

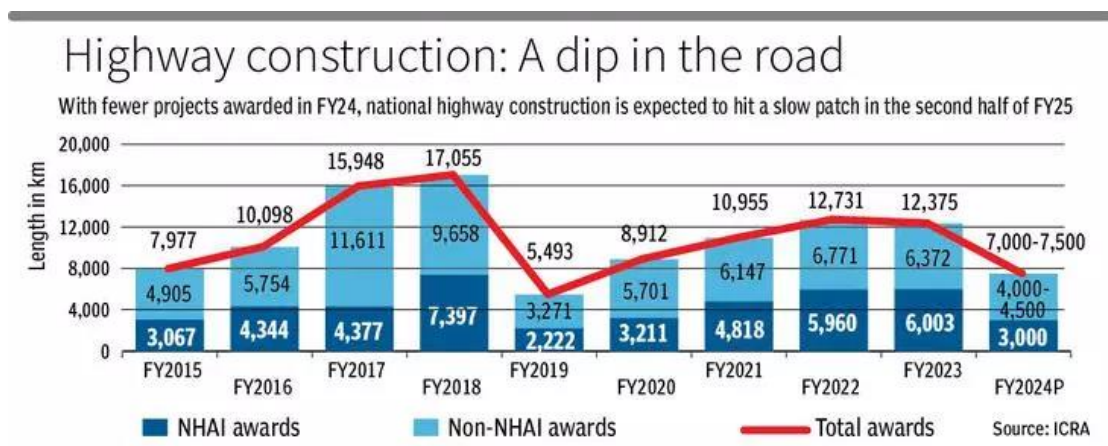
NEWS ITEMS ON CAG /AUDIT REPORTS

1. Road sign. NH Works: A slow stretch lies ahead

(thehindubusinessline.com) Updated: December 25, 2023

With fewer projects in hand, and polls around the corner, the pace of highway construction is set to slacken

After several years of frenzied activity, there's an impending lull in the construction of national highways in the second half of FY25, largely due to a decline in the number of projects awarded in FY24. Projects for the construction of just 2,817 km were awarded till November 2023, compared to 5,382 km during the same period a year ago.



The Ministry of Road Transport and Highways (MoRTH) said that the targeted awards for FY24 can be achieved only by expediting the approval of the revised Bharatmala Phase-1 project or any alternative programme.

The shortfall in NH construction may be exacerbated once the model code of conduct for the Lok Sabha elections comes into effect during January-March 2024. March typically accounts for 40-45 per cent of road project awards in a year.

ICRA Vice President and Co-Group Head (Corporate Ratings) Ashish Modani told businessline, "We went through MoRTH's commentary. ICRA has maintained that the overall award in FY24 will be lower than last year."

The ratings agency had recently cut its forecast for MoRTH's road awards in FY24 to 7,000-7,500 km, which is a 40-43 per cent decline year-on-year, from its earlier estimate of 9,000-9,500 km.

The Bharatmala factor

Breaking down the awarding process, Modani explained, "If you award, say, in July, August or September, then financial closure and so on happen six months down the line, ahead of the appointed date. So, it generally takes 8-9 months for work to begin after the awarding."

Accordingly, FY24 will not be impacted because most projects are underway at a comfortable clip. However, if there is a slowdown in awarding during the current fiscal, then execution will be impacted in the second half of FY25 and, subsequently, FY26, he added.

ICRA said that the wait for Cabinet approval for the revised cost of Bharatmala Phase-I has slowed the process of project awarding in recent quarters.

While the ‘engineering, procurement and construction’ (EPC) route will likely continue to be favoured in road project awards, there is also a gradual shift towards ‘build, operate and transfer’ (BOT)-toll projects, which require less funding support from the ministry, ICRA added.

Rakesh Kalsi, Managing Director (Infrastructure Practice) of TruBoard Partners, an asset management company, said that in the past five years the government has cumulatively awarded nearly 53,000 km of NH projects and completed around 48,500 km.

“Construction and awarding of NH projects have suffered on account of cost overruns and delays. As per CAG audit report, while only 75 per cent of the estimated project length under Bharatmala Pariyojana Programme (BMP) Phase-1 has been awarded, 158 per cent of the estimated financial cost has already been expended. The BMP Phase-1 cost is now more than double the initial cost. Once these issues are resolved, the envisaged 65,000-km highways under BMP will be a key driver of growth in the sector,” he added.

Sankar S, co-founder of InCoBAN, an initiative focused on improving the infrastructure and construction industry ecosystem, said that construction under Bharatmala-1, which is dominated by smaller contractors, has declined. This has led the government to recalibrate bidding norms to attract bigger contractors for national asset construction, thereby affecting contractors in the micro, small and medium enterprises (MSME) segment.

Electoral roadblock

On the likely impact of the upcoming general elections on the pace of national highway construction and project awards, Modani said, “This is already built in by participants. Generally, a lot of order awarding happens in February and March every fiscal year. So, only December 2023, and January- February 2024 are left before the electoral model code of conduct comes into effect and awardings grind to a standstill.”
<https://www.thehindubusinessline.com/economy/logistics/a-slow-stretch-lies-ahead/article67669673.ece>

2. We want a Digital India. Just not the one we are living in
(*indianexpress.com*) Dec 26, 2023

Citizens are never informed about the leak of their personally identifiable information or educated about any recourse. They are left to their own devices until the next breach happens.

In October, Resecurity, a US company, informed the world about the availability of Indians' personal data on the dark web. It would have been easy to ignore this amid the deluge of bad news filling our news feeds but for the size and sensitivity of data. The seller of the data set was providing verifiable, sensitive information of 55 per cent of the Indian population — roughly around 815 million (81.5 crore) citizens.

This included personally identifiable information like name, phone number, Aadhaar number, passport number and address. All for a paltry sum of \$80,000. On December 18, we learnt that Delhi police had arrested four individuals in this matter.

This is obviously not the first time that Indians' sensitive information has been leaked. Earlier in the summer, multiple reports surfaced about a leak that exposed the personal information of individuals registered on the CoWin website. Last year, in November, Delhi's prestigious AIIMS had to work with pen and paper to register a sea of patients after a ransomware attack. Why does this keep happening? Data breaches are at an all-time high in the world. Yet, some countries are more vulnerable than others.

It is easy to dismiss these leaks as they happen every day, but the leaking of sensitive information makes the breach reported in October different.

Thieves who have stolen names, Aadhaar numbers and passport information can use that information not only to sign up for new accounts in the victim's name, but also to commit tax identity theft, online-banking theft and other financially motivated scams. We are already seeing a rise in cyber frauds, with people losing their life savings, taking on debt and suffering shame and stigma for having been scammed. As per the World Bank, "India is one of the fastest growing economies of the world and is poised to continue on this path, with aspirations to reach high middle income status by 2047". Our mobile phone usage, enhanced banking access and the ever-growing market size that generates enormous amounts of data not only makes us attractive to companies but also to bad actors.

No country is safe from data breaches. In fact, the Biden administration has issued multiple Executive Orders to modernise and implement stronger cybersecurity standards in the federal government. When such instances happen, the Computer Emergency Response teams spring into action and impacted users are informed and educated about what steps they can take to reduce the chance that their information will be misused. Basically, a near-term and a long-term plan is devised and executed. This is "Incident Response". These strategies and tactics have been instrumental in reducing the impact of data breaches. In India, all we see are denials, semantic hand waving and some incomprehensible word salads from ministers, rinse and repeat.

Citizens are never informed about the leak of their personally identifiable information or educated about any recourse. They are left to their own devices until the next breach happens.

If the government of India were a business, it would have seen a sharp decline in its stock value, coupled with a mean market cap loss of billions of dollars resulting in a credit rating downgrade. But because market forces don't apply to governments, the Indian government continues to operate without a long term cyber security strategy.

Some might ask: How can Aadhaar be a problem, it's so great? Despite a crystal-clear prohibition issued by the Supreme Court against making Aadhaar registration mandatory, the central government and enthusiastic parties in both state governments and industry proceeded to adopt Aadhaar-based technology and impose requirements for Aadhaar registration for social services and benefits — from educational scholarships to booking railway tickets to marrying voter ID databases to Aadhaar. By making Aadhaar registration mandatory, the government imposed on every Indian citizen an unmanaged risk of digital environment catastrophe.

When we went to the Supreme Court, some judges recognised that the Aadhaar number is the “bridge” linking all the silos of information and behavioural data collected through the vehicle of the “smartphone” in contemporary networked society. The Court also recognised that UIDAI’s “Verification Log” contains enough data about the activities of citizens that a “leak” would involve an unconstitutional violation of privacy. But it did not do much, saying that UIDAI’s computer security will eventually become “foolproof”. That was in 2018.

The constant flow of news about data breaches, whether at Comcast or UIDAI, is normalising massive losses of personal data. Despite all the puffery and all the claims about how Aadhaar makes India a world leader, no one has so far intimated how we are managing the obvious harms that are plaguing our society. From Brookings to Moody’s to the CAG, everyone has called out UIDAI on its failure to properly regulate its client vendors and address security, lack of transparency and accountability.

The plan cannot be for perfect security, operating flawlessly forever, for Aadhaar. No government can, at present, promise perfect security for even its most critical personnel data. No “platform” company, with all the immense profits can claim to guarantee perfect security of customer data. No Indian citizen can, or should, trust a story in which Aadhaar data security is never breached because breaches do occur regularly.

India’s recently introduced Data Protection Act does nothing to address sensitive health information. Under Clause 17(4), in fact, the government is exempt from provisions of data retention and erasure of personal data. Unless that data can make a difference in making a decision about a data principal, right to correction, completion and updation is also not available. Here is some basic advice on what the Government of India should do: Make the prevention, detection, assessment, and remediation of cyber incidents a top priority. Recognise the importance of digital infrastructure as essential to national and economic security of the population. Make the state digital infrastructure trustworthy by increasing transparency and accountability. A cyber security board should be established with government and private sector participants that has the authority to convene, following a significant cyber incident, to analyse what happened and make concrete recommendations for improving cybersecurity. Adopt a zero-trust architecture, and mandate a standardised playbook for responding to cybersecurity vulnerabilities and incidents. Urgently execute a plan for defending and modernising state networks and updating its incident response policy.

Finally, put people at the centre of all policies. Informing them immediately, helping them protect themselves and remediate fallout from cyber incidents should be the government’s responsibility. We want a Digital India. Just not the Digital India we are

living in at the moment. <https://indianexpress.com/article/opinion/columns/cyber-security-cyber-frauds-in-india-digital-india-data-protection-bill-9082569/>

3. Open Letter Alleges Pressure on Vizag Steel for Privatisation (*newsclick.in*) 23 Dec 2023

Former Secretary to the Government of India, E A S Sarma, raises serious concerns about alleged attempts by the Steel Ministry to pressure VSP into involving private companies in its operations.

New Delhi: Former Secretary to the Government of India, E A S Sarma, has written a scathing open letter addressed to Nagendra Nath Sinha, Union Steel Secretary, raising serious concerns about the Steel Ministry's alleged attempts to pressure the Visakhapatnam Steel Plant (VSP) into involving private companies in its operations, and thus, potentially paving the way for privatisation.

Sarma said, in an earlier letter dated August 29, 2023, he had expressed his concerns. In the open letter, he expresses distress over the Steel Ministry's actions, stating, "Now, I find yet another instance of your Ministry becoming a party to VSP's Board entering into an MOU with the Jindal Group to run its third blast furnace." This move, according to Sarma, reinforces his fear that the Ministry is facilitating the handover of the steel plant, along with its valuable assets and skilled workforce, to private entities at a minimal cost instead of taking measures to strengthen the public sector enterprise's financial position.

He contends that the Steel Ministry possesses the technical expertise to revive the blast furnace and suggests alternatives, including "allotting a captive iron ore mine and providing liquidity support to the plant as a medium-term measure of relief." Sarma suggests that external pressures on the Ministry may be driving attempts to weaken the steel plant, diminish its perceived value, and eventually hand it over to a preferred private party.

The former Secretary also highlights the legality of such actions, stating, "To hand over any part of the steel plant to a private party would therefore constitute a brazen illegality." He points out that the vast land acquired for the steel plant, obtained under the pretext of public purpose, cannot be transferred to private entities without violating the law.

Sarma dismisses the Steel Ministry's assertion that decisions regarding the blast furnace are solely managerial, emphasising that "two senior officers of your Ministry are part of VSP's Board of Directors." He questions the Ministry's reluctance to provide debt-restructuring and liquidity support to VSP while noting the substantial subsidies granted to private companies under the Production Linked Incentive (PLI) scheme.

In a demand directed at the Steel Ministry, Sarma insists on several actions to secure the future of VSP, including "allotting a captive iron ore mine to VSP, extending debt-restructuring facility and liquidity support, desisting from alienating any land to private agencies, avoiding involvement of private companies in running any component of the plant, and making a public announcement that VSP will not be privatised at all."

Sarma concludes his letter with a stern warning, cautioning that the people of north Andhra, VSP employees, and those who lost lands to the steel plant will closely monitor every move by the management and the Steel Ministry. He anticipates “widespread public dissatisfaction in this part of Andhra Pradesh” if the Ministry fails to adhere to the demands outlined in his letter.

The former Secretary has also marked a copy of the letter to the Comptroller and Auditor General (CAG), suggesting the need for a thorough audit to investigate what he perceives as potentially a “scam of a huge magnitude.”

<https://www.newsclick.in/open-letter-alleges-pressure-vizag-steel-privatisation>

STATES NEWS ITEMS

4. CAG report highlights debt burden, rising expenses

(hindustantimes.com) Dec 24, 2023

The report, presented in the Himachal Assembly during the winter session, highlights that the state’s total debt has surged from ₹73,534 crore in 2021-22 to ₹86,589 crore in 2022-23

Comptroller and Auditor General (CAG) report for the financial year 2022-23 has painted a grim picture of Himachal Pradesh’s economic health. The state, grappling with a burgeoning debt burden and escalating expenses, saw the government raising a staggering loan of over ₹13,000 crore in the last fiscal year.

The report, presented in the Himachal Assembly during the winter session, highlights that the state’s total debt has surged from ₹73,534 crore in 2021-22 to ₹86,589 crore in 2022-23. The escalating debt has not only strained the economy but also forced the government to heavily rely on centrally sponsored schemes for development projects.

A significant revelation from the CAG report indicates that almost half of the government’s budget, amounting to ₹50,539 crore in the last financial year, was allocated to salaries and pensions. The implementation of the recommendations of the Sixth Punjab Pay Commission has further burdened the state’s treasury, with salaries witnessing an annual increase from ₹11,641 crore to ₹15,669 crore. Similarly, pension payments surged from ₹6,088 crore to over ₹9,283 crore.

The report underscores the growing challenge of interest payments due to continuous borrowing, with the government shelling out ₹4,828 crore in 2022-23 compared to ₹4,472 crore in the previous fiscal year. Additionally, populist announcements translated into increased subsidies, with expenditures rising from ₹1,240 crore in 2021-22 to ₹1,973 crore in 2022-23.

Furthermore, the CAG report raises concerns about the government’s failure to collect utility certificates, prompting the auditors to call for necessary steps to rectify this lapse.

As Himachal Pradesh grapples with a mounting debt crisis, questions are being raised about the state’s ability to fulfil its economic promises and adhere to the Fiscal

Responsibility and Budget Management Act, which aimed at reducing non-productive expenses and resource mobilisation. The impact of these financial challenges on the state's developmental initiatives remains a subject of widespread concern. <https://www.hindustantimes.com/cities/chandigarh-news/cag-report-highlights-debt-burden-rising-expenses-101703355923853.html>

5. Himachal Government Raised Rs 13,055 Crore Debt in 2022-23: CAG (ndtvprofit.com) Dec 24, 2023

The Himachal Pradesh government raised loans amounting Rs 13,055 crore during 2022-23, increasing the debt burden from Rs 73,534 in 2021-22 to Rs 86,589 crore in 2022-23, Comptroller and Auditor General (CAG) said in its report on Finance Accounts for 2022-23.

The report tabled in the Vidhan Sabha by Himachal Pradesh Chief Minister Sukhvinder Singh Sukhu said that out of the total amount of Rs 50,539 crore spent during the year, more than 50% was paid towards salaries and pension and expenditure on these heads increased after implementation of Sixth Pay Commission, which was followed by Himachal Pradesh.

However, the revenue deficit, which was Rs 7,962 crore in 2021-22, was marginally lower at Rs 6,335 crore in 2022-23.

The expenditure on salaries, which was Rs 11,641 crore in 2021-22, increased to Rs 15,669 crore in the last financial year after the revision of pay scales.

Similarly, the cost of payment of pension also increased from Rs 6,088 crore to Rs 9,283 crore in 2022-23.

During the years 2021-22 and 2022-23, the government did not submit the utilisation certificates despite incurring an expenditure of Rs 4,242 crore and expenditure on subsidies has also increased from Rs 1,240 crore to Rs 1,973 crore, the report pointed out.

The Himachal Vidhan Sabha adjourned sine dine on Saturday after a five-day session, which had five sitting including a private member's day. The proceedings continued for 33 hours and productivity was 132 per cent, Speaker Kuldeep Singh Pathania said.

He said that 348 starred and 123 unstarred questions were asked during the session and of these 260 starred and 119 unstarred questions were answered.

<https://www.ndtvprofit.com/economy-finance/himachal-government-raised-rs-13055-crore-debt-in-2022-23-cag>

6. Himachal Pradesh Govt raised Rs 13,055 cr loan in 2022-23: CAG (tribuneindia.com) Dec 24, 2023

The state government raised loans amounting to Rs 13,055 crore during 2022-23, increasing the debt burden from Rs 73,534 in 2021-22 to Rs 86,589 crore in 2022-23,

the Comptroller and Auditor General (CAG) said in its report on Finance Accounts for 2022-23. The loans also included amounts raised in the last quarter of 2022-23.

The report tabled in the Vidhan Sabha by Chief Minister Sukhvinder Singh Sukhu said that of total Rs 50,539 crore spent during the year, more than 50 per cent was paid towards salaries and pension. The expenditure under these heads increased after the implementation of the Sixth Pay Commission recommendations.

However, the revenue deficit, which was Rs 7,962 crore in 2021-22, was marginally lower at Rs 6,335 crore in 2022-23. The expenditure on salaries, which was Rs 11,641 crore in 2021-22, increased to Rs 15,669 crore in the last financial year after the revision of pay scales. <https://www.tribuneindia.com/news/himachal/himachal-pradesh-govt-raised-13-055-cr-loan-in-2022-23-cag-574886>

7. CAG Report: हिमाचल में पेंशन, उपदान और कर्ज से 1,368 करोड़ बढ़ा राजस्व घाटा (*amarujala.com*) Dec 24, 2023

हिमाचल प्रदेश में पेंशन, उपदान और ऋण लेने के कारण राजस्व व्यय बढ़ रहा है। महालेखाकार कार्यालय ने राज्य सरकार को सभी अनुत्पादक व्ययों में कटौती का सुझाव दिया है। शनिवार को शीत सत्र के अंतिम दिन मुख्यमंत्री सुखविंदर सिंह सुक्खू ने विधानसभा सदन में वर्ष 2022-23 की महालेखा परीक्षक रिपोर्ट पेश की।

रिपोर्ट में सामान्य आर्थिक वातावरण और नीतिगत परिवर्तनों से विचलन संबंधी विवरण देते हुए बताया कि नवीनतम बजट प्राक्कलन के अनुसार राजस्व घाटा 6,072.94 करोड़ रुपये रहने का अनुमान है जो कि बजट अनुमान से 1,368.81 करोड़ रुपये अधिक है। राजकोषीय घाटा 9,900.14 करोड़ के बजट अनुमान की तुलना में 12,515.73 करोड़ रहने का अनुमान है। इस प्रकार राजकोषीय घाटा सकल राज्य घरेलू उत्पाद की प्रतिशतता के रूप में 5.82 फीसदी रहने का अनुमान है।

रिपोर्ट में बताया कि जुलाई-अगस्त में बाढ़, भूस्खलन ने बुनियादी ढांचे को क्षतिग्रस्त किया है। इससे राजस्व भी प्रभावित हुआ है। ऐसे में राज्य की अर्थव्यवस्था के साथ बुनियादी ढांचे को बहाल करने में समय लगेगा। रिपोर्ट के अनुसार राज्य वस्तु एवं सेवाकर तथा जल उपकरण से प्राप्तियों में कमी के कारण राजस्व में 752.33 करोड़ रुपये की कमी संभावित है।

राजस्व व्यय के तहत पेंशन के व्यय में 621.22 करोड़ की बढ़ोतरी संभावित है जो पेंशन, सेवानिवृत्ति लाभ के सरकार के आदेशानुसार कुछ बकाया राशि की अदायगी के कारण है। अन्य राजस्व व्यय में 762.57 करोड़ की बढ़ोतरी उपदान और सहायता अनुदान आदि पर अधिक व्यय के कारण है।

इन पर भी हुआ पूंजीगत व्यय

भानुपल्ली-बिलासपुर रेल लाइन, विभिन्न सड़कों और पुलों, ग्रामीण जलापूर्ति योजनाओं, पुलिस स्टेशनों, मिनी सचिवालयों, संयुक्त कार्यालय भवनों, द्वारिका व दिल्ली में राज्य अतिथि गृह, हमीरपुर और चंबा में चिकित्सा महाविद्यालयों के निर्माण, प्रधानमंत्री ग्राम सड़क योजना के अंतर राज्य हिस्से, पीडब्ल्यूडी के लिए नई मशीनरी की खरीद और चांगु व देओथल चांगु जल विद्युत परियोजनाओं पर भी अधिक पूंजीगत व्यय की बात रिपोर्ट में कही है।

ये दिए गए सुझाव

- सरकार द्वारा स्वीकृत ऋण का विकासात्मक कार्यों में उपयोग सुनिश्चित करना होगा।
- बाहरी वित्त पोषित परियोजनाओं के माध्यम से वित्तीय संसाधनों के लिए मदद लेनी होगी।
- विभिन्न विकासात्मक कार्यक्रमों और योजनाओं के वित्त पोषण के लिए भारत सरकार से उपलब्ध संसाधनों का लाभ उठाना होगा।

-राज्य की कर एवं गैर कर प्राप्तियों में बढ़ोतरी का प्रयास करना होगा।

<https://www.amarujala.com/shimla/cag-report-revenue-expenditure-increasing-in-himachal-due-to-pension-gratuity-and-taking-loans-2023-12-23>

8. कैग रिपोर्ट में खुलासा: कर्ज से हिचकोले खा रही प्रदेश की अर्थव्यवस्था, 86589 करोड़ तक पहुंचा कर्ज (punjabkesari.in) 23

Dec, 2023

वित्तीय हालात खराब होने के कारण राज्य सरकार को आवश्यकता से अधिक कर्ज लेने के लिए बाध्य होना पड़ा है। ऐसे में कर्ज के कारण प्रदेश की अर्थव्यवस्था हिचकोले खा रही है। हालात यह हैं कि वित्तीय वर्ष 2021-22 में जहां प्रदेश पर 73534 करोड़ रुपए कर्ज था, वहीं वर्ष 2022-23 में यह बढ़कर 86589 करोड़ रुपए पहुंच गया है। शीतकालीन सत्र के अंतिम दिन विधानसभा में रखी गई नियंत्रक एवं महालेखा परीक्षक की वर्ष 2022-23 की रिपोर्ट में इसका खुलासा हुआ है। रिपोर्ट के अनुसार बीते वित्तीय वर्ष में प्रदेश का राजस्व घाटा 6335 करोड़ रुपए था। यह वर्ष 2021-22 के 7962 करोड़ रुपए से थोड़ा कम है।

वेतन-पेंशन पर खर्च हो रहा 50 फीसदी बजट

रिपोर्ट के अनुसार सरकार ने बीते वित्तीय वर्ष में 50539 करोड़ रुपए खर्च किए। इसमें से 50 फीसदी से अधिक की राशि कर्मचारियों के वेतन व पेंशन के भुगतान पर व्यय हुई। छठे पंजाब वेतन आयोग के सिफारिशों को लागू करने के बाद सरकारी कोष पर पेंशन व वेतन के भुगतान का अधिक बोझ पड़ा। वर्ष 2021-22 में वेतन पर 11641 करोड़ रुपए सालाना खर्च हो रहा था, वहीं वेतन आयोग की सिफारिशों को लागू करने के बाद इसमें 4 हजार करोड़ रुपए की बढ़ोतरी के साथ हर वर्ष वेतन पर खर्च 15669 करोड़ रुपए पहुंच गया। इसी तरह पेंशन के भुगतान पर भी खर्च की राशि वर्ष 2021-22 के 6088 करोड़ रुपए से बढ़कर वर्ष 2022-23 में 9283 करोड़ रुपए से अधिक हो गई।

कर्ज के ब्याज पर व्यय हो रहा 4828 करोड़

लगातार कर्ज लेने से सरकार को ब्याज पर भी 2021-22 के 4472 करोड़ रुपए के मुकाबले वर्ष 2022-23 में 4828 करोड़ रुपए खर्च करने पड़े। इसी तरह लोकलुभावन घोषणाओं को पूरा करने के लिए सरकार की तरफ से उपदानों पर खर्च की जा रही राशि भी वर्ष 2021-22 के 1240 करोड़ रुपए से बढ़कर वर्ष 2022-23 में 1973 करोड़ रुपए तक पहुंच गई। रिपोर्ट के अनुसार बीते वित्तीय वर्ष में सरकार ने 13055 करोड़ रुपए कर्ज उठाया। कर्ज की इस राशि में वित्तीय वर्ष की अंतिम तिमाही में मौजूदा सरकार की तरफ से ली गई ऋण की राशि भी शामिल है।

उपयोगिता प्रमाण पत्र नहीं लेने पर उठाए सवाल

उपयोगिता प्रमाण पत्र नहीं लिए जाने पर भी कैग ने सवाल उठाए हैं। वर्ष 2021-22 व वर्ष 2022-23 में सरकार ने करीब 4,242 करोड़ रुपए की राशि खर्च करने के बावजूद इसके उपयोगिता प्रमाण पत्र विभिन्न एजेंसियों से नहीं लिए गए। कैग ने सरकार से इस बारे में आवश्यक कदम उठाने की बात कही है। <https://himachal.punjabkesari.in/himachal-pradesh/news/cag-report-1919638>

9. CAG Report: वेतन आयोग की सिफारिशों से गड़बड़ाए प्रदेश के आर्थिक हालात, CM बोले-सुधार करने में लगेंगे 4 वर्ष

(punjabkesari.in) Dec 23, 2023

हिमाचल प्रदेश विधानसभा शीतकालीन सत्र के अंतिम दिन रखी गई एफआरबीएम व कैग की रिपोर्ट में यह स्पष्ट हो गया है कि प्रदेश के आर्थिक हालात ठीक नहीं हैं। छठे वेतन आयोग की सिफारिशों

के कारण आर्थिक हालात और गड़बड़ाए हैं, जिस कारण कर्मचारी-पेंशनर्स को 12000 करोड़ रुपए एरियर एवं 4 फीसदी डीए के लिए इंतजार करना होगा। मुख्यमंत्री सुखविंदर सिंह सुक्खू ने सत्र के अंतिम दिन खराब वित्तीय हालात का विशेष रूप से उल्लेख किया। उनके अनुसार अभी तक प्रदेश की आर्थिकी में 20 फीसदी ही सुधार हुआ है तथा इसको पटरी पर लाने में 4 वर्ष का समय लगेगा। चालू वित्त वर्ष की देनदारियां 29881 करोड़ रुपए

सीएम ने विधायक राजेंद्र राणा की तरफ से इस बारे पूछे गए प्रश्न के उत्तर में भी कहा कि सरकार ने सबसे पहले कर्मचारियों की पुरानी पेंशन बहाल की तथा हालत सामान्य होने पर अन्य देनदारियों को चुका दिया जाएगा। एफआरबीएम रिपोर्ट के अनुसार प्रदेश में चालू वित्त वर्ष की देनदारियां 29881 करोड़ रुपए हैं। इसमें सबसे अधिक 14099 करोड़ रुपए वेतन, 7709 करोड़ रुपए पेंशन, 5562 करोड़ रुपए ब्याज, 1244 करोड़ रुपए उपदानों तथा 1266 करोड़ रुपए सामाजिक सुरक्षा पर खर्च होने का अनुमान है। इस तरह वेतन, पेंशन और ब्याज पर कुल राजस्व का 55 फीसदी व्यय हो रहा है।

वर्ष 2024-25 में देनदारियां 32344 करोड़ होंगी
वर्ष 2024-25 में सरकार की देनदारियां 32344 करोड़ रुपए के आसपास होंगी। वर्ष 2025-26 में सरकार के खर्चे 34758 करोड़ रुपए से अधिक होंगे। इसमें वेतन पर 16142 करोड़ रुपए, पेंशन पर 8992 करोड़ रुपए, ब्याज पर 6802 करोड़ रुपए, सामाजिक सुरक्षा पर 1423 करोड़ रुपए तथा उपदानों पर 1398 करोड़ रुपए खर्च होंगे। <https://m.himachal.punjabkesari.in/himachal-pradesh/news/cag-report-1919645>

10. **Audit report reveals ‘violation’ of outdoor media policy provisions** (*tribuneindia.com*) Dec 25, 2023

Ludhiana: A report by the Indian Audit & Accounts Department and overseen by the Comptroller and Auditor General (CAG) has disclosed the ‘violation’ of a provision of the Outdoor Media Policy by not reserving 5 per cent advertisement sites for government programmes or policies. The report also disclosed that crores were spent on government advertisements in the city.

The report

As per the audit report for the 2021-22 financial year, a total amount of around Rs 10.19 crore was spent by the government on advertisements through MC Ludhiana, out of which Rs 9.45 crore had been received from the government.

In the audit report for the fiscal year 2021-22, it is mentioned that Clause 12.1 (d) of the Outdoor Media Policy 2018 states that 5 per cent of the total advertising devices in an Urban Local Body (ULB) must be reserved for social messages, for disseminating information related to government programmes, policies and welfare schemes etc. No fee will be charged for such sites or devices.

The report highlights that during a test check of MC records, it was noticed that the MC had outsourced outdoor media to a private company on a monthly charge basis. It was further noticed that neither the provision of reservation of 5 per cent sites was included in the agreement nor the benefit was given to government advertisements being displayed. As per the audit report for the 2021-22 financial year, a total amount of around Rs 10.19 crore was spent by the government on advertisements through MC Ludhiana, out of which Rs 9.45 crore had been received from the government. The audit

observed that no waiver of fees was given to the government as the provision was not included in the agreement as per the policy.

The report further states that on being pointed out, the municipal corporation stated that no provision was made in Detailed Notice Inviting Tenders (DNIT) of reservation of 5 per cent sites for government advertisements.

The report further states that the reply of the MC is not tenable as it violates the policy issued by the government.

When contacted, MC Commissioner Sandeep Rishi said he will look into the matter. <https://www.tribuneindia.com/news/ludhiana/audit-report-reveals-violation-of-outdoor-media-policy-provisions-575531>

11. Building completion certificates issued for only 1.21% approved maps: Report (*tribuneindia.com*) Dec 25, 2023

Ludhiana: In the midst of widespread violations of building bylaws within the city, the Building Branch of the Municipal Corporation (MC) is under scanner for allegedly overlooking the occupancy of newly constructed buildings without the requisite completion certificates. According to an audit conducted by the Indian Audit & Accounts Department and overseen by the Comptroller and Auditor General (CAG), it has been revealed that completion certificates for buildings were granted for only 1.21% of the approved construction plans during the fiscal year 2021-22.

Unauthorised construction

According to an audit conducted by the Indian Audit & Accounts Department and overseen by the Comptroller and Auditor General (CAG), it could not be ascertained whether construction had been done as per approved map or not, leaving uncertainty about potential violations of the approved map

When the records of Ludhiana MC were checked by the CAG team for auditing, it was noticed that the MC had approved 3,591 maps during 2020-22. The audit report states that 2,059 maps were approved during 2021-22 alone whereas only 25 completion certificates were issued during the financial year. Therefore, percentage of issuance of completion certificates was only 1.21% of the approved maps.

The audit report highlights that due to non-receipt of completion certificate following the construction of a building, it could not be ascertained whether construction had been done as per approved map or not, leaving uncertainty about potential violations of the approved map. This resulted not only in a revenue loss for the Municipal Corporation, in terms of map application fees, but also in unauthorised or non-scientific construction that could pose risks to the integrity of the constructed buildings.

The audit report also mentions that, when questioned about this matter, the Municipal Corporation responded by stating that for those who apply for completion certificates, process is adopted for issuance of completion certificates as per the building bylaws. The reply of the MC is not tenable as per the report.

An official from the Municipal Corporation's Building Branch acknowledged that a significant number of recently constructed buildings are being occupied without obtaining a completion certificate from the civic authority. The official emphasised the importance of obtaining a completion certificate once the construction of a building is completed.

Furthermore, it is noteworthy that numerous new constructions are being carried out without incorporating a rainwater harvesting system. However, the lack of proper oversight on such violations persists, primarily because completion certificates are not obtained upon the completion of many buildings.

MC's Additional Commissioner Paramdeep Singh could not be contacted for his comment. <https://www.tribuneindia.com/news/ludhiana/building-completion-certificates-issued-for-only-1-21-approved-maps-report-575214>

12. CAG report: Severe shortage of technical, non-technical staff in Ludhiana MC (*hindustantimes.com*) Dec 26, 2023

The technical staff posts lying vacant include that of superintendent engineer, executive engineer, junior engineer, SDO (sub-divisional officer) and lineman, the report said

There is a severe shortage of staff in the city municipal corporation in both technical and non-technical roles, significantly affecting the operational efficiency of the MC, a recent CAG report (2021-2022) has revealed.

According to the report, the technical staff posts lying vacant include that of superintendent engineer, executive engineer, junior engineer, SDO (sub-divisional officer) and lineman, witnessing a deficiency of staff ranging from 58.3% to 100%.

This critical shortage of technical expertise is hampering various essential functions and projects that require specialised knowledge and skills.

The vacant non-technical positions include roles such as superintendent, accountant, clerk, inspector, and others, with a staff shortage ranging from 33.3% to 100%.

This shortage extends across administrative, financial, and inspection functions, posing significant challenges to the overall functioning of the municipal corporation, the report said.

According to the report, there are a total of 1,217 posts in the building and roads wing of the department where only 406 positions are filled and the rest are vacant. In the main branch, there are 116 posts where 58 are filled and rest are vacant, under operation and maintenance branch, there are 1,149 posts where 469 are filled and 680 are vacant.

Under the horticulture wing, there are 637 sanctioned posts, but only 178 posts are filled where 459 posts are vacant. In the house tax branch, there are 99 posts, but 76 are filled and 23 are vacant. Under the licence branch, there are a total of 15 sanctioned posts where most of them are vacant. Under the wing of Octrio, there are 262 posts where only 31 are filled and 231 posts are vacant.

The library branch has a total of 24 sanctioned posts where only three are filled and 21 are vacant and the light branch has a total of 182 sanctioned posts where 36 posts are filled and 146 posts are vacant. Under the fire brigade branch, there are 146 sanctioned posts where only 28 posts are filled and 118 are vacant. Under the workshop branch, there are a total of 112 posts and only 25 are filled and only 87 are vacant.

Under the building branch, there are a total of 35 sanctioned posts where only 21 are filled and only 14 are vacant and under the drawing branch, there are 145 sanctioned posts where 63 positions are filled and 82 positions are still vacant and under the police branch, there are a total of 88 sanctioned positions, where only 47 positions are filled and 41 are still vacant.

The repercussions of this shortage are multifaceted, affecting project timelines, service delivery, and the day-to-day operations of the MC. Municipal projects that demand technical expertise are particularly at risk, leading to delays and potential compromises in quality.

On the findings of the CAG report, MC officials stated that the matter will be taken up with higher authorities.

<https://www.hindustantimes.com/cities/chandigarh-news/cag-report-severe-shortage-of-technical-non-technical-staff-in-ludhiana-mc-101703533843372.html>

13. ₹3.85 crore temporary advance by Ludhiana MC not accounted for: CAG (*hindustantimes.com*) Dec 25, 2023

The report indicates a glaring lapse in financial management within the municipal corporation, as the sanctioned funds, meant as temporary advance payments to officials, are yet to be settled.

There is no record of expenditure of temporary advance payments to the tune of ₹3.85 crore made by the municipal corporation to officials for development work in the city, a recent report of the Comptroller and Auditor General (CAG) 2021-2022 has revealed.

The report indicates a glaring lapse in financial management within the municipal corporation, as the sanctioned funds, meant as temporary advance payments to officials, are yet to be settled.

“During the check of records, it was noticed that an amount of ₹3.85 crore, granted as temporary advance to officials upto 3/2022, but recovery of the same was pending till date,” the report stated.

The CAG report sheds light on the outstanding sum of ₹3.85 crore that has not been accounted for, raising concerns about transparency and financial accountability.

The report reveals that a total of 26 officers within the MC are implicated for this financial anomaly. These officers, responsible for managing and recording the temporary advance payments, have reportedly failed to furnish the necessary records for an extended period.

According to the report, officials from different wings, including health, fire brigade, workshop, light and building and roads and house tax among others, within the department have taken temporary advances for such a long period (from 1998) could lead to misappropriation of amount retention of unspent balances. Moreover, the report also indicated that basic record of advances to operation and maintenance M branch was not made available to audit.

A senior MC official claimed that the temporary advance payment system is designed to facilitate smooth functioning of municipal operations by providing immediate funds for urgent and essential needs. However, the CAG report indicates a substantial breakdown in the adherence to financial protocols, leaving a significant amount of taxpayers' money in limbo.

"I have already directed an additional commissioner to check all the records and take action against the officers who have failed to give the records of temporary advance," MC commissioner Sandeep Rishi said.

<https://www.hindustantimes.com/cities/chandigarh-news/385-crore-temporary-advance-by-ludhiana-mc-not-accounted-for-cag-101703444560874.html>

14. MUCTA Demand CAG Audit amid Allegations of Financial Mismanagement in University (*freepressjournal.in*) 23 Dec 2023

The Mumbai University and College Teachers' Association (MUCTA) has demanded an audit of Mumbai University's financial transactions by the Comptroller and Auditor General of India (CAG).

In a letter dated December 12 to the CAG, New Delhi, MUCTA pointed out that the audit of Mumbai University was conducted in 2017. After that, no audit was conducted for the last six years. This raises serious questions about transparency and accountability of funds within the university's financial and administrative operations, the letter added.

Contents of the letter

"The absence of regular audits creates an environment of mismanagement, irregularities, and misuse of public funds. It also denies stakeholders, including students, faculty, and the public, valuable insights into the university's financial health and governance practices. Considering the vital role Mumbai University plays in the educational landscape of India, it is imperative to ensure its financial and administrative practices are conducted with utmost transparency and accountability."

"Therefore, we urge you to take immediate action and initiate a comprehensive audit of Mumbai University. We further request compliance with the last audit report since many discrepancies were pointed out in that report. The audit report obtained through the Right to Information (RTI) has revealed many shocking facts," MUCTA General Secretary Dr. Subhash Athvale mentioned in a letter to CAG.

"No account for millions of Rupees"

A senior official "violated government rules and bought a car worth over Rs. 30 lakh for himself when he was the then pro-vice-chancellor. The state government had appointed a committee to inquire into alleged irregularities. But the matter did not progress further," the letter added.

"There had been no account of millions of rupees. Advances were paid to many people/companies, but neither work was carried out nor the money was refunded. There had also been irregularities in the construction work of the university, including cost escalation. Besides, the advances were given to certain favoured companies. There had been irregularities in the work of the university's purchase committee as well. Earlier, the CAG had asked for a compliance report on this, but the university did not submit the same," the letter claimed.

"The fees collected from the students are the only source of income for the university. It is the public's money. As such, it is essential that the audit of the university's transactions is carried out. The government can also call for information from the previous inquiry committee. Or else, the government should honour Dr. Kulkarni and exonerate him," Dr. Athvale added. The university did not respond to messages. <https://www.freepressjournal.in/mumbai/mumbai-mucta-demand-cag-audit-amid-allegations-of-financial-mismanagement-in-university>

15. CAG audit finds Jharkhand government gave widow pension to men (*thehindu.com*) 23 Dec 2023

Several irregularities have been found in the implementation of government schemes in Jharkhand. It was revealed when the Comptroller and Audit General (CAG) report of financial year 2021-2022 was tabled on the last day of the Assembly session on Thursday.

The State government has given the widow pension to men.

Many students have received more than one scholarship despite the fact that they were entitled for only one scholarship. The CAG report found lack of social audit and monitoring in the Direct Benefit Transfer (DBT) schemes in which fake beneficiaries were given the scholarship.

During the audit it was found that payment of ₹9.54 lakh was done to 16 men from East Singhbhum, Godda Potka, Ghatshila, Padaiyahat and Godda Sadar as a widow pension under Indira Gandhi National Widow Pension Scheme and the Rajya Vidhwa Samman Protsahan Yojna.

In the audit, irregularities were found in pre- and post-matric scholarships in which ₹1.17 crore were paid to fake students in Chatra, East Singhbhum, Godda and Ranchi. Apart from this ₹9.99 crore payments was done to the fake students under the scholarship given to the minorities.

Irregularities have also been found in the scholarship given to Scheduled Caste (SC), Scheduled Tribe (ST) and Backward Class (BC). The report says that ₹5.21 lakh were

given to 81 fake students in five districts which includes Chatra, Godda, Palamu, Ranchi and East Singhbhum.

Late payment

During the audit, cases of late payment of pension were also found. Around 39% applicants faced the delay of more than two years in getting the pension.

Jharkhand government has also not given the utilisation certificate for the expenditure of ₹1,03,459.14 crore till March 31, 2022. The CAG report related to the financial year 2021-2022 states that the government had made a budget estimate of ₹91,277 crore but revenue receipts are of ₹17,659 crore, less than the estimate.

Central revenues spent on salaries, pension

The state government had collected ₹69,722 crore from the central assistance, however it was found that 40% of this revenue was spent on paying interest on salaries, allowances, pension and loans taken for development schemes.

In the financial year 2021-2022, the state government spent ₹13,979 crore on salary allowance, ₹7614 crore on payments of pension and ₹6,286 crore on interest payment. The government's revenue deficit increased in 2021-2022 compared to the financial year 2020-2021.

The revenue deficit of the government in 2021-2021 was ₹3,114 crore and in 2021-2022 it was ₹6,944 crore. At the end of the financial year 2021-2022, the total debt and liabilities burden on the government increased to ₹10,9184.98 crore. The state government took the loan of ₹5,000 crore at 6.87% and 7.35% interest rates to meet its expenses.

The report also mentioned that the state government has not completed infrastructure projects costing more than ₹10,000 crore within the stipulated time frame. It also includes road construction costing ₹3,344.75 crore. <https://www.thehindu.com/news/national/other-states/cag-audit-finds-men-given-widow-pension-in-jharkhand/article67665547.ece>

16. कैग रिपोर्ट में खुलासा- झारखंड सरकार ने पुरुषों को बांट दी विधवा पेंशन (*thewirehindi.com*) 23 Dec 2023

झारखंड में सरकारी योजनाओं के क्रियान्वयन में कई अनियमितताएं पाई गई हैं।

द हिंदू ने अपनी रिपोर्ट में बताया है कि इन अनियमितताओं का खुलासा तब हुआ जब गुरुवार को विधानसभा सत्र के आखिरी दिन वित्तीय वर्ष 2021-2022 की नियंत्रक एवं महालेखा परीक्षक (कैग) रिपोर्ट पेश की गई।

रिपोर्ट में राज्य सरकार द्वारा पुरुषों को विधवा पेंशन दिए जाने की बात भी सामने आई है।

रिपोर्ट में सामने आया है कि कई छात्रों को एक से अधिक छात्रवृत्तियां प्राप्त हुई हैं, ऐसा इस तथ्य के बावजूद हुआ कि वे केवल एक ही छात्रवृत्ति के हकदार थे। कैग की रिपोर्ट में प्रत्यक्ष लाभ

हस्तांतरण (डीबीटी) योजनाओं में सोशल ऑडिट और निगरानी की कमी पाई गई, जिससे फर्जी लाभार्थियों को छात्रवृत्ति दी गई.

ऑडिट के दौरान पाया गया कि पूर्वी सिंहभूम, गोड्डा पोटका, घाटशिला, पोड़ैयाहाट और गोड्डा सदर के 16 पुरुषों को इंदिरा गांधी राष्ट्रीय विधवा पेंशन योजना और राज्य विधवा सम्मान प्रोत्साहन योजना के तहत विधवा पेंशन के रूप में 9.54 लाख रुपये का भुगतान किया गया था.

ऑडिट में प्री और पोस्ट मैट्रिक छात्रवृत्ति में भी अनियमितता पाई गई, जिसमें चतरा, पूर्वी सिंहभूम, गोड्डा और रांची में फर्जी छात्रों को 1.17 करोड़ रुपये का भुगतान किया गया. इसके अलावा अल्पसंख्यकों को दी जाने वाली छात्रवृत्ति के तहत फर्जी छात्रों को 9.99 करोड़ रुपये का भुगतान किया गया.

अनुसूचित जाति (एससी), अनुसूचित जनजाति (एसटी) और पिछड़ा वर्ग (ओबीसी) को दी जाने वाली छात्रवृत्ति में भी अनियमितताएं पाई गई हैं. रिपोर्ट में कहा गया है कि पांच जिलों में 81 फर्जी छात्रों को 5.21 लाख रुपये दिए गए, जिनमें चतरा, गोड्डा, पलामू, रांची और पूर्वी सिंहभूम जिले शामिल हैं.

ऑडिट के दौरान पेंशन के देर से भुगतान के मामले भी सामने आए. लगभग 39 फीसदी आवेदकों को पेंशन मिलने में दो साल से अधिक की देरी का सामना करना पड़ा.

वहीं, झारखंड सरकार ने 31 मार्च 2022 तक 1,03,459.14 करोड़ रुपये के खर्च के उपयोग का प्रमाण पत्र भी नहीं दिया है. वित्तीय वर्ष 2021-2022 से संबंधित कैग रिपोर्ट में कहा गया है कि सरकार ने 91,277 करोड़ रुपये का बजट अनुमान लगाया था, लेकिन राजस्व प्राप्तियां 17,659 करोड़ रुपये की हैं, जो अनुमान से काफी कम हैं.

रिपोर्ट बताती है कि राज्य सरकार को केंद्रीय सहायता के रूप में 69,722 करोड़ रुपये प्राप्त हुए थे, हालांकि यह पाया गया कि इस राजस्व का 40 फीसदी वेतन, भत्ते, पेंशन और विकास योजनाओं के लिए लिए गए ऋण पर ब्याज का भुगतान करने पर खर्च किया गया था.

वित्तीय वर्ष 2021-22 में राज्य सरकार ने वेतन भत्ते पर 13,979 करोड़ रुपये, पेंशन भुगतान पर 7614 करोड़ रुपये और ब्याज भुगतान पर 6,286 करोड़ रुपये खर्च किए. वित्त वर्ष 2020-2021 की तुलना में 2021-2022 में सरकार का राजस्व घाटा बढ़ गया.

2020-2021 में सरकार का राजस्व घाटा 3,114 करोड़ रुपये था और 2021-2022 में यह 6,944 करोड़ रुपये हो गया. वित्त वर्ष 2021-2022 के अंत में सरकार पर कुल कर्ज और देनदारी का बोझ बढ़कर 1,09,184.98 करोड़ रुपये हो गया. राज्य सरकार ने अपने खर्चों को पूरा करने के लिए 6.87 फीसदी और 7.35 फीसदी की ब्याज दरों पर 5,000 करोड़ रुपये का ऋण लिया.

रिपोर्ट में यह भी बताया गया है कि राज्य सरकार ने 10,000 करोड़ रुपये से अधिक लागत वाली बुनियादी ढांचा परियोजनाओं को निर्धारित समय सीमा के भीतर पूरा नहीं किया है. इसमें 3,344.75 करोड़ लागत का सड़क निर्माण भी शामिल है. <https://thewirehindi.com/264370/jharkhand-cag-audit-finds-men-given-widow-pension/>

SELECTED NEWS ITEMS/ARTICLES FOR READING

17. GST revenues robust amid stricter audit, 2024 may see tax base widen (*financialexpress.com*) Dec 26, 2023

Finance Minister Nirmala Sitharaman had said earlier this year that the GST (goods and services tax) regime has brought a significant improvement in the system which has not only benefited the states but ultimately the “people as well”.

One may argue that the current weighted average tax rate under GST is, which is lower than the revenue neutral rate of 15%, has led to lower tax collections, primarily affecting state tax revenues. But a sustained buoyancy in the GST mop-up, coupled with an increasing tax base, and easing compliance costs has nonetheless aided both Centre and states revenue collections, and provided cushion to fiscal slippage – which experts say would continue to some extent in the coming year as well.

A review of GST slabs with simplification as a key objective will likely happen once a new government takes over after the Lok Sabha elections. The recast should however must aim at expanding the tax base and improving tax credit flows, rather than a wholesale hikes in rates that could hit consumption, analysts believe. The list of items exempt from tax may be pruned in the review.

An RBI study in 2022 had said that the weighted average GST rate fell from 14.4% at the time of inception to 11.6% in 2019 as a consequence of a series of tax cuts between November 2017 and December 2018. For perspective, the Arvind Subramanian Committee report had estimated the revenue neutral rate at 15-15.5%.

In the first eight months of the current fiscal year, gross GST collections have recorded a growth of 12% year-on-year, with a monthly average mop-up of Rs 1.66 trillion. In FY23, the monthly average collections were Rs 1.50 trillion, and in FY22, they were Rs 1.24 trillion.

Among the components of gross collections – Central GST (CGST) collections have recorded a sharp 16.7% jump in collections in April-November FY24, and State GST (SGST) collections have witnessed a 15.4% rise.

IGST collections, however, have shown a softer increase at 8.6% as it comprises collections from import of goods, which has grown meagrely at 2.6% year-on-year. Collections from cess have recorded a 12.9% rise in April-November.

Even though collections from cess constitute a part of the gross GST mop-up and are shown as revenue receipts in the Consolidated Fund of India. It’s levied only to serve the purpose of compensating the states for loss of revenue arising due to the implementation of the GST regime.

Initially, it was supposed to be levied till June 2022, but the Centre extended the levy till March 2026. This is because during the pandemic, collections from compensation cess were not sufficient for payment of compensation to states. Thus, in order to fill the gap, the Centre borrowed about Rs 2.7 trillion in FY21 and FY22. The revenue

collections from compensation cess from July 2022 till March 2026 would be utilised in repayment of borrowings.

However, even if the cess collections are removed from the total GST mop-up, the growth rate in collections is similar to that of gross GST collections. Meaning, compensation cess' removal would not likely alter the GST mop-up's growth trajectory.

The insipid collections from import of goods is a direct consequence of contraction in merchandise imports. In April-November, merchandise imports declined 8.7% year-on-year. Experts have attributed the buoyancy on tax collections primarily to economic growth and increase in compliance.

“GST collections have grown significantly from Rs 80,000 crore – Rs 1.2 trillion in the initial years of the regime to an average monthly collection of Rs 1.7 trillion in the current year – as a result of increase in domestic consumption, government initiatives towards improving tax compliance and plugging tax leakages, e-invoicing requirements, and increase in purchasing power,” said Saloni Roy, Partner, Deloitte India.

In a post on 'X' last week, the finance ministry had said that the total number of GST returns filings have risen 56% to 11.28 million between April 2018 and April 2023, on account of improvement in compliance by taxpayers, driven by “effective policy” and “systemic changes” in GST.

The number of active GST taxpayers rose 33% to 13.96 million during the same period.

Earlier this month, Minister of State for Finance Pankaj Chaudhary said that over the years, the measures taken by government for improving tax compliance include mandating e-way bill-ITC matching, mandating e-invoice, deployment of AI and ML-based analytics, aadhaar authentication for registration, calibrated action on non-filers, and integration of e-way bill with fast tag among others.

Moreover, the current year has seen an increase in audits on various industries, one as a strategy on the part of the government, and on account of the deadline to issue demand notices for the period of 2017-18 and 2018-19. “The increase in audits and scrutiny have resulted in increased compliance leading to increase in GST payments,” noted Bipin Sapra, Tax Partner, EY India.

“Also, there has been a stringent crackdown on GST evaders especially where fake invoicing is concerned. This too has added to collections,” he said.

Till October in the current fiscal, The Directorate General of GST Intelligence (DGGI) has detected Rs 1.36 trillion as overall GST evasion, including fake input tax credit (ITC). Of which, a recovery of Rs 14,108 crore has been made. The authorities are using system based analytical tools and system generated red flag reports to take action against tax evaders.

In the coming year, GST collections pace would be affected by fall in the nominal GDP growth, which is expected to slow down amidst external uncertainties and tepid domestic demand conditions, mostly rural. However, the impact may not be

proportional as the growth in GST collections witnessed so far this year outpaces the 10.5% growth in nominal GDP assumed in the Budget.

“A growth of 10-12% seems sustainable given that increase in compliance management and audits are bound to continue next year,” EY India’s Sapra said. “The increase in certain rates like online gaming will also impact the continued growth in collections,” he said.

“Another factor which can impact the GST collections is the GST rate rationalisation, which, for a while, is under consideration of the Group of Ministers formed by the GST Council,” said Gunjan Prabhakaran, Partner & Leader – Indirect Tax, BDO India. <https://www.financialexpress.com/policy/economy-gst-revenues-robust-amid-strict-audit-2024-may-see-tax-base-widen-3347185/>

18. IMF report on India debt: Government says report only talks of "worst case scenario" (cnbctv18.com) Dec 23, 2023

The government on Friday clarified that the International Monetary Fund's case of India's debt touching 100% of the country's Gross Domestic Product (GDP) by financial year 2028 is only a "worse-case scenario and not a fait accompli."

Fait accompli is something that has already happened or been decided before those affected hear about it, leaving them with no option but to accept it.

In a detailed clarification, the government explained that among the various favourable and unfavourable scenarios listed by the IMF like a once-in-a-century Covid-19, the government's debt could be 100% of GDP under adverse shocks by financial year 2028.

The Finance Ministry also highlighted that the debt of both the centre and states has come down since 2021. "General government debt has steeply declined to 81% in financial year 2023 from 88% in financial year 2021," the clarification said, adding that the centre is on track to achieve its stated fiscal consolidation aim of below 4.5% by financial year 2026.

"It is also expected that the combined government debt will decline substantially in the medium-to-long term," the statement said.

India's general government debt is majorly rupee-denominated with external borrowings contributing a minimal amount, a fact that is highlighted in the IMF report.

Domestically issued debt, which is largely in the form of government bonds, is mostly medium or long-term, with a weighted average maturity of nearly 12 years for the central government debt. "Therefore, the rollover risk is low for domestic debt, and the exposure to volatility in exchange rates tends to be on the lower end," the government added.

"The shocks experienced this century by India were global in nature, like the global financial crisis, the taper tantrum, Covid-19 among others," the Finance Ministry said, adding that these shocks uniformly affected the global economy. Therefore, any adverse

global shock or extreme event is expected to unidirectionally impact all the economies in an interconnected and globalised world, the ministry said.
<https://www.cnbc18.com/india/imf-report-on-india-debt-government-says-report-only-talks-of-worst-case-scenario-18636191.htm>