<u>**NEWS ITEMS ON CAG/ AUDIT REPORTS**</u>

1. Stop backdoor entry of private players in Railway Production Units: Open letter to CAG *(sabrangindia.in)* FEBRUARY 17, 2024

The Peoples' Commission on Public Sector and Public Services (PCPSPS) has written to the CAG (GC Murmu) about the opening of a backdoor entry to private corporates, Indian and foreign, to privatise profit-earning Railway production units. What is distressing say the signatories that include senior policy makers is that each one of these units is already manufacturing coaches/ locomotives at highly competitive costs, whereas the prices quoted by the private corporates are much higher.

The authors of the letter state that they are deeply concerned that this decision includes hidden subsidies that may be passed on to the private corporates and MNCs by allowing them to use the infrastructure facilities, resources and skilled manpower of the units free of cost and, as if that is not enough, allowing them to manufacture and supply coaches/ locos at very high prices, much higher than the prices at which those production units are capable of supplying. This is nothing but allowing private corporates and MNCs to profiteer at the cost of the public exchequer, a matter that calls for an independent investigation.

Among the signatories are Thomas Isaac, former finance minister of Kerala, EAS Sharma former IAS officer, Dr CP Chandrashekhar, economist and Dr Prabhat Patnaik, economist.

The entire text of the letter may be read here:

To

Shri G C Murmu

Comptroller & Auditor General (C&AG)

Dear Shri Murmu,

The People's Commission has come to know that the Railway Board is opening a backdoor entry to private corporates, Indian and foreign, to privatise profit-earning Railway production units. The four units targeted so far are

-Integral Coach Factory (ICF), Chennai, Tamil Nadu
-Marathwada Rail Coach Factory (MRCF), Latur, Maharashtra
-Banaras Locomotive Works (BLW), Varanasi, UP
-Dahod Railway Workshop (DRW), Dahod, Gujarat

There could be more production units in the pipeline for such backdoor entry for private companies.

What distresses us most is that each one of these units is already manufacturing coaches/ locomotives at highly competitive costs, whereas the prices quoted by the private corporates are much higher. One of the agreements entered into by the Railway Board (Agreement for Manufacturing-cum-Maintenance of 6000 HP Freight and 9000 KW High Horse Power Passenger Electric Locomotives at Varanasi) with a private corporate is not only one-sided but it permits it to make use of the infrastructure facilities, the skilled manpower, and the resources belonging to the said Railway production unit for manufacturing coaches/ locomotives. The tender documents based on which private companies are chosen do not mandate their obligation to transfer technology nor do they limit the timeframe over which they carry out manufacturing activity using the Railway's infrastructure and manpower. At the same time, the tender documents seem to permit the private companies to label the Vande Bharats with their brands, giving the impression that the Railways' own production units have no role. The private corporates thus using the resources of the production units are not required to compensate the latter. The one-sided agreements signed by the Railway Board effectively amount to private corporates brazenly allowed to profiteer at the cost of the Railways without the Railways deriving any net benefits. This calls for an independent investigation.

The agreements signed or to be signed with the private corporates, Indian and foreign, cover 200 Vande Bharat train sets to be supplied over the next 3-5 years. For this purpose, those private corporates will use the facilities, resources and skilled manpower of ICF and MRCF, as well as the designs and drawings provided by RDSO, for which the latter will not get compensated, suggesting huge hidden subsidies that allow these private corporates to earn undue profits at the cost of the Railways.

An equally disturbing fact is that the average cost of manufacture of a Vande Bharat by ICF is Rs 104 Crores, whereas the corresponding price payable to the concerned private corporates is Rs 139 Crores at the premises of ICF, and Rs 120 Crores for manufacturing Vande Bharats at MRCF. In other words, the excess price differential is around 15%-34%, not taking into account the huge hidden subsidies. We note that ICF has already manufactured and supplied 40 Vande Bharats successfully run by the Railways and another 35 are in the pipeline. Had the Railway Board not forced ICF to surrender 5000 posts and had it cared to fill the existing 2000 vacancies, ICF could have supplied many more Vande Bharats with utmost ease at far lower costs.

The most bizarre justification put forward by the Railway Board to allow entry of private corporates is that ICF is "unable" to rise to its expectations and supply a higher number of Vande Bharats. This in itself exposes the motives underlying the Railway Board's approach, as it is the Railway Board that has curtailed the capacity of ICF to supply more Vande Bharats by deliberately and mindlessly reducing its manpower.

Coming to BLW and DRW, since June 2022, the Railway Board has made attempts to call for bids from foreign MNCs to manufacture and supply 800 locomotives of 12,000 HP capacity at BLW and 1200 locomotives of 9,000 HP capacity at DRW over a timeframe of 10 years. The order for 1200 (9,000HP) locos went to an MNC for Rs 26,000 Crores, roughly twice the cost at which the same locos are manufactured by the Chittaranjan Loco Works (CLW) in W. Bengal. The MNC will manufacture only 120 locos per year, whereas CLW manufactures 400 locos per year. The Railway Board has already spent Rs 500 Crores on creating facilities at DRW to facilitate the MNC manufacturing the locos. The Railway Board spent this money to convert a railway workshop into a production unit. The MNC is likely to take advantage of that investment without having to compensate the Railways!

As far as BLW in Varanasi is concerned, after the original bid for 12,000 HP electric locomotives failed to evoke any response, the bid was revised three times to further make it attractive to foreign investors, but without response. As of now, the Railway Board has revised the bid further to restrict the loco capacity to 6,000 HP, offering BLW's infrastructure and resources. The Railway Board has already started building the additional infrastructure within BLW premises to attract and accommodate the foreign MNC.

BLW and CLW can manufacture and supply 6,000 HP and 9,000 HP capacity locos for the Railways. CLW had also successfully built and tested a 12,000 HP electric locomotive prototype. We understand that the Railway Board recently asked BLW, CLW and Patiala Loco Works (PLW) in Punjab to surrender 535, 3661 and 1007 vacant posts respectively, which in effect seems to be a ploy to reduce their ability to manufacture and supply a sufficient number of locos for the Railways, so that the Board may provide backdoor entry for MNCs.

How the Railway Board is rushing into inducting Indian and foreign MNCs for manufacturing coaches/ locos seems to fit into the larger pattern of the present government indiscriminately outsourcing strategic works to private companies at the cost of national interest, by weakening the CPSEs deliberately by failing to fill vacancies at all levels, forcing them to allow private companies to exploit their infrastructure assets through "asset monetisation" and not allowing them to compete with private bidders lest they should outbid the latter.

In the specific case of Railways' production units referred to above, they represent a rich legacy of self-reliance built assiduously over several decades of sweat and toil put in by the highly talented, committed employees of the Railways. Any responsible government interested in promoting self-reliance would do everything to strengthen the capacity and capability of each of those units to step up their manufacturing activity to match the rapidly increasing demand for railway infrastructure and rolling stock. We feel that it is highly imprudent on the part of the Railway Board to systematically dismantle that legacy to allow private companies, especially MNCs, to profiteer using the valuable railway assets through substantial hidden subsidies and earn huge profits by charging inordinately high prices.

Indian Railways, especially the production units mentioned above, have created a wide range of employment opportunities at ICF (Chennai), MRCF (Latur), BLW (Varanasi) and CLW (W. Bengal), developed highly skilled teams of committed employees and promoted self-reliance at each of those locations. Considering that the Railway Board has taken up back-door privatisation at each of those locations, we apprehend that the entry of private corporates, Indian and foreign, will progressively shrink employment opportunities for the local people. Indirectly, it will have a serious adverse impact on the recruitment of people belonging to the disadvantaged sections, which the private companies would put an end to. Clearly, the Railway Board has not applied its mind to such crucial socio-economically important concerns.

The railway employees' associations have resisted the entry of private corporates in ICF and have been able to stop it for the time being, the agreement signed to date has not been revoked. While the Railway Board issued an order to ICF for supplying 50 rakes of 24 coaches each over a time frame extending up to 2026-27, we apprehend that the present government will renew efforts to induct Indian and foreign MNCs in all production units once elections are over.

The Railway Board has so far signed one agreement (Manufacturing-cum-Maintenance Agreement for Vande Bharat Trains) and the same continues to be valid on date. However, considering the tender conditions and the conditions stipulated in the agreement signed so far, we feel that the approach of the Railway Board to introduce private parties in the production units is quite clear and it is most certainly going to become a fait accompli soon, which will have serious adverse implications not only from the point of view of self-reliance but also from the point of view of the propriety of the Board. Allowing private companies to set up their shop within the premises of each of the above cited production units, using the units' resources in an open-ended manner without compensating them and manufacturing and supplying locos and coaches at prices far higher than the costs at which those units are supplying is condemnable.

In conclusion, we feel that the Railway Board should review its approach to inducting private corporates and MNCs in its production units. It should fill the existing vacancies and give back the surrendered posts to enable those units to expand their capacity to be able to meet the rapidly increasing demand in the coming years. In our view, this is the only way for the Railway Board to strengthen its production infrastructure and promote self-reliance, not by permitting private corporates to take over the Railway infrastructure.

In particular, we feel deeply concerned that hidden subsidies should be passed on to the private corporates and MNCs by allowing them to use the infrastructure facilities, resources and skilled manpower of the units free of cost and, as if that is not enough, allowing them to manufacture and supply coaches/ locos at very high prices, much higher than the prices at which those production units are capable of supplying. This is nothing but allowing private corporates and MNCs to profiteer at the cost of the public exchequer, a matter that calls for an independent investigation.

We feel that this is a fit case for CAG taking advance cognisance of and conducting a comprehensive performance audit lest the entry of private companies should become a fait accompli imposing a huge cost on the Railways and its long-term public interest implications." https://sabrangindia.in/stop-backdoor-entry-of-private-players-in-railway-production-units-open-letter-to-cag/

2. Delhi: 'RLDA रेलवे भूमि स्थलों को विकसित करने के उद्देश्य में विफल रहा', लोक लेखा समिति की रिपोर्ट में दावा *(amarujala.com)* 17 Feb 2024

लोकसभा की लोक लेखा समिति ने अपनी रिपोर्ट में दावा किया कि रेलवे भूमि विकास प्राधिकरण (आरएलडीए) विभिन्न कारणों से वाणिज्यिक उपयोग के लिए रेलवे भूमि स्थलों को विकसित करने के अपने उद्देश्य में विफल रहा।

17 स्थानों की हुई समीक्षा

समिति ने अपनी रिपोर्ट में कहा कि उसने साल 2007 में भारतीय रेलवे द्वारा आरएलडीए को सौंपे गए 49 में से 17 स्थलों की समीक्षा की। इससे पता चला कि इनमें से किसी को भी 2017 तक विकसित नहीं किया गया था। रिपोर्ट में यह भी कहा गया कि 49 साइटों में से केवल 40 व्यावसायिक रूप से व्यवहार्य हैं।

कैग के आधार पर समिति की रिपोर्ट

अधीर रंजन चौधरी की अध्यक्षता वाली समिति ने 'रेल भूमि विकास प्राधिकरण द्वारा वाणिज्यिक उपयोग के लिए रेलवे भूमि का विकास' विषय का चयन किया था, जो 20 जुलाई, 2018 को लोकसभा में रखी गई नियंत्रक महालेखा परीक्षक (कैग) की रिपोर्ट पर आधारित था। समिति ने कैग की रिपोर्ट की मदद और स्थानों की समीक्षा कर खुलासा किया कि भारतीय रेलवे के पास कई हजारों हेक्टेयर खाली भूमि है।

43 हजार हेक्टेयर खाली भूमि

रिपोर्ट के अनुसार, भारतीय रेलवे के पास 43,000 हेक्टेयर खाली भूमि है। इसमें से उसने राजस्व उत्पन्न करने के लिए वाणिज्यिक विकास के लिए 2007 से 2017 तक आरएलडीए को 49 साइटों को सौंपा था। ऑडिट ने 17 साइटों के विकास की समीक्षा की, जिन्हें 2007 में आरएलडीए को सौंपा गया था और पाया कि इनमें से किसी भी जगह का विकास नहीं किया गया था।

इन वजह से नहीं हो सका काम

समिति ने कहा, लेखापरीक्षा के निष्कर्षों से पता चला है कि परामर्शदाताओं की नियुक्ति करने, परामर्शदाताओं द्वारा रिपोर्ट प्रस्तुत करने, भूमि उपयोग योजना में परिवर्तन के लिए राज्य सरकारों से अनुमति लेने, भारग्रस्त भूमि मुहैया कराकर संबंधित क्षेत्रीय रेलों द्वारा रेल भूमि सौंपने, अधूरे कागजों वाली गलत स्थान या जगहों की पहचान करने आदि में कमियां थीं, जिसके परिणामस्वरूप 166996 एकड़ की इन जगहों का विकास नहीं हो पाया था।

आरएलडीए ने किए इतने करोड़ खर्च

रिपोर्ट में यह भी दावा किया गया कि आरएलडीए ने 2006-07 से 2016-17 तक स्थापना, परामर्श शुल्क, विज्ञापन आदि के लिए 102.29 करोड़ रुपये खर्च किए। इसने रेलवे स्टेशनों पर मल्टी-फंक्शनल कॉम्प्लेक्स (एमएफसी) के विकास से केवल 67.97 करोड़ रुपये कमाए, जो सौंपे गए भूमि के वाणिज्यिक विकास से कमाई का हिस्सा नहीं था।

सिर्फ तीन जगहों के लिए सौंपा था काम

समिति ने अपनी रिपोर्ट में कहा है कि इन 17 स्थानों के विकास की स्थिति का अवलोकन करने पर उसने पाया कि केवल तीन जगहों को विकास के लिए सौंपा गया था, सात का कार्य रद्द कर दिया गया था और शेष सात स्थानों को सौंपने में विभिन्न कारणों की वजह से देरी हुई थी जैसे कि मामला न्यायालयों में लंबित था, परामर्शदाताओं द्वारा मूल्यांकन किया जा रहा था। https://www.amarujala.com/india-news/land-parcels-given-to-railways-for-commercial-sites-still-undeveloped-parl-panel-2024-02-17

3. पीएम आवास में अपात्रों की हो रही बल्ले-बल्ले... बिना किसी जांच के मिल रहे घर *(patrika.com)* Feb 16, 2024

ग्वालियर: प्रधानमंत्री आवास योजना में ऐसे हितग्राही को आवास स्वीकृत कर दिए गए जिसके पास दो और चार पहिया वाहन थे। प्रदेश के 10 जिलों की जनपद पंचायतों ने (2016-21) 2037 अपात्र लाभार्थियों में से 1555 को 15.66 करोड़ की पीएमएवाई-जी की राशि मंजूर की गई थी। पीएमएवाई-जी के तहत सहायता स्वीकृति से पहले संबंधित ग्राम पंचायतों के पंचायत सचिव और पंचायत समन्वय अधिकारी ने सत्यापन नहीं किया, जिस कारण अपात्रों को यह राशि जारी कर दी गई। यह खुलासा कैग रिपोर्ट में हुआ है।

रिपोर्ट में कहा गया है कि आवास सॉफ्ट में पंजीकृत 37,00,058 में से 13,743 प्रतिष्टियों में एक परिवार को दो आवास मिलना पाया गया। इसमें 162 डुप्लीकेट प्रकरणों की जांच में पाया गया कि एक ही लाभार्थी को दो बार आवास स्वीकृत किए गए। जबकि 98 प्रकरणों में एक आवास वास्तविक लाभार्थी को मंजूर किया गया था और दूसरा आवास उसके परिवार के सदस्यों को मंजूर कर दिया गया था। जिनका एसईसीसी डेटा के अनुसार निर्धारण पीएमएवाई-जी योजना के लिए नहीं किया गया था।

हालांकि लाभार्थियों के दोहराव की पहचान करने के लिए पोर्टल में अलर्ट करने की कोई प्रणाली नहीं है। रतलाम जिले के 100 प्रकरणों में से 60 प्रकरण में और ग्वालियर जिले में एक प्रकरण में वसूली की जा चुकी है।

पहले अपात्र घोषित किया, फिर पात्र कर दिया

60 पंचायतों में से धार, रतलाम और ग्वालियर जिले की 15 पंचायतों के दस्तावेजों की जांच की, जिसमें 369 हितग्राहियों को पक्का आवास या मुख्यमंत्री आवास-आईएवाई के तहत लाभान्वित होने के आधार पर अपात्र कर दिया गया था। 369 अपात्र में से 36 को पीएमएवाई-जी के तहत आवास निर्माण के लिए 42.20 लाख रुपए जारी किए गए।

ग्राम सभा ने पहले पक्का आवास होने पर पहले उनको अपात्र घोषित किया था, लेकिन अंतिम प्रस्ताव में ग्राम सभा ने इन अपात्र को पात्र घोषित कर दिया, लेकिन इन हितग्राहियों को पात्र घोषित किए जाने का कोई दस्तावेज उपलब्ध नहीं था। https://www.patrika.com/gwalior-news/ineligible-people-are-fighting-in-pm-s-residence-houses-are-being-8728961/

STATES NEWS ITEMS

4. CAG expresses concern over OBBs by Telangana Government

(thehindu.com) February 16, 2024

The off-budget borrowings will take the State's debt to GSDP ratio to 37.77%, 12.77% higher than TSFRBM target, says CAG report of 2021-22

The Comptroller and Auditor General of India has expressed concern over the off budget borrowings (OBBs) of the State government yet again.

The constitutional audit institution said that the State was liable to pay principal and interest on account of OBBs to an extent of ₹1.18 lakh crore in addition to its total liabilities of ₹3.14 lakh crore at the end of financial year 2021-22. Taking into consideration the OBBs and other liabilities that are being serviced out of the State budget, the ratio of debt to GSDP would be 37.77 % which was 12.77 % higher than the 25 % target set in the TSFRBM Act.

This was also 8.47 % above the norms of 29.3 % prescribed by the XV Finance Commission. The CAG, in its audit report of State finances 2021-22, said though the State government was disclosing the quantum of guarantees given to institutions in the budget documents to a certain extent, it did not disclose its OBBs of ₹1.18 lakh crore to be serviced from out of its resources. This would impact the debt to GSDP ratio.

Major portion of the OBBs (₹66,854 crore) belonged to the Kaleshwaram Irrigation Project Corporation Limited (KIPCL). The maximum repayment spread period of OBBs was 14 years and future liability on Kaleshwaram project towards debt servicing worked out to ₹1.41 lakh crore over the next 10 years.

In view of the confirmation of KIPCL that it had borrowed on behalf of the State government and as the detailed project report did not envisage any revenue streams, it was likely that the onus of servicing these huge liabilities would have to be borne by the State government. "This will constitute a huge burden on State finances constraining them severely and the capacity of the State to have any developmental plans in near future," the CAG said.

State to finance Revenue Deficit through market borrowings
The CAG said as the State had a revenue deficit, it had to finance it from the market borrowings. The State government would have to repay ₹2.52 lakh crore as principal and interest on the market borrowings by 2032-33 and this would put significant pressure on the Government finances. The CAG took exceptions to the non-tax revenue and the grants-in-aid components claiming that they were projected abnormally. "Consequently, budget estimates for expenditure were also overstated resulting in unspent provisions across several grants."

The State Legislature approved budget estimates of ₹2.3 lakh crore originally and supplemented by ₹24,144 crore. The expenditure was ₹2.63 lakh crore resulting in net excess expenditure of ₹8,076 crore. Excluding the amount of ways and means advances which were taken for temporarily bridging the gap in finances, the expenditure was ₹1.95 lakh crore, only 77% of the budget estimates.

https://www.thehindu.com/news/national/telangana/cag-expresses-concern-over-obbs-by-telangana-government/article67853384.ece

5. CAG raps Telangana govt for delays, irregularities in two flagship welfare schemes *(madrastribune.com)* 18 Feb 2024

The Comptroller and Auditor General of India (CAG) has found fault with the Telangana government for inordinate delays in constructing the two-bedroom houses and identifying the beneficiaries.

"The Compliance Audit revealed several shortcomings in the implementation of the 2BHK Housing Scheme (two-bedroom scheme) in the Greater Hyderabad Municipal Corporation (GHMC) area. The financial management of the scheme had shortfalls," the CAG said.

In a report submitted to the Assembly, the CAG also found diversion of funds to other schemes.

"There are no provisions for price escalation and infrastructure costs, leaving unexpected financial liability on GHMC to meet the extra expenditure over and above the unit cost. The State government had delayed the release of budget funds to the executing agencies," it said.

The report was submitted to the State government in December 2022 and tabled in the Assembly on Thursday.

The CAG also found fault with the State government for losing the second instalment from the government of India due to non-adherence to the beneficiary selection process.

"Of the one lakh houses sanctioned in GHMC, construction of 48,178 (48 per cent) houses were completed and 45,735 houses were in progress and 6,087 houses were stopped or yet to be taken up," it pointed out.

"Construction of houses by the end of six years (2020-21) was only 48,178 which was less than 50 per cent of the envisaged target of one lakh houses," it said.

Over 96 per cent of the completed houses (46,442) remained unoccupied for a period ranging from less than 6 to more than 36 months, as the State government failed to identify beneficiaries for the scheme, rendering the expenditure of ₹3,984 crore incurred on these houses so far wasteful.

Mission unaccomplished

Thus, the objective of providing two-bedroom houses to the poor as envisaged could not be achieved, even after elapse of four years, as the identification of the beneficiaries has not been done by the government.

The CAG asked the government to prioritise the selection of beneficiaries as per guidelines and allot the houses already constructed through a transparent process. "The government should ensure funding for the projects and the loans drawn should be utilised for timely implementation of the scheme, without diversion or keeping the funds idle," it said.

It also wanted the State government to put in place an effective monitoring mechanism to ensure early allotment to the identified beneficiaries.

Sheep-rearing scheme
The CAG also observed serious lapses in maintaining data of the beneficieries and keeping invoices to support transportation of sheep.

The scheme was introduced in 2017 to provide sustainable livelihood to the traditional shepherd families and improve their economic standard.

The statutory auditor found that invoices with fake vehicle registration numbers, invoices showing transportation of higher number of sheep units than that was possible or permitted and recycling of sheep.

"The above audit findings indicate lack of transparency including suspected fraud involving a financial implication of ₹254 crore in the implementation of the scheme," it said. https://madrastribune.com/2024/02/18/cag-raps-telangana-govt-for-delays-irregularities-in-two-flagship-welfare-schemes-2/

6. Hyderabad Metro charging excess fares, reveals CAG report *(siasat.com)* 17 Feb 2024

Hyderabad: A report by the Comptroller and Auditor General of India (CAG) revealed that L&T Metro Rail Hyderabad Limited (L&TMRH) was permitted to charge higher fares than initially agreed upon.

Between November 2017 and March 2020, commuters were overcharged, resulting in excess fares totalling up to Rs 213.77 crore. The CAG report highlighted that L&T Metro Rail Hyderabad had unfairly earned more than Rs 227.19 crore due to these excessive fares.

It highlighted the importance of enforcing the terms of the concession agreement and contractual provisions to ensure that the government receives its rightful dues.

Delays in finalizing metro corridors and acquiring land for the Miyapur depot were identified as significant contributors to project delays and cost escalations.

Additionally, six stations along Hyderabad metro's Corridor-II, spanning 5.12 km between MGBS station and Falaknuma station, remain incomplete. This incomplete development has further contributed to escalating project costs.

In response to these findings, the CAG recommended that the government develop an action plan to promptly complete Corridor-II up to Falaknuma as originally planned. Failure to do so could result in low ridership and hinder the project's success.

The compliance audit report from Hyderabad Metro Rail (HMR) acknowledged that the project had only achieved 22% of its expected ridership.

Insufficient parking spaces and other issues may impede the project's ability to operate at its full potential in the future. https://www.siasat.com/hyderabad-metro-fares-overcharged-reveals-cag-report-2978961/

7. Hyderabad Metro Rail Charges Higher Fares, Says CAG Report *(timesnownews.com)* Feb 19, 2024

Hyderabad: A recent report by the Comptroller and Auditor General of India (CAG) has uncovered significant issues related to the Hyderabad Metro Rail project, including overcharging of commuters and substantial delays in project completion.

The report highlights that L&T Metro Rail Hyderabad Limited (L&TMRH) was permitted to charge higher fares than initially agreed upon, resulting in commuters being overcharged between November 2017 and March 2020. The excess fares amounted to a staggering Rs 213.77 crore, with L&TMRH unfairly earning over Rs 227.19 crore due to these excessive charges.

According to the CAG findings, delays in finalising metro corridors and acquiring land for the Miyapur depot have significantly contributed to project delays and cost escalations. Of particular concern is the incomplete development of six stations along Hyderabad metro's Corridor-II, spanning 5.12 km between MGBS station and Falaknuma station.

The incomplete stations not only hinder the project's progress but also contribute to escalating costs, posing a substantial challenge to the successful implementation of the Hyderabad Metro Rail.

As per a Siasat Daily report, in response to the report, the CAG recommended that the government develop an action plan to promptly complete Corridor-II up to Falaknuma as originally planned. Failure to do so, the report warns, could result in low ridership and impede the overall success of the project.

The compliance audit report from Hyderabad Metro Rail (HMR) acknowledged that the project had only achieved 22 per cent of its expected ridership. Insufficient parking spaces and other operational issues were identified as potential impediments to the project's ability to operate at its full potential in the future. https://www.timesnownews.com/hyderabad/hyderabad-metro-rail-charges-higher-fares-says-cag-report-article-107813363

8. Jalayagnam estimate preparation mistakes cost Rs 3129.5 crore: CAG *(telanganatoday.com)* 17 Feb 2024

Hyderabad: The Comptroller and Auditor General of India (CAG)report from 2012 found that there was no uniformity in preparation of the estimates for various projects in Jalayagnam.

It said the internal benchmark (IBM) estimates were worked out at increased amounts on five fronts – higher estimation of quantities, higher estimation of costs of components, inclusion of duties and taxes – which do not cover irrigation projects.

The total impact of these components in increasing the IBM values was a staggering Rs.3129.5 crore. This was in addition to the abnormal increase in project cost at a later date, for instance, the Dummugudem project cost increased by Rs.10,000 crore, the report said.

According to the report, audit scrutiny of mobilisation advances paid to contractors in eight projects also revealed many deficiencies including incorrect payment of advances of Rs.111.84 crore and loss of revenue of Rs.33.07 crore due to incorrect stipulation of interest rate.

Starting of civil works without addressing the issues of statutory clearances like Forest and Environmental clearances, land acquisition and Rehabilitation & Resettlement led to slow progress of works, which led to blocking up mobilization advances amounting to Rs.702.70 crore with the contractors beyond their scheduled dates of recovery in the eight test checked projects, the report adds.

The CAG report also said the criteria for empanelment of firms for these projects were altered later by diluting eligibility parameters. Out of 649 packages worth Rs.1.23 lakh crore, only 227 packages (37 per cent) valuing Rs.23,771 crore were entrusted to the empanelled firms, while the remaining 422 packages worth Rs.99,866 crore were awarded to firms under the open category. On the other hand, the audit reports on other projects that were part of Jalayagnam also pointed out multiple irregularities.

For instance, in the KL Rao Sagar (Pulichintala) Project, absence of vital cost control in execution of project works resulted in the Government not getting the benefit of post tender reduction in quantities and undue benefit of Rs.56.52 crore to the contractor.

On the Flood Flow Canal from Sriram Sagar Project, the report says incorrect sequencing or synchronization of various activities/works under the Flood

In the Rajiv Bheema Lift Irrigation Scheme, the contractor got undue benefit of Rs.21.25 crore due to post tender reduction in quantities.

As for the Kandula Obula Reddy Gundlakamma Project, undue benefit of Rs.22.43 crore was given to contractor due to lack of safeguards in the agreements to ensure that the payments to contractors are linked to the quantities of work actually executed by them resulting in release of higher payments to the contractors. https://telanganatoday.com/jalayagnam-estimate-preparation-mistakes-cost-rs-3129-5-crore-cag

9. CAG report unveils financial anomalies in Telangana Police budget allocation *(thehindu.com)* February 16, 2024

The latest Comptroller and Auditor General (CAG) report has brought out financial irregularities to light in the budget allocation and expenditure of the Telangana Police Force. The comprehensive audit highlighted concerning trends in the allocation of funds, with particular focus on the surge in expenditure and financial practices.

As per the report, a substantial increase in allocations was done across various segments of the Telangana Police Force. Notably, the district police force witnessed a surge of

₹596 crore, while the city police force received an additional ₹266 crore. Increments were also seen in the Telangana Special Police Units (by ₹179 crore), Commissioner of Cyberabad Police (by ₹167 crore), Commissioner of Rachakonda Police (by ₹163 crore), and the Intelligence branch (by ₹105 crore).

The overall revenue expenditure for the Police Force escalated from ₹5,612 crore in 2020-21 to ₹7,240 crore in 2021-22, indicating a substantial difference of ₹1,628 crore.

The audit report scrutinised the procurement of police vehicles, revealing that the Director General of Police (DGP) of Telangana was permitted to borrow ₹500 crore through Telangana State Police Housing Corporation Limited (TSPHCL). However, discrepancies emerged as TSPHCL paid ₹328 crore to the bank using budgetary resources, contrary to the stipulated repayment through revenue accruals. The interest rate of 9% on the loan has resulted in an additional burden of ₹13 crore on the government as of March 2022.

The report also highlighted budgetary oversights, including the unspent ₹20 crore allocated for the 'Construction of women's toilets in police stations' attributed to delays in identifying suitable locations.

A significant supplementary provision of 36% under various segments, primarily due to the implementation of the Pay Revision Commission, was also noted. Further, of the allocated ₹176 crore to the 'Safe City Project for Safety of Women in Hyderabad City (Nirbhaya Fund)', only ₹12 crore was spent. The Commissioner of Police, Hyderabad, stated that the savings in the budget for the financial year 2021-22 under the Safe City Project were revalidated and released in the financial year 2022-23. https://www.thehindu.com/news/national/telangana/cag-report-unveils-financial-anomalies-in-telangana-police-budget-allocation/article67854353.ece

10. L&T Metro Rail collected excess fares of up to ₹213.77 crore till March 2020: CAG *(thehindu.com)* February 17, 2024

L&T Metro Rail Hyderabad Limited (L&TMRH) was allowed to fix higher fares than those envisaged under the concession agreement and excess fares of up to ₹213.77 crore was collected from November 2017, when it was launched, to March 2020, said Comptroller and Auditor General of India (CAG) on public sector undertakings' report tabled in the Assembly on Friday.

Overall, L&TMRH had unduly earned over ₹227.19 crore. The government needs to enforce the concession agreement conditions and contractual provisions to realise its dues from it, said report. The CAG also stated that the delays in the finalisation of Metro corridors and the acquisition of land for Miyapur depot had delayed the operationalisation of the project and also resulted in cost escalation.

Besides, six stations between MGBS station and Falaknuma station on Corridor-II or Green Line involving 5.12 km still remain incomplete. The stations, parking and circulation areas were not developed as envisaged and consequently, the project cost was bound to escalate, the report noted.

Action plan

The CAG in its recommendations to the government has suggested the preparation of an action plan to complete the remaining Corridor II of the project at the earliest up to Falaknuma as was originally envisaged. Otherwise, ridership will remain low, it contended.

Hyderabad Metro Rail (HMR) in its compliance audit report admitted that the project could achieve only 22% of the expected ridership. The result of insufficient parking spaces on the ability of the project to operate at its full potential in future also could not be ruled out. The company could not enforce concessionaire agreement provisions relating to urban rejuvenation works and prohibition of sub-leasing of project assets before the commissioning date of the project, it said.

HMR had also failed to recover fair rent of the lands leased to L&TMRH and had also waived off administrative charges, while it did not utilise the Putlibowli commercial complex, constructed at a cost of ₹11.68 crore, effectively for a period of five years.

The CAG had advised the government to put the responsibility on the officials concerned for allowing unauthorised 'deviations' in the construction of station boxes and take steps to provide sufficient parking and circulation areas to improve ridership. A fare fixation committee should also be constituted at the earliest to review the fare structure, the report added. https://www.thehindu.com/news/national/telangana/lt-metro-rail-collected-excess-fares-of-up-to-21377-crore-till-march-2020-cag/article67854015.ece

11. CAG: Irregularities in sand mining led to loss of ₹172cr *(timesofindia.indiatimes.com)* Feb 17, 2024

Hyderabad: The Comptroller and Auditor General has found several irregularities in sand mining in Telangana, including contracts given to third parties by tribal development societies in violation of rules. CAG also uncovered that the state govt's procedural delays resulted in a revenue of Rs 172 crore.

The CAG report 'Sand Mining with Special Emphasis on Initiatives Taken to Curb Illegal Mining' was tabled in the legislative assembly.

The audit covered the period of 2016-17 to 2020-21. The audit sample included three selected project offices of Telangana State Mineral Development Corporation Ltd (TSMDCL) in Jayashankar Bhupalpally, Bhadradri Kothagudem and Karimnagar.

Tribal societies engaged non-tribal third parties loss
The audit found that TSMDCL entered into sand raising contracts with local registered tribal societies. These tribal societies in turn engaged non-local or non-tribal third parties for excavation of sand although sub-letting was prohibited in the sand raising contract.

"Due to this, the objective of eliminating exploitation of mineral resources available in the scheduled areas by nonlocals or non-tribals was defeated. The audit also observed that the tribal societies appointed third parties without following any tender process and the undue benefit enjoyed by the third party sub-contractors worked out to Rs 11.6 crore," CAG said.

Mining delayed due to various reasons
The audit also observed instances of delay in excavation of sand due to reasons like non-receipt of clarification from the state govt on the rate payable to the sand raising contractors (tribals) at Dummugudem anicut and lack of action plan on the part of TSMDCL to excavate sand as per the timelines agreed with the pattadars. As a result, the gvernment was deprived of revenue of Rs 172 crore due to non-excavation of sand and consequent delay in commencement of sale, it said.

CCTV cameras and weigh bridges were installed at very few sand reaches and stock yards, resulting in overloading of the vehicles at the time of their dispatch from the stockyard. Vehicles transporting sand were not provided with GPS and radio frequency identification devices to enable their tracking and monitoring the sand dispatch and delivery operations.

TSMDCL did not evolve an appropriate stock policy and stock registers, stock balances were not maintained/recorded properly, CAG said in its report. https://timesofindia.indiatimes.com/city/hyderabad/cag-report-reveals-irregularities-in-sand-mining-resulting-in-172cr-loss/articleshow/107768046.cms

12. CAG Exposé: Regulatory Lapses and Delays in Telangana Sand Mining Lead to Rs 172 Crore Revenue Loss *(bnnbreaking.com)* 16 Feb 2024

In a detailed exposé that sheds light on the clandestine corners of sand mining in Telangana, the Comptroller and Auditor General (CAG) of India unveils a series of regulatory lapses and procedural delays that have led to a staggering revenue loss of Rs 172 crore. The findings, encapsulated in a report titled 'Sand Mining with Special Emphasis on Initiatives Taken to Curb Illegal Mining', span the years 2016-17 to 2020-21, casting a long shadow over the Telangana State Mineral Development Corporation Ltd (TSMDCL) and its handling of sand mining contracts with tribal development societies.

Irregularities Unearthed: A Look Inside the Audit
The heart of the report pulsates with revelations of how local registered tribal societies, entrusted with sand raising contracts, breached trust by engaging non-local or non-tribal third parties for sand excavation. This act of sub-letting, explicitly forbidden, not only contravened the terms of their contracts but also undermined the very objective of preventing the exploitation of mineral resources by outsiders. The fallout from these actions saw third-party contractors reaping undue benefits amounting to Rs 11.6 crore, a sum that could have contributed to the development and welfare of the tribal societies had it been channelled properly.

Beyond the breach of contract, the report casts a spotlight on the inertia that gripped the TSMDCL and the state government, leading to significant delays in excavation. The absence of an action plan and the waiting game for clarifications on contractor rates culminated in a revenue hemorrhage of Rs 172 crore due to non-excavation and delayed commencement of sales. The audit's findings do not stop here; they extend to the inadequate monitoring mechanisms in place at sand reaches and stockyards. The sparse installation of CCTV cameras and weigh bridges facilitated the overloading of vehicles at dispatch points, further contributing to the revenue loss.

Technological Remedies and Policy Overhauls

The CAG report does not merely diagnose the ills afflicting sand mining in Telangana but also prescribes a regimen of technological interventions and policy reforms aimed at rectification and future prevention. Among the recommendations, the adoption of remote sensing mapping and drone surveillance stands out as a beacon of hope for real-time monitoring of sand mining activities. The implementation of GPS and RFID tracking for vehicles is highlighted as a crucial step towards ensuring transparency in the transport of sand, from extraction to delivery.

In a bid to tighten the regulatory framework, the report advocates for the introduction of penalty provisions in the new Sand Mining Policy and Rules. Such measures are expected to act as deterrents against contractual violations and irregularities. Additionally, the importance of timely processing of applications, bolstered stock policy and registers, and vigilant monitoring of the environmental impact of mining activities, is underscored as essential for the sustainable management of sand resources.

Compliance and Performance Audits: A Broader Perspective

The CAG's scrutiny extends beyond the immediate confines of sand mining to encompass Compliance Audit observations on State Public Sector Undertakings in the domains of Energy & Power, Industry & Commerce, and Urban Development in Telangana. This broader examination reveals a pattern of oversight and mismanagement that resonates across multiple sectors, underscoring the need for comprehensive reforms and stricter adherence to regulations and best practices.

The narrative that emerges from the CAG's audit is one of missed opportunities, misplaced priorities, and a pressing need for systemic change. The recommendations laid out in the report, if implemented with diligence and foresight, hold the promise of not only recovering lost revenues but also of establishing a model of sand mining that is both environmentally sustainable and economically beneficial for the local communities it is meant to serve.

In the wake of these revelations, the path forward for Telangana's sand mining sector is marked with challenges but also with the potential for significant reform. The findings of the CAG report lay the groundwork for a reimagined approach to mineral resource management, one that prioritizes transparency, accountability, and the collective good.
https://bnnbreaking.com/politics/cag-expos%C3%A9-regulatory-lapses-and-delays-in-telangana-sand-mining-lead-to-rs-172-crore-revenue-loss

13. Telangana trails in health spending, reveals CAG report *(thehindu.com)* 17 Feb 2024

Telangana consistently lags behind in health sector expenditure, accounting for only 4% of the total expenditure, as per the state finances audit report released by the Comptroller and Auditor General (CAG) of India for the fiscal ending March 2022. While the average allocation for health in general states during 2017-18 was 5.09%, Telangana allocated only 4.59%. The disparity continued in 2021-22, with general states allocating 6.2% for health and Telangana a mere 4.19%.

The report highlights a capital expenditure contrast between 2020-21 and 2021-22 for medical and public health, revealing an increase from ₹259 crore to ₹498 crore with a yearly variation of ₹239 crore. Notably, the Health and Family Welfare department received a major loan disbursement of ₹360 crore, with ongoing loans to Aarogyasri Health Care Trust (AHCT), lacking a definite revenue stream for repayment. The report discloses that loans totaling ₹2,866 crore were extended to AHCT and Telangana Vaidya Vidhana Parishad from 2017-18 to 2022.

Comparing revenue expenditure on health, the report indicates a stark contrast between general states (19.71%) and Telangana (11.75%) for 2020-21 to 2021-22. The total grant for medical and health amounted to ₹381.63 crore, but the expenditure surpassed this at ₹509.19 crore, resulting in excess expenditure of ₹127.56 crore. Additionally, the report raises concerns about unreconciled receipts totaling ₹407 crore in the Medical and Public Health department. https://www.thehindu.com/news/national/telangana/telangana-trails-in-health-spending-reveals-cag-report/article67854469.ece

14. Telangana State Road Transport Corporation suffered massive losses and negative net worth in FY 2021-22: CAG report

(thehindu.com) February 16, 2024

The Telangana State Road Transport (TSRTC) corporation was beset with massive losses in FY 2021-22, on the one hand, and on the other, it suffered a negative net worth running into thousands of crores, a Comptroller and Auditor General (CAG) report states.

The report, which was recently released, underscores that the TSRTC was one of the six public sector undertakings, including Hyderabad Metro Rail Limited — the other entity that deals with public transit, which recorded losses and negative net worth. "A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses," the CAG report explains.

The TSRTC, recorded a loss of ₹1,986 crore and its negative net worth was ₹9,240 crore. Meanwhile, the government made major investments in FY 2021-22 in six corporations, including the TSRTC. The investment made stood at ₹269 crore. The Telangana government provided ₹102 crore in the form of loans so that TSRTC could make interest payments or repay loans.

Touching upon other aspect of road transport, the CAG noted that receipts from taxes on vehicles was growing since FY 2017-18. But, a decrease was from FY 2020-21. Relatively fewer vehicle registrations led to a decrease in life tax collections, and tax exemptions for motor transport vehicles for quarters ending June and Septembers 2020 were two of the three reasons listed.

To substantiate this, the CAG report noted that in 2020-21 as many as 8.28 lakh vehicles were registered. The number in the subsequent year dropped to 7.86 lakh. https://www.thehindu.com/news/national/telangana/telangana-state-road-transport-corporation-suffered-massive-losses-and-negative-net-worth-in-fy-2021-22-cag-report/article67854262.ece

15. Biometric attendance in schools uncalled for: CAG *(timesofindia.indiatimes.com)* Feb 17, 2024

Hyderabad: The state govt has incurred a wasteful expenditure of Rs 29 crore by implementing the AadhaarBased Biometric Attendance System (ABAS) to record teacher-student attendance in schools without due feasibility study and assessing technical data requirement, said CAG in its report.

After a lot of deliberations with stakeholders and changes in plans, the govt finally decided in 2018 to implement ABAS in 9,349 schools of 12 selected districts, based on the results of the National Achievement Survey and on the criteria of high dropout rate.

It was decided to provide 12,705 biometric devices and 9,349 IRIS devices at a revised cost of Rs 72 crore. During the review meeting in March 2019, it was observed that only 64 per cent of teacher attendance and up to 16 per cent of student attendance was recorded on the biometric devices for the period Oct 2018-Feb 2019. The huge mismatch in student attendance was attributed to lack of updation of students' biometric data in the Unique Identification Authority of India (UIDAI) database. https://timesofindia.indiatimes.com/city/hyderabad/biometric-attendance-in-schools-uncalled-for-cag/articleshow/107768065.cms

16. CAG report unearths Rs 1,175-crore Aasara pension scam *(siasat.com)* 16 Feb 2024

Hyderabad: The Comptroller and Auditor General of India (CAG) has released a report highlighting irregularities in the Aasara pension scheme. According to the report, an amount of Rs 1,175 crore was disbursed to 2.02 lakh ineligible beneficiaries, despite their exclusion being identified by the department.

The CAG report indicates that delays in removing ineligible beneficiaries from the database led to the wrongful payment of Rs 1,175 crore between 2018-19 and 2020-21.

During this period, pensions totaling Rs 1,768.42 crore were issued to 3,09,134 beneficiaries from 2,92,566 ineligible households, accounting for 67% of the total. Including these ineligible beneficiaries in the Aasara pension scheme went against the guidelines.

An analysis conducted by the CAG found discrepancies between Aasara beneficiaries and data from the Samagra Kutumba Survey (SKS).

Approximately 19% of household data was missing from the SKS data, and 16% of households identified as ineligible in the SKS data were still included as beneficiaries of the Aasara pension. This points to ineffective verification and identification procedures.

The report further highlights irregularities in the disbursement of funds under various categories. A total of Rs 535.39 crore was inappropriately sanctioned, including funds allocated for disabled individuals, beedi workers, single women, and multiple members within a household.

Additionally, the CAG analysis revealed discrepancies in the Rythu Bandhu and Rythu Bima data, both pertaining to the Department of Agriculture.

The report found that individuals who owned land exceeding the eligible limits outlined in the Aasara pension scheme guidelines received undue benefits amounting to Rs 67.41 crore.

Additionally, pension benefits totaling Rs 0.90 crore were irregularly disbursed to 367 deceased beneficiaries beyond their date of death.

Moreover, an analysis of transport department data uncovered that ineligible beneficiaries owning four-wheelers received an undue benefit of Rs 51.98 crore, as of May 2017. https://www.siasat.com/cag-report-unearths-rs-1175-crore-aasara-pension-scam-2978561/

17. KCR in hot water: CAG nails graft by BRS govt *(deccanchronicle.com)* 18 Feb 2024

Even as the people of Telangana, and India, are trying to fully comprehend the fullest extent of the corruption of the previous Bharat Rashtra Samithi (BRS) government in the last decade over two terms, a simple way of summation of all data and its scathing condemnation of various decisions and actions of former chief minister K. Chandrashekar Rao is to say that Telangana suffered one of the most corrupt governments ever in Independent India.

One of the biggest flagship schemes of the BRS led by then-CM K. Chandrashekar Rao was a multi-purpose Kaleshwaram Lift Irrigation Scheme (KILS) project, which alone would qualify as one of India's biggest failures, and was the greatest of corrupt endeavours by any government. The entire project was a rushed affair, totally botched up with ill intent and wilful carelessness, with the BRS government, and in particular the irrigation department, cutting corners on quality and the following of technical expertise, inflating costs, skipping comprehensive plans for sourcing funds and flouting a plethora of norms, as the Comptroller and Auditor General of India's damning report has recently made clear.

Several components of the project were approved and handed to contractors even before detailed project reports (DPR) were finalised, the CAG audit found. The CAG report, which took into consideration the project execution till 2022, also concluded that the final cost of Kaleshwaram will likely touch Rs 1,47,427 crores, against an original estimate of Rs 81,911 crores, as was projected to the Central Water Commission. The CAG said the project was a "financial disaster", with a "return" of just 52 paise for every rupee spent, and, therefore, the project was economically unviable ab initio.
The KIPCL, formed by the BRS government to bear the entire cost of the project, will require a total of Rs 1,41,544 crores for servicing debt incurred through various borrowings. The annual repayment amounts, beginning this year, will start from Rs 14,462 crores, which will gradually come down to Rs 712 crores in 2035-36.

The CAG report also noted that design deviations and flaws in construction of the Medigadda, Annaram and Sundilla barrages, which are all now leaking and cracking, and might be of no use at all.

Understandably, the Congress Party which won the recent Assembly elections in the state, has gone to town because it had won the polls exposing the BRS corruption. Interestingly, the BRS government did not even allow the tabling of the CAG report till it was in power, and also resorted to not uploading most of the government orders (GOs) online as was the norm prior to Mr Rao taking charge as CM. The Telangana government now stares at a Rs 2,52,048 crores debt repayment, per the CAG report.

Congress leaders, led by chief minister A. Revanth Reddy, are already making it a political issue ahead of the Lok Sabha elections, crying "corruption worth thousands of crores, illegal activities and wastage of funds occurred under KCR's rule. CAG report is proof of all misdeeds. KCR and ministers must answer".

The BJP is demanding a CBI investigation while the state government wants a sitting or retired judge of the high court to lead a probe.

But one thing is certain — the most corrupt of state governments ever in India's history should not go unpunished. https://www.deccanchronicle.com/opinion/dc-comment/dc-edit-kcr-in-hot-water-cag-nails-graft-by-brs-govt-882618

18. Telangana: CAG report uncovers Rs 253 cr fraud in sheep rearing scheme *(siasat.com)* 16 February 2024

Hyderabad: The Comptroller and Auditor General (CAG) has uncovered a significant fraud in the Telangana government's sheep-rearing scheme.

Its investigation revealed serious deficiencies, including the use of ambulances, two-wheelers, and other vehicles for transporting sheep, as well as the circulation of fake invoices and the duplication of ear tags.

The fraud amounted to a staggering Rs 253.93 crore, raising questions about the integrity of the scheme's implementation and the governance mechanisms in place.

'126 sheep transported on a two-wheeler'
In one case, the CAG report found that an ambulance was used to transport 84 sheep in a single trip in Khammam district, while scamsters quoted in records that they transported 126 sheep in a single trip in Sangareddy district on a two-wheeler.

In another instance, they used a cab to transport 168 sheep in a single trip in Mahbubnagar district, while an auto was used in Nalgonda district to ferry 126 sheep.

"The suspected fraud where checks conducted in seven districts is of Rs 253 crore. These included payments made on manipulated transport invoices for the transportation of sheep and invoices containing fake/passenger/non-goods vehicles cases where more than two sheep units were shown as transported in small goods vehicles and tractors and more than six sheep units were shown as transported in heavy goods vehicles assigning duplicate ear tags to multiple sheep," the report read.

ACB probe

The Telangana Anti-Corruption Bureau (ACB) launched an investigation in January into the sheep distribution scheme after allegations surfaced that some beneficiaries were deceived and that officials were involved in the scam.

Gachibowli police registered a case in December after some people filed complaints against the officials and middlemen, including two assistant directors of the animal husbandry department and two contractors.

They were accused of being involved in a scam of Rs 2.1 crore in the sheep distribution scheme.

The accused were involved in buying sheep from Andhra Pradesh and distributing it to the beneficiaries in Telangana and have allegedly cheated sheep vendors of Yacharam in Andhra Pradesh after receiving payment for their sale.

The accused had noted down the bank account details of the sellers but they made wrong entries and diverted Rs 2.1 crore to false accounts, police investigation found.

The Gachibowli police registered a cheating case under sections 406, 409, and 420 of IPC against the two contractors and the assistant directors Ravikumar and Keshav Sai and others.

Considering the magnitude of the scam the state government ordered the ACB to probe the case.

Scheme launched in 2017

The Telangana State Sheep and Goat Development Cooperative Federation Limited (TSSFGDCFL), under the animal husbandry and fisheries departments, has been implementing the scheme to provide sustainable livelihood to traditional shepherd families.

It was launched by the previous BRS government in April 2017.

Under the scheme, the government provides 75 percent of the cost of a sheep, and the remaining 25 percent is borne by the beneficiary.

The scheme aims to strengthen the rural economy through the empowerment of Golla and Kurma communities in their traditional occupations.

The sheep breeds chosen are Nellore Brown (Dora), Nellore Jodipi (white with black spots on the face), Deccani, and Madras Red.

By March 2018, the government said that it had distributed 1 crore 28 lakh sheep to over two lakh beneficiaries.

The sheep are purchased from neighbouring states (Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu), in order to avoid recycling and to increase the net sheep population in the state.

Under the scheme, a total of four lakh sheep units were targeted to be given in two years (2017-18 and 2018-19) across the state at a total cost of Rs 5000 crore.

The scheme was to be funded through loans of Rs 3000 crore and grant of Rs 1000 crore given to the TSSGDCFL by the National Cooperative Development Corporation (NCDC) and the remaining Rs 1,000 crore from beneficiary contributions.

As per the information furnished by the TSSGDCFL, as of December 2021, a total of 3.88 lakh
sheep units were supplied to an equal number of beneficiaries across the state with an expenditure of Rs 3,385.32 crore incurred towards subsidy.

As per the scheme guidelines issued (April 2017) by the government, District and Mandal Level Committees were formed to implement the scheme.

The Mandal Level Committee is responsible for the identification of beneficiaries by conducting Gram Sabhas in villages.

The District Level Committee (DLC) headed by the District Collector is responsible for approval of beneficiaries and sanction of sheep units to them. After approval of beneficiaries, the selected beneficiaries deposit the beneficiary contribution to the DLC.

The TSSGDCFL releases government subsidy funds to the districts. https://www.siasat.com/telangana-cag-report-uncovers-rs-253-cr-fraud-in-sheep-rearing-scheme-2978666/

19. Telangana's Kaleshwaram irrigation project economically unviable, cost-benefit ratio inflated: CAG report *(aninews.in)* Feb 17, 2024

In what is a potential blow for the erstwhile K Chandrashekhar Rao-led BRS government in Telangana, a report of the Comptroller and Auditor General of India (CAG) revealed that the benefit-cost ratio (BCR) of the Kaleshwaram irrigation project was inflated, and the entire programme was economically unviable.

The cost of the Kaleshwaram project, which was initially estimated at Rs 81,911.01 crore, is now likely to exceed Rs 1,47,427.41 crore, with a cost overrun of about 80 per cent, the audit report tabled on Thursday said.

Even with the understated project cost of Rs 81,911.01 crore, benefitcost ratio works out to be 0.75. Considering the latest likely project cost of Rs 1,47,427.41 crore, the BCR works out to 0.52.

"This means that every rupee spent on the project would yield only 52 paise. It clearly indicates that the project was, ab-initio, economically unviable," the audit report stated.

"The Benefit-Cost Ratio (BCR) of the project was inflated by overstating the value of project benefits and understating the annual costs." The audit report into the big-ticket irrigation scheme revealed that the Government of Telangana did not accord administrative approval for the project, and instead issued separate approvals -- as many as 73 administrative approvals aggregating to Rs 1,10,248.48 crore.

The audit report added that there were no orders from the government about the funding pattern for the project.

"The absence of a comprehensive plan duly spelling out the sources of funds for a project of this scale, which will have a long term impact on the finances of the State, is an indication of improper planning," it said.

In 2008, the government of the erstwhile combined state of Andhra Pradesh took up the Dr B.R. Ambedkar Pranahitha-Chevella Sujala Sravanthi Lift Irrigation Scheme (PCSS Project) at a cost of Rs 38,500 crore.

The project proposed to lift 180 thousand million cubic feet (TMC) of water from Pranahitha and Godavari rivers and provide irrigation to a new command area of 16.40 lakh acres in the Telangana (/topic/telangana) region.

Even without the approval of the project by the Central Water Commission (CWC), the project works were awarded to different contractors during 2008-2009 and execution of the works commenced.

After the state re-organisation in June 2014, the government of the newly formed state Telangana) decided to reengineer the project and divided it into two separate projects -- the Dr. B.R. Ambedkar Pranahitha Project and the Kaleshwaram Project.

56 contracts were awarded under work for the Kaleshwaram project. The progress of project work is slow, the CAG report said.

"Out of the 56 works, only 12 works were completed, 40 works were ongoing with progress ranging from 3 per cent to 99 per cent while 4 works have not even commenced, as of March 2022. As against the total value of civil works of Rs 1,02,267.99 crore, the progress achieved was Rs 70,666.48 crore (i.e., 69 per cent)," the report read.

The delay in completion of works was mainly due to revisions in the scope of works and delays in finalisation of scope of works/designs/drawing and land acquisition, it argued. https://www.aninews.in/news/business/business/telanganas-kaleshwaram-irrigation-project-economically-unviable-cost-benefit-ratio-inflated-cag-report20240217100453/

20. Kaleshwaram project debt poses a huge financial burden for Telangana: CAG *(madrastribune.com)* 19 Feb 2024

The Telangana government stares at a huge financial burden over the next 14 years in the form of debt servicing of the loans taken to the construction of the Kaleshwaram project. The multi-stage irrigation project seeks to lift water from the low-lying Godavari and channelise the water to different projects in the State.

In its report submitted to the Telangana Assembly, the CAG pegged the future liability on the Kaleshwaram Project towards debt servicing would work out to ₹1.41 lakh crore over the next 14 years.

As the State registered a revenue deficit, it had to finance the revenue deficit from market borrowings. The State government will have to repay ₹2.52 lakh crore as principal and interest on the market borrowings by 2032-33 and this would put significant pressure on the government finances.

Apart from its total liabilities of ₹3.14 lakh crore, the State is also liable to pay principal and interest on account of its OBBs to an extent of ₹1.19 lakh crore. Taking into consideration the OBB and other liabilities that are being serviced out of the State Budget, the ratio of Debt to GSDP would be 37.77 per cent, which is 12.77 per cent higher than the set target of 25 per cent as per the TSFRBM Act.

This is also 8.47 per cent above the norms of 29.30 per cent as prescribed by the 15th Finance Commission.

It pointed out that the State borrowed heavily off the Budget for the Kaleshwaram project. The major portion of off-budget borrowings (₹66,854 crore) belongs to Kaleshwaram Project Corporation Ltd (KIPCL). It borrowed the money on behalf of the State government and as the Detailed Project Report of the Kaleshwaram Project did not envisage any revenue streams, the onus of bearing these huge liabilities would be on the State government.

"This will constitute huge burden on State finances constraining State finances severely and capacity of State to have any developmental plans in near future," it said in the report on the State for the financial year 2021-22. Though the State registered a higher growth rate in Gross State Domestic Product (GSDP) over the previous year that was hit by Covid-19 and an increase of revenue receipts by 26 per cent, the State failed to register a revenue surplus for a third consecutive year.

The revenue deficit (₹9,335 crore) was understated by ₹1,157 crore due to non-discharge of interest liabilities, on account of certain misclassifications between revenue and capital expenditure and transfer of lapsed deposit amount to Revenue head.

"Non-discharge of interest liabilities also impacted the fiscal deficit (₹46,638 crore) which was understated by ₹182 crore," it said.

Revenue receipts up

The CAG said the revenue receipts of the State increased by ₹26,555 crore (26 per cent) while revenue expenditure increased by ₹13,592 crore (11 per cent) in 2021-22 over the previous year.

The State's Own Tax Revenue (₹91,271 crore) registered an increase as contributions from headers like Stamps and Registration, State Goods and Services Tax, and State Excise went up. The revenue expenditure (₹1.37 lakh crore) has increased by 11 per cent during 2021-22.

The report observed that the State has been persistently trailing in respect of expenditure on the education and health sectors. As a percentage to total expenditure, expenditure on education and health was eight per cent and four per cent respectively. https://madrastribune.com/2024/02/19/kaleshwaram-project-debt-poses-a-huge-financial-burden-for-telangana-cag/

21. डिज़ाइन की खामियों के कारण कालेश्वरम बैराज को नुकसान हुआ - CAG *(jantaserishta.com)* 16 Feb 2024

सीएजी ने कहा कि डिजाइन की खामियों के कारण नुकसान हुआ - जो नवंबर 2019 में शुरू हुआ - मेडीगड्डा बैराज के साथ-साथ कालेश्वरम लिफ्ट सिंचाई योजना (केएलआईएस) के अन्नाराम और सुंडीला बैराज को भी। सीएजी ने कहा कि ये डिजाइन सिंचाई विभाग के सेंट्रल डिजाइन ऑर्गनाइजेशन ने तैयार किए थे. सीएजी ने कहा कि 2019 की बाढ़ के बाद बैराजों के गेट बंद होने के बाद, यह पाया गया कि डाउनस्ट्रीम की तरफ प्रबलित सीमेंट कंक्रीट पहनने वाले कोट और सीमेंट कंक्रीट ब्लॉक बह गए, जिसके परिणामस्वरूप 180.39 करोड़ रुपये का नुकसान हुआ। इन कार्यों पर किया खर्च।

मेडीगड्डा बैराज के एक हिस्से के डूबने के तीन दिन बाद मामला सामने आया - बताया गया कि संभावित डिज़ाइन की खामियों के कारण बैराज डूबा। सीएजी ने कहा कि सिंचाई विभाग के अध्ययन से पता चला है कि पानी के उच्च निर्वहन वेग और ऊर्जा अपव्यय कार्यों के लिए अपर्याप्त प्रावधान के कारण नुकसान हुआ। सीएजी रिपोर्ट में यह भी कहा गया है कि विभाग ने 476.03 करोड़ रुपये की अनुमानित लागत वाली मरम्मत के लिए ठेकेदार से संपर्क किया, लेकिन बताया गया कि काम विभाग द्वारा अनुमोदित डिजाइन और ड्राइंग के अनुसार और विभाग के इंजीनियरों की देखरेख में किया गया था। रिपोर्ट में कहा गया है कि हालांकि विभाग ने दावा किया कि ठेकेदार 'दोष दायित्व अवधि' खंड के तहत मरम्मत करने के लिए उत्तरदायी था, लेकिन सुधार कार्य के समय तक सरकार का तर्क "सही नहीं था क्योंकि साढ़े तीन साल से अधिक समय बीत चुका था"। निष्पादित करने की मांग की गई। https://jantaserishta.com/local/telangana/kaleshwaram-barrage-was-damaged-due-to-design-flaws-cag-3120698

22. MP NEWS: कैग ने पुलों के निर्माण में प्रदेश भर में बड़े पैमाने पर गड़बड़ी पकड़ी *(inhnews.in)* 18 Feb 2024

भोपाल। मप्र में बनाए जाने वाले पुलों के निर्माण में कई तरह की अनियमितता कैग ने पकड़ी है। कहीं पुलों की चौड़ाई और पहुंच मार्ग की चौड़ाई में असमानता मिली, तो कई जगह पर विलंब के कारण अतिरिक्त व्यय करना पड़ा। इसका खामियाजा सरकार को उठाना पड़ा है। आश्चर्य की बात यह है कि किसी भी मामले में इंजीनियरों के खिलाफ कोई कार्रवाई नहीं की गई। कुछ जगहों पर रायल्टी की कम वसूली हुई। इसमें भी नियमों के विपरीत अंतिम भुगतान कर दिया गया।

नियंत्रक एवं लेखा परीक्षा (कैग) ने अपनी रिपोर्ट विधानसभा में पेश की है। इस रिपोर्ट के अनुसार, भोपाल और उज्जैन संभाग में 6 पुलों के कार्य में उपयोग की गई सामग्री के बाबत ठेकेदारों के चालू देयको से रॉयल्टी के तौर पर मात्र कुछ ही राशि की कटौती की गई। रॉयल्टी कम वसूली में

नियमों का पूरी तरह से उल्लंघन किया गया। ठेकेदारों को खनिज विभाग के नियमों के विपरीत अंतिम भुगतान कर दिया गया। इसमें अधिकारियों की मिलीभगत से करोड़ों रुपए का नुकसान सरकार को हुआ। शासन स्तर से भी सही उत्तर नहीं दिया गया।

2018 में पूर्ण होने वालो कार्य आज तक पूर्ण नहीं हुए

रीवा संभाग में नौगांव सतना रीवा रोड सतना में सिमरिया चौक पर फ्लाईओवर के निर्माण का कार्य एक ठेकेदार को करीब 37 करोड़ रुपए में दिया गया। यह कार्य 2018 में पूरा किया जाना था, लेकिन अभी तक पूर्ण नहीं हुआ। कैग ने पाया कि सितंबर 2021 की इस स्पन के लिए कंपोजिट स्टील गार्डन कीमत उपलब्ध नहीं थी। ठेकेदार ने 1,34,285 प्रति मिट्रिक टन की दर प्रस्तुत किया था, जिसे 8 महीने के देरी के बाद अधीक्षण यंत्री जबलपुर जबलपुर सर्कल ने अनुमोदित कर दिया। इस देरी के कारण ठेकेदार ने अनुमोदित दर को स्वीकार करने से मना कर दिया और 1,58,757 रुपए प्रति टन पुनरीक्षित दर प्रस्तुत किया। जिसे मुख्य अभियंता ने अनुमोदित कर दिया। इससे करीब ढाई करोड़ रुपए का अतिरिक्त व्यय हुआ। विभाग ने अपने उत्तर में कहा कि अनुमोदन का प्रस्ताव जनवरी 2018 में अधीक्षण अभियंता को भेजा गया था और सितंबर 2018 में उनकी ओर से अनुमोदित किया गया। जनवरी से सितंबर के दौरान वृद्धि के कारण माइल्ड स्टील की कीमत में वृद्धि हुई थी, ठेकेदार ने इसको स्वीकार करने से मना किया था और एक नई दर जिसे अनुमोदित किया गया था, इस पर भुगतान किया गया। कैग ने कहा कि उत्तर स्वीकार नहीं है। तथ्य है कि अधीक्षक ने पहले दर की स्वीकृति में देरी के कारण ठेकेदार की ओर से दूसरी दर को अनुमोदित करना पड़ा। इसके कारण ढाई करोड़ रुपए का अतिरिक्त दिया हुआ है।

पहुंच मार्ग की चौड़ाई में असमानता

कैग ने पाया कि एक सीधे पुल के दोनों और पहुंच मार्ग की न्यूनतम सीधी लंबाई 15 मीटर होगी, जिसे जरूरत के अनुसार बढ़ाया जाएगा और पहुंच मार्ग की चौड़ाई पुल की चौड़ाई के बराबर होगी। पांच संभागों के 17 कार्यों में पहुंच मार्ग की चौड़ाई पुलों की चौड़ाई के बराबर नहीं रखी गई थी। पुलों की चौड़ाई 7,30 मीटर थी, जबकि पहुंच मार्ग चौड़ाई 7 मीटर से 12 मीटर की बीच थी। विभाग ने उपरोक्त विशिष्ट की अनदेखी की है, क्योंकि पहुंच मार्ग का निर्माण विशिष्ट के रूप में नहीं था। सड़क की चौड़ाई में अचानक परिवर्तन के कारण दुर्घटनाएं हो सकती है। पहुंच मार्ग आवश्यक लंबाई में ही नहीं बनाए गए थे। विभाग ने इस पर उत्तर नहीं दिया। इससे इससे इन पुलों पर दुर्घटना की संभावना अभी भी बनी हुई है।

63 पुलों के कार्यों में 1 माह से 68 माह तक विलंब

सीएजी ने एक तथ्य यह भी पाया कि कार्यों के निर्माण में पांच संभागों के 72 कार्यों में केवल 9 ही निर्धारित समय पर पूरे किए गए। 63 पुलों के कार्यों के संबंध में एक माह से 68 माह तक का विलंब पाया गया। इसमें भोपाल में 12, इंदौर में 13, जबलपुर में 13, रीमा 14 और उज्जैन 11 पुलों का कार्य देरी से हुआ। इसमें जो कारण दिए गए वह ठीक नहीं पाया गया।
https://www.inhnews.in/news/mp-news-cag-detected-large-scale-irregularities-in-the-construction-of-bridges-across-the-state

23. CAG pulls up Plantation Corporation of Kerala for poor management practices in its rubber, cashew plantations *(thehindu.com)*

February 18, 2024

The Comptroller and Auditor General (CAG) has pulled up the Plantation Corporation of Kerala Ltd. (PCKL) for incurring losses in its rubber and cashew plantations on account of poor management practices.

The CAG, who examined the performance of the PCKL from 2017-18 to 2021-22, observed that earnings from the rubber and cashew plantations dropped by ₹ 16.46 crore and ₹5.16 crore respectively between 2017-18 and 2020-21. The findings are part of the CAG's Compliance Audit Report for the year that ended in March 2022, which was tabled in the Assembly last week.

Replantation

The CAG report is critical of the PCKL for not adopting good practices prevalent in the rubber sector. It urges the PCKL to adhere to Rubber Board recommendations in this regard and also frame a long-term action plan for replantation of trees.

"The PCKL failed to adopt the good practices advocated by the Rubber Board to reduce the cost of production, increase productive life of trees, and to manage tapping labour absenteeism. Failure of the PCKL to utilise annual census details to carry out replantation of rubber trees in a scientific manner resulted in an increase in area with old and senile trees," the report said.

In the case of cashew plantations, the dip in receipts was largely on account of non-application of fertilizers and natural causes like unseasonal rain and high temperatures. "Application of fertilizer would have assisted the PCKL in getting better yield," the report noted, adding that the State government had accepted the audit observation in this regard.

The report also observed that the PCKL had failed to adequately protect its plantations from wildlife incursions.

The PCKL accounts for 47.09% of the total plantations owned by public sector units in Kerala. The PCKL accounts for 2% of the total rubber plantation and 5.68% of cashew plantations in the State. https://www.thehindu.com/news/national/kerala/cag-pulls-up-plantation-corporation-of-kerala-for-poor-management-practices-in-its-rubber-cashew-plantations/article67860351.ece#:~:text=respectively%20between%202017%2D18%20and%202020%2D21&text=The%20Comptroller%20and%20Auditor%20General,account%20of%20poor%20management%20practices

24. Delhi HC lambasts DCPCR for basing decisions on non-existent 'press release' *(devdiscourse.com)* 16 Feb 2024

The Delhi High Court said on Friday the Delhi Commission for Protection of Child Rights (DCPCR) acted irresponsibly by filing a petition against the alleged stoppage of funding by Lieutenant Governor (LG) VK Saxena on the basis of a purported press release.

Justice Subramonium Prasad said the response of the petitioner to the LG's specific stand that there was no order to withhold the funding was "wishy washy" and the body should have been more responsible when making allegations against a constitutional authority.

"You are relying on a press release that is non-existent. You filed a writ petition on the basis of a press release that is non-existent," said the court, adding the Comptroller and Auditor General of India (CAG) can audit DCPCR's account.

"The petitioner acted completely irresponsibly'. When you are making allegations against constitutional authority, you have to be more serious," the court orally observed, adding one cannot "bring down" the office of LG in this manner.

The DCPCR had filed a petition last year challenging an inquiry and special audit ordered against it as well as the alleged stoppage of funds to it.

The child rights body had relied on a "press note" to claim the LG office's action was a setback that paralyses a statutorily protected and independent institution.

The LG, however, told the court that his office has not passed any order to withhold allocation of funds to the child rights body and no press release to that effect was issued.

During the hearing, the senior lawyer appearing for the petitioner said the press release was carried by several prominent news outlets and one of the newspapers even stated that the information was shared by the LG office with the reporter concerned.

The court said it was not concerned with the issue of press reporting in the present petition and that a petition has to be filed by a responsible officer.

The court also observed that the "press release" did not carry any official logo.

"From where did you get the press release which is not in the public domain? What is the basis of this petition?" the court asked.

The counsel for the LG also said the response filed to his stand was by a person who is no longer a member of the commission.

The court listed the matter for further hearing on February 29 and said, "Let reply by filed by someone in the office of the petitioner".

Lieutenant Governor Saxena had last year approved a Women and Child Development (WCD) Department's proposal to institute an inquiry and ordered a special audit over alleged misuse of government funds by DCPCR.

It was stated that Saxena had also directed that no further request for allocation of funds by DCPCR would be entertained before the completion of the inquiry and special audit.

The DCPCR said in its plea any attempt to withhold or reduce the funds to it is a violation of its autonomy and threat to its survival.

It also said the statutory mechanism, which provides for audit by the CAG, has been sought to be diluted and there was an attempt to weaken this mechanism through a "frontal assault".

The petition said subjecting DCPCR to any other auditor was illegal and demeaned the office of the CAG.

It added that the proposal of the WCD Department, based on which the LG approved action, was "replete with legal errors as well as malice".

The LG's decision to carry out "illegal audit" is also based on extraneous considerations such as the spouses of the members of the Commission and their professions or professional past, it claimed. https://www.devdiscourse.com/article/law-order/2820677-delhi-hc-lambasts-dcpcr-for-basing-decisions-on-non-existent-press-release

25. CAG report: जल आपूर्ति के मीटर ठीक से काम नहीं कर रहे थे इसलिए हटा दिए थे, बिना मीटर दे रही पानी, नल कनेक्शन में भी अंतर

(patrika.com) Feb 19, 2024

नगर निगम ग्वालियर शहर में बिना मीटर के घरों में जल आपूर्ति कर रहा है। निगम ने वर्ष-2010 और 2012 में घरों में मीटर लगाए थे, लेकिन कुछ समय बाद इनको हटा दिया था क्योंकि वे ठीक से काम नहीं कर रहे थे। वर्तमान में कोई भी मीटर अस्तित्व में नहीं है। मीटर नहीं होने से जल आपूर्ति की कितनी हो रही है यह जानकारी नहीं मिल पा रही है साथ ही राजस्व वसूली और जल बर्बादी पर भी रोक नहीं लग पा रही है। नगर निगम निर्धारित मासिक दरों के आधार पर ही जल कर की वसूली कर रहा है। यह खुलासा कैग ने अपनी रिपोर्ट में किया है। हालांकि शासन ने बताया विभाग भविष्य में ग्वालियर, जबलपुर और विदिशा नगर पालिका परिषद स्थानीय निकायों में जल मीटर लगाएगा।

कैग रिपोर्ट के अनुसार, एशियाई विकास बैंक प्रायोजित उदय परियोजना के तहत ग्वालियर नगर निगम ने एक लाख और जबलपुर नगर निगम ने 1,55,200 घरेलू उपभोक्ताओं के लिए मीटर लगाने का आदेश जारी किए थे। नगर निगम ग्वालियर में 3.15 लाख घरों में से केवल 1.45 लाख (46.06 प्रतिशत) और जबलपुर में 2.76 लाख घरों में से 1.52 लाख (55.07) के पास अधिकृत जल कनेक्शन थे।

जल कनेक्शन के आंकड़ों में अंतर

ग्वालियर नगर निगम के बताया गया था कि 80.37 प्रतिशत (2,48,000 घरों में से 1,99,341) घर जल संपर्क नेटवर्क के अंतर्गत है और शेष घरों को अमृत-2 परियोजना के तहत शामिल किया जाएगा। हालांकि कैग (सितंबर-21 में 3.15 लाख) और शासन के (नवंबर-2022 में 2.48) के आंकड़ों में अंतर पाया गया। कैग ने रिपोर्ट में ग्वालियर नगर निगम में कुल घरों में संख्या के आंकड़ों में 67 हजार कनेक्शन का अंतर जल कवरेज के प्रतिशत में संदेह पैदा करता है। https://www.patrika.com/gwalior-news/cag-report-8732747/

SELECTED NEWS ITEMS/ARTICLES FOR READING

26. Defence ministry clears procurement of military hardware worth Rs 84,560 crore *(telegraphindia.com)* Feb 17, 2024

The defence ministry on Friday cleared the procurement of military hardware worth Rs 84,560 crore, including multi-mission maritime aircraft, to boost the armed forces' combat, surveillance and air defence capabilities.

The procurement proposals were cleared by the defence acquisition council (DAC), headed by defence minister Rajnath Singh. It takes an estimated two to three years, at least, for a proposal approved by the DAC to fructify into a contract.

Among the procurements cleared are those of new-generation anti-tank mines and multi-mission maritime aircraft.

Medium-range maritime reconnaissance and multi-mission maritime aircraft can strengthen the navy's and the coastguard's surveillance and interdiction capabilities over the country's vast maritime areas, the defence ministry said.

The air defence tactical control radar will strengthen, in particular, India's capability to detect slow, small and low-flying targets. Flight-refueller aircraft will enhance the air force's operational capabilities and reach, the defence ministry said.

Sources in the defence ministry said India would buy over a dozen maritime surveillance aircraft from aviation giant Airbus. "The Indian Navy will get the maximum aircraft while 2-3 will be given to the coastguard," said a ministry official.

The procurement of medium-range maritime reconnaissance and multi-mission maritime aircraft will boost the navy's capabilities, especially in the Indian Ocean region.

"India is worried about China's growing influence in the Indian Ocean region. Over the past few years, the Chinese navy has been taking an assertive stand in the South China Sea and is challenging India's domination in the region. These surveillance aircraft will add more teeth to the Indian Navy's operation in the Indian Ocean region," the official said.

In the wake of the recent spate of attacks on merchant vessels in the Arabian Sea, the Indian Navy has deployed over 10 warships with marine commandos in the Arabian Sea and the Gulf of Aden to deter piracy and drone strikes and is conducting enhanced maritime security operations.

"To enhance the operational efficiency and domination in the tactical battle area for engaging targets that are beyond visual line of sight by the mechanised forces, the AoN (approval of necessity) under Buy (Indian-IDDM) category has been accorded for procurement of canister launched anti-armour loiter munition system," the defence ministry said.

The defence ministry added: "To keep the Indian naval ships one step ahead of the threats posed by the adversaries, the AoN under Buy (Indian) category has been accorded for procurement of Active Towed Array Sonar having capabilities to operate at low frequencies and various depths for long range detections of adversary submarines. The AoN has also been accorded for procurement of heavyweight torpedoes for enhancing the attacking capabilities of Kalvari Class submarines." https://www.telegraphindia.com/india/defence-ministry-clears-procurement-of-military-hardware-worth-rs-84560-crore/cid/2001009

27. India's 16th Finance Commission should prioritize urbanization *(livemint.com)* 19 Feb 2024

The wheels have been firmly set in motion for the 16th Finance Commission (FC) with the publication of the Terms of Reference and notification of its chairperson and members. Unlike for the 15th FC, the terms for the latest FC hold no surprises. It sticks to the constitutional mandate, unlike the previous FC, where certain additions triggered debates.

Central FCs have also contributed to the country immensely through thought leadership and policy innovations, governance reforms and the like to advance equitable human development in India, besides discharging their core function of recommending formulae for government resource allocation. They are effective in addressing the gap between the Centre and states on their collected resources, referred to as a 'vertical imbalance,' and inter-state gaps (which states get how much), or 'horizontal imbalances.' The central FC also determines specific allocations for local governments, even as state-level FCs do the same in the context of state finances under Articles 243(I) and 243(Y) introduced by the Constitution (74th Amendment) Act, 1992.

Over the years, central FCs have also pushed the envelope on governance and public finance reforms. Streamlining centrally sponsored schemes and unbundling power utilities, for example, and advocating other power-sector reforms and measures for fiscal sustainability at the central as well as state levels.

They have played a significant role for local governments through resource allocation to panchayati raj institutions (PRIs) and urban local bodies (ULBs). Allocations to local governments have risen by 398% to ₹4.36 trillion between the 13th and 15th FCs. Against the backdrop of Vocal for Local, Lifestyle For Environment (LiFE) and Jan Bhagidari espoused by the prime minister for greater citizen participation in governance, the 16th FC's potential to transform the governance in general and public finance in particular of India's cities is immense.

There has been a significant increase in city funding through centrally sponsored schemes, with a 500% increase in allocations between 2009-10 and 2020-21. The allocations and recommendations of the 15th FC have raised the bar for the 16th FC for cities. Raising the share of funding for cities (within local government share) from 30% to 35%, giving only performance-based grants to metropolitan cities, mandating the publication of audited annual accounts on Cityfinance.in, setting base rates and growth rates in property tax as basic eligibility conditions, and pushing for 'whole of government' accounting by aligning ULB and state accounts were all progressive recommendations.

While we have been brought up on the adage "India lives in its villages," we should be aware that India is urbanizing at a rapid pace, and over half of us will be living in urban areas by 2050.

Despite the significant increase in funding for cities, city dwellers are gasping due to challenges of flooding, air pollution, availability of quality housing, sanitation, water supply and public transport, among others. India's major cities face challenges that rival those of mid-sized countries in providing for their residents. The country needs to prioritize urbanization as a distinct development agenda to accomplish its goal of becoming a developed economy by 2047.

Here we offer specific suggestions for raising the salience of the 16th FC by making its work more accessible and visible to citizens at large. These steps would be catalytic as they could set a virtuous cycle of reforms in motion.

First, the 16th FC should consider revamping the Finance Commission of India's website to publish the rich data that successive FCs have collected. An open data microsite would have a significant catalytic effect on public finance in India, particularly at the state level. The seminal work of FCs across data, research and reform recommendations deserve to be digitally democratized.

Second, it should build a modern and contemporary user interface to crowdsource inputs for their recommendations, with built-in checks for relevance and quality. This would lend an innovative yet much-needed participatory character to its work. The complexity arising from India's heterogeneity and contextual differences, say every 100km, would benefit significantly from broader engagement and feedback mechanisms.

Third, to ensure diversity, equity and inclusion in its participatory outreach, the new FC could consider meeting with many more mayors and councillors, women's self-help groups, which are increasingly engaged in public-service delivery, and civil society organizations in not just various state capitals, but also smaller cities and towns. The significance of the long tail of 4,500 small towns with populations of under 100,000 in India's urbanization and development cannot be over-emphasized, nor the need to mainstream the voices of women, youth and the urban poor in government resource-allocation decisions.

Fourth, the 16th FC should engage the public more on social media to demystify its work and generate wider engagement. Notably, real-time updates on who they meet, and, to the extent they deem it appropriate, a synopsis of the discussions and views represented at such meetings would be extremely useful to generate greater public discourse on this critical agenda.

The 16th FC can be a force for a generational shift in urban public finance and could alter the trajectory of human development in India. Broader public engagement and recognition of its salience is a much-needed first step. https://www.livemint.com/opinion/online-views/indias-16th-finance-commission-should-prioritize-urbanization-11708257743347.html

28. 5 years on, 50 bed Ayush hospital at Kulangam Kupwara nowhere in sight *(greaterkashmir.com)* Feb 17, 2024

The residents of Kulangam and other adjacent villages in north Kashmir's Kupwara district have expressed resentment against the authorities for failing to complete the 50-bed Ayush hospital in their locality even after the passage of five years.

The residents said that this central-sponsored project being constructed under the National Ayush Mission was to be completed in 2022 but the authorities failed to accomplish the project much to the disappointment of the locals.

Following approval, the construction was started in 2019 but even after the passage of over five years, authorities have failed to complete the construction of this hospital. Even though several deadlines have passed, the authorities are yet to complete the project," a local from Kulangam said.

Another local said that the delay in the completion of the hospital had resulted in the cost escalation from Rs 7 crore to Rs 11 crore and if the work remains halted for more time, the cost escalation would go beyond Rs 11 crore.

The residents said that they had approached the concerned authorities several times to accomplish the project but to no avail.

They have now sought the intervention of Deputy Commissioner (DC) Kupwara Ayushi Sudan in this regard so that the project gets completed soon.

Meanwhile, Assistant Executive Engineer Housing Board Pirzada Muhammad Iqbal told Greater that they have submitted a fresh DPR of Rs 11 crore to Director Ayush a few months ago.

"Once the payment is released the construction work will resume," he said. https://www.greaterkashmir.com/health/5-years-on-50-bed-ayush-hospital-at-kulangam-kupwara-nowhere-in-sight/

29. With 14 of 23 Himachal PSUs in the red, cumulative losses mount *(hindustantimes.com)* Feb 18, 2024

Himachal Pradesh's state public sector undertakings (PSUs) continue to face financial challenges, with cumulative losses totalling ₹5,143.4 crore as of March 31, 2023.

Of the state's 23 PSUs, 14 are operating in the red, indicating a significant strain on the state's economic landscape. The number has remained unchanged from the 2022-23 fiscal year and is marginally up from 2021-22, when it stood at 13.

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The Himachal Road Transport Corporation (HRTC) emerged as the hardest hit, with cumulative losses standing at a staggering ₹1,966.13 crore.

It was followed closely by the Himachal Pradesh State Electricity Board with ₹1,823.97 crore in losses. The power corporation and power transmission corporation also faced substantial losses of ₹689.24 crore and ₹372.59 crore, respectively.

Additionally, the Himachal Financial Corporation reported losses amounting to ₹184.83 crore, while the HP Tourism Development Corporation, State Forest Corporation, and Himachal Horticulture Produce Marketing and Processing Corporation (HPMC) incurred losses of ₹126.63 crore, ₹98.21 crore and ₹91.20 crore, respectively.

Despite the gloomy financial picture, some PSUs managed to remain profitable. The Himachal Pradesh Industrial Development Corporation led the pack with a cumulative profit of ₹108.44 crore, followed by the Ex-Servicemen Corporation with ₹82.78 crore.

The General Industries Corporation, State Civil Supplies Corporation, State Electronics Development Corporation, and HP State Cooperative Milk Federation also reported profits amounting to ₹44.37 crore, ₹28.57 crore, ₹18.94 crore, and ₹17.09 crore, respectively.

The significant losses incurred by these PSUs have implications beyond their financial viability, affecting the livelihoods of the 32,028 employees working with the undertakings and warrant urgent need for strategic interventions for revitalisation.
https://www.hindustantimes.com/cities/chandigarh-news/with-14-of-23-himachal-psus-in-the-red-cumulative-losses-mount-101708233966851.html