

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. विकास के मॉडल से रूबरू हुए विभिन्न देशों के कैग (*inextlive.com*) 01 March 2024

विभिन्न देशों के नियंत्रक महालेखा परीक्षकों के प्रतिनिधिमंडल ने नगर निगम का भ्रमण किया. 20 सदस्यीय दल ने अगवानी मेयर हेमलता दिवाकर कुशवाह ने की. अपर नगरायुक्त एसपी यादव ने स्वच्छता, डोर टू डोर कूड़ा कलेक्शन, विकास कार्यों के मॉडल के बारे में प्रेजेंटेशन के माध्यम से समझाया. साथ ही स्मार्ट सिटी के तहत हुए विकास का खाका भी दिखाया.

Agra: नियंत्रक महालेखा परीक्षकों का प्रतिनिधिमंडल गुरुवार दोपहर में नगर निगम पहुंचा और विभिन्न कार्यालयों को देखते हुए कार्यकारणी सभागार पहुंचा। निगम की ओर से यहां किए जा रहे कार्यों की प्रेजेंटेशन दी गई।

कार्यों की प्रेजेंटेशन दी गई

इसमें डोर टू डोर कूड़ा कलेक्शन को लेकर प्रतिनिधियों ने प्रशंसा की। इसके साथ ही वेस्ट मैनेजमेंट, फूलों, कूड़े से तैयार हो रही खाद आदि को सराहा। मेयर ने दल स्मार्ट सिटी के कार्यों के बारे में बताया, किस तरह शहर की तस्वीर बदलने का प्रयास है। उन्होंने बाइसिकल शेयड्रक्षरग, इलेक्ट्रिक वाहन चार्जिंग प्वाइंट के बारे में भी विस्तार से जानकारी दी। प्रतिनिधियों ने निगम के विभिन्न अधिकारियों से कार्यों के बारे में जाना। प्रतिनिधिमंडल में ओमान, कांगो, नेपाल आदि देश के प्रतिनिधि थे। अपर नगरायुक्त विनोद गुप्ता, पर्यावरण अभियंता पंकज भूषण आदि मौजूद थे।
<https://www.inextlive.com/uttar-pradesh/agra/cags-of-different-countries-came-face-to-face-with-the-development-model-1709233512>

2. Personnel Protection (*forceindia.net*) March 1, 2024

As technology leaps, government must invest in state-of-the art protective gear

In 2020, the Comptroller and Auditor General (CAG) of India raised concerns with the government, highlighting significant deficiencies and notably insufficient reserves of specialised winter clothing, snow goggles, multi-purpose boots and related equipment. These shortages were particularly acute for troops deployed in high-altitude areas such as Siachen, Ladakh and Doklam.

The audit report underscored the impact of delayed procurements, emphasising how essential clothing was in short supply due to delays in the acquisition process. According to a NITI Aayog estimate from 2020, the tri-services—Army, Navy, and Air Force—along with Central Armed Police Forces (CAPFs) such as Border Security Force (BSF), Central Reserve Police Force (CRPF), Central Industrial Security Force (CISF) and police, required a minimum of 3,00,000 bullet-proof jackets. Additionally, in late 2022, the Indian Army identified a crucial need for an additional 80,000 ballistic helmets to fortify its personnel against the escalating threat of high-velocity bullets.

Beyond the numerical aspect, the qualitative dimensions of this requirement become apparent through the lens of recent historical events. Instances of armed forces and state

police engaging in combat operations without essential body armour and safety gear underscore the critical deficiency in protective equipment.

For instance, the aftermath of the 26/11 attacks in Mumbai brought to light glaring inadequacies, particularly in the bullet-proof jackets worn by security personnel. The Pradhan Inquiry Commission revealed the shocking reality that some jackets were outdated, incapable of withstanding grenade attacks, and, most alarmingly, purchased defective.

There are also different protective requirements for different forces. In 2020, the Indian Army wrote to the Ministry of Defence (MoD) demanding that the CAPFs refrain from wearing combat uniforms because they closely resembled what the Indian Army wears during combat operations thus leading to confusion amongst civilians between the army and police force.

Bulletproof vests and helmets serve as critical protective gear for both paramilitary and police forces, yet their requirements differ based on the nature of their operations. Paramilitary forces often face higher-calibre threats, including military-grade weapons, necessitating bulletproof vests designed to resist rifle rounds and provide comprehensive coverage to the torso, sides and back. These vests are crafted for enhanced mobility and flexibility in dynamic, tactical situations. In contrast, police forces predominantly encounter lower-calibre threats from handguns, leading to the development of vests focused on protecting vital organs with a balance between mobility and ballistic resistance.

Similarly, the design and functionality of helmets also vary. Paramilitary helmets are engineered to offer heightened ballistic protection, including resistance against rifle rounds and shrapnel. They may feature a more robust design, covering more of the head, and could be slightly heavier to ensure increased protection.

Paramilitary helmets often include specialised features like attachment points for accessories such as night-vision goggles or communication devices, catering to the diverse needs of combat scenarios. On the other hand, police helmets are typically lighter in design, prioritising comfort during extended use, covering the top of the head, and emphasizing simplicity for compatibility with standard police equipment in urban environments. These distinctions underscore the tailored approach to meeting the unique safety requirements of paramilitary and police personnel.

The need for different equipment standards between the army and the CAPF stems from the contrasting nature of their roles and operational contexts. The army, geared towards national defence in diverse and potentially intense warfare scenarios, requires versatile protective gear capable of withstanding a range of threats, including heavy artillery. In contrast, CAPF, engaged in internal security and law enforcement, faces different challenges in urban or border regions, necessitating equipment tailored to handle lower-intensity threats and crowd control situations.

The variation in threat perceptions, operational environments and budget constraints contributes to the distinct standards for protective gear, ensuring that each force is adequately equipped for its specific responsibilities.

Industrial licenses have been issued to 15 companies for manufacturing bullet-proof jackets in the country with a production capacity of over 10,00,000 per annum to meet the domestic and export requirements. Yet, India struggles to equip its security forces adequately.

Leap of Technology

The advancements required in bulletproof vests go beyond bullet proofing. Comfort and ergonomics are crucial considerations. The lighter composite materials make these vests significantly easier to wear for extended periods, reducing fatigue and improving situational awareness. Additionally, modularity allows for attaching night vision goggles, communication headsets and visors, adapting to diverse scenarios, from close-quarter firefights to covert night operations.

In 2021, the Defence Research and Development Organisation (DRDO) developed a lightweight Bullet-Proof Jacket (BPJ) weighing around 9 kilograms, meeting the Indian Army's requirements. The Front Hard Armour Panel (FHAP) was tested at the Terminal Ballistics Research Laboratory (TBRL), Chandigarh, and met relevant Bureau of Indian Standards. The jacket was developed by the Kanpur-based Defence Materials and Stores Research and Development Establishment (DMSRDE), a DRDO laboratory.

In 2022, Tata Advanced Systems Limited (TASL) secured a contract to supply 10,000 bullet-proof jackets for the Indian Air Force (IAF). The lightweight bullet-resistant body armour is expected to replace bulky and heavy jackets slowly being phased out from the entire armed forces.

Reports have indicated that the Indian Air Force (IAF) aims to provide its Garuda Commando Force with lighter jackets that offer resistance against close combat weapons. The objective is to ensure that these jackets do not impede swift movement of the commandos during operations. <https://forceindia.net/feature-report/personnel-protection/>

STATES NEWS ITEMS

3. 94% of Telangana budgeted borrowings spent this fiscal, says CAG (*timesofindia.indiatimes.com*) Mar 1, 2024

Hyderabad: The Comptroller and Auditor General (CAG) report on state's finances released on Thursday for January revealed that the state had exhausted 94% of all its budgeted borrowing facilities. A total of ₹40,992 crore was borrowed as against total expected borrowings of ₹43,294 crore for 2023-24 fiscal.

As per the CAG report, state earned ₹1,36,850 crore (63%) for 2023-24 fiscal till now, which was slightly better when compared to the same period in 2022-23.

Moreover, in a good sign, the state has earned 90% (₹20,572 crore) of its expected non-tax income of ₹22,807 crore.

This was a massive improvement from only 40% non-tax income in 2022-23 fiscal for the same period.

The state has earned 72% (₹1,10,442 crore) of expected tax income of ₹1,52,499 crore.

As against ₹41,259 crore of grant-in-aid from the Centre, the state has so far received only ₹5,844 crore. Till now the state has received ₹11,920 crore as its share of Union taxes pegged at ₹14,529 crore.

From the stamps and registrations category, the state received ₹11,698 crore as against the expected ₹18,500 crore. The state has spent ₹65,640 crore on interest payments, salaries & wages, pension, and subsidy. The interest payment alone amounted to ₹19,102 crore so far in the current financial year.
<https://timesofindia.indiatimes.com/city/hyderabad/94-of-t-budgeted-borrowings-spent-this-fiscal/articleshow/108123284.cms>

4. 26% of money allocated in budget over the past four years unspent, CAG report (*tripurainfo.com*) February 29, 2024

Tripura government is saddled with a debt burden of more than Rs 21 thousand crores and many a sphere of governmental activity is virtually paralysed by lack of funding despite allocation in budgets passed by the assembly . But in spite of this a report of the CAG tabled in the state assembly in the last session has revealed a startling fact. According to the CAG's findings 26% of budgetary allocations during four financial years between 2018-2019 and 2021-2022 remained unspent on various developmental heads. In terms of percentages altogether 26% of money allocated in state budgets over the four years in reference remained unspent .

Sources in the state secretariat said that administrative inexperience and lack of knowledge of finance and governance led to this problem . There is however no clue to where the money has gone . There are certain heads like planning and special projects wherefrom the unspent money has to be refunded to Centre but this makes an adverse effect on the subsequent year's allocations. "What exactly happened to the unspent money has to be determined through investigation; the important fact is that there is no system of planning now and special allocations for projects cleared by the NITI Ayog can not remain with the state government in the event of non-spending and implementation; but overall this non-spending is only a major symptom of the financial maladministration in the state" said sources.
<https://tripurainfo.com/news.aspx?intnid=19848&title=26-of-money-allocated-in-budget-over-the-past-four-years-unspent--CAG-report>

5. Nagaland CM lays CAG report (*morungexpress.com*) Feb 29, 2024

Nagaland Chief Minister Neiphiu Rio today presented the Comptroller & Auditor General of India's (C & AG) report on the floor of the house. The Report includes, Appropriation Accounts 2022-23, Finance Accounts (Volume-I) 2022-23 and Finance Accounts (Volume-II) 2022-23.

Rio also tabled the Report of the Third Nagaland State Finance Commission (2023-2024 to 2025-2026) and Nagaland Taxation Service (First Amendment) Rules, 2023.

Imkong L Imchen, Chairman of the Committee on Public Undertakings (2023–2024) presented 137th Report on the Action Taken by the Government on the Observation and Recommendation made in the 96th Report of the Committee on Public undertakings on the Examination of the Audit Paragraphs contained in C&AG of India for the year 2011-2016 pertaining to the Nagaland Industrial Raw Materials Supply Corporation Limited (NIRMSC) under the Department of Industries & Commerce, 138th Report on Action Taken by the Government on the Observations and Recommendations contained in the 104th Report of the Committee on Public Undertakings on the Examination of the Report of the Comptroller & Auditor General of India for the year 2016-2017 pertaining to the Nagaland State Mineral Development (NSMDC) under the Department of Geology and Mining, Government of Nagaland and 139th Report on Action Taken by the Government on the Observations and Recommendations contained in the 109th Report of the Committee on Public Undertakings on the Examination of the Report of the Comptroller & Auditor General of India for the year 2017-2018 pertaining to the Nagaland State Mineral Development (NSMDC) under the Department of Geology and Mining, Government of Nagaland.

Kuzholuzo Nienu, Chairman of the Committee on Government Assurances (2023 – 2024) presented 104th Report of the Committee on Government Assurances (8th Session of the 13th Nagaland Legislative Assembly), 105th Report of the Committee on Government Assurances (12th Session of the 13th Nagaland Legislative Assembly) and 106th Report on Action Taken on the Observations/ Recommendations contained in the 99th Report of the Committee on Government Assurances. <https://www.morungexpress.com/nagaland-cm-lays-cag-report>

SELECTED NEWS ITEMS/ARTICLES FOR READING

6. State-level rumbles in the Indian federation: Can the 16th FC help? (*livemint.com*) 01 March 2024

The 16th Finance Commission could perhaps incentivize the Centre to merge cesses and surcharges into the basic tax structure in exchange for a lower aggregate share for states.

These are tumultuous times, with the resurgence of farmer unrest. Earlier in February, there was a state rebellion about unfair fiscal treatment by the Union government which was more worrying, and not just because the chief ministers of aggrieved states staged a street protest in Delhi.

All states in India get a percentage share of gross taxes collected by the Centre. The aggregate share, as well as the share of each state, is prescribed by a succession of Finance Commissions (FCs) for five years at a time. Once accepted in Parliament, each state's tax share becomes a statutory obligation, both the percentage payable as well as the dates on which payments fall due. I have often spoken of this statutory provision as being the Fevicol that has held the Indian federation together.

We are presently in the period 2021-22 to 2025-26 covered by the 15th FC, which set states' aggregate share at 41% of gross tax collections at the Centre (net of tax collection costs). Let us look at 2022-23 (FY23), for which we have audited final numbers (the current year FY24 figures are subject to further revision). When the FC provision is reconfigured after deducting costs of collection in FY23, the recalculated FC

prescription moves down just a notch to 40.8 % of reported gross tax revenue of the Centre.

It is better to adjust the target in that manner, so that the reported gross tax revenue can be directly used thereafter to compare the percentage states actually got with the adjusted target. In FY23, states received in aggregate ₹9.5 trillion as their tax share, which was 31.1% of the reported gross tax revenue of the Centre, well below the adjusted target of 40.8 %.

The reason for that shortfall is that Central cesses and surcharges (education, health, familiar to all taxpayers), superimposed on the basic tax structure are excluded from the shareable revenue base because they are supposedly temporary add-ons. States accuse the Centre of using them as a stratagem to reduce the statutory payment to states.

An important caveat post the Goods and Services Tax (GST) is that a GST cess is levied and collected by the Centre, but only to pay compensation to those states which failed to reach a required revenue level during the first five years, till end-June 2022. The GST cess continues to be levied to cover deficits on compensation due to those states (my column of 4 August 2023; tinyurl.com/2wsdpjvk). So some part of the ‘denied distance’ is on account of a cess fully paid out to (some) states. If states’ share is re-computed as a percentage of gross tax revenue of the Centre minus the GST cess, it goes up to 32.5% in FY23, still 8.3% below the FC target of 40.8 %.

In addition to the tax share (the dominant component), FCs also prescribe absolute statutory grants, unconnected to Central tax revenue. If we add grant payouts in FY23 to the tax share, states received a statutory flow at 38.4% of gross tax revenue (minus the GST cess).

Then there are non-statutory flows from the Centre to states through Centrally Sponsored Schemes (with co-payment by states), and other Central schemes. Although non-statutory, these still carry funding commitments, but there can be many grounds for state grievances here, including processing delays and imposition of politically fraught conditionalities. Adding these on, states’ share climbs up to 57.8% of gross Central tax revenue (minus the GST cess). In addition, there are other flows, such as a 50-year interest-free loan with bullet repayment to states for capital expenditure, and externally funded grants routed through the Centre.

Adding up all the pieces, states received a total flow of ₹18 trillion in FY23. Despite that, the kernel of the present dissatisfaction has to do with the statutory tax share working out to 8.3 percentage points below the target calculated here of 40.8%, even after removing the GST cess from gross tax revenue (because it is shared, but differently).

The 16th FC is in place. Perhaps it could incentivize the Centre to merge cesses and surcharges into the basic tax structure (the GST cess has to be phased out in any case) in exchange for a lower aggregate share for states. It is only since FY16 that states’ share got dramatically ramped up from 32% to 42% on the recommendation of the 14th FC (now at 41% with Jammu and Kashmir transferred from state to Union territory status). There is a lesson to be learnt from the present effective tax share languishing at 32.5%, near the nominal level at which it was pegged before the ramp-up.

Some states like Karnataka have individual grievances about their percentage of the aggregate having fallen over time. That is because the distribution formula for the tax share compensates for inter-state disparities. Tax revenues collected from states like Karnataka and Maharashtra are generated from economic activity all over the country, but paid from those jurisdictions because of corporate headquarters and high-income individuals located there. In the end, all states have a stake in belonging to the Indian Union, with the free movement of people and goods that it affords across a vast market. <https://www.livemint.com/opinion/online-views/statelevel-rumbles-in-the-indian-federation-can-the-16th-fc-help-11709207501212.html>

7. Direct benefit transfers to unprivileged reaches Rs 34 lakh crore (*moneycontrol.com*) MARCH 01, 2024

Launched in 2013, the DBT scheme replaced the then existing delivery process. Through the use of digital tools, the scheme transfers subsidies directly into the Aadhar-linked bank accounts of the targeted beneficiaries.

The Centre has given away about Rs 34 lakh crore through the direct benefit transfer (DBT) mechanism, Finance Secretary TV Somanathan said, citing a message from Finance Minister Nirmala Sitharaman on March 1.

"This is a testament to the system's effectiveness in eliminating inefficiencies and ensuring that benefits are delivered directly to the citizens without any leakage. It is noteworthy that 1,081 different schemes, including those of state governments, has been seamlessly integrated with the DBT," Sitharaman said in her message.

This is a reiteration from Sitharaman's Budget speech on February 1 where she said that DBT of Rs 34 lakh crore from the government using PM-Jan Dhan accounts has led to savings of Rs 2.7 lakh crore. This has been realised through avoidance of leakages prevalent earlier. The savings have helped provide more funds for Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY).

The PM-GKAY scheme, which provides free food grains to around 81 crore poor people, was extended by five more years covering the period of January 2024 to December 2028. This extension will cost the exchequer around Rs 11.8 lakh crore.

Launched in 2013, the DBT scheme replaced the existing delivery process. Through the use of digital tools, the scheme transfers subsidies directly into the Aadhaar-linked bank accounts of the targeted beneficiaries.

According to the government, DBT has reduced instances of transfer of funds to duplicate or fake beneficiaries by plugging leakages. This has helped in targeting genuine and deserving beneficiaries.

Government data shows that so far in the current financial year, the amount transferred through DBT schemes stands at Rs 4.35 lakh crore for 314 schemes. <https://www.moneycontrol.com/news/business/direct-benefit-transfers-to-unprivileged-reaches-rs-34-lakh-crore-12382981.html>

8. Cabinet OKs Rs 75k cr rooftop solar scheme, 1 cr households to get subsidy of up to Rs 78k (*indianexpress.com*) Updated: March 1, 2024

The scheme provides a central financial assistance (CFA) of 60 per cent of system cost for 2 kW systems and 40 per cent of additional system cost for systems between 2 kW to 3 kW capacity. The CFA will be capped at 3 kW.

The Union Cabinet has cleared a `75,021-crore rooftop solar scheme under which one crore households in the country will get a subsidy for installation of such units.

Approved Thursday, the PM-Surya Ghar: Muft Bijli Yojana will offer a subsidy of up to `78,000 per household for the installation of solar plants, under which they will get 300 units of free power, the government said.

“The Union Cabinet, chaired by Prime Minister Narendra Modi, has approved PM-Surya Ghar: Muft Bijli Yojana with a total outlay of `75,021 crore for installing rooftop solar and providing free electricity up to 300 units every month for one crore households,” Information & Broadcasting Minister Anurag Thakur told reporters after the Union Cabinet meeting. The PM had launched the scheme on February 13.

Through this scheme, households will be able to save electricity bills as well as earn additional income through sale of surplus power to DISCOMs. A 3-kW system will be able to generate more than 300 units a month on an average for a household.

The scheme will run for four years — from 2023-24 to 2026-27, Thakur said, adding that it is expected that one crore household target will be saturated much earlier.

Festive offer

Thakur said subsidies for resident welfare associations (RWAs) and group housing societies will also be offered for solar-powered lighting. “Out of 45 GW solar capacity being targeted, 30 GW will be for domestic housing requirements,” he said, adding that under the scheme, rooftop solar panels will be installed in all government buildings by 2025.

The scheme provides a central financial assistance (CFA) of 60 per cent of system cost for 2 kW systems and 40 per cent of additional system cost for systems between 2 kW and 3 kW capacity; the assistance is capped at 3 kW. At current benchmark prices, this will mean `30,000 subsidy for 1 kW plant, `60,000 for 2 kW and `78,000 for 3 kW systems or higher, Thakur said.

According to a statement issued by the government, households can apply for subsidy through a national portal launched for the scheme, where they can also select a suitable vendor for installing rooftop solar units. The portal will offer information about appropriate system sizes, benefits calculator and vendor rating. Households can register on pmsuryaghar.gov to avail of the benefits. <https://indianexpress.com/article/india/cabinet-rs-75k-cr-rooftop-solar-scheme-1-cr-households-subsidy-rs-78k-9188555/>

9. Defence ministry seals procurement deals worth Rs 39,125 crore (*telegraphindia.com*) March 1, 2024

The defence ministry on Friday inked five military procurement deals worth Rs 39,125 crore.

Of the five contracts, one was with the Hindustan Aeronautics Limited for procurement of aero-engines for MiG-29 aircraft, according to the ministry.

Two contracts were firmed up with Larsen & Toubro Limited for the procurement of close-in weapon system (CIWS) and high-power radar. Two other deals were finalised with BrahMos Aerospace Private Limited for the procurement of BrahMos missiles.

"These deals will further strengthen indigenous capabilities, save foreign exchange and reduce dependency on foreign-origin equipment manufacturers in future," the ministry said. <https://www.telegraphindia.com/business/defence-ministry-seals-procurement-deals-worth-rs-39125-crore/cid/2004045>

10. Economy on fire: India's GDP revised up again (*livemint.com*) 1 March 2024

At 7.6%, the latest growth estimate for 2023-24 is better than the 7.3% the government had earlier predicted, although our growth needs to be broader based. The farm sector has stagnated.

India's official gross domestic product (GDP) growth data suggests the economy is on fire, even if not firing on all cylinders. At 7.6%, the latest growth estimate for 2023-24 is better than the 7.3% the government had earlier predicted, which itself was an upward surprise. At this rate, the current fiscal year will mark quite a pick-up from 2022-23, when the economy grew a revised 7% (down from 7.2%) and many had expected it to lose pace thereafter.

A clearer picture emerges when we look closer. Growth in the October-December period, or third quarter of 2023-24, clocked 8.4% year-on-year. Estimated rates for previous quarters have been revised too, resulting in a momentum that places India in a position to report a distinct acceleration. Of course, this fiscal year still has a month left to go and it will be a long while before we'll have a final figure for 2023-24.

Sector-wise data presents an uneven picture. Most sectors have posted robust value addition. Manufacturing grew 11.6% on that count in the third quarter. But agriculture is tottering. Its value addition was stagnant in the last quarter. Our growth needs to be broader based and we must stay vigilant on income divergences. <https://www.livemint.com/opinion/quick-edit/economy-on-fire-indias-gdp-revised-up-again-11709219416126.html>

11. Charting India's Course: Project 75(I) Submarine Saga Unfolds (*financialexpress.com*) February 29, 2024

Back in early 2020 the Defence Acquisition Council (DAC) had shortlisted two Indian partners for the Project 75 (I) — MDL and Larsen & Toubro (L&T).

The competition to construct stealth submarines for India's flagship naval initiative, Project 75(I), has intensified, marked by South Korea's withdrawal and the determined efforts of Germany and Spain. Spain's Defence Secretary, Amparo Valcárcel, is set to visit Delhi, next week (March 7-8) showcasing Navantia's readiness to contribute to the project under Make in India.

With a budget of approximately US\$5.27 billion, the project aims to produce six stealth submarines equipped with Air Independent Propulsion (AIP) technology, enabling prolonged underwater operations.

Despite initial interest from multiple OEMs, dwindling participation has left Germany and Spain as the primary contenders. As discussions unfold, whether the project will align with Germany's Thyssenkrupp Marine Systems (TKMS) or Spain's Navantia remains uncertain.

Delays and uncertainties have plagued Project 75(I), attributed to technical and legal hurdles, including specifications regarding AIP modules and liability concerns. However, recent diplomatic engagements, including Defence Secretary Giridhar Aramane's visit to Germany, indicate ongoing efforts to propel the project forward, potentially through collaboration between Indian shipyards and international partners.

As reported previously by Financial Express Online, the Ministry of Defence has directed Mumbai-based Mazagon Dockyard Limited (MDL) and L&T Company to enter into an agreement with a foreign OEM (Original Equipment Manufacturer). These special submarines, being equipped with Air Independent Propulsion (API) technology, can operate under the sea for a long time.

Five OEMs were identified initially for building these submarines with the most critical component API here in India in collaboration with the two shipyards which were identified. However, over a period of time Russia, and France (Naval Group) withdrew from the race. That left South Korea, Spain and Germany in the fray.

Who all responded to the EoI in 2020?

South Korean company Daewoo Shipbuilding & Marine Engineering pitched the KSS-3 submarine.

The Naval Group of France which is already involved in the 'Scorpene' submarine under Project-75.

Navantia of Spain offered S-80 (Issac Peral class);

TKMS of Germany — Type 218 (Invincible Class).

Rosboronexport of Russia for the Amur.

South Korea Pulls out of the race

On Wednesday, South Korea's Ambassador to India Chang Jae Bok, confirmed that his country's Hanwha Defence and Aerospace Company (formerly Daewoo Shipyard) has also "decided to withdraw from the project due to some reasons."

Next month, foreign ministers of both India and South Korea will meet in Seoul and the focus of talks will be on enhancing cooperation in defence production as well as in trade and economics.

Meanwhile ...

Interestingly, India's Defence Secretary Giridhar Aramane is visiting Germany during the visit he had a special discussion with his German counterpart Benedikt Zimmer regarding cooperation on high-technology in the defence sector.

Apart from this, Aramane also met separately with top representatives of German defence companies (Feb 27-28).

Significance of the visit to Germany

Germany's Thyssenkrupp Marine Systems (TKMS) and MDL are likely to join hands for the building of submarines here in India. This is the only company in the world which has an operational AIP that the submarines need.

However, the question remains: Is it going to Spain or Germany?

Financial Express Online has reported earlier that the German company is one of the contenders for the six advanced diesel-electric submarines under Project-75I, the Request for Proposal (RfP) for which was extended until August in 2023.

The Project 75 (I) has been stuck for a long time due to technical and legal issues related to the RfP that was issued by the Ministry of Defence in 2021.

During the visit of the German Chancellor Olaf Scholz earlier in February 2023, the proposal for the submarines through government-to-government route was discussed.

Background

Back in early 2020 the Defence Acquisition Council (DAC) had shortlisted two Indian partners for the Project 75 (I) — MDL and Larsen & Toubro (L&T). These were the first to be processed under the Strategic Partnership (SP) model of the Defence Procurement Procedure (DPP).

The RfP for the six submarines was issued way back in July 2021 to two Indian companies which were identified – MDL and L&T. These two Indian companies were given 12 weeks to respond. However, since then it has been extended several times and as of now the last date to respond to the tender was in August 2023.

What led to the delay and uncertainty?

Indian Navy's Project 75 (I) has run into problems due to several issues including a specification as mentioned in the RfP related to the Air Independent Propulsion (AIP)

module. It has been specified that the foreign company bidding for the project should have an operational AIP with an endurance of two weeks.

According to sources, “The German company TKMS decided to team up with the Indian shipyard MDL and once the deal is firmed up through Intergovernmental Agreement the German company will transfer technology to build the submarines here in India.” <https://www.financialexpress.com/business/defence-charting-indias-course-project-75i-submarine-saga-unfolds-3409353/>

12. Indian Navy to bolster anti-submarine warfare capabilities with MH 60R helicopter induction (*indianexpress.com*) February 29, 2024

Defence Minister Rajnath Singh will commission the newly inducted MH 60R Seahawk multi-role helicopter at the INS Garuda in Kochi on March 6, Navy officials said.

The coast of Kochi is all set to witness the pinnacle of airborne supremacy of the Indian Navy next week when it inducts the aerial marvel, the MH 60R helicopter into its fleet, bolstering the Anti-Submarine Warfare (ASW) capabilities.

Defence Minister Rajnath Singh will commission the newly inducted MH 60R Seahawk multi-role helicopter at the INS Garuda here on March 6, Navy officials said.

The squadron will be commissioned in the Indian Navy as INAS 334, under the Command of Captain M Abhishek Ram.

The Indian government signed a deal with the United States in February 2020, to acquire 24 fourth-generation MH 60R helicopters. Six of them have been delivered to the Indian Navy so far.

Speaking to PTI, Ram said the induction of these helicopters into the Indian Navy will bring about a significant surge in its maritime prowess and capabilities.

Detailing the capabilities of the new chopper, he said that apart from the ASW, it is designed for anti-surface warfare, search and rescue operations during the day and night, medical evacuation and vertical replenishment, among others. “With this MH 60R, we have filled a major gap in our anti-submarine warfare capability. The anti-submarine capability and the sustenance of the chopper will change the way we are doing our surveillance and it will give us a larger surveillance bubble,” Ram said.

He added that the newly inducted choppers have been integrated with almost all the ships under the Indian Navy and ready for operational deployments.

The MH 60R is also capable of firing torpedoes, missiles and advanced precision kill weapon system rockets.

The self-protection suite on the helicopter comprises Chaff and Infrared Flares, which can be deployed automatically upon detection of a threat, Lieutenant Commandant Aneesh Ayarotil, one of the trained pilots of MH 60R said.

This is the only chopper in the Indian Navy with a self-defence capability from incoming gunfire or missiles.

“We can deploy flares against the incoming heat-seeking missiles, while chaffs that contain high radar-reflecting materials can be deployed to confuse the radar-homing missiles,” Ayarotil told PTI.

Ayarotil, who was earlier a Chetak pilot, said the MH 60R is one of the most advanced choppers and the systems are pilot-friendly. “We can engage autopilot to hover and reduce the workload of the pilots,” he added.

The first five batches of pilots and observers, who handle the detection and weapon systems and make the necessary tactical and navigational decisions, were trained in the US.

Ram said the rest of the training was held at INS Garuda in Kochi where a simulator is also coming up.

“This training here is more realistic because when you embark on an Indian ship, we are giving them a realistic sense of tactics. Because most of the training in the US was on the simulator and they do not let us expose ourselves much. Here we are actually doing exercises with submarines, ships, aircraft so the training becomes realistic,” he said.

The new chopper can be used for rescue operations, especially in night search and rescue missions, as it has night vision goggles and forward-looking infrared facilities.

The choppers have been integrated with the INS Vikrant and the Navy considers it as a milestone.

The advanced weapons, sensors and the avionics suite onboard have been tested rigorously for the past eight to nine months.

The chopper can also exchange information in real time through advanced data link systems with Indian as well as platforms from friendly foreign countries making it completely interoperable.

Currently, all six delivered Seahawks are in Kochi. It has also participated in the recently held multinational MILAN exercise on the eastern seaboard of India. <https://indianexpress.com/article/india/indian-navy-to-bolster-anti-submarine-warfare-capabilities-with-mh-60r-helicopter-induction-9188708/lite/>

13. Govt charts out mega plan to ease coal evacuation (*financialexpress.com*) March 1, 2024

The government further sees domestic coal production touching 2 billion tonnes per annum starting 2047 with zero imports of either coking or non-coking coal.

In an attempt to reduce coal imports while enhancing domestic availability, the government has firmed up a plan to increase the share of railways in transportation of the fuel to 87% by FY30 from the current 65%. It also aims to eliminate the transport of coal through roads during the period which is currently at 26%.

The government further sees domestic coal production touching 2 billion tonnes per annum starting 2047 with zero imports of either coking or non-coking coal.

Launching the Coal Logistics Policy and Plan in New Delhi, Coal Minister Pralhad Joshi said, “The plan proposes a strategic shift towards a railway-based system in first mile connectivity projects, aiming for a 14% reduction in rail logistic costs and an annual cost saving of Rs 21,000 Crore.”

India blocks investment pact; gets support from South Africa on China-backed move at WTO

The government is aiming at 90% mechanised handling of coal by 2030 and will undertake 103 projects with a cost of Rs 24,000 crore. 32 first mile connectivity projects have been completed till now, the minister informed. The government also plans to commission three new railway projects by FY26 and has identified new lines and capacity enhancement for coal traffic movement.

The government projects coal demand to surge to 1.5 billion tonnes by the year 2030 and has targeted at stopping imports of coal by the year 2026. To achieve the same, the coal ministry further aims at increasing the number of rakes per day to 894 to transport domestic coal by 2030 from current 376 rakes a day. These rakes are projected to carry and transport 1,287 million tonnes of domestic coal.

Not just the government plans at enhancing the railways infrastructure to bolster domestic coal production but has also charted out plans to improve coastal shipping of coal and inland waterways.

The government estimates coastal shipping capacity from the eastern ports to increase to 120 million tonne per annum by 2030. Of this, 80 MTPA will be supplied to power plants, 30 MTPA would be exported to Bangladesh and Sri Lanka, and the remaining will be transported to the steel, cement or non-regulated sector. During FY23, 40 million tonne of coal was despatched to power houses via the Rail-Sea-Rail route.

The government will also develop National Waterway 5 through a special purpose vehicle by Inland Waterways Authority of India, Coal India, the state government and other public sector undertakings, it said.

The Inland Waterways Authority of India has targeted a modal share of 5% with potential inland water transport volume of 13.25 million metric tonnes of coal by 2030.

Joshi also emphasized the government’s initiative to integrate Rail-Sea-Rail (RSR) transportation and said that it has witnessed a growth of around 50% over the past five years, with plans for further expansion to 120 BT by FY30.

“Additionally, aligned with PM Gati Shakti, 37 critical railway projects have been identified to meet the future coal evacuation demand,” he said. The government has launched 15 railway projects to address multimodal connectivity gaps, out of which 5 projects have already been commissioned.

The launch of the Coal Logistics Plan marks a significant milestone in India’s journey towards modernizing coal transportation, enhancing efficiency, and promoting sustainability, the government said.

<https://www.financialexpress.com/policy/economy-govt-charts-out-mega-plan-to-ease-coal-evacuation-3409860/>

14. There's also a positive side of GenAI that can strengthen democracy (*livemint.com*) 1 March 2024

Its advanced data analysis capabilities can monitor election-related data in real-time, identifying any irregularities suggesting fraudulent activity.

The tech narrative in the last two years has been dominated by artificial intelligence (AI) and the excitement and disruption generated by it. However, the narrative started to sour a little in the latter half of 2023, as ethical issues got thrown up—like copyright, bias, privacy and deepfakes. Now, with elections looming across most of the democratic world, 2024 promises to be the year when AI will experience its first major ethical test—whether it helps democracy or subverts it. Major democracies like India, the US, UK, Indonesia and others go for pivotal elections this year. While deepfakes existed before GenAI, products like Sora and Stable Diffusion have democratized their production, making them easier, faster and cheaper to make at scale. We are also at peak social media, with WhatsApp, TikTok and the like making their global distribution a piece of cake. Bangladesh and Slovakia went to polls earlier this year, and deepfakes came to the party. A Bangladeshi opposition leader was shown to be ambivalent about his support for Palestinians, a disastrous position to take in the country. In Slovakian elections, also earlier this year, a major contender reportedly talked about rigging the elections and, even more alarmingly, raising the price of beer, which reportedly contributed to his defeat. A fake voice of President Joe Biden urged people not to vote in the US primaries. With memories of the 2016 Cambridge Analytica debacle still fresh, these have set off alarm bells as the big elections near.

This is where I take a contrarian stance. Look at Pakistan, which went to polls recently with a former prime minister in jail, his party symbols taken away and candidates threatened and imprisoned. While eventually other parties were declared to have won, most reports claim that Imran Khan's party won convincingly despite heavy rigging and manipulation. Khan turned the narrative of AI subverting democracy on its head by leveraging GenAI to canvass across the country while behind bars. GenAI was used to create footage of his urging voters to come out and vote for his party, and this was widely shared on YouTube and other online channels. People heeded his call and came out in record numbers, handing astonishing victories to his party candidates. Without taking sides here, Pakistan showed how AI could be used in a role different from that of a democracy-destroyer.

I am not denying the destructive power of deepfakes, and I fear their use in Indian and other elections to inflame discourse and shape narratives. However, there is a lot of good that AI can also do to improve elections, a core pillar of democracy. The Pakistan example is one creative way. AI can also be used to enhance transparency, inclusivity and efficiency in elections. Its advanced data analysis capabilities can monitor election-related data in real-time, identifying any irregularities suggesting fraudulent activity. AI algorithms can detect patterns of irregularities in voter registrations or ballot submissions. AI can also improve the security of electronic voting systems. Additionally, threat-detection algorithms can help identify potential cyber threats.

Generative AI can help upgrade voter education and awareness by generating hyper-personalized content on candidates and their manifestoes, focused on local issues, in people's local dialects. This personalized approach could enhance political awareness

and spur informed voting, especially among marginalized groups. GenAI can help do this at scale and much lower cost with higher efficiency, thus empowering even less-moneyed candidates.

AI-run systems can also enhance accessibility for voters with disabilities. AI-powered voice recognition systems, for instance, could assist visually impaired voters in casting votes. AI can parse the fire-hose of information on social media to gauge public opinion across demographic groups, ensuring that all sections of society are represented in the political conversation. Even something as mundane as the logistics of electioneering can be optimised and costs saved, something very important for large countries like India. AI can help make voter registration and verification more efficient, eliminating long queues by calling up the data needed to verify eligibility well in time.

AI is a dual-use technology, with huge benefits accompanied by immense destructive power. As we try and contain its adverse fallout on elections through deepfakes, we should also look at how it could improve our fragile democracies. Even if imperfectly, Imran Khan's party succeeded in pointing this potential out to the world. <https://www.livemint.com/opinion/online-views/theres-also-a-positive-side-of-genai-that-can-strengthen-democracy-11709219220730.html>

15. UP'S BIGGEST GST EVASION CAUGHT WITH THE HELP OF AI, FRAUD OF RS 19.66 CRORE CAUGHT (*studycave.in*) Feb 29, 2024

The state's largest ever GST evasion was found in Ghaziabad using Artificial Intelligence (AI). GST evasion is being detected by state tax department authorities.

The department's Artificial Intelligence (AI) is also assisting them with this project. A company falsely claimed Rs 19 crore 66 lakh in input tax credit from the government in one financial year.

After this, when the firm started filing its returns, the AI installed in the system analyzed it. In which it was revealed that whatever ITC claim has been made by the firm is completely fake. Then when the department officials cracked down on the owner of the firm, he deposited Rs.19 crore 66 lakh in the department.

In this case, Rs.1 crore was taken in cash, while the remainder was deducted from his bank account. Every month, the state tax department examines the e-way bill issued for the returns filed by traders and corporations using an AI-enabled system.

In the same order, on the instructions of Diparatan Singh, Joint Commissioner of Corporate Circle, a probe into paint selling enterprises in the Indirapuram region began. An investigation revealed that a firm claimed an excess ITC of about Rs.20 crore on account of IGST in its monthly return GSTR-3B compared to the ITC availed on purchases made in the current financial year.

It was caught with the help of artificial intelligence. Following this, departmental officers conducted their own investigation. When inconsistencies were discovered, a notice was sent to the concerned firm, and additional ITC was collected.

This is how the System Works

Officials said that the AI installed in the system keeps an eye on every activity of the traders and the firm.

This involves monitoring tax compliance, identifying non-filers, detecting potential tax evasion activities by taxpayers to avoid paying taxes, identifying ineligible Input Tax Credit (ITC) claims, and profiling taxpayers. Obtaining comprehensive information about taxpayers through Dealer 360, conducting risk-based analysis of taxpayers, and exhibiting the discrepancy between declared turnover and e-way bills issued.

Red flag in these cases

Officials believe that new traders may have downloaded more e-way invoices, had errors in their filings, are not depositing tax, or are receiving undue benefits from ITC. AI begins displaying red flags to such dealers on the site.

Then the department officials start investigating such traders. After investigation, the process of tax recovery is started by giving notice. <https://studycave.in/ups-biggest-gst-evasion-caught-with-the-help-of-ai-fraud-of-rs-19-66-crore-caught-293776.html>

16. Telangana: Child Welfare dept officer held for diverting Rs 65L (*siasat.com*) 29 February 2024

The officer is a former CDPO of the ICDS project for Jainoor in Adilabad district between 2015 to 2016.

Hyderabad: Anti Corruption Bureau (ACB) officials arrested a former official of the Telangana State Women Development and Child Welfare Department (WDCWD) for misappropriation and siphoning of funds to the tune of Rs 65.78 lakh. The amount was meant for distribution of milk for tribal children in the state.

The officer, Anishetty Sridevi, is a former CDPO of the ICDS project for Jainoor in Adilabad district between 2015 to 2016.

“The accused officer abused her official position, by corrupt and illegal means, obtained pecuniary gain and undue advantage, caused corresponding loss to government exchequer by creating false statement for incurring expenses under the Arogyalaxmi Milk Supply to 322 Anganwadi centres,” said the ACB in a press release.

The officer was arrested and produced before an ACB court and further investigation in ongoing. <https://www.siasat.com/telangana-child-welfare-dept-officer-held-for-diverting-rs-65l-2984808/>

17. ‘Budget 2024-25 is an exercise in camouflage and jugglery’ (*hindustantimes.com*) Mar 01, 2024

MUMBAI: The budget 2024-25 documents reveal camouflage and jugglery of figures by the state government in several areas from the projection of the budget deficit and revenue generation to the outlay for key sectors like social justice and public health, say officials and analysts.

According to the figures in the budget documents, the government's revenue generation has fallen short by at least 6% to 8% or over ₹20,000 crore less every year than the figures estimated in successive budgets. For instance, the total expenditure in 2022-23 was estimated to be ₹5.81 lakh crore, against which the actual spending was just ₹5.18 lakh crore, which is a whopping 62,350 crore less than projected. There was a similar situation in 2013-14, when the expected fiscal expenditure was projected to be ₹1.97 lakh crore, against which the government spent ₹1.87 lakh crore.

The average annual expenditure projected in the state budgets between 2015-16 and 2022-23 was ₹3.81 lakh crore, against which the actual expenditure was ₹3.57 lakh crore, a whopping ₹24,000 crore less per year. The figures of the actual expenditure come in six to eight months after the financial year has ended and are given in the following year's budget documents. The budget presented by finance minister Ajit Pawar this week has the actual figures of financial year (FY) 2022-23.

Similarly, the actual figures of the expenditure on key areas, including agriculture, irrigation and rural development, suggest that the budgeted outlay is never spent. The FY 2022-23 figures show that the state government spent 22% less (₹16,005 crore as against the budgeted amount of ₹20,468 crore) on agriculture and allied services, 47% less (₹920 crore against the outlay of ₹1,742 crore) on industries and mining and 25% less (₹58,454 crore against the outlay of ₹78,347 crore) on social services among other sectors.

The debt burden on the state exchequer has mounted to ₹7.83 lakh crore in 2024-25 from ₹3.24 lakh crore in 2015-16. This has taken the per capita debt in the state to ₹61,363 from ₹27,521 in 2015-16.

Rupesh Keer of Samarthan, a think-tank which studies the state budget, said that figures were routinely inflated to hide the deficit. "The projected figures in the revised estimates of the fiscal year and the actual revenue generation are poles apart," he said. "This is done deliberately to hide the indiscipline which otherwise could come to the fore through the deficit. The budgets of key sectors like social justice remain unspent at the end of the year. For instance, ₹19,000 crore less of its budgetary allocation was spent on social justice." Keer added that the difference between actual spending and projection had widened in the last ten years.

Officials from the finance department said the vast difference between actual expenditure and projection was an indicator of either fiscal mismanagement or a deliberate attempt to hide the deficit. "The rise in the deficit is an indicator of the cut in the outlay for developmental works and capital expenditure," said an official, adding that the unrealistically high projection of revenue receipts helped to ostensibly keep the deficit in control but it was just a cover-up.

"For instance, the government has revised its estimated revenue receipts for FY 2023-24 to ₹4.87 lakh crore from ₹4.49 crore estimated in February last year when the budget was presented," he said. "The revenue receipts till January-end are ₹3.20 lakh crore, and taking the figure to ₹4.87 lakh crore in the remaining two months is highly improbable. The receipts in these two months are unlikely to be more than ₹80,000 crore."

Vijay Wadettiwar, leader of the opposition in the legislative assembly, said that the state government had indulged in jugglery of figures. “The figures are being hidden while projecting the fiscal and revenue deficit just to project a rosy picture,” he said. “For instance, the fiscal deficit for FY 2024-25 is projected to be ₹99,288 crore. In FY 2023-24, it was initially projected to be ₹95,500 crore and later revised to ₹1.12 lakh crore. If the deficit in the current year is ₹1.12 lakh crore, how is it going to be ₹13,000 crore less next year, which is an election year with more expenditure?”

Wadettiwar added that while hiding the figures, the government had reduced expenditure on key sectors, including agriculture and power, which have seen a reduction of ₹8,000 crore and ₹2,500 crore respectively. “The budget for the welfare of SCs, STs and OBCs has also been reduced by ₹3500 crore,” he said. <https://www.hindustantimes.com/cities/mumbai-news/budget-2024-25-is-an-exercise-in-camouflage-and-jugglery-101709235161598.html>