

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Navy should conduct thorough, timely review of X-Engine stock levels for all depots: Par panel (*theprint.in*) Updated: December 19, 2023

The Indian Navy should prepare a “standard tender document” and conduct a thorough review of “X-Engine” stock levels annually for all depots and initiate the process for procurement, maintenance, reuse and decommissioning, as the case may be, a parliamentary panel has suggested.

The Public Accounts Committee’s ‘Eighty First Report (Seventeenth Lok Sabha) on Procurement of X-Engines’, based on a paragraph in a CAG report of 2022 relating to the Ministry of Defence, was tabled in the Lok Sabha on Monday.

“X-Engines are used on board SS class of ships as the main propulsion plant. These have a specific period of life and are required to be replaced after exploitation for certain running hours,” the report said.

These ships are missile corvettes acquired by the Navy and integrated into their fleet, it noted “Navy Instructions 2006 (NI-1/5/2006), inter alia, stipulate that in respect of shipborne equipment, provisioning is to be done based on Beyond Economical Repair (BER) and Anticipated Beyond Economical Repair (ABER) or against special sanction of competent authority for maintaining maximum stock ratio of R1 (between reserve and on-board),” the report said.

The panel in its report said, “Two ships viz., UU and W were decommissioned as per the decision of the competent authority (March 2015) in April 2016. However, N24 X-Engines earmarked to be fitted on board these two ships, were not excluded from the contract concluded in April 2016”.

It also said that two more ships “WW and XX were decommissioned in January 2018”.

“As such, the requirement of X-Engines for the remaining N13 ships in terms of NI 2006 worked out to N30 (N34 on board N13 ships and N24 as reserve) as against the holding of N31 X-Engines (December 2010),” the panel observed.

The PAC said it has taken note of the critical role played by X-Engines in achieving high navigational speeds required by the Indian Navy’s SS class ships.

“The SS class ships are missile corvettes acquired by the Indian Navy and integrated into their fleet. These X-Engines have a short life time, thereby, necessitating a sufficient stock for prompt onboard replacements. The engine provisioning guidelines of 2014 were introduced to address past stock shortages and prevent future stock situations”.

However, the audit has brought to light “several issues regarding the inventory holding of X-Engines, non-consideration of de-commissioned ships while placing order, and non-adherence to stock levels prescribed under NI-2006, which warrant careful scrutiny”, it added.

The committee said it appreciates the decision of the Indian Navy for taking timely measures in the context of Crimea annexation.

“However, they are not inclined to agree with the decision of not reducing the number of X-Engines on account of decommissioning. In Request for Proposal (RFP), the Indian Navy could consider adding the clause that the number of items may be increased/decreased at the time of final order, if not already included which is a general clause for each tender/Request For Proposal,” it said.

The committee, therefore, desires that “Indian Navy should prepare standard tender document and conduct a thorough and timely review of X-Engines stock levels annually for all depots and initiate the process for procurement, maintenance, re-use, disposal/decommissioning, as the case may be, and implement corrective measures as per guidelines in Navy Instructions (NI)-2006.” It said that “future procurements should be based on actual needs, while simultaneously maintaining a plan for contingency/crisis keeping the national interest paramount”. <https://theprint.in/india/navy-should-conduct-thorough-timely-review-of-x-engine-stock-levels-for-all-depots-par-panel/1891522/>

2. Indian Navy under Scrutiny for X-Engine Procurement and Maintenance Practices (*oneindia.com*) Updated: December 19, 2023

A parliamentary panel has suggested the Indian Navy implement a standard tender document, conduct annual reviews of X-Engine stock levels, and initiate processes for procurement, maintenance, reuse, and decommissioning of X-Engines used in SS class ships.

The Public Accounts Committee (PAC) of the Indian Parliament has released its Eighty First Report on the procurement of X-Engines for the Indian Navy, highlighting several issues and making recommendations for improvement. The report is based on a paragraph in the Comptroller and Auditor General (CAG) report of 2022 relating to the Ministry of Defence.

X-Engines and Their Significance

X-Engines serve as the main propulsion plant for the Indian Navy's SS class of ships, which are missile corvettes. These engines have a limited lifespan and require replacement after a specific number of running hours. The report emphasizes the critical role played by X-Engines in achieving the high navigational speeds required by these ships.

Inventory Management Issues

The PAC report raises concerns regarding the inventory holding of X-Engines, specifically the non-consideration of decommissioned ships while placing orders and non-adherence to stock levels prescribed under Navy Instructions (NI) 2006. The report highlights instances where X-Engines earmarked for decommissioned ships were not excluded from contracts, leading to excess stock.

Recommendations for Improvement

To address these issues, the PAC recommends that the Indian Navy prepare a standard tender document and conduct a thorough and timely review of X-Engine stock levels

annually for all depots. This review should initiate the process for procurement, maintenance, reuse, disposal, or decommissioning of X-Engines as appropriate, ensuring compliance with NI-2006 guidelines.

The committee also suggests that future procurements should be based on actual needs, while maintaining a plan for contingencies and crises, keeping the national interest paramount. Additionally, the Indian Navy is advised to consider including a clause in the Request for Proposal (RFP) allowing for adjustments in the number of items at the time of the final order, if not already included.

The PAC's report highlights the importance of effective inventory management and procurement practices for critical components like X-Engines. By implementing the recommended measures, the Indian Navy can ensure the operational readiness of its SS class ships and optimize resource utilization. <https://www.oneindia.com/india/indian-navy-x-engine-procurement-maintenance-review-gen-3708113.html?story=2>

3. Parl panel criticises MEA for tax exemption to South Asian University registrar (*hindustantimes.com*) Updated: December 18, 2023

A 2021 CAG report pointed out that a notification on the South Asian University issued by the ministry in January 2009 wrongly extended privileges to the registrar for grant of income tax exemption

NEW DELHI: A parliamentary panel has criticised the external affairs ministry for a gazette notification of 2009 that erroneously granted income tax exemption to the registrar of the South Asian University and resulted in a loss of ₹90.06 lakh to the state exchequer.

In a report presented to both houses of Parliament on Monday, the Public Accounts Committee (PAC) chaired by Congress MP Adhir Ranjan Chowdhury noted that the loss of revenue was first highlighted by the Comptroller and Auditor General (CAG) in a report published in 2021. The panel was briefed on the matter by officials of CAG and the external affairs ministry.

The CAG report pointed out that a notification on the South Asian University issued by the ministry in January 2009 wrongly extended privileges to the registrar for grant of income tax exemption since the agreement signed by member states of the South Asian Association for Regional Cooperation (Saarc) for establishing the varsity allowed for tax exemption only for the university's president and faculty members.

The PAC report underlined that the reasons for including the post of registrar in the gazette notification "were not on record", and that the panel was "perplexed" that such an error crept in despite the notification being vetted by the external affairs and law and justice ministries.

Besides calling for a review and strengthening of procedures followed by the external affairs ministry for issuing gazette notifications, the PAC said the ministry's submission that the anomaly in the notification was a "genuine error" that occurred at the time of printing and that there was no mala fide intention was "neither convincing nor sufficient to completely rule out the possibility of complicity".

The PAC called on the external affairs ministry to investigate the matter in detail and take appropriate action against the officials responsible for the lapse.

The external affairs ministry became aware of the error when the South Asian University's first registrar, appointed in 2011, approached the ministry for a diplomatic identity card and tax exemption certificate. The ministry advised the university in 2011 and 2012 to stop granting tax exemption to the registrar. Despite this, the university kept granting tax exemptions to the registrar during 2011-2020. The CAG audit concluded that this resulted in revenue losses of ₹90.06 lakh between July 2011 and December 2017.

The external affairs ministry told the PAC that another gazette notification issued in May 2021 corrected the anomaly in the 2009 notification with retrospective effect and that the income tax authorities have initiated recoveries from the individual concerned.

The PAC also criticised the South Asian University for overlooking the external affairs ministry's advice to not grant tax exemption to the registrar and said there should be constant consultations between international organisations and the government to ensure effective management of situations. <https://www.hindustantimes.com/india-news/parl-panel-criticises-mea-for-tax-exemption-to-south-asian-university-registrar-101702907005415.html>

4. Parliamentary panel raised question on infrastructure development & faculty recruitment in second generation IITs (*timesofindia.indiatimes.com*) Dec 18, 2023

NEW DELHI: A Parliamentary panel in its report stated that as of November 2020, allotment and transfer of land was completed for four new IITs, while in four others "large land portions were pending possession."

As per a detailed project report of the ministry of education, the new IITs would be residential institutes of an area of about 500 to 600 acres each.

The Public Accounts Committee (PAC) report, tabled in the Lok Sabha on Monday, noted that of the 399 acres allotted to the IIT-Gandhinagar, 150 acres was in unsuitable condition. As per the building completion audit as of 2019, IIT-Bhubaneswar and Jodhpur have completed Phase-1 of buildings, while Gandhinagar, Mandi and Ropar have not initiated the Phase-2 building construction.

The panel noted that the construction on campus, infrastructure development and faculty recruitment for second generation IITs was undertaken in a phased manner from 2012 but the pace was not commensurate with the increase in student intake.

The report is based on a CAG audit in 2021 of the eight second generation IITs -- Jodhpur, Mandi, Gandhinagar, Hyderabad, Indore, Bhubaneswar, Ropar and Patna.

The PAC, chaired by Congress MP Adhir Ranjan Chowdhury, raised concern on how the ministry of education (MoE) went for large scale expansion of the IIT System without ensuring availability of requisite - suitable land from the state governments,

observed that for construction of permanent campuses and providing planned facilities to the students, transfer of suitable land by the states was the primary requirement.

“The committee notes that though the infrastructure work like construction of academic buildings, hostels, laboratories etc, were undertaken in a phased manner in all IITs from 2012, the pace of their creation was not commensurate with the pace of envisaged increase of student/faculty. The delays were significantly high in respect of five IITs (IIT Hyderabad up to 56 months, IIT Mandi up to 41 months, IIT Ropar up to 39 months, IIT Gandhinagar and IIT Indore up to 37 months),” the report stated.

“The MoE submitted that when an IIT is to be established in a State, the Ministry requests the state governments to allocate 500-600 acres of land free of all encumbrances which then identify two or three sites as per availability for placing before a site selection committee comprising of senior officials from the ministry, representative from the concerned IIT, mentor IIT and CPWD that visit and inspect the sites and submits their recommendations for final selection.

“Ministry added that taking into account the issues in allotment and transfer of land in some of the IITs, in future, efforts would be made to impress upon the State Governments for identification of suitable land for transfer for setting up of the IIT. In view of unsuitable land offered by some of the state governments subsequently for creation of infrastructure of IITs, the committee is constrained to observe that proper due diligence was not conducted by the site selection committee,” it added.

The panel noted that the IITs have attributed the delay in construction of buildings to time taken for finalisation of designs, obtaining regulatory clearances, statutory approval, shortage of labour and remoteness of area.

<https://timesofindia.indiatimes.com/india/parliamentary-panel-raised-question-on-infrastructure-development-faculty-recruitment-in-second-generation-iits/articleshow/106102544.cms>

5. **Eight New IITs Are Running Into Problems: PAC Report Sheds Light on Why It's Happening** (*indiatimes.com*) Dec 19, 2023

Delayed infrastructure development, slow pace of recruitment of faculty and cost escalation are some of the major issues plaguing the Institutes of Technology (IITs).

This was pointed out by the Public Accounts Committee (PAC) in a report submitted to the Lok Sabha on Monday. The findings are based on a 2021 report of the Comptroller and Auditor General (CAG) covering eight IITs.

Who compiled the report?

The report submitted by PAC on Monday is titled 'Setting up of new Indian Institutes of Technology'.

The Public Accounts Committee is a panel of selected members of parliament, constituted by the Parliament of India, to audit the revenue and expenditure of the Government of India.

The committee examined the details of expenditure in 2022-23. The panel, headed by Congress's Adhir Ranjan Chowdhury, sought replies from the Ministry of Education.

What did the report say?

The report was based on the CAG 2021 report covering eight new IITs — Bhubaneswar, Gandhinagar, Hyderabad, Indore, Jodhpur, Mandi, Patna, and Ropar.

The CAG report highlighted the challenges faced by the IITs, such as

-Infrastructure challenges

-There is a slow pace of faculty recruitment, not keeping pace with student intake and an inadequate faculty-to-student ratio

-Less enrolment against available seats Lack of enough representation of reserved categories in student enrolment

-Delays in construction of permanent campuses and providing planned facilities to the students, up to 56 months in Hyderabad, 41 months in Mandi, 39 months in Ropar, 37 months in Gandhinagar and 37 months in Indore

Why the delay in completion of IIT projects? IIT Bhubaneswar

-According to the report, the reasons given by the institutes for delay in project completion are:

-Time taken for "finalisation of designs, obtaining regulatory clearances, statutory approval, shortage of labour, remoteness of area, etc." Constraints in water and electricity supply

The committee stated that the Ministry of Education (MoE) needs to address these issues in consultation with the State Government concerned. The MoE accepted the delays, stating in the report: "It is accepted that there has been delay in execution/completion of the project. The Ministry has been impressing upon all IITs to strictly follow the Contracts, monitor the progress of projects and implement the penalty clauses, wherever necessary." <https://www.indiatimes.com/news/education/eight-new-iits-are-running-into-problems-pac-report-sheds-light-on-why-its-happening-623822.html>

6. Infra development, faculty hiring at second generation IITs didn't correspond with student intake: Par panel (*devdiscourse.com*)

Updated: December 19, 2023

It observed that for construction of permanent campuses and providing planned facilities to students, transfer of suitable land by states was the primary requirement. The report is based on a CAG audit in 2021 of the eight second generation IITs -- Jodhpur, Mandi, Gandhinagar, Hyderabad, Indore, Bhubaneswar, Ropar and Patna.

Infrastructure development on campus and faculty recruitment for second generation IITs was undertaken in a phased manner from 2012 but the pace was not commensurate with the increase in intake of students, a parliamentary panel has noted. The Public

Accounts Committee, chaired by Congress MP Adhir Ranjan Chowdhury, in its report tabled in Lok Sabha on Monday, also questioned how the Ministry of Education (MoE) went for large-scale expansion of the IIT system without ensuring availability of requisite suitable land from state governments. It observed that for construction of permanent campuses and providing planned facilities to students, transfer of suitable land by states was the primary requirement.

The report is based on a CAG audit in 2021 of the eight second generation IITs -- Jodhpur, Mandi, Gandhinagar, Hyderabad, Indore, Bhubaneswar, Ropar and Patna. "The committee notes that though the infrastructure work like construction of academic buildings, hostels, laboratories etc, was undertaken in a phased manner in all IITs from 2012, the pace of their creation was not commensurate with the pace of envisaged increase of student/faculty," the report said. The delays were "significantly high in respect of five IITs (IIT Hyderabad up to 56 months, IIT Mandi up to 41 months, IIT Ropar up to 39 months, IIT Gandhinagar and IIT Indore up to 37 months)", it said. "The MoE submitted that when an IIT is to be established in a state, the ministry requests state governments to allocate 500-600 acres of land free of all encumbrances which then identify two or three sites as per availability for placing before a site selection committee comprising of senior officials from the ministry, representative from the concerned IIT, mentor IIT and CPWD that visit and inspect the sites and submits their recommendations for final selection," the report said. The ministry added that taking into account the issues in allotment and transfer of land in some of the IITs, in the future, efforts would be made to impress upon state Governments for identification of suitable land for transfer for setting up of an IIT, the report said. "In view of unsuitable land offered by some of the state governments subsequently for creation of infrastructure of IITs, the committee is constrained to observe that proper due diligence was not conducted by the site selection committee," it added.

The panel noted that the IITs have attributed the delay in construction of buildings to time taken for finalisation of designs, obtaining regulatory clearances, statutory approval, shortage of labour and remoteness of area. It also said an audit observed that the IITs have been recruiting faculty consistently. However, the pace of recruitment of faculty did not correspond to the student intake or enrolment, resulting in vacancies in faculty positions, the committee said. "This shortage was observed even to the end of March 2019 in all IITs except in IIT-Ropar. Faculty to student ratio was ranging between one to 16 in IIT Bhubaneswar and one to 11 in IITs Jodhpur and Mandi indicating the shortfall in the faculty positions in IITs except in IIT-Ropar," the report said. The committee noted that faculty vacancies were ranging between five per cent to 36 per cent. "Regarding consideration of the availability of enough suitable faculty candidates before the setting up of new IITs, the ministry submitted that initially these eight IITs were proposed to start with student strength of 120, for which faculty strength of 30 was proposed that may increase in proportion to the student strength of these IITs," the report said. <https://www.devdiscourse.com/article/education/2750224-infra-development-faculty-hiring-at-second-generation-iits-didnt-correspond-with-student-intake-par-panel>

7. Parliament's Public Accounts Committee Flags Problems Plaguing 8 New IITs (*news18.com*) Updated: December 19, 2023

Delayed infrastructure development leading to cost escalations as well as the slow pace of recruitment of faculty, not in proportion with the increase in student intake, are among the major issues flagged by a parliamentary committee about the eight new Institutes of Technology (IITs) set up in 2008-09, in a report submitted in the Lok Sabha on Monday.

The Public Accounts Committee (PAC), which is Parliament's major auditing panel, presented its report titled 'Setting up of new Indian Institutes of Technology' in the House on Monday. The committee sought replies from the union ministry of education and examined the details of 2022-23. The panel is headed by Congress's Adhir Ranjan Chowdhury.

The findings are based on a 2021 report of the Comptroller and Auditor General (CAG) covering eight new IITs —Bhubaneswar, Gandhinagar, Hyderabad, Indore, Jodhpur, Mandi, Patna, and Ropar.

The CAG 2021 report highlighted how the newer IITs faced infrastructure challenges, recorded less enrolment against available seats, had an inadequate faculty-to-student ratio, and did not have enough representation of reserved categories in student enrolment.

The committee while questioning how the MoE went for large-scale expansion of the IIT system observed that for the construction of permanent campuses and providing planned facilities to the students, transfer of suitable land by the states was the primary requirement.

The PAC report highlighted that the delays were significantly high for five IITs — Hyderabad (up to 56 months), Mandi (up to 41 months), Ropar (up to 39 months), Gandhinagar (up to 37 months), and Indore (up to 37 months).

According to the report, in the response received from the institutes, the IITs attributed the delay in the construction of the buildings to the time taken for "finalisation of designs, obtaining regulatory clearances, statutory approval, shortage of labour, remoteness of area, etc".

The ministry though explained that constraints in water and electricity supply coupled with the execution of work based on conceptual design finalised by the architectural consultants further contributed to the delays as individual details were worked out in the construction process. <https://www.news18.com/education-career/parliaments-public-accounts-committee-flags-problems-plaguing-8-new-iits-8709091.html>

8. Notify NCR Plan-2041 in six months, parliamentary panel recommends (*indianexpress.com*) Updated: December 19, 2023

The NCRPB was established by an act of Parliament in 1985 to coordinate the planning of the NCR across districts in Uttar Pradesh, Delhi, Haryana, and Rajasthan. The board

is chaired by the Union Housing and Urban Affairs Minister and includes members from NCR states.

NCR Plan 2041, parliamentary panel recommendations, National Capital Region, Parliament Public Accounts Committee, Adhir Ranjan Chowdhury, NCR Planning Board, NCRPB in Lok Sabha, CAB India 2020 report, indian express news

The committee noted that the RP-2021 was only notified in 2005 - five years after the period it was supposed to cover (2001 to 2021) began. (Express File Photo)

A Parliamentary panel Monday recommended that the Regional Plan 2041 for the National Capital Region – the draft of which was published in 2021 – be notified within six months, adding that the delay in finalising and reviewing the previous plan, RP-2021, had led to “unplanned commercialisation and haphazard development” of the NCR.

The Public Accounts Committee of Parliament, chaired by Congress leader Adhir Ranjan Chowdhury, tabled its report on the functioning of the NCR Planning Board (NCRPB) in the Lok Sabha on Monday. The committee looked into the findings of the Comptroller and Auditor General of India’s 2020 report on the functioning of the Housing and Urban Affairs Ministry, which contained a review of the NCRPB.

The committee noted that the RP-2021 was only notified in 2005 – five years after the period it was supposed to cover (2001 to 2021) began.

“The Committee further found that no timeline was followed to review the RP-2021 which is a contributory factor for the delays for which the Board could not furnish any reason. This delay has led to unplanned commercialisation and haphazard development of the NCR... The Committee further notes with concern that the Draft RP 2041 which remains to be formally approved, has received several objections, particularly from environmentalists and Government of Haryana,” the committee’s report said.

It added that all stakeholders should be brought on one platform and the differences should be ironed out at the earliest “so that the RP-2041 also does not meet the fate as that of RP-2021”. The committee recommended that the NCRPB notify RP-2041 within six months and review it after five years, as mandated.

Asked by the committee about the current status of RP-2041, the Ministry said the draft had been published on December 9, 2021, to invite public suggestions and objections. “The Draft Final Regional Plan 2041, after incorporating public suggestions, is proposed to be placed before the Board for consideration and approval for its final publication,” the Ministry said, as per the report.

According to a source, the final RP draft would be placed before the Board at the “earliest”.

The NCRPB was established by an act of Parliament in 1985 to coordinate the planning of the NCR across districts in Uttar Pradesh, Delhi, Haryana, and Rajasthan. The board is chaired by the Union Housing and Urban Affairs Minister and includes members from NCR states.

In its report, the C&AG had said: “The NCRPB has not been able to build a strong relationship with the States and Union Territory in the NCR.” It had raised the issue of delay in notifying and revising the RP-2021, non-formulation of functional plans for different sectors and irregularities in granting loans to cities. <https://indianexpress.com/article/cities/delhi/notify-ncr-plan-2041-in-six-months-parliamentary-panel-recommends-9073615/>

9. District Mineral Foundations set up in 644 districts in 23 states: Union minister Pralhad Joshi (*economictimes.indiatimes.com*) Dec 19, 2023

In a written reply to the Rajya Sabha, coal and mines minister Pralhad Joshi said DMFs been set up in 644 districts in 23 states. New Delhi: District Mineral Foundations (DMFs) have been set up in 644 districts across 23 states, Parliament was informed on Monday. States have been empowered to establish DMFs to work for the welfare and benefit of persons, and areas affected by mining-related operations.

In a written reply to the Rajya Sabha, coal and mines minister Pralhad Joshi said DMFs have been set up in 644 districts in 23 states.

States have also been empowered to frame rules for regulating the working of the DMFs.

"To enhance transparency and accountability in DMF... Ministry of Mines has requested the Comptroller & Auditor General of India (CAG) to take up special audit of DMF and in response the CAG has informed that the same has been taken up in the annual audit plan of FY2023-24," the minister said. <https://energy.economictimes.indiatimes.com/news/coal/district-mineral-foundations-set-up-in-644-districts-in-23-states-union-minister-pralhad-joshi/106106953>

STATES NEWS ITEMS

10. Congress alleges irregularities in Odisha’s power sector, demands CAG audit (*theprint.in, latestly.com*) Updated: December 18, 2023

Alleging large-scale financial irregularities in the Odisha government’s Energy Department, the Congress on Monday demanded an audit by the CAG.

Addressing a press conference, state Congress president Sarat Pattanayak claimed the BJD government has allocated Rs 20,000 crore for power infrastructure development but no one knows what happened to the money.

“Now, the government is planning to allocate Rs 15,000 crore to a private company that is operating in the power distribution sector in the state,” he said.

Senior Congress leader Bijay Patnaik said the aggregate technical and commercial (AT&C) loss was 22 per cent between 2017-18 and 2020-21 despite the allocation of such a huge amount of funds for the development of power infrastructure.

“The AT&C loss in Gujarat was at 13 per cent, while it was 18 per cent in Chhattisgarh. If the AT&C loss remained the same for three years, where has this money gone, and why is an additional amount being allocated?” he asked.

The Congress leaders demanded an audit by the Comptroller and Auditor General (CAG), alleging financial irregularities in the Energy Department.

Senior BJD leader Amar Satpathy said that the sector is regulated by the Odisha State Electricity Regulatory Commission (OERC) and if the Congress has any specific allegation, they should put forth those with evidence before it.

“The party has made such wild allegations against the government only for political gains,” he said. <https://theprint.in/india/congress-alleges-irregularities-in-odishas-power-sector-demands-cag-audit/1891426/>

11. ओडिशा: कांग्रेस ने ऊर्जा विभाग में वित्तीय धांधली के लगाए आरोप, CAG ऑडिट की मांग; बीजद सरकार पर वार (*amarujala.com*) Updated: December 18, 2023

ओडिशा सरकार के ऊर्जा विभाग में बड़े पैमाने पर वित्तीय धांधली का कांग्रेस ने आरोप लगाया है। वहीं कांग्रेस ने इस मद्दे को लेकर सोमवार को सीएजी से ऑडिट कराने की मांग की। कांग्रेस के प्रदेश अध्यक्ष शरत पटनायक ने दावा किया कि बीजद सरकार ने बिजली बुनियादी ढांचे के विकास के लिए 20,000 करोड़ रुपये आवंटित किए हैं, लेकिन कोई नहीं जानता कि पैसे का क्या हुआ। उन्होंने कहा, सरकार राज्य में बिजली वितरण क्षेत्र में काम करने वाली एक निजी कंपनी को 15,000 करोड़ रुपये आवंटित करने की योजना बना रही है।

वरिष्ठ कांग्रेस नेता विजय पटनायक ने कहा कि बिजली बुनियादी ढांचे के विकास के लिए इतनी बड़ी राशि के आवंटन के बावजूद 2017-18 और 2020-21 के बीच कुल तकनीकी और वाणिज्यिक (एटी एंड सी) हानि 22 प्रतिशत थी। गुजरात में एटीएंडसी घाटा 13 फीसदी था, जबकि छत्तीसगढ़ में यह 18 फीसदी था। अगर एटीएंडसी घाटा तीन साल तक समान रहा, तो यह पैसा कहां गया। अतिरिक्त राशि क्यों आवंटित की जा रही है। कांग्रेस नेताओं ने ऊर्जा विभाग में वित्तीय धांधली का आरोप लगाते हुए नियंत्रक एवं महालेखा परीक्षक (सीएजी) से ऑडिट कराने की मांग की।

बीजद के वरिष्ठ नेता अमर सत्यथी ने कहा कि यह क्षेत्र ओडिशा राज्य विद्युत नियामक आयोग (ओईआरसी) द्वारा विनियमित है और यदि कांग्रेस के पास कोई विशिष्ट आरोप है, तो उन्हें सबूत के साथ सामने रखना चाहिए। उन्होंने कहा, पार्टी ने केवल राजनीतिक फायदे के लिए सरकार पर ऐसे आरोप लगाए हैं। <https://www.amarujala.com/india-news/congress-alleges-irregularities-in-odisha-s-power-sector-demands-cag-audit-2023-12-18>

SELECTED NEWS ITEMS/ARTICLES FOR READING

12. India's net direct tax collections surge nearly 21% in FY24 so far (*cnbctv18.com*) Updated: December 18, 2023

India's direct tax collections for the fiscal year 2023-24 have demonstrated robust growth, with provisional figures revealing a solid 20.66% increase in net collections compared to the corresponding period of the previous fiscal year.

As of December 17, 2023, the net direct tax collections stand at ₹13,70,388 crore, a significant rise from ₹11,35,754 crore recorded during the same period in FY 2022-23. This impressive surge is attributed to a growth rate of 17.01% in gross collection of direct taxes, which amounts to ₹15,95,639 crore.

Breaking down the figures, the net direct tax collection includes corporation tax (CIT) at ₹6,94,798 crore (net of refund) and personal income tax (PIT) including securities transaction tax (STT) at ₹6,72,962 crore (net of refund). The gross collection encompasses CIT at ₹7,90,049 crore, and PIT including STT, at ₹8,02,902 crore.

Advance tax collections for FY 2023-24 are reported at ₹6,25,249 crore, indicating a substantial growth of 19.94% compared to the previous fiscal year. This includes CIT at ₹4,81,840 crore and PIT at ₹1,43,404 crore.

Additionally, refunds amounting to ₹2,25,251 crore have been issued in the current fiscal year until December 17, 2023. These figures underscore the resilience of India's direct tax system and its ability to adapt to economic dynamics, reflecting positive trends in the country's financial landscape. <https://www.cnbctv18.com/economy/indias-net-direct-tax-collections-surge-nearly-21-pc-in-fy24-so-far-18595161.htm>

13. PAC report: Erroneous tax exemption to South Asian University cost loss of over Rs 90 lakh to exchequer (*timesofindia.indiatimes.com*) Updated: December 18, 2023

NEW DELHI: Erroneous tax exemption granted to South Asian University (SAU) registrar has resulted in loss of over Rs 90 lakh to the exchequer, noted the Public Accounts Committee (PAC) in its report tabled in Lok Sabha on Monday.

The PAC chaired by Congress MP Adhir Ranjan Chowdhury noted that a gazette notification by the ministry of external affairs (MEA) in respect to the SAU has wrongly extended privileges to the registrar for grant of income tax exemption which has caused the loss.

The report noted that MEA first became aware of the error in 2011 when it was approached for a diplomatic identity card and tax exemption certificate for the university's first registrar.

“The committee is perplexed to note that the error crept in despite the notification vetted by various departments of the government. The procedure followed for issuance of gazette notification by the Ministry needs to be reviewed and strengthened, more so for notifications issued by MEA which may have international ramifications,” the report stated.

It recommended creation of a ‘Procedural Standards Cell’ for examining all aspects related to provisions being notified and published through gazette notification so as to prevent such aberrations in the future.

The report underscored that the inter-governmental agreement signed for the establishment of SAU by the member nations of the SAARC states that the taxation

and social protection of the citizens of the founding states employed by the university is regulated in accordance with the national legislation of the respective states.

“The audit found that the incumbents to the post of Registrar were Indian nationals who are subject to the taxation laws of Government of India. The submissions made by MEA that the anomaly in the gazette notification was a genuine error which occurred at the time of printing and there is no malafide intention on part of any officer of the ministry, is neither convincing nor sufficient to completely rule out the possibility of complicity.

“The committee desires that the ministry investigate the matter in detail and appropriate action on the officials who may be found responsible for the lapse,” said the report.

The panel has also flagged “lack of vigilant” scrutiny by the Income Tax department in verifying the eligibility of individuals for tax exemptions and acceptance of such certificates without consultation with MEA.

<https://timesofindia.indiatimes.com/india/pac-report-erroneous-tax-exemption-to-south-asian-university-cost-loss-of-over-rs-90-lakh-to-exchequer/articleshow/106102444.cms?from=mdr>

14. Path to net-zero, not a smooth ride for States (*thehindubusinessline.com*) Updated: December 18, 2023

The phasing out of fossil fuel will exert pressure on some States. They will need to diversify their tax base

The imperative for a global shift to net-zero emissions has stark implications for developing nations and those with economies deeply rooted in fossil fuels. These countries stand on the precipice of dramatic economic upheaval, given their vulnerability to disruptions in industrial output, capital investment, and job markets — particularly as these key sectors currently represent substantial segments of their economic structure.

According to McKinsey’s analysis, the trajectory towards 2050 forecasts a precipitous decline in fossil fuel production: oil and gas outputs are projected to dwindle to 45 per cent and 30 per cent of present-day figures, respectively.

Moreover, the coal industry, primarily for energy purposes, is anticipated to dwindle to near obsolescence by mid-century. The ripple effects will extend beyond production to significantly dampen demand for a swathe of products that are currently dependent on fossil fuels.

Turning to India, a nation with its own commitment to reach net-zero emissions by 2070, the repercussions are significant. This transition is bound to have a great fiscal impact, given India’s high dependence on fossil fuel revenue. India is a minor producer of oil, major coal producer, and major consumer of both. Central and State governments impose many taxes, cesses, duties and even non-tax levies such as dividends and royalties on fossil fuels.

A CSEP working paper by Laveesh Bhandari and Aasheerwad Dwivedi found that in 2019-20, India collected 3.2 per cent of GDP equivalent of revenue by taxing coal, oil

and natural gas. The study projected that this revenue would decline to 1 per cent of GDP by 2040.

Some States that rely heavily on fossil fuel revenue must confront a looming fiscal challenge. However, these aggregate numbers mask the wide variation of States' dependence on these revenues. In fact, some States depend heavily on the revenue stream from fossil fuels much more than others.

The paper found that Jharkhand, Chhattisgarh, and Madhya Pradesh obtain 22-23 per cent of their own revenues from coal, oil, and natural gas combined. Further, Odisha, Bihar, Andhra Pradesh, and Rajasthan derive between 15-18 per cent of their own revenues from fossil fuels. This means that the impact of moving away from fossil fuels will vary widely across States, with some taking a big hit.

Central reliance

Incidentally, some of these States already rely heavily on transfers from Centre. For instance, in 2023-24, Bihar is projected to receive a staggering 74 per cent of its total revenue from central transfers. This trend of high dependency is also notable in Jharkhand (51 per cent), Madhya Pradesh (55 per cent), Chhattisgarh (47 per cent), Odisha (43 per cent), and Andhra Pradesh (43 per cent). These States currently struggle to generate adequate revenue through their own resources.

The impending transition from fossil fuels will likely exacerbate these fiscal challenges. Additionally, these States may need to invest in subsidies to promote low-carbon technology adoption. This would be complemented by strategies not directly aimed at emission reduction but designed to facilitate it by reducing its economic and social costs.

These strategies are grouped into two main categories: Firstly, measures to enhance the cost-effectiveness of decarbonisation, including accelerating new abatement technologies, fostering business dynamism, upgrading infrastructure, and attracting private investment.

Secondly, policies to mitigate the impact of climate policies on different social groups involve tax reforms.

As revenue from fossil fuels dwindles, the reliance on central transfers could deepen, potentially creating fissures between the Centre and the States and among the States themselves. There is a concern that States that are transitioning more swiftly to clean energy might perceive an unfair fiscal burden, questioning why they should face financial constraints to achieve a faster transition.

However, it is also important to note that some States have a natural advantage in renewable capacity over others based on their geographical location. States like Gujarat and Maharashtra, located in the western regions, have one of the highest renewable capacities in the country. So, the new avenues of taxation will not be available to States in a similar proportion as it exists with fossil fuels today.

East-West disparities

Therefore, it is clear that the ongoing transition would create a set of winners and losers among States. These groupings also have a geographical dimension. States losing out are mostly located in the eastern part of the country with relatively poor socio-economic conditions. On the other hand, winners are located in the western part of the country with relatively better socio-economic status.

Given that the period of GST compensation cess is over, the States losing out would find it increasingly difficult to take up infrastructural development using their own funds. Their reliance on fund transfer would increase, creating a spillover impact on central government finances, too.

Future Union Finance Commissions are likely to incorporate energy transition considerations into their horizontal devolution formula, reflecting the country's commitment to sustainable energy. However, this anticipated change places a significant onus on these States to diversify and strengthen their own revenue streams.

The expectation that the Centre will continually compensate for revenue shortfalls is untenable and reflects a lack of fiscal responsibility. Regrettably, some States have adopted this approach, engaging in fiscally imprudent actions. A prime example is the implementation of prohibition policies in a State with limited revenue sources.

This decision undermines their financial stability and operates under the misguided assumption that the Finance Commission will invariably provide a safety net. Reliance on central support cannot and should not be a substitute for sound fiscal strategies and economic diversification at the State level.

Institutional strengthening of revenue departments, establishing data analytics wings to monitor revenue and identify leakages, increasing tax compliance awareness, modernising IT infrastructure, asset monetisation, especially of land assets, and efficient tax and fee collection by local governments are some of the starting points. State governments should immediately pursue these and be future-ready. <https://www.thehindubusinessline.com/opinion/path-to-net-zero-not-a-smooth-ride-for-states/article67651690.ece>

15. Indian Army to boost T-90 tanks with Automatic Target Tracker, Digital Ballistic Computer (*firstpost.com*) Dec 18, 2023

The T-72 tanks will be gradually replaced by 1,700 Future Ready Combat Vehicles (FRCV), which the Indian Army is currently procuring. Battlefield Management System equipment will be installed on the FRCVs (BMS) Image Courtesy PTI

In a meeting on November 30, the Defence Acquisition Council (DAC) has reportedly approved the purchase and integration of two technological kinds for T-90 tanks: the Digital Ballistic Computer (DBC) and Automatic Target Tracker (ATT), both of which are a component of the fire control system.

In essence, an AoN is the ministry of defense's approval given at the outset of the procurement procedure. The mainstay of the Indian Army's armoured capabilities are the T-90 and T-72 tanks, which are manufactured in Russia.

Approximately 475 additional T-90 tanks are being developed, and the India Army reportedly has up to 1,200 of them in service.

According to a defence ministry official, the 1,200 tanks that are now in use will be refurbished, but the new tanks will have an integrated ATT, the source continued.

The official explained how this technology will benefit the Army, saying that it will “help the T-90s get better sight to spot enemy tanks easily.”

The use of ATT technology facilitates accurate engagement with moving targets. Currently, the T-90 tanks are manually positioned in order to attack a target precisely.

Based on the atmospheric conditions, the DBC, which powers the fire guidance system, determines the round’s course. The temperature inside the tank, the ambient temperature, and the wind’s direction and speed all have an impact on the performance of a round of ammunition. To hit an exact target, the DBC bases its computations on all of these variables.

The tanks’ existing analogue computer is being replaced with a digital one to eliminate the possibility of prejudice and human mistake.

The Indian Army also uses over 2,400 T-72 tanks, which are not equipped with the ATT and DBC, in addition to the T-90s.

The T-72 tanks will be gradually replaced by 1,700 Future Ready Combat Vehicles (FRCV), which the Indian Army is currently procuring. Battlefield Management System equipment will be installed on the FRCVs (BMS).
<https://www.firstpost.com/india/indian-army-to-boost-t-90-tanks-with-automatic-target-tracker-digital-ballistic-computer-13518162.html>

16. Govt efforts to develop Indian cities are outpaced by new challenges. We need these 10 fixes (*theprint.in*) 19 December, 2023

The central government’s investments in urban projects rose by 488% between 2009-10 and 2021-22. Why then do we still await better governance where we live, work, and play?

India’s cities do not have a hundred different problems — they have the same problems repeated hundreds of times. Floods, air pollution, sanitation, urban poor housing, public safety, water scarcity, and traffic are some of the intractable and recurring systemic challenges faced by our cities.

Yet, over the past decade, we have seen a new dawn in India’s cities. The central government’s investments in urban projects rose by 488 per cent between 2009-10 and 2021-22, thanks to flagship schemes such as Pradhan Mantri Awas Yojana, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat Mission, and Smart Cities Mission. Several chief ministers, too, across political parties, have mainstreamed urban development as a political agenda.

Houses and toilets have been built in the millions, hundreds of faecal sludge treatment plants put up in several states, coverage of household-level water supply has massively

multiplied, metro rail networks are being built in dozens of cities, lakes and riverfronts are being rejuvenated, self-help groups are empowering women in the millions, and urban employment guarantee schemes have been rolled out.

Why then do we, as average city dwellers, still await better governance and service delivery at the first mile where we live, work, and play? Even as we are investing more in solutions, our problems are outpacing them and new challenges are emerging. Rapid urbanisation in India on a base that is already gargantuan—over 400 million citizens live in 4,900 plus cities—has exceeded the limits of what the Union or state governments can achieve through their programmes.

The change we need now

We need robust systems and institutions at the city level, which can deliver a responsive governance that can adapt to context and communities in different states and districts. Our municipalities should no longer serve only as implementation agencies of the state government's schemes. The city should be governed as a place in its own right, with a single point of political accountability (like the PM for the country or the CM for a state).

Establishing a responsive and adaptive governance in cities requires a framework comprising four city systems: Urban planning and design; urban capacities and resources; empowered and legitimate political representation; and transparency, accountability, and citizen participation. Janaagraha's Annual Survey of India's City-Systems 2023 report studied over 300 law and policy documents across 35 states and Union territories through 52 questions based on the city-systems framework. Based on this research and our work with governments, we identified 10 specific instruments of change that can deliver adaptive governance in cities.

Ten instruments of change

First, we need spatial development plans that are prepared, implemented, and enforced on the basis of modern state spatial planning laws. The current master planning paradigm and town and country planning laws need to be overhauled. Nearly 40 per cent of our state capitals lack active master plans. The National Urban Spatial Planning and Development (NUSPD) guidelines, introduced in 2014 under the aegis of the erstwhile Ministry of Urban Development, serve as an exemplary model.

Second, our streets and public spaces need to be built on mandatory design standards that lay out principles for designing, contracting, executing, and maintaining roads, footpaths and the eight public utilities that go alongside a road. Currently, no state in India has any such standardised guidelines in place. The Tender SURE (Specifications for Urban Roads Execution) model first pioneered in Bengaluru and now being scaled across 20 cities in five states is worthy of emulation.

Third, only a part of the 74th Constitutional Amendment Act, which gave distinct power to urban local bodies, has been implemented by states, owing to its poor design. We need a constitutional amendment that would recognise the city as a distinct unit of governance and economy, mandate a single point of political accountability, and surmount the spatial and functional fragmentation in governance, service delivery and accountability.

Fourth, India needs a paradigm of metropolitan governance for million-plus cities. The current spatial fragmentation across multiple municipalities and gram panchayats, city and state parastatals and state departments is not serving the cause of agglomeration economies (or regional scale challenges such as air quality and water supply and conservation) in these cities.

Fifth, our municipal Acts and city councils need to be modernised. They are our city parliaments. Timely elections to city councils, mayors with a five-year term, councils with meaningful powers and oversight over parastatals, better physical and digital infrastructure for city councils, live webcast of council proceedings, leadership development programmes for first-time councillors, and a pan-India peer network of councillors are all necessary measures to empower mayors and councils.

Sixth, 21st-century governance must include civic technology that ushers in real-time communication between citizens, councillors and ward-level officials, radical transparency in hyperlocal budgets and civic works and participatory budgeting. Open cities and participatory budgeting will deepen democracy in our cities and engender voice and agency at the first mile. The Odisha government's JAGA mission, for example, has allocated 25 per cent of municipal budgets to over 3,000 urban poor communities and created and empowered a fourth tier of governance in the form of Slum Dwellers' Associations.

Seventh, municipal taxation and transfers that provide our cities, particularly smaller ones with a population of less than 5 lakh, with buoyant and predictable funding are necessary to fulfil obligations to citizens. We need a share of GST devolved to cities, larger allocations for cities from central finance commissions, functioning state finance commissions, and reforms to property taxation and user charges.

Eighth, Indian cities need a share of the Rs 70 lakh crore of long-term capital lying in insurance and pension funds. Municipal borrowings can unlock such capital at scale, provided there is trust between municipalities and markets founded on timely and credible financial and performance reporting. India's national municipal finance portal, hosted by the Ministry of Housing and Urban Affairs, has published audited annual accounts of 3,500 of the 4,900+ municipalities in the country.

Ninth, even as our cities are short of capital, they struggle to draw down eligible funds and utilise them well. Digital public finance management systems can ensure a timely transfer of grants to cities, track the physical and financial progress of grants and projects, and report their performance based on a single source of accurate data. The government portal currently facilitates automated, digital grant management of over Rs 1 lakh crore of 15th Finance Commission grants. The same model could be easily scaled to other schemes and missions too, both at Union and state levels.

And last, there is a serious shortage of skilled staff in municipalities. Innovative models from within governments such as passport seva kendras and the income tax centralised processing centres, coupled with gig economy models such as Urban Company, can inform the design of municipal shared services that can increase revenues, optimise costs, and improve citizen service levels.

The challenges we experience on a daily basis in our cities are only symptoms of a deeper malaise in the governance. Band-aids and patchwork will not help. We need to put in place robust city systems. The 10 instruments of change can unleash transformative change in India's cities at a massive, unprecedented scale through robust city systems. For good measure, many of them have precedents in India and only await bold and imaginative political leadership. <https://theprint.in/opinion/govt-efforts-to-develop-indian-cities-are-outpaced-by-new-challenges-we-need-these-10-fixes/1892041/>

17. It's high time India transitioned away from industrial agriculture (*moneycontrol.com*) DECEMBER 18, 2023

Dead farmers are the litmus test of any civilised society. On December 4, a mirror was held up for all of India as NCRB data revealed a dark underbelly of our progress – 11,290 farmers and farm workers committed suicide in 2022. So basically even before one finishes their Netflix movie or gets home from work one or two farmers/farm workers have died by their own hands. Strangling not only themselves and their families, but also choking the conscience of our civilisation.

The picture gets grimmer – farm related suicides have gone up by 3.7 percent from 2021 and about 5.7 percent from 2020. As much as 53 percent of 11,290 suicides or about 6,083 are of agricultural workers.

What's Killing Our Farmers?

Surprisingly the highest number of suicides are reported in “progressive agri” states where industrial agriculture and “modern” GM crop is well established. Maharashtra tops the list followed by Karnataka and then Andhra Pradesh. Tamil Nadu and Madhya Pradesh also saw a high number of reported farmers suicides. Some of the states where agriculture is still more traditional and small scale like West Bengal, Bihar, Odisha, Uttarakhand, Goa, Manipur, Mizoram and Tripura all reported zero suicides.

Another shocking figure was the number of suicides in Chattisgarh and Uttar Pradesh. UP reported a 42.13 percent and Chattisgarh a 31.65 percent increase in suicides. On the positive side Kerala saw a 30 percent decline in farmer/farm worker suicides.

The 1960s saw the advent of industrial agriculture – the Green Revolution. The newer agri-chemical input-dependent seeds, along with mechanisation and agri-chemicals swerved India's food systems from self-sufficiency towards market/industry dependence. To its credit, these technologies helped India become cereals-sufficient and over the years India even exported rice and wheat.

But it also had a hidden cost – ecological destruction, rural debt and food style diseases. Punjab with its highest rural debt, overexploited groundwater, dead soils, cancer trains and social unrest (drug addiction to insurgency) is a prime example of what industrial agriculture can do to a society.

The hidden costs, more recently, were best described by Kishore Tiwari, then chairman of The Vasant Rao Naik Sheti Swavlamban Mission (VNSSM), set up by the Maharashtra government. He called Bt Cotton and sugarcane “killer crops” as they were

trapping farmers in debt and forcing them to commit suicide. He recommended that both these crops should be removed from the Vidarbha and Marathwada region.

The Debt Trap

About 84 percent of farmers suicides coincidentally from the cotton growing areas where BT cotton is grown. There is a disproportionate relationship between the area under cotton and the rate of suicide among cotton farmers especially in Maharashtra and also Andhra Pradesh. Sugarcane farming in dry parts of Maharashtra and Karnataka has added to incomes for few, but caused a larger destruction for the rural society.

Because both of these crops are very input heavy – meaning they require expensive seeds, agri-chemicals, agri-industrial processing etc, the farmers have to borrow more money to cultivate them. The stakes and interest rates are so high that even one bad year can push the farming family into debt and in the successive years compounding debt rates, which the farmers rarely escape. And it's not just these two crops, the system of industrial agriculture each year requires more expensive inputs. Meanwhile, the value of agri commodities or crops fall each year, shrinking the farmers' profit even more.

The prices of everything from fertilisers to fuel have been volatile and what aggravates the wounds for farmers is that the climate has been unkind for the past couple of years. These factors have pushed them into deeper debt. Another major gap was the inability of the government flagship scheme like crop insurance to cushion the blow of the erratic weather.

Escaping The Industrial “Medicine”

When it comes to food security, India has come a long way from the 1960s, and completed a full circle. From receiving benefits, now we are in the crashing phase of the Green Revolution. Dead farmers, bad soils, contaminated and exploited water, and rural debt is the blowback from this technology.

Not to forget the explosion of food style diseases in India which also is directly linked to our agrarian production. Maybe that is the reason why even the father of the Indian Green Revolution MS Swaminathan towards the end of his life advocated for eco-technology and biodiversity based approach to farming.

We have to align our farmers with their agro-climatic zones and encourage them to follow a nature based model of sustainable biodiverse agriculture. This is the one of the safest ways to ensure nutrition and income security for the farming families and at the same point reduce the dependence on industrial systems or fertilisers and subsidies. <https://www.moneycontrol.com/news/opinion/its-high-time-india-transitioned-away-from-industrial-agriculture-11920891.html>