiaries who were reported as dead by the PACS two to 20 months earlier," the report said. This happened because the deceased beneficiaries were not removed from the list by the secretaries of local bodies.

"The irregular transfer of funds in respect of cases reported as deceased is of grave concern as it could lead to potential fraud and misappropriation," the report said. https://www.onmanorama.com/news/kerala/2023/09/15/cag-audit-welfare-pensions-fraud.html

10. Report finds lapses in social security pension disbursal *(timesofindia.indiatimes.com)* Updated: Sep 15, 2023

Thiruvananthapuram: The comptroller and auditor general (CAG) has reported discrepancies in the direct benefit transfer (DBT) of social security pensions in the state. A joint beneficiary survey disclosed 20% ineligible beneficiaries among the sample, the report tabled in the assembly on Thursday said. The report said there were lapses in the selection of pension beneficiaries as several of them received two different pensions simultaneously.

During the period from 2017-18 to 2020-21, the state government had paid Rs 29, 622.67 crore as social security pensions to 47.97 lakh beneficiaries. There were laxities in the application stage, its verification and approval at the local self-government institutions. Two different pensions (except disability pension) were irregularly approved to single beneficiaries and pensions were often approved without production of mandatory certificates due to absence of input controls in the scheme management software (sevana pension) and proper monitoring by the secretaries of LSGIS, the report said.

The chief fund raiser and coordinator of SSP schemes (Kerala social security pension Ltd) was not maintaining the accounts properly and had not done the reconciliation of accounts during the entire audit period. "KSSPL's activities in fundraising and utilization have not been transparent," the CAG said, adding that the failure in disbursing the pension in batches, instead of every month, had defeated the very purpose of the scheme. At times, eligible beneficiaries were denied pension due to erroneous bill processing, it said.

The report said the CAG has come across instances wherein pension benefits were transferred to deceased people. Government servants and service pension beneficiaries were often given pension even after removing their names from the list. The CAG report recommended the government to ensure that the DBT system is fully compliant to the norms. Sevana pension software may be revamped to automate all activities from receipt of application to the payment and acknowledgement of pension disbursal. The state government has generally accepted the recommendations, said the report. https://timesofindia.indiatimes.com/city/thiruvananthapuram/report-finds-lapses-in-social-security-pension-disbursal/articleshow/103685106.cms?from=mdr

11. Welfare pension disbursal: No records for Rs 4478 cr; CAG report finds severe lapses *(english.mathrubhumi.com)* September 15, 2023

Thiruvananthapuram: The Comptroller and Auditor General's (CAG) report has found serious lapses including lack of proper accounts and records for the welfare pensions disbursed through the Kerala Social Security Pension Limited. As per the findings, from 2018 to 2021, there has been a difference of Rs 4478 crores between the total amount received and disbursed to pensioners. The government has been able to clarify a reason for the same, the report said.

According to the report, the transaction figures of pension direct benefit transfer (DBT) Cell and the pension company for the financial years 2018-19 and 2019-20 do not match with each other. As per records submitted by the DBT cell to the CAG, the pension company had paid Rs 11,088.09 crore to the panchayat directorate. However, the company data shows a transaction record of Rs 9699.48 crore.

Meanwhile, the state government has informed the CAG that it has instructed the panchayat director and the pension company to examine the accounts and transaction records. The report pointed out that the government should ensure that misuse of accounts does not lead to corruption.

More borrowings than necessary
It is learnt that there has been a pattern of over-borrowing every year in the pension company, since 2018. In the financial year 2019-20, the company had borrowed an additional Rs 4049 crore, other than the required amount, for pension distribution. Later, the government explained that the money was borrowed by mistake.

During 2018-19, the company had received Rs 1,000 crore from the Kerala State Beverages Corporation (Bevco). However, the transactions could not be verified due to lack of information or explanations, revealed the audited accounts.

During the period from 2018-19 to 2020-21, the company has paid Rs 1596 crore as interest from the loan amount. However, as per conditions, the government will be liable for the loan taken by the company for pension distribution. The payment of interest by the company is in violation of this provision. At present, there is an arrear of Rs 10,848 crore for the loans taken by the pension company.

Furthermore, the CAG report stated that in spite of handling huge amounts for pension distribution, the company does not maintain any other records or registers of the transactions, except for passbooks.

The auditors of the company have themselves pointed out that due to lack of documents, they have not been able to verify the status of the disbursed pension or the withheld amount. The CAG has directed the company to rectify all the lapses soon. https://english.mathrubhumi.com/news/kerala/welfare-pension-disbursal-no-records-for-rs-4478-cr-cag-report-finds-severe-lapses-1.8905970

12. CAG flags shortcomings in social security pension distribution in Kerala *(thehindu.com)* Updated: September 15, 2023

The Comptroller and Auditor General of India (CAG) has detected shortcomings and loopholes in the manner in which social security pensions are distributed in the State, especially the direct-to-home (DTH) mode of disbursement through the primary agricultural credit societies (PACS).

The CAG report on 'Performance Audit on Direct Benefit Transfer (DBT) of Social Security Pension Schemes' was tabled in the State Assembly on Thursday.

The CAG report noted that payment by DTH mode through PACS does not qualify as DBT as it is not done directly to beneficiaries and does not minimise intermediary levels. "Further, in respect of DTH disbursements, only the signature/thumb impression of the beneficiaries are obtained as acknowledgement by the agent which is kept in the PACS concerned,'' it noted.

Absence of automated beneficiary-wise acknowledgement has resulted in the possibility of fraud. Citing six cases in Varkala municipality, the report noted that pension was paid via DTH mode even after the death of the beneficiary.

DBT, where the money is paid directly into bank accounts, and DTH are the two modes used by the government to disburse the five social security pension schemes — the Indira Gandhi National Old Age Pension, the Indira Gandhi National Widow Pension, Agriculture Labour Pension, Indira Gandhi National Disability pension and the Pension for Unmarried Women above 50 Years.

During the period under audit — 2017-18 to 2020-21 — 50.79% beneficiaries were paid their pension amounts via DBT while 49.21% received it at their homes through PACS.

The report has recommended the State to include more beneficiaries under the DBT umbrella.

Irregular sanction

The report further noted 'irregular transfer of funds' to persons reported as deceased, and disbursement of pension to ineligible persons who were suspended from the beneficiary list.

Audit also detected a more serious lapse where social security pensions were 'irregularly disbursed' to 9201 service pensioners and government employees. "The total amount thus disbursed as Social Security pensions to these ineligible persons for the three-year-period from 2017-18 to 2019-20 works out to ₹ 39.27 crore," the report said.

Deficiencies in software

The CAG report noted deficiencies in the Sevana pension software developed by the Information Kerala Mission.

The report observed that it "was not fully effective in improving the accuracy and transparency in the DBT programmes." The IT system should be revamped to guarantee data integrity and consistency "with all the eligibility criteria of the social security pensions incorporated in it," it said. https://www.thehindu.com/news/national/kerala/cag-flags-shortcomings-in-social-security-pension-distribution/article67308272.ece

13. Revenue arrears of govt. at ₹28,258.39 cr., says CAG report *(thehindu.com)* September 14, 2023

The revenue arrears of the State government, as on March 31, 2022 stood at a whopping ₹28,258.39 crore, a report of the Comptroller and Auditor General of India (CAG) on the State's revenue sector has revealed.

The finding is a part of the Compliance Audit Report of the CAG on the Revenue Sector for the year ended March 31, 2022 tabled in the Assembly on Thursday.

These arrears, falling under 17 government departments/heads of account, constitute 24.23% of the total revenue of the State. The CAG has underlined the need for "urgent intervention" on the part of the State government to clear the arrears.

Of the total ₹28,258.39 crore, the State Goods and Services Tax department accounts for ₹13,410.12 crore, the Finance department (arrears in interest receipts) ₹5,979.91 crore, taxes and duties on electricity ₹3,118.50 crore, Motor Vehicles department ₹2,868.47 crore, Land Revenue department ₹635.19 crore, and the Registration department ₹590.86 crore.

To compare, the CAG report on the revenue sector for 2019-21 released in February this year had pegged the uncollected revenue till March 31, 2021 at ₹21,797.86 crore.

Laxity on the part of the departments in collecting revenue and stay orders issued by courts on recovery are two major reasons for the money remaining uncollected, according to audit officials. In fact, 33.74% of the total arrear amount, ₹6,267.31 crore to be precise, are under stay orders. Government departments should take effective action to get the stay orders vacated and recover the money, the CAG notes.

"The arrear figures are furnished by the departments every year only at the instance of audit. The absence of prompt reporting of arrears to the Revenue department and tardy performance by the departments concerned in realising the arrears are the main reasons for the huge pendency of arrears," the report observes.

That said, comparisons with the previous report show that the arrears have gone down in the case of some departments, while others have seen an increase.

In the case of the State GST Department the arrears have dipped from ₹13,830.43 crore as on March 31, 2021 to ₹13,410.12 crore on March 31, 2022. The Registration department also reported a decrease from ₹828.57 crore to ₹590.86 crore. On the other hand, the Motor Vehicles department saw an increase from ₹2,616.90 crore to ₹2,868.47 crore and the Land Revenue department from ₹397.59 crore to ₹635.19 crore.

Trend of receipts
Kerala's total revenue receipts increased by ₹19,023.41 crore in 2021-22 compared to the previous fiscal, the CAG report notes.

In 2021-22, the total revenue receipts of the State was ₹1,16,640.24 crore. This included ₹68,803.03 crore raised by the State government via tax and non-tax revenues and ₹47,837.21 crore from the Centre as State's share from the divisible pool and grants-in-aid.

The percentage of revenue raised by the State government stood at 59% against the central share of 41% in 2021-22. In 2021-22, the State's own tax revenue rose by ₹10,679.68 crore compared to 2020-21.

The report also notes that while the revenue collection by the State government decreased from 69% in 2017-18 to 59% in 2021-22, the receipts from the Centre rose from 31% to 41%. https://www.thehindu.com/news/national/kerala/revenue-arrears-of-govt-at-2825839-cr-says-cag-report/article67307338.ece

14. Negligence of local government department in waste management: Kerala has lost Rs 46 crore in central funding *(english.janamtv.com)* 15 Sept 2023

Thiruvananthapuram: Kerala has lost a staggering sum of Rs 45.82 crore earmarked by the central government for crucial waste management projects in 11 cities across the state. The loss has been attributed to a lack of preparation and timely submission of Detailed Project Report (DPR) related to waste management. Additionally, deficiencies have been uncovered in several waste disposal projects initiated by the Local Self-Government Department.

Under the aegis of the Swachh Bharat Mission, the central government has proposed various waste management schemes for implementation in the state since 2014. To facilitate these initiatives, the Centre requested detailed study reports. However, it took four years, until 2018, for the state government to initiate these studies as part of the Swachh Bharat Mission. Subsequently, the Centre sanctioned 57 DPRs for the state.

A recent report by the Comptroller and Auditor General (CAG) has revealed that, due to mismanagement, the implementation of these waste management projects was delayed by three years. This delay not only resulted in financial losses but also hindered progress in addressing Kerala's waste management challenges.

Another alarming discovery by the CAG pertains to unlicensed power shops operating in the heart of various cities, lacking the necessary documentation and licenses. This unauthorised operation of power shops has created serious safety concerns, including the risk of fire accidents. The CAG has identified numerous waste plants operated by the state government that lack essential safety measures and are not adhering to legal regulations. https://english.janamtv.com/news/kerala/73289/negligence-of-local-government-department-in-waste-management-kerala-has-lost-rs-46-crore-in-central-funding/

15. Kerala govt incurs loss of Rs 54 cr due to PWD's construction works without acquiring land: CAG *(mathrubhumi.com)* 15 Sept 2023

Thiruvananthapuram: According to the report from the Comptroller and Auditor General (CAG), the state government has suffered a financial loss of Rs 54.08 crore due to the Public Works Department (PWD) commencing three construction projects without obtaining the necessary land. These projects involve the construction of a Kalmandapam (stone structure) in Palakkad, as well as bypass work along the Nilambur and Kothamangalam-Thankalam routes.

According to the PWD manual, 100 per cent of land should be procured without objection ahead of floating tenders for construction works. If 60 per cent of the required land is acquired, then tenders can be invited after obtaining prior permission from the government.

However, for bypass construction, only the length of the road was submitted and the works were initiated without evaluating the availability of funds, said the report. The CAG also proposed that the divisional authorities (land acquisition) should strictly adhere to government conditions before inviting tenders.

Additional expenditure of Rs 42.78 crore
According to the CAG findings, PWD divisions have ignored the directive suggesting that all institutions that take up construction activities should obtain GST registration. With this, the government incurred a loss of input tax worth Rs 42.78 crore and the department has to bear the GST burden on its own.

The instructions by the state government and chief engineer regarding GST registration were not implemented in any of the 15 road divisions in the state during 2017-18. Later, 13 divisions were registered in 2018-19 and two others in 2019-20.

Furthermore, CAG criticised that the government was unable to demand input tax during the period owing to lack of timely registration.

Other findings

-The PWD building constructed at a cost of Rs 24.22 crore in Neriamangalam continues to remain unused.

-Contractors were unduly paid Rs 4.98 crore due to the decision to pay the difference in bitumen price in violation of conditions
https://english.mathrubhumi.com/news/kerala/kerala-govt-incurred-loss-of-crores-due-to-pwd-s-construction-works-without-acquiring-land-cag-1.8906002

16. CAG notes shortcomings in solid waste management in urban local bodies *(thehindu.com)* Updated: Sep 15, 2023

22 test-checked urban local bodies adopted per capita estimates of waste generation without any survey; directive to set up mechanism for monitoring performance of solid waste management systems

The Comptroller and Auditor General (CAG) has found glaring weaknesses in the management of solid waste and 'special waste', including biomedical and e-waste, in the urban areas in Kerala.

The Report of the CAG on Waste Management in Urban Local Bodies tabled in the Assembly on Thursday found that 22 test-checked urban local bodies had adopted per capita estimates of waste generation without carrying out any survey.

In the case of the Brahmapuram centralised processing facility in Ernakulam district, the report noted that the plant has been functioning without authorisation from the State Pollution Control Board since 2010.

At Brahmapuram

Of the 3.85 lakh tonnes of waste which reached the Brahmapuram plant from 2016-17 to 2020-21, only a little over one lakh tonnes was processed. The remaining quantity, 2.85 lakh tonne, turned into 'rejects,' the report said, Further, ''audit observed that leachate oozed underground from the waste heaped on the plant premises, polluting nearby waterbodies such as the Kadambrayar and the Chitrapuzha."

The CAG report noted that 20 out of 50 test-checked hospitals had installed incinerators without authorisation from the Pollution Control Board. In the case of e-waste, inspections by audit officials in 42 scrap dealer shops revealed that they did not adhere to prescribed methodology of assessment, storage, and processing of e-wastes.

e-waste

The report also notes that only 60 local bodies had handed over e-waste to the Clean Kerala Company Ltd. (CKCL) formed by the State government during the period from 2016-17 to 2021-22. Only 35.24 tonnes of e-waste was collected in this manner.

The CAG has urged the government to direct the State Pollution Control Board to establish a mechanism whereby producers, importers and brand owners of products fulfill their Extended Producer Responsibility (EPR) obligation under Plastic Waste and E-waste Management Rules 2016.

The government and the Pollution Control Board should jointly establish an effective mechanism for monitoring the performance of solid waste management systems and compliance with rules. The government should also operationalise a computerised Management Information System (MIS) and "resort to stringent action to curb instances of violation of waste management rules," it noted. https://www.thehindu.com/news/national/kerala/cag-notes-shortcomings-in-solid-waste-management-in-urban-local-bodies/article67308505.ece

17. Road sweeping machine lands Thiruvananthapuram Corporation in trouble with CAG *(thehindu.com)* Updated: Sep 14, 2023

A road sweeping machine purchased by the Thiruvananthapuram Corporation in 2010 has landed the local body in trouble with the Comptroller and Auditor General (CAG).

The Report of the CAG on Waste Management in Urban Local Bodies tabled in the State Assembly on Thursday observed that the 'laxity' on the Corporation's part led to the machine rusting in the Corporation garage since 2013.

The CAG pulled up the Corporation for 'infructuous expenditure' of ₹73.50 lakh. Responsibility needs to be fixed for the lapse, the CAG report noted.

The Corporation had purchased the road sweeping machine in 2010 from Roots Multiclean Company Ltd, Coimbatore at a cost of ₹73.50 lakh.

As the corporation lacked the technical expertise, the company was entrusted with its operation and maintenance for three years, for which an additional ₹99.69 lakh was paid. Although the company applied for a renewal of the operation and maintenance contract in 2013, the Corporation declined. Since 2013, the machine lay idle in the garage of the Corporation.

An inspection in 2021 had revealed that its parts had rusted and that repairing it was not economical as parts would have to be imported from abroad.

The audit report noted that the Corporation had requested the mechanical wing of the Public Works Department (PWD) in January 2022 to examine whether the chassis of the vehicle can be used after removing the 'sweeping' kit. But this does not provide any assurance regarding the scope of utilisation of the machine for the purpose envisaged, the report said. https://www.thehindu.com/news/national/kerala/road-sweeping-machine-lands-thiruvananthapuram-corporation-in-trouble-with-cag/article67308605.ece

18. CAG report points to lack of clarity in removal of debris from Maradu demolition sites *(thehindu.com)* 14 September 2023

A new report of the Comptroller and Auditor General of India (CAG) has raised serious concerns over the way the debris from the apartment complexes demolished in the Maradu municipality in 2020 has been handled.

The report of the CAG on Waste Management in Urban Local Bodies tabled in the State Assembly on Thursday noted a marked lack of clarity in the removal of 69,906 tonnes of debris from the demolition sites.

Attempts to trace the debris or contact M/s Prompt Enterprises, the land developer entrusted with its removal, had failed, senior officials at the Accountant General's Office here told a press conference.

The audit also found that places, including grama panchayats, mentioned by the Maradu municipality as the final destination for a major portion of the debris had never given permission for dumping the waste in their jurisdictions.

The apartments, H2O Holy Faith, Alpha Serene Towers, Jain Coral Cove and Golden Kayaloram, were demolished in 2020 through controlled explosion on the basis of a Supreme Court order.

Prompt Enterprises was entrusted with the processing and disposal of the construction and demolition waste, and it "claimed to have removed" 69,606 tonnes of debris from the sites by June 18, 2020, according to the CAG report. The Construction and Demolition Waste Management Rules, 2016, required the local body to transport the waste to appropriate sites for processing and disposal, either using its own resources or through private operators.

The initial agreement between the municipality and the agency had not specified the locations to where the waste would be transported or the method proposed for its reuse, recycling or disposal. Following a direction from the National Green Tribunal (NGT) monitoring committee, the agency submitted a plan of action indicating 11 sites in Ernakulam and Alappuzha districts, the report said.

"Though Maradu Municipality stated that a major part of the demolition waste (37,441 tonnes) was transported to Kumbalam and Varapuzha grama panchayats and Kerala State Industrial Development Corporation (KSIDC), Pallippuram, the grama panchayats/KSIDC replied to the audit that they had not given any sanction to the agency for dumping of demolition waste in their jurisdictional area," it said.

The report further noted that neither the municipality nor the agency had provided records to the audit regarding the quantum of waste removed or the method used for processing and disposal of the massive quantity of construction and demolition waste resulted from the "first major demolition activity undertaken in the State."

The CAG has said that urban local bodies should place 'appropriate containers' for the collection of construction and demolition waste and identify land for establishing processing plants for them within their jurisdictions. https://www.thehindu.com/news/cities/Kochi/cag-report-points-to-lack-of-clarity-in-removal-of-debris-from-maradu-demolition-sites/article67307977.ece

19. Where has demolition waste of Maradu flats gone? CAG has no idea *(onmanorama.com)* 14 September 2023

In the second week of January, 2020, following a Supreme Court order, four apartment complexes in Maradu Municipality in Kochi were demolished.

Each time an apartment sunk into the ground, a mountain of dust and debris rose up. It was said that 69,606 tonnes of rubble, equivalent to the weight of 17,400 elephants, were removed from the area.

Problem is, no one knows where the debris has gone. Officials of the Comptroller and Auditor General who visited the area could not find proof of the debris in areas where it was supposed to be taken. Adding to the mystery, the CAG officers could not even contact the company that won the contract to remove the debris, Prompt Enterprises. The Company, it seemed, has ceased to exist.

Initially, the agreement executed between Maradu Municipality and Prompt Enterprises did not specify the locations to which the waste was to be transported. However, following a directive from the National Green Tribunal Monitoring Committee, the land developer (Prompt Enterprises) submitted a plan of action indicating 11 sites in

Ernakulam and Alappuzha districts to which waste would be transported."Though Maradu Municipality stated that major part of the demolition waste (37,441 tonnes) was transported to Kumbalam and Varappuzha grama panchayats and a site owned by KSIDC at Pallippuram, the panchayats and KSIDC told the Audit that they had not given any sanction to the agency (Prompt Enterprises) for the dumping of demolition waste in their jurisdictional area," said the Performance Audit of 'Waste Management in Urban Local Bodies', which was submitted in the Assembly on Thursday. The Audit team attempted to trace the debris but was unsuccessful.

Further, the report said that "no records were furnished by the Maradu Municipality in proof of the quantum of waste transported to the locations cited".

According to Rule 6(5) of Construction and Demolition Waste Management Rules, 2016, the local body has to transport the collected waste to appropriate sites for processing and disposal either through own resources or by appointing private operators.

The Audit report said that the Construction and Demolition Waste could be utilised in sanitary landfill for municipal solid waste, as drainage layer in leachate collection system, as daily cover over fresh waste in the landfill, and even as paving blocks in pedestrian areas.

The four apartments - Jains Coral Cove, H2O Holy Faith, Alfa Serene and Golden Kayaloram - were ordered to be demolished for violating Coastal Zone Regulation rules. All the four were occupied, and tenants had to leave without compensation and find new accommodation. https://www.onmanorama.com/news/kerala/2023/09/14/status-of-demolition-waste-maradu-flats.html

20. Annual CAG report reveals deficiencies in projects implementation *(morungexpress.com)* 15 September 2023

Nagaland: The annual report of the Comptroller and Auditor General (CAG) of India was presented by the Chief Minister, Neiphiu Rio in the Assembly on September 14. The CAG report for the year ended March 31, 2022, revealed deficiencies in several projects/schemes, including the Kohima Smart City Mission, being implemented in Nagaland.

The Performance Audit of the Kohima Smart City Mission, covering the period from 2016-17 to 2020-21 revealed several deficiencies in implementation of the mission.

It highlighted that out of 61 prioritized projects within the Kohima Smart City Development, only 28 Detailed Project Reports (DPRs) were completed, with just 8 projects finalized as of October 2021. The delays were attributed to delaying of fund release and mismanagement of resources.

Additionally, the report noted that Kohima Smart City Development Limited (KSCDL) did not prioritise core infrastructure elements, lacked feasibility reports, and did not adhere to revenue models as per guiding principles. It led to failures in attracting Public-Private Partnerships and proper project implementation. Poor planning resulted in the wasteful expenditure of Rs 70.75 lakh on water ATMs and water tankers and Rs 85.57 lakh on Multi Utility Ducts.

Furthermore, the report indicated that both the State Government and the Government of India failed to release funding as per schedule, and it revealed issues with financial management, internal controls, and accountability within the management.

PM Kisan scheme
Regarding the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, the report revealed numerous shortcomings, including issues with beneficiary lists, land ownership verification, delay in reporting deaths, and multiple beneficiaries. It also highlighted a shortfall in government releases and the absence of social audits.

Municipal Affairs
In the Municipal Affairs Department, the state government's failure to establish a Modern Abattoir under a new Memorandum of Understanding (MoU) left a facility costing ₹17.15 cr unused for over four years.

Peren & NH39 connectivity
The proposed road connecting Peren district and National Highway -39 remained incomplete for over a decade, leading to a wasteful expenditure of Rs 9.21 cr.

K-oil diversion, excess payments
The report also found that the state government diverted kerosene oil worth Rs 19.56 cr, violating government directives. Excess payments of Rs 7.20 cr were identified in the Agriculture Department, along with excess payments of Rs 20.09 cr in projects under the Non-Lapsable Central Pool of Resources and North East Special Infrastructure Development Scheme (NLCPR & NESIDS). Delays in fund release impacted project completion times and instances of incorrect submissions and lack of inspections in NESIDS-funded projects were noted, except for one. https://morungexpress.com/annual-cag-report-reveals-deficiencies-in-projects-implementation

21. CAG report flags anomalies in various state govt departments *(nagalandpost.com)* Sept 15, 2023

Nagaland: Comptroller and Auditor General (CAG) report on Social, Economic, General and Revenue Sectors for the year ended 31 March 2022 (Report No. 2 of 2023), which was tabled on the last day of the second session of the 14th Nagaland Legislative Assembly (NLA), detected anomalies in various departments.

Compliance Audit on funds released under Special Assistance– Creation of Capital Assets: The CAG had carried out a Subject Specific Compliance Audit (SSCA) of "Funds released under Special Assistance– Creation of Capital Assets" covering the Special Assistance (SA) funds sanctioned by government of India during 2018-19 to 2020-21. The SSCA revealed that:

It was revealed that nine out of 14 projects remained incomplete but were shown as complete as per the progress report.

There was non/short release of funds (Rs.57.38 crore out of Rs.76.72 crore) to 7 out of 14 departments by the state government for which funds were allocated by the Centre to complete the earmarked projects.

Further, funds of Rs. 38.58 crore were diverted to meet liabilities of the departments on unapproved projects other than the earmarked projects.

The report also revealed that an amount of Rs. 5.29 crore out of Rs. 70.01 crore was utilised to meet expenditure of revenue nature instead of capital expenditure which was in contravention to government of Inda sanction as well as financial propriety and accounting principles.
Also, release of fund to two implementing departments were delayed by 7 to 11 months after the financial year for which it was sanctioned.

Idle investment by the Municipal Affairs dept: CAG report said that as the state government failed to execute fresh MoU for establishment of Modern Abattoir even after a lapse of more than one year from the date of cancellation of MoU, the facility constructed at a cost of Rs. 17.15 crore was lying idle for the last four years.

Unfruitful expenditure by Urban Development dept: The CAG report pointed out that the proposed road of 18.85 Km to connect Peren district road (Ngwalwa) and NH-39 (Chümoukedima) remained incomplete even after a lapse of more than 10 years leading to unfruitful expenditure of Rs. 9.21 crore and non-fulfilment of the intended objective.

Diversion of SK Oil by F&CS dept: The report stated that Superior Kerosene (SK) Oil worth Rs. 19.56 crore (6,113.19 KL) meant for beneficiaries of Public Distribution System was diverted to non-beneficiaries.

Excess payment by Agri dept: CAG report said that the Agriculture department did not follow the financial assistance norms of Rs. 1.25 lakh per beneficiary leading to deprival of benefits to 801 beneficiaries. Further, Rs. 3.41 crore was incurred on five items which were not approved by the Centre, it said. Moreover, the report said that Rs, 7.20 crore was paid to the supplier in excess without actual receipt of full items.

Fraudulent/ excess drawal of money: Failure of the Drawing and Disbursing Officers and Treasury Officers to exercise prescribed checks resulted in fraudulent/ double/ excess drawals of Rs.2.26 crore, the report said.

Unauthorised diversion of funds from salary head by PWD (Mech): Failure of the Treasury officer in exercising the prescribed checks while passing work charged salary cheques/ bills facilitated unauthorised diversion of funds of Rs. 83.50 lakh from the salary head by Mechanical Engineer, PWD mechanical division-I, Kohima.

Unauthorized drawal of additional ration allowance (VGs): The report said that the failure of the Treasury officers in exercising the prescribed checks while passing the additional Ration Allowance bills presented by three DDO of the Village Guards Organisation under Home department resulted in unauthorised drawal of Rs. 2.40 crore.

Loss of revenue due to non-assessment of returns by the Finance (Taxation) dept: Non-assessment of returns of 11 dealers within the stipulated time limit by the Assessing

Authority led to loss of tax revenue of Rs. 15.60 crore under NVAT Rules as the assessment had now become time barred, the report said.

Irregular claims of concessional rate of tax on statutory ‘C’ forms under the Finance (Taxation) dept: Allowance of concessional rate of tax on inter-State sales turnover not supported by statutory ‘C’ forms and acceptance of fake ‘C’ form by the Superintendent of Taxes resulted in evasion of tax of Rs. 1.14 crore under Central Sales Tax Rules on which an interest of Rs. 1.40 crore was also leviable, it said.

Evasion of Tax under Finance (Taxation) dept: CAG report said that the failure to undertake reconciliation of challans submitted by two dealers with Treasury receipts in government account resulted in loss of government revenue of Rs. 1.36 crore due to forged challans. Besides, the two dealers defaulted in payment of tax of Rs. 3.85 crore under Nagaland (Sales of Petroleum and Petroleum Products including Motor Spirit and Lubricants) Taxation Rules and were also liable to pay interest of Rs. 2.26 crore. https://nagalandpost.com/index.php/cag-report-flags-anomalies-in-various-state-govt-departments-2/

22. CAG detects anomalies in various Nagaland government departments *(easternmirrornagaland.com)* Sept 14, 2023

KOHIMA — The report of the Comptroller and Auditor General (CAG) of India for the year ended March 31, 2022, in respect of Nagaland state, has revealed that it detected anomalies and irregularities in various departments.

Kohima Smart City Mission
The CAG performance audit of Kohima Smart City Mission under the Municipal Affairs department, covering the period from 2016-17 to 2020-21, revealed several deficiencies in the implementation of the mission.

Out of 61 prioritised projects under Kohima Smart City Development, only 28 DPRS were completed. Only eight projects were completed out of the completed DPRS (October 2021). The delay in the implementation of projects is attributable to the delay in the release of funds by the funding agencies and the injudicious utilisation of available resources by the management, the report stated.

CAG observed that the Kohima Smart City Development Limited (KSCDL) did not prioritise the core infrastructure elements, or prepare any feasibility report and revenue model in violation of the guiding principles. Non-preparation of feasibility and revenue model has resulted in failure to attract PPP and implementation of projects through convergence.

Improper planning in project implementation beyond the scope and objective of the Smart City Mission resulted in an infructuous expenditure of INR 70.75 lakh on the procurement of water ATM and water tanker. Non-assessment of the feasibility of the project before its implementation resulted in an infructuous expenditure of INR 85.57 lakh on the Construction of Multi Utility Duct, it stated.

The State Government did not release its share of funding, and GoI did not release the subsequent instalments of INR 300 crore.

DoNER-funded schemes under NLCPR, NESIDS

A subject specific compliance audit (SSCA) of 'Review of Ministry of Development of North Eastern Region funded schemes under non-lapsable central pool of resources and North East Special Infrastructure Development schemes in Nagaland' was carried out covering the projects sanctioned during 2016-17 to 2020-21.

The SSCA revealed that the estimates in the DPR were unrealistic indicating lack of proper planning, survey and economic appraisal before preparing the DPRs. DPR and concept notes were prepared without field visits to assess the actual requirements and without analysing the actual BoQ required for the project, the report stated.

"Delay in completion of transmission line resulted in idle expenditure of sub-station constructed at INR 68.58 crore. The state government irregularly deducted departmental charges of INR 2.85 crore.

"Except for one project, no inspection was conducted on the projects funded under NESIDS."

Deficiencies in creation of capital assets

An SSCA on 'Funds released under Special Assistance-Creation of Capital Assets' was carried out covering the Special Assistance (SA) funds sanctioned by the GoI from 2018-19 to 2020-21.

The SSCA revealed several deficiencies in the creation of capital assets out of the SA funds released. The audit examined six projects in six departments out of 14 projects in 14 departments. The total consolidated amount released by GoN against the earmarked projects in the six selected departments was INR 960.65 crore since the inception of the projects.

Nine out of 14 projects remained incomplete but were shown as complete as per the progress report. Non/short release of funds (INR 57.38 crore out of INR 76.72 crore) to seven out of 14 departments by the state government for which funds were allocated to complete the earmarked projects.

Funds of INR 38.58 crore were diverted to meet the liabilities of the departments on unapproved projects other than the earmarked projects. An amount of INR 5.29 crore out of INR 70.01 crore was utilised to meet revenue expenditure instead of capital expenditure. The release of the fund to two implementing departments was delayed by 7 to 11 months after the financial year for which it was sanctioned.

Idle investment by Municipal Affairs dept.

As the State Government failed to execute fresh MoU for establishment of modern abattoir even after a lapse of more than one year from the date of cancellation of MoU, the facility constructed at a cost of INR 17.15 crore is lying idle for the last four years.

Unfruitful expenditure by Urban Development dept.

The proposed road of 18.85 Km to connect Peren District Road (Ngwalwa) and National Highway-39 (Chümoukedima) remained incomplete even after a lapse of more than 10 years leading to unfruitful expenditure of INR 9.21 crore and non-fulfilment of the intended objective.

Diversion of superior kerosene oil by F&CS dept.
Superior Kerosene Oil worth INR 19.56 crore (6,113.19 KL) meant for beneficiaries of Public Distribution System was diverted to non-beneficiaries.

Excess payment by Agriculture dept.
The Agriculture department did not follow the financial assistance norms of INR 1.25 lakh per beneficiary leading to deprival of benefits to 801 beneficiaries. Further, INR 3.41 crore was incurred on five items which were not approved by GoI. Moreover, INR 7.20 crore was paid to the supplier in excess without actual receipt of full items.

Fraudulent drawal under the Finance dept.
Failure of the drawing and disbursing officers and treasury officers to exercise prescribed checks resulted in fraudulent/double/excess drawals of INR 2.26 crore. Unauthorised diversion of funds in PWD Failure of the treasury officer in exercising the prescribed checks while passing work charged salary cheques/bills facilitated unauthorised diversion of funds of INR 83.50 lakh from the salary head by the mechanical engineer, Public Works Department, Mechanical Division-I, Kohima.

Unauthorised withdrawal in Home department
Failure of the treasury officers in exercising the prescribed checks while passing the additional ration allowance bills presented by three drawing and disbursing officers of the Village Guards Organisation resulted in unauthorized withdrawal of INR 2.40 crore.

Loss of revenue, tax evasion in Finance (taxation) dept.
Non-assessment of returns of 11 dealers within the stipulated time limit by the assessing authority led to loss of tax revenue of INR 15.60 crore under NVAT Rules as the assessment had now become time barred.

Allowance of concessional rate of tax on inter-state sales turnover not supported by statutory ‘C’ forms and acceptance of fake ‘C’ form by the superintendent of Taxes resulted in evasion of tax of INR1.14 crore under Central Sales Tax Rules on which an interest of INR 1.40 crore was also leviable.

Failure to undertake reconciliation of challans submitted by two dealers with treasury receipts in government account resulted in loss of government revenue of INR 1.36 crore due to forged challans. Besides, the two dealers defaulted in payment of tax of INR 3.85 crore under Nagaland (Sales of Petroleum and Petroleum Products including Motor Spirit and Lubricants) Taxation Rules and were also liable to pay interest of INR 2.26 crore. https://easternmirrornagaland.com/cag-detects-anomalies-in-various-nagaland-government-departments-2/

23. Kohima Smart City projects lacked proper evaluation, says CAG *(eastmojo.com)* September 15, 2023

Kohima: The Comptroller and Auditor General of India (CAG) has identified a number of irregularities in the Kohima Smart City mission projects in Nagaland.

The CAG report ending March 2022 was based as per the performance audit which was carried out for the period from 2016-21 to ascertain the effectiveness and efficacy of implementing the smart city projects in the state capital.

As per the report, the Kohima Smart City Development Limited (KSCDL) did not prepare a feasible report and revenue model for the projects implemented and core infrastructure elements were not prioritized as envisaged in the Smart City Guidelines (SCG).

The KSCDL functions as a Special Purpose Vehicle (SPV) in implementing the Smart City Mission (SCM) for Kohima. As per the guidelines, KSCDL implements the mission within the area under Kohima Municipal Council (KMC) under Pan-City Development and Area Based Development (ABD) comprising three wards namely Naga Bazar, Dak Lane, and Kitsubozou.

“Improper planning in implementation of projects beyond the scope and objective of Smart City Mission had resulted in infructuous expenditure of Rs 70.75 lakh on procurement of water ATM and water tanker,” the CAG report said.

As per the CAG report, the KSCDL had projected Rs 46.63 crore under water supply in ABD (Rs 13.60 crore), pan-city (Rs 32.28 crore) and convergence/PPP mode (Rs 0.55 crore). It revealed that examination of records showed that water ATMs and tankers were not approved by the Board of Directors (BoD).

The Kohima Chamber of Commerce and Industries (KCCI) was designated to arrange the operators and location for setting up of water ATMs in Kohima with a condition that the operation of the ATMs will be on a revenue sharing model. However, the CAG detected that none of the water ATMs were operational. No feasibility report to assess the actual requirement and viability of the project “Water ATMs” and “Water Tanker” was prepared and procurement was made without the DPR.

While the management had responded to the CAG stating that procurement was made with the approval of the procurement board of the KSCDL and BoD, the response was not justified.

The CAG said that there has been weak financial management which resulted in delay in release of funds ranging from three to 15 months and short release of state matching share of Rs 178 crore.

It also detected that the KSCDL made payment to three firms- Bharat Electronics Limited for the Integrated Command Control Centre project, M/s WAPCOS for Project Management Consultancy (PMC) and M/s Symbios Creations Pvt Ltd for the Wi-Fi project, without deducting Tax Deducted at Source (TDS) on Income Tax.

The KSCDL also transferred funds to government departments/agencies against the advisory issued by the ministry.

Further, non-assessment of feasibility of the project before its implementation resulted in infructuous expenditure of Rs 85.57 lakh on Construction of Multi Utility Duct.

Meanwhile, scrutiny of records also revealed to the CAG that Rs 163.64 lakh was paid to the contractor M/s Viu Angami & Sons for the work "Construction of Community Hall cum Car Parking at New Market Colony, Kohima, Nagaland" and that full payment was made to the contractor after undertaking measurement of the works done.

However, it was revealed that the contractor was paid Rs 11 lakh without actual execution of 10 items of works, indicating that "fictitious entries" were made which led to excess payment of Rs 11 lakh. In this regard, the CAG recommended that the responsibility be fixed on the erring officers for false entry and release of money without actual execution of work. https://www.eastmojo.com/nagaland/2023/09/15/kohima-smart-city-projects-lacked-proper-evaluation-says-cag/

24. कैग रिपोर्ट खुलासे पर सीबीआई जांच की मांग:बिना विधानसभा की मंजूरी के 47758 करोड़ खर्च करने पर गरमाई सियासत,आप ने की सीबीआई जांच की मांग *(bhaskar.com)* 14 Sep 2023

विधानसभा के मानसून सत्र के दौरान सदन पटल पर रखी गई कैग की रिपोर्ट में कई खुलासों के बाद अब सियासत भी गरमाने लगी है जहा इन मामलों पर कांग्रेस सरकार पर हमलावर है वही आम आदमी पार्टी में भी जांच की मांग उठा दी है दरअसल मानसून सत्र के दौरान सदन पटल पर कैग की रिपोर्ट रखी गई थी जिसमें कई विभागीय स्तर पर गड़बड़ी की बातें सामने आई है लेकिन इससे भी गंभीर बात यह थी कि रिपोर्ट के मुताबिक 2005 से लेकर 2022 तक उत्तराखंड में रही सरकारों ने बिना विधानसभा की मंजूरी के 47, 758 करोड़ का बजट खर्च कर दिए,जिसे विधानसभा से रेगुलराइज भी नहीं करवाया गया था। प्रदेश में 2005 से 2022 तक भाजपा और कांग्रेस दोनों ही पार्टियों की सरकार रही है लेकिन कैग की रिपोर्ट में बिना विधानसभा की मंजूरी के 47758 करोड रुपए खर्च करने पर सवाल खड़े होने लगे हैं इस मामले पर जहां कांग्रेस सरकार पर हमलावर है वहीं अब आम आदमी पार्टी ने भी सरकार पर हमला बोलना शुरू कर दिया है

आप ने की सीबीआई जांच की मांग

वहीँ इसी मुद्दे को लेकर आम आदमी पार्टी के प्रदेश संगठन समन्वयक ज्योत सिंह बिष्ट ने प्रेस वार्ता कर उत्तराखंड की सरकारों पर आरोप लगाया है ज्योत सिंह बिष्ट के अनुसार उत्तराखंड के वार्षिक बजट से भी ज्यादा राज्य सरकारों ने बिना विधान सभा की मंजूरी के खर्च कर दिया जिसका उनके पास कोई हिसाब किताब तक नहीं जो कि एक बड़े घोटाले की ओर इशारा कर रहा है ज्योत सिंह बिष्ट की मांग है कि इस मामले पर सीबीआई से जांच करवाई जाए अन्यथा आम आदमी पार्टी को न्यायालय में पीआईएल दाखिल कर दोषियों के खिलाफ न्यायालय का दरवाजा खटखटाना पड़ेगा दरअसल, पिछले 20 वर्षों से प्रदेश में सत्तारूढ़ रहीं सरकारों ने 47758 करोड़ रुपये की धनराशि निकाल कर खर्च कर दी जबकि इसे अभी तक विधानसभा से नियमित कराने की जहमत तक नहीं उठाई। वास्तविक अनुमान से अधिक धनराशि खर्च की गई है. जबकि नियम कहता है कि विधानमंडल की इच्छा के बिना एक रुपया भी खर्च नहीं किया जा सकता था। भारत नियंत्रक-महालेखापरीक्षक की रिपोर्ट में इस बात का खुलासा हुआ है. https://www.bhaskar.com/local/uttarakhand/dehradun/news/demand-for-cbi-investigation-on-cag-report-revelations-131838262.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

25. GatiShakti: 106 projects worth Rs 11 lakh cr recommended for approval *(economictimes.indiatimes.com)* 15 Sep 2023

As many as 106 big-ticket infrastructure projects of different ministries worth Rs 11 lakh crore have been recommended for approval under the PM GatiShakti initiative so far this fiscal, an official statement said on Thursday. These projects have been recommended by the Network Planning Group (NPG) constituted under the PM GatiShakti initiative launched in October 2021.

During the 55th Network Planning Group (NPG) meeting, six projects -- including three each from Railways and Road Transport and Highways ministries -- with a total cost of Rs 14,081 crore were assessed.

"This takes the total number of projects assessed by NPG to 106 with a total value of about Rs 11 lakh crore, since the launch of PM GatiShakti approach," the commerce and industry ministry said.

The inter-ministerial NPG meets every fortnight and appraises infra projects to ensure multi-modality, synchronisation of efforts, and comprehensive development in and around the project location.

The initiative was launched to develop an integrated infrastructure to reduce logistics costs. All logistics and connectivity infrastructure projects, entailing investments of over Rs 500 crore are routed through the NPG.

The NPG's approval is required before clearance of the project by the Public Investment Board (PIB) or Department of Expenditure under the finance ministry.

The maximum number of projects recommended by the group are related to roads, railways and urban development.

A total of 40 road projects with a total investment of Rs 3.65 lakh crore, 40 railway projects worth Rs 95,704 crore and 8 urban development projects valued at Rs 79,016 crore have been approved.

The NMP (National Master Plan) has a number of layers of geospatial data showing all physical and social infrastructure of an area and land records in one place. It has been designed for faster planning and better design so that the impact of an investment is maximised.

The NPG has representations from various connectivity infrastructure ministries/ departments, involving their heads of network planning division for unified planning and integration of the proposals.

All these departments approach the NPG first for approval before making a DPR (Detailed Project Report) at the planning stage. After the NPG's clearance, the project follows the normal procedure of approval by the finance ministry and the Cabinet.

Over 1,450 layers of data, including those related to land, ports, forests, and highways, are available on the portal.

Usage of the portal by different ministries, including social sector departments and states, is increasing, and it is helping in the proper planning of projects. https://infra.economictimes.indiatimes.com/news/roads-highways/pm-gatishakti-106-projects-worth-rs-11-lakh-cr-recommended-for-approval/103676949

26. In a limbo – story of the mega refinery project India, Saudi Arabia want to resuscitate *(indianexpress.com)* Updated: September 15, 2023

India and Saudi Arabia have decided to intensify efforts to accelerate the implementation of the proposed 60-million-tonnes-per-annum (60 mtpa) west coast mega refinery project that has been hanging fire for years. The decision, which entails formation of a joint monitoring committee to track the project's progress, was taken earlier this week during Saudi Arabia's Crown Prince and Prime Minister Mohammed bin Salman's state visit to India.

The ambitious project to build the mega oil refinery and petrochemicals facility in Maharashtra's Konkan belt with proposed participation from Saudi Arabia and the United Arab Emirates never really took off. Shifting political equations in the state coupled with strong resistance from sections of locals around the proposed sites in the Ratnagiri district nearly thwarted the project, which was first proposed in 2015 as a joint effort by India's public sector refiners to build one of the largest refining complexes globally.

"Both sides, the Prime Minister (Narendra Modi) as well as the Crown Prince, extended their full support to the early implementation of the west coast refinery project which as you know is a trilateral cooperation between Aramco, ADNOC (Abu Dhabi National Oil Company) and the Indian companies for which funds to the tune of $50 billion are already earmarked," Ausaf Sayeed, Secretary (Consular, Passport, Visa & Overseas Indian Affairs) in the Ministry of External Affairs, said in a press briefing on Monday.

Saudi Arabian Oil Company, or Saudi Aramco, is the national oil company of Saudi Arabia. In April 2018, Aramco inked a preliminary deal to partner the main project proponents — India's public sector refiners Indian Oil Corporation (IOC), Bharat Petroleum Corporation (BPCL), and Hindustan Petroleum Corporation (HPCL) — to build the refinery.

At the time, the project cost was estimated at Rs 3 lakh crore. In June of that year, ADNOC was also roped in to jointly pursue the project with Aramco and the Indian companies. IOC, BPCL, and HPCL, had already incorporated a joint venture (JV) — Ratnagiri Refinery & Petrochemicals (RRPCL) — to implement the project.

Even as Monday's announcement is significant as a signal that the project is still a priority for the Centre and the foreign partners, and has reignited hope among the project proponents, it is still unclear if and when the refinery is expected to be up and running. No doubt, it is a statement of intent from India and Saudi Arabia, but for the project to see the light of day, a lot will have to change on the ground.

The project's significance

India is the world's third-largest consumer of crude oil and one of the few major economies where demand for petroleum fuels, products, and petrochemicals is expected to grow substantially over the coming years and decades, notwithstanding the growth in electric mobility and renewable energy sectors. In fact, the country is already seen as a key driver of global oil demand and, as per various estimates, is set to soon eclipse China to emerge as its largest driver.

No wonder then that India and its refiners, particularly public sector players, have big plans to increase refining and petrochemicals capacity in line with the likely increase in demand. Alongside, India also has ambitions to become a global refining hub and step up petroleum product and petrochemical exports.

As the single biggest proposed greenfield refinery project in the country, the West Coast refinery and petrochemicals project is a marquee element of India's medium- to long-term refining capacity expansion strategy. The country aims to increase its refining capacity to 450 mtpa from the current 250 mtpa over the next few years.

For Aramco and ADNOC, the project offers an opportunity to make inroads into one of the top and growing markets for petroleum products, offering them prospects of increasing diversification, expanding their global footprint, risk mitigation by investing in downstream petroleum segment given their heavy reliance on the upstream segment, and ensuring offtake of their oil in a major market. India depends on imports to meet over 85 per cent of its crude oil requirement, and Aramco and ADNOC feature among the top oil suppliers to India.

"By investing in this project, we will both secure off-take of our crude to a key market for ADNOC, as well as strengthen access in one of the world's largest and fastest growing refining and petrochemical markets. It underlines our expanded approach to energy partnerships by joining hands with both Saudi Aramco, and our Indian colleagues, combining a truly unique set of assets, capabilities and market reach to meet India's projected energy demand growth," ADNOC Group Chief Executive Officer Sultan Ahmed Al Jaber had said in June of 2018 when ADNOC and Aramco inked the framework agreement to jointly build, own, and operate the West Coast refinery complex with the Indian partners.

As per the framework agreement, Aramco and ADNOC were to take 50 per cent stake in RRPCL, while IOC, BPCL, and HPCL would together own 50 per cent of the company. However, with the project implementation not taking off, the foreign partners have so far not picked up any stake in RRPCL, and IOC continues to own 50 per cent of the joint venture, while BPCL and HPCL have a 25 per cent stake apiece.

Project status: stuck on runway

Back in 2015, three states — Gujarat, Maharashtra, and Tamil Nadu — were seen as the major contenders for the mega coastal refinery that the new government at the Centre was planning. The Maharashtra government, then under Devendra Fadnavis, managed to bag the project. After much deliberation between the Centre, state, and the three Indian public sector refiners, Nanar in the Konkan region's Ratnagiri district was chosen for the project. But the plan soon hit a major roadblock as a large number of locals strongly opposed the project and declined to give up their land for it.

Around 15,000 acres of land had to be acquired for the project across 17 villages in the area. The key fear among the locals was that a mega oil refinery could pollute and damage the region, dealing a body blow to cultivation of the famed alphonso mangoes and cashews, along with hitting the local fishing industry.

The opposition had political hues, given that the Konkan region is considered significant in Maharashtra's politics and the region has traditionally been seen as a bastion of the Shiv Sena. In fact, the scrapping of the Nanar site for the mega refinery project was reportedly one of the preconditions put forth by the then undivided Shiv Sena for an alliance with the Bharatiya Janata Party in the 2019 Lok Sabha polls. The Shiv Sena prevailed and it was then decided that an alternate site for the project would be explored, most likely in the Raigad district.

After the Shiv Sena and the BJP fell out later that year, and Uddhav Thackeray took over as Maharashtra Chief Minister in the Shiv Sena-Congress-Nationalist Congress Party's Maha Vikas Aghadi (MVA) government, the state recommended Barsu in Ratnagiri district as the new site for the project. There too, a section of the locals are up in arms against the project and are voicing concerns similar to those heard in Nanar.

On the other hand, locals supporting the project argue for it in the name of development and employment opportunities. And in this case also, politics is hard to miss. Interestingly, the out-of-power Thackeray is now opposing the proposed refinery, claiming that while he did suggest Barsu as the project site, the project must not come up against the will of the locals. He also reportedly claimed that he was earlier misled by some people in his government who claimed that the people of Konkan wanted the refinery to be built.

In April this year, protests broke out in the area against the soil testing activity for the project. There were also incidents of clashes between some protestors and the police. The war of words between the Eknath Shinde-Devendra Fadnavis government and the Opposition MVA alliance intensified in the aftermath of the protests. With the Lok Sabha polls just a few months away, the project again seems to be getting caught in political crossfire, which is again casting a shadow on its future.

With a renewed push at the government-to-government level between India and Saudi Arabia, there is renewed optimism among the project's participants and supporters. Realistically, if the project fails to take off at the proposed site in Ratnagiri, there are only a handful of practical alternatives to salvage it. None is an easy fix and all would be fraught with challenges of their own.

The government and the oil companies could scout for an alternative coastal site within Maharashtra. Over the years, sites in other coastal districts of Maharashtra like Sindhudurg and Raigad were evaluated for the project, but the sites in Ratnagiri were finalised on both occasions. The other option would be to consider another coastal state for the project, preferably along the west coast due to its maritime proximity to West Asia, given the participation of Aramco and ADNOC in the project.

A more drastic alternative would be to split the proposed 60-mtpa refinery into three to four separate refineries of 15-20 mtpa. According to people in the know, such ideas have come up for discussions over the years but so far, the plan to establish one mega refinery has prevailed given the higher scale and efficiency potential of a large single-location refining complex vis-à-vis smaller individual units. https://indianexpress.com/article/explained/explained-economics/india-saudi-arabia-mega-refinery-project-explained-8940807/

27. Supreme Court pulls UP government for not probing Noida officials who siphoned off ₹100 crore *(hindustantimes.com)* Sep 15, 2023

Pulling up the Uttar Pradesh government for not initiating a probe against Noida authority officials who allegedly siphoned off public money amounting to nearly ₹100 crore, the Supreme Court on Thursday remarked that a probe by an independent agency would be necessary to ascertain the involvement of higher-ups in the matter.

The order came in a case in which a former legal officer of Noida authority is accused of wrongfully sanctioning a compensation of ₹7.28 crore in a land acquisition case, 22 years after it stood paid.

The top court observed that besides this case, the state government was also not probing 11 other instances of wrongful claims, which were revealed by the Noida authority in its affidavit filed before the court in April this year.

The bench of justices Surya Kant and Dipankar Datta said, "Who has tied your hands? Where is your accountability? It is not a question of one case alone. We find the state is doing nothing despite Noida authority claiming that money to the tune of ₹100 crore has been siphoned off. After all, this is public money. It is your duty to find out if there are other cases."

Posting the matter to October 5, the court sought a response from the state.

It said, "In our view, this (siphoning off of funds) cannot be done at the instance of one or two officers. Prima facie, the entire setup seems to be involved. It appears to us to refer the matter to some independent agency for a deeper probe to unearth the truth."

Appearing for the state government , advocate Ardhendumauli Prasad sought time to take instructions. Till the next date of hearing, the court protected the accused legal officer Dinesh Kumar Singh and assistant legal officer Virender Singh Nagar from arrest in the first information report (FIR) pending before the Sector 20 police station in Noida.

Interestingly, the Noida authority had filed an affidavit in April blaming the legal officer for not carrying out an inquiry before sanctioning the compensation to the land owner in village Gheja Tilaptabad in Dadri tehsil of Gautam Budh Nagar district.

The acquisition was done in 1982 and the owner was paid compensation for his 10-15 bigha land (one bigha is about 25.29 acres in UP) at the rate of ₹10.12 per square yard.

Not satisfied with this amount, the owner approached the district court in Ghaziabad for enhanced compensation. In 1993, the court directed the Noida authority to pay the owner at the rate of ₹16.61 per square yard. This was done and the claim stood settled. Much later, in 2015, Ramwati, the legal heir of the owner, filed an appeal before the Allahabad high court to reopen the compensation but the same was dismissed.

The same year, the Noida authority agreed to settle all pending claims with landowners by providing compensation at ₹297 per square yard. According to the police FIR, Dinesh Kumar Singh, along with the other accused, filed an appeal against the dismissal of Ramwati's compensation claim to show the appeal as pending and paid ₹7.28 crore to settle a claim that was never filed by the claimant in the first place.

The accused legal officer's bail plea was rejected by the Allahabad high court in January this year and in February, the top court protected him from arrest, added Noida authority as a party to the petition, and sought information on similar instances of wrongful payouts by authority staff.

The authority spilled the beans in its affidavit and said the same accused committed similar fraud by sanctioning compensation in other land acquisition cases as well.

It said, "on basis of examination of records carried out in the matter of acquisition of land in village Gheja Tilaptabad, there are 11 more instances where such settlement was proposed and approval of administrative authorities obtained by practising misrepresentation." The authority estimated the loss to the exchequer to be more than ₹91 crore.

Confronting the state with this information, the court said, "Have you investigated keeping the larger conspiracy in mind? Do you want us to think only one person is involved?"

The state counsel informed the court that the authority has not filed any formal complaint in this regard. To this, the court said, "Do you think the authority having officers of the state government will complain to you? Once this matter got reported, what have you done?" https://www.hindustantimes.com/cities/noida-news/sc-pulls-up-government-for-not-probing-noida-officials-who-siphoned-off-100-crore-101694716669562.html