NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Future Gaming, flagged by CAG, a major buyer of SKM's electoral bonds *(eastmojo.com)* 21 Mar 2024

SKM's electoral bond transactions began in October 2022, when it cashed in Rs 2 crore through Future Gaming.

Guwahati: Data submitted to the Election Commission of India (ECI) reveals that Future Gaming, IPCA Labs, and Torrent Pharma are among the prominent companies that purchased electoral bonds for the Sikkim Krantikari Morcha (SKM).

SKM stands out by raising the highest amount, totaling Rs 36.5 crore, among Northeastern parties. Its main rival, the Sikkim Democratic Front, trailed behind with just over Rs 5 crore. Notably, no other Northeastern party appears on the list.

A closer look at the figures indicates that SKM's electoral bond transactions began in October 2022, when it cashed in Rs 2 crore through Future Gaming. The next entry occurred in February 2023, amounting to electoral bonds worth Rs 5.5 crore.

Of particular interest is the revelation that nearly half of SKM's total electoral bond sales occurred just ten days after Sikkim experienced its worst flood in recent history.

Data shared by the ECI disclosed that on October 16 and 17, 2023, amid significant portions of the state being cut off due to glacial flooding, the party managed to raise a total of Rs 18 crore. Prior to this, the party had also raised Rs 7 crore in electoral bonds in July 2023.

The Comptroller and Audit General of India (CAG) raised serious concerns about irregularities involving marketing agents, including Future Gaming and Hotel Services, owned by lottery magnate Santiago Martin, in a 2017 report submitted to Parliament.

According to the Economic Times, Future Gaming and Hotel Services, one of the largest purchasers of electoral bonds amounting to Rs 1,368 crore, featured prominently in recent data released by the Election Commission of India (ECI).

The decision to conduct an audit was initiated by the Union Home Ministry in 2015 following complaints of corruption and violations in lotteries, with Martin playing a significant role.

"The marketing agents (MA) have captured 98.60% of the proceeds from lottery sales, while the state received a mere 1.40% of the sale proceeds during the audit period of 2010-2016," the newspaper reported, citing the CAG report.

In its report titled 'Performance Audit on Sikkim State Lotteries,' the CAG highlighted, "The awarding of marketing contracts for the state's lotteries to various lottery MAs was characterized by a lack of transparency, frequent extensions of contracts without competitive bidding, and significant delays in finalizing tenders, resulting in substantial revenue loss for the state. The lottery business operations were entirely controlled and conducted by private operators known as MAs.

”https://www.eastmojo.com/sikkim/2024/03/21/future-gaming-flagged-by-cag-a-major-buyer-of-skms-electoral-bonds/

2. Climate Financing Key to Move Towards More Resilient, Sustainable Future: CAG *(businessworld.in)* March 21, 2024

“Annual climate finance needs are estimated to increase substantially, reaching well beyond USD 10 trillion annually by 2050. Failing to meet these financial demands will exacerbate the rise in global temperatures,” says CAG

Climate financing is key to collective efforts to move towards a more resilient and sustainable future. It is a catalyst for change, empowering nations, communities and businesses to adopt green technologies, invest in renewable energy and foster sustainable practices. This was stated by the Comptroller and Auditor General of India, Girish Chandra Murmu while addressing a seminar on Climate Financing.

The CAG said that climate change is no longer a problem we are leaving for our future generations; but a phenomenon we are increasingly experiencing and have to contend with. As climate change intensifies, so does the urgency for robust climate finance mechanisms to fund adaptation, mitigation and resilience-building efforts worldwide.

Murmu stressed that the need for immediate action was emphasised by the stark difference between the costs associated with inaction and the potential advantages of making timely investments in low-carbon, climate-resilient pathways.

The CAG further stated that ‘Annual climate finance needs are estimated to increase substantially, reaching well beyond USD 10 trillion annually by 2050. Failing to meet these financial demands will exacerbate the rise in global temperatures, simultaneously intensifying the socio-economic consequences of climate-related disasters. Unfortunately, despite the stark cost–benefit analysis, climate finance remains significantly inadequate.’

Murmu emphasised that this seminar was a combined effort to unravel the complexities of climate finance and assess its current state through an audit perspective.

This conference served as a platform for a dialogue on climate financing with the sharing of knowledge and experience on various aspects of the theme by experts and enriching discussions contributing to the success of the conference.

“World Health Organisation (WHO) predicts that climate change is expected to cause approximately 250000 additional human deaths per year, between 2030 and 2050. This grim forecast warrants a comprehensive solution encompassing both climate mitigation and climate adaptation measures. Climate mitigation involves reducing or preventing greenhouse gas emissions, while adaptation entails strategies to adjust to the impacts of climate change. Both require targeted climate finance, ensuring a balanced and holistic approach to combatting climate challenges,” said Murmu at the seminar on Climate Financing.

“Annual climate finance needs are estimated to increase substantially, reaching well beyond USD 10 trillion annually by 2050. Failing to meet these financial demands will exacerbate the rise in global temperatures, simultaneously intensifying the socio-economic consequences of climate-related disasters. Unfortunately, despite the stark cost–benefit analysis, climate finance remains significantly inadequate," he added.

Acknowledging the significant macroeconomic costs of the physical impact of climate change, the New Delhi Leaders Declaration of the G20 affirmed scaling up blended finance and risk-sharing facilities, including the enhanced role of multilateral development banks in mobilising climate finance. It recognised the significant role of public finance as an important enabler of climate actions, such as leveraging much-needed private finance through blended financial instruments, mechanisms and risk-sharing facilities to address both adaptation and mitigation efforts in a balanced manner.

It reiterated the importance of a policy mix consisting of fiscal, market and regulatory mechanisms, including, as appropriate, the use of carbon pricing and non-pricing mechanisms and incentives toward carbon neutrality and net zero. The G20 summit endorsed the Green Development Pact, which included elements relating to financing such as doubling of adaptation finance by 2025.

Building on the stance adopted at COP 26 where India had highlighted the vexatious issue of climate finance while presenting the Panchamrit of India's climate action and the mantra of LiFE - Lifestyle for Environment to combat climate change, at COP 28 in 2023, India sought a clear road map for climate finance as an imperative for delivering on quantified goals. India has consistently voiced the concerns of the Global South, whereby capital needs to flow from the Global North to climate investments in developing countries.

From all this, it is clear that climate finance is a scarce resource with alternative uses. No wonder the UNFCCC and Paris Agreement's monitoring, reporting and verification mechanisms are vital for trust and transparency among nations. Transparent reporting builds confidence, ensures accountability and globally assesses financial and technological support from developed to developing nations.

The scarcity of finance requires the development of a green finance ecosystem, including innovative financial instruments, green budgeting, targeted interventions, incentives and monitoring. As scarcity warrants optimal utilisation, this green finance needs to be combined with the SAI's role of facilitating transparency and accountability. SAIs with their mandate of stewards of public finance, have the responsibility and the opportunity to ensure that financial resources allocated to address climate change are used transparently, efficiently and effectively.

SAIs need to evaluate the efficiency of financial mechanisms and scrutinise overall governance and decision-making processes involved in the broad spectrum of public sector climate financing, to ensure that these are accountable, participatory and responsive to the needs of affected communities. The audits should bring out recommendations to ensure that investments deliver the intended environmental and social outcomes and benefits that reach the communities most vulnerable to climate change impacts.

India is committed to development choices along low carbon pathways, coupling socio-economic developmental goals with sustainability goals, as exemplified by the National

Action Plan on Climate Change (NAPCC) 2008. The Delhi Metro Network's reliance on solar energy illustrates an implementation of these principles.

The Delhi Metro meets 60 per cent of its daytime energy demand through solar power generated at the Ultra Mega Solar Park in Rewa, Madhya Pradesh. Although the 3rd largest energy-consuming country in the world, India stands 4 globally in Renewable Energy Installed Capacity (including Large Hydro).

The National Adaptation Fund for Climate Change and the National Clean Energy Fund, are instrumental in driving India's transition towards a low-carbon economy. Climate action must percolate to the private sector also. Similar initiatives are expected to be adopted by the private sector which will prove to be a force multiplier.

"As SAI India, we have undertaken multiple audits related to environmental and climate issues in the country. Some of these audits include Compliance audit on Compensatory Afforestation in India; Performance audits on the Renewable Energy Sector in India," stated Murmu. https://www.businessworld.in/article/Climate-Financing-Key-To-Move-Towards-More-Resilient-Sustainable-Future-CAG-/21-03-2024-514032/

3. Partnership Between CAG Institution and IIT Delhi For AI In Audit And Capacity Building *(freepressjournal.in)* March 20, 2024

The MoU between the two institutions was signed by Anand Mohan Bajaj, Chief Technology Officer & Additional Deputy CAG and Prof. Rangan Banerjee, Director, IIT Delhi in the presence of the CAG of India Girish Chandra Murmu.

CAG institution and IIT Delhi signed an MoU on Wednesday for a partnership in four key areas for use of AI in audit, audit of AI systems, capacity building and knowledge sharing.

The MoU between the two institutions was signed by Anand Mohan Bajaj, Chief Technology Officer & Additional Deputy CAG and Prof. Rangan Banerjee, Director, IIT Delhi in the presence of the CAG of India Girish Chandra Murmu.

Speaking at the signing ceremony, Murmu said, "Whether it be detecting fraudulent activities, or optimising compliance processes, AI-driven solutions empower auditors to adapt to an ever-changing environment and deliver actionable insights that drive informed decision-making."

"By harnessing AI-driven algorithms and predictive analytics, auditors can analyse vast volumes of data with unparalleled speed and precision, enabling them to uncover patterns, anomalies, and **potential** risks with greater accuracy," he explained.

Murmu said that AI-powered tools have the potential to automate routine tasks, liberating auditors to focus on strategic analysis and value-added activities, thereby elevating the quality and relevance of audit outcomes.

Stating that Government of India has made huge strides in adopting AI for Governance and is on track to become the Global Hub for AI Innovation as the chair of Global Partnership on Artificial Intelligence (GPAI) in 2024, Murmu said, "AI has emerged as a catalyst for change in the field of audit, offering a plethora of opportunities to enhance efficiency, effectiveness, and insight."

Murmu also said, "As signatories to this MoU, we are well-positioned to contribute to the objectives of the India AI Mission, leveraging our collective expertise and resources to advance the frontiers of AI research, education, and application in the domain of audit." https://www.freepressjournal.in/education/partnership-between-cag-institution-and-iit-delhi-for-ai-in-audit-and-capacity-building

STATES NEWS ITEMS

4. CAG circular stopping deductions from salaries of employees illegal: Karnataka HC *(newindianexpress.com)* 22 Mar 2024

The court also quashed the orders issued on January 29 and 30, 2020, and February 6, 2020, under the impugned Clause 5.

BENGALURU: In a judgment that will help cooperative societies and banks, the Karnataka High Court quashed Clause-5 of the circular issued by the Comptroller and Auditor General of India (CAG) prohibiting Salary Drawing and Disbursing Officers from deducting amounts due to cooperative banks from the salary of employees even if they get the consent for such deduction.

Justice Anant Ramanath Hegde passed the order while allowing the petition filed by the Accountant General's Office Employees Cooperative Bank Limited questioning Clause-5 of the circular dated October 18, 2019, which says that "no recovery (neither subscription nor any other liability) will be allowed by the drawing and disbursing officers in respect of dues of Co-operative Housing Societies and Co-operative Banks."

The court also quashed the orders issued on January 29 and 30, 2020, and February 6, 2020, under the impugned Clause 5.

Referring to the Karnataka Co-operative Societies Act, 1959, the senior counsel for the petitioner argued that Section 34 of the Act provides an agreement between the borrower and the cooperative bank, which enables the employer of the borrower to deduct the agreed amount towards repayment of the debt due to the cooperative society. Hence, the CAG has no power to prohibit deductions from the salary of the employees, he argued.

The CAG's counsel defended that the petitioner has no locus to question the policy decision taken excluding certain classes of cooperative societies and banks from the ambit of Section 34 of the Act.

The court noted that once the member of a co-operative society with the prior concurrence of his employer enters into an agreement with a co-operative society, such agreement creates a right in favour of a co-operative society to recover its dues from the salary of an employee which does not exceed 50%, and the employer is bound to deduct such agreed amount from the salary, as contemplated under Section 34 of the Act. Therefore, the impugned Clause-5 is not a policy decision and hence it is per se illegal, the court said.

https://www.newindianexpress.com/cities/bengaluru/2024/Mar/22/cag-circular-stopping-deductions-from-salaries-of-employees-illegal-karnataka-hc

5. Karnataka HC quashes CAG circular prohibiting salary deduction of employees towards due in co-op bank *(deccanherald.com)*
Updated 22 March 2024

Bengaluru: The Karnataka High Court has quashed a circular issued by the Comptroller and Auditor General of India (CAG), prohibiting deduction of the amount due to a co-operative bank from the salary of the employees.

Allowing the petition filed by the Accountant General’s Office Employee Cooperative Bank Limited, Bengaluru, Justice Anant Ramanath Hegde said that the benefit conferred under the statute cannot be taken away by way of a circular.

The petitioner bank submitted that some of its members are the employees of the Accountant General's office. Clause (v) of the circular, issued on October 18, 2019, stated that no recovery (neither subscription nor any other liability) will be allowed by the salary drawing and disbursing officers (DDOs) with respect to dues of Co-operative Housing Societies and Co-operative Banks.

The petitioner stated that Section 34 of the Cooperative Societies Act, 1959, provides for an agreement between the borrower and the co-operative bank, which enables the employer of the borrower to deduct the agreed amount towards repayment of the debt due to the co-operative society.

The bank said that the circular curtails the right of the petitioner bank to enter into an agreement with the borrower to recover the debt, in the manner provided under Section 34(1). On the other hand, the CAG defended the circular claiming it as a policy decision to exclude certain classes of co-operatives societies and banks from the ambit of Section 34 of the Act.

Justice Hegde observed that if clause (v) of the circular is given effect to, the agreement referred to in Section 34(1) becomes unenforceable and in such an event, both sections 34(1) and 34(2) become otiose.

"..impugned clause No (v) conflicts with the binding provision of law. Thus, the court in exercise of its writ jurisdiction can certainly strike down the said clause even if it is the policy decision, as such decision seeks to override the provision of law and seeks to take away certain rights conferred under the statute. The right conferred under the statute can be taken away only in the manner known to law and not by any executive decision taken by any authority, which has no authority to meddle with the statutory rights," the court said. https://www.deccanherald.com/india/karnataka/hc-quashes-cag-circular-prohibiting-salary-deduction-of-employees-towards-due-in-co-op-bank-2947551

6. Borrowing restrictions by Centre unconstitutional, Kerala govt tells SC *(newindianexpress.com)* 22 March 2024

THIRUVANANTHAPURAM: The state government on Thursday submitted before the Supreme Court that its borrowings were within the fiscal deficit limits and that the state has not defaulted on repayment.

The state challenged the restrictions on borrowings imposed by the Union government terming them unconstitutional. The Union government countered that sanction cannot be given to the state for additional borrowings since the state overborrowed in previous years and that its revenue deficit indicated an "unsustainable financial situation".

The court was hearing the state government's plea for interim relief to overcome the financial crisis. The hearing will continue on Friday.

Senior advocate Kapil Sibal representing Kerala said the Union government did not have the power to overrule the Finance Commission's recommendations and disentitle the state from market borrowings.

The Union government's executive order restricting the state from additional borrowing was unconstitutional. He said Kerala's borrowing was sustainable and the state never defaulted on repayment since 1960. The state's administrators were aware of the liabilities.

The state could not have sold its bonds in the market if they were deemed unsustainable. The state is entitled to devise its programme, budget, spending and the quantum of borrowing, he said. After liberalisation, Sibal said, Kerala's borrowing from the Union government reduced from 98 percent to 2.9 per cent.

Additional Solicitor General N Venkataraman who represented the Union government opposed additional borrowing sanction for the state. He said the state's revenue deficit pointed to an unsustainable financial situation. Kerala resorted to overborrowing in the past years and the state's macroeconomic stability is doubtful. The state had poor financial indicators like high outstanding liabilities as percentage of GSDP at 39 per cent. Its committed expenditure was 82.40 per cent of the revenue. He cited the CAG's finding that the state failed to meet the targets under the Kerala Fiscal Responsibility Act, 2003. The ASG said the Union government had declined 14 requests for overborrowings from nine states in the past and Kerala's request cannot be entertained.

ARGUMENTS

Kerala

Union government cannot overrule FC recommendations

Restriction unconstitutional

Borrowing sustainable

Never defaulted repayment since 1960

Union government

Kerala's revenue deficit high

State overborrowed in previous years

Macroeconomic stability doubtful

Similar requests from 9 other states were declined
https://www.newindianexpress.com/states/kerala/2024/Mar/22/borrowing-restrictions-by-centre-unconstitutional-kerala-govt-tells-sc

SELECTED NEWS ITEMS/ARTICLES FOR READING

7. Boosting defence exports and enhancing Atmanirbharta: A vision for next 5 years *(indiatoday.in)* 22 March 2024

From focus on measures to promote indigenous defence manufacturing to the need for procurement of modern rifles for the army and paramilitary forces, here's a look at defence sector boost likely in the next five years.

Prime Minister Narendra Modi addressed a jubilant crowd at the India Today Conclave on March 16 and declared his intent towards making India a net-exporter of defence products over the next five years. PM Modi's strategic vision aims for India to emerge as the third-largest economy globally and as a first-rung global military power during his potential third term.

Boosting defence exports
Previously, India was known as an arms importer. However, the country has now risen from its comfort zone, securing a place among the top 25 arms-exporting nations.

Just 7-8 years ago, defence exports barely touched Rs 1,000 crore. Today, they have surged to Rs 16,000 crore.

Projections suggest that by 2028-29, annual defence production will reach Rs 300,000 crore, with defence exports hitting Rs 50,000 crore.

While the government supports major corporations, it also encourages young minds to join the defence sector through startups, considering it a crucial step for the long term. Recent measures, including liberalising procurement from startups, payment terms, and eligibility criteria, were adopted during a Defence Acquisition Council meeting.

The Department of Defence Production issues authorisations for exporting Munitions List items covered in Category-6 of Special Chemicals, Organisms, Materials, Equipment, and Technologies (SCOMET), following Standard Operating Procedures (SOP) issued by the DDP.

Major defence equipment exported in the last five years includes weapon simulators, tear gas launchers, torpedo loading mechanisms, alarm monitoring and control systems, night vision monoculars and binoculars, lightweight torpedoes, fire control systems, armoured protection vehicles, weapons locating radar, high-frequency radios, and coastal surveillance radar systems, among others.

But with countries like Vietnam, the Philippines, and Armenia seeking cutting-edge Indian-manufactured weapons such as the BrahMos supersonic cruise missiles, Pinaka multiple rocket launchers, Akash anti-aircraft missiles, and Tejas fighter aircraft, exports are expected to skyrocket in the next five years.

Exports of critical and advanced aerospace and defence platforms will not only generate revenues but will also shape India’s geopolitical strategy in the Asia-Pacific region and beyond.

Increasing defence budget

In the Financial Year 2023-24, in-principle approval was granted for capital acquisitions worth over Rs 4,35,000 crore. The Ministry of Defence received an allocation of Rs 6.21 lakh crore in the Union Budget 2024-25, the highest among all ministries. Given the two-front threat from Pakistan and China, a significant increase in capital expenditure in the defence budget is anticipated over the next five years.

Focus on Atmanirbharta

Many high-value indigenous strategic projects have been ongoing since the turn of the millennium. They remain pending due to the union government’s reluctance to boost capital expenditures for military modernisation in the annual budgets. The government is now shifting focus from Make in India towards self-reliance or Atmanirbharta, realising the need for robust supporting policies. The groundwork for this shift began with the creation of the post of Chief of Defence Staff and the establishment of the Department of Military Affairs (DMA), enhancing jointness, synergy, and coordination among the three services. The DMA is also responsible for creating positive lists for indigenisation, specifying products and weapon systems that cannot be imported in the future.

The following are some areas where immediate action is required, and many of these programmes may see the light of the day in the next five years.

Kaveri indigenous turbofan engine project

The turbofan engine is considered the most vital component of a jet aircraft without which it simply can’t fly. A turbofan-based power plant provides the requisite thrust to aerial combat vehicles for atmospheric glide and supermanoeuvrability. DRDO’s GTRE (Gas Turbine Research Establishment) started the project to develop an indigenous turbofan engine christened as ‘Kaveri’ in 1986. As a part of the Light Combat Aircraft (LCA)- ‘Tejas’ project, the turbofan engine was to be developed from scratch. However, progress on the Kaveri development programme was slowed by both political and technical difficulties. The onus now lies upon the upcoming government to operationalise Kaveri at the earliest with immediate execution of the maiden flight onboard LCA-Tejas aircraft by 2025.

Agni-VI and K-5 missiles

While the Agni-V nuclear-capable intercontinental range ballistic missile has undergone successful flight trials since 2012, progress on the Agni-VI missile project has been limited. Agni-VI is expected to have a range between 10,000 and 12,000 kms with a 3-tonne nuclear warhead.

A 10,000 km-plus range will increase India's flexibility, which is very important for effective deterrence and will also enable the country to hit Chinese ballistic missile submarines (SSBNs) and warships attempting to hide as far out as the Southern Indian Ocean and Central Pacific Ocean. Agni-VI is supposed to be capable of carrying up to 10 nuclear/ thermonuclear warheads in MIRV (Multiple Independent Re-entry Vehicle) and MaRV (Manoeuvrable Multiple Independent Re-entry Vehicle) configurations.

With the Indian government carrying out Mission Divyastra (the maiden test of Agni-V ICBM with MIRV warheads) on March 11, 2024, the focus has now shifted to the Agni-VI and K-5 missile projects.

The K-5 will be an SLBM (Submarine-Launched Ballistic Missile), an underwater version of Agni-V, which can be launched from the INS Arihant-class of nuclear submarines. Moreover, with the Agni-V, Agni-VI and K-5 having MIRV capabilities, India will have to significantly increase the number of active nuclear warheads in its arsenal over the coming five years.

BrahMos-2 and HSTDV hypersonic cruise missiles

While India has successfully completed her supersonic cruise missile triad by successfully test firing BrahMos cruise missiles from multiple platforms, including Sukhoi-30 fighter jets, underwater pontoons, land-based launchers and warships, the country is yet to test and deploy cutting-edge hypersonic cruise missiles which are very essential for the modern-day tactical level battlefield.

While terrain-hugging cruise missiles are very difficult to detect by conventional radars, high velocities of the projectile ensure that it is difficult to be engaged at visual range with ground-based air-defence systems. BrahMos-2 will be a hypersonic cruise missile capable of flying at speeds of up to Mach-7 (almost 8,650 kms an hour) and have an effective range of up to 600 kms. The Indian Institute of Science in Bengaluru and Moscow Aviation Institute are actively working on developing the heat-shields, aero-thermodynamics, hot structures and scramjet propulsion engines of BrahMos-2, and the first prototypes are supposed to be ready for flight testing within the next five years.

A parallel programme is the HSTDV (Hypersonic Technology Demonstrator Vehicle), which is an indigenous project to develop an unmanned scramjet powered aircraft for hypersonic flight. The vehicle, with a weight of up to 1-tonne and a length of up to 5.6 metres, is capable of flying at speeds of up to Mach-6 (almost 7,410 kms per hour). HSTDV will form the basic backbone of India's futuristic hypersonic cruise missiles which may witness operational deployment in this decade.

Clinching the much-awaited MMRCA-2.0 deal

As of 2024, India has two operational squadrons of MiG-21 Bisons (Bisons are the upgraded ones with improved avionics and software). Taking into consideration the fact that every IAF squadron consists of 18 aircrafts, India has somewhere around 36 MiG-21s. At present, the fighter strength of IAF are as follows- two squadrons of MiG-21s, three squadrons of Mirage-2000s, six squadrons of Jaguar fighter-bombers (DARIN-3 upgraded version), 14 squadrons of Sukhoi-30s, two squadrons of LCA-Tejas Mark-1, three squadrons of MiG-29 fighter-bombers and two squadrons of Dassault Rafales. That amounts to a total of 32 squadrons, plus nine under-construction squadrons of LCA Tejas Mark-1A.

But, if India wants to fight a two-and-half front war with Pakistan, China and internal left-wing communist terrorists, the country needs a minimum of 42 squadrons of fighter aircraft.

There is an immediate requirement to buy new fighter jets so that the IAF can have the required numbers for reaching the desired strength levels by 2032. Till date, nine squadrons of LCA-Tejas Mark-1A are on order. But, all two MiG-21 squadrons will be retired by 2025. And lastly, one of the Jaguar squadrons will also retire by 2030. The Mirage-2000 jets will also reach the end of life by then. So, if the IAF doesn't order new aircraft immediately, its combined strength will be around 35 squadrons by 2030.

While the previous deal to acquire 126 Medium Multi-Role Combat Aircraft (MMRCA) for the Indian Air Force was surprisingly scrapped by the NDA 2.0 government in favour of the ‘government to government deal’ to buy 36 Dassault Rafale fighter jets, a parallel deal to buy 114 additional fighters is now in the works. The contenders for the new deal include Boeing F/A-18 Super Hornet, Boeing F-15EX, Sukhoi Su-35, MiG-35, Dassault Rafale, Eurofighter Typhoon, SAAB JAS-39 Gripen-E and Lockheed Martin F-16 Fighting Falcon. The government must seal the MMRCA-2.0 deal to buy 114 jets at the earliest and also explore the possibility of ordering 36 additional Dassault Rafale fighters (under the secondary clause) as part of the existing Rafale deal.

Induction of new infantry assault rifles

With the Indian Army on the verge of phasing out ageing AK-47s and INSAS weapons, and paramilitary forces actively countering the threat of left-wing extremism in remote areas, the urgency to acquire newer infantry weapons for the army and paramilitary forces has gained momentum. On March 3, 2019, Prime Minister Narendra Modi laid the foundation of the manufacturing unit of AK-203 rifles at the Ordnance Factory in Amethi. More than 7,50,000 rifles will be manufactured at the new plant under full technology transfer from Russia. The joint venture between OFB and Russian firm ‘Izhmash’ is also expected to manufacture 13,00,000 additional AK-203s for Indian paramilitary forces in the long term.

The upcoming government must take necessary steps to hand over the newly developed world-class carbine named MSMC (Modern Sub Machine Carbine) also known as JVPC (Joint Venture Protective Carbine) to central armed police forces personnel, special forces troopers and state police forces in large numbers.

Unmanned Ground Vehicles (UGV)

Unmanned ground vehicles (UGVs) are robotic vehicles which operate without any direct physical human interference. Such vehicles can be used in area surveillance as well as combat operations against the enemy. UGVs can also be used in mine-clearing operations in the tactical level battlefield. Armed with sensors, these vehicles can be operated in autonomous mode as well as with the help of remote-control units. While some countries like China, Russia and the United States have made giant strides in the development of UGV technology, India is catching up too. DRDO's Daksh UGV is one of the Indian projects which has reached the stage of operational deployment.

Daksh can even break open door-locks with the help of a shotgun and can scan cars for explosives. While cutting edge Russian unmanned combat ground vehicles (UCGV) like the Uran-9 have reached the stage of operational deployment and have witnessed action in Syria, India is yet to develop such heavyweight UCGVs to replace the existing fleet of tanks and armoured vehicles. It is high time that India increases R&D expenditures in this domain.

Third aircraft carrier

Recent reports suggest that the construction of China's third, fourth and fifth full-sized aircraft carriers is progressing steadily alongside expansive infrastructure work, indicating there will be several such large vessels produced by the communist state.

Currently, the Indian Navy's only fully operating carrier is the INS Vikramaditya, while the indigenous INS Vikrant is yet to be fully operationalised with its full fleet of combat aircrafts and helicopters as well as weapons.

The Indian Navy is certain that the way of the future is to operate Carrier Battle Groups (CBGs) that can project power. The logic is that a third carrier is needed to ensure that at least two are at sea at any given point. The INS Vikramaditya is based at Karwar, while the INS Vikrant will be based at Visakhapatnam. The third carrier would be rotated whenever one of these is in refit or in need of repairs.

Anti-ship ballistic missile

The Defence Research and Development Organisation (DRDO) successfully flight-tested the new-generation nuclear-capable ballistic missile- Agni-P (Agni-Prime) for the fourth time from Dr APJ Abdul Kalam Island on June 7, 2023. The two-stage solid-fuelled Agni-Prime uses an all-composite structure that includes the casing which not only reduces its weight considerably, but also improves its range.

A notable feature of the Agni-P is four delta fins for terminal manoeuvre indicating manoeuvring warheads that can defeat not only the enemy's ballistic missile defence systems, but can also be used as an effective anti-ship ballistic missile (ASBM) when a new variant is developed based on the system tested. Highly accurate Indian ASBMs will pose a massive threat to China's aircraft carrier-led battle groups in the Indian Ocean and Asia Pacific regions.
Indian ASBMs, if fired in salvos, could give the Indian Navy not only the ability to deny the enemy access to the sea, but will also act as a significant deterrence against any Chinese ambitions towards taking on Indian warships, submarines, and carrier battle groups in the region.

Indigenisation initiatives

In the major steps taken in the field of defense manufacturing, the Ministry of Defence has notified five positive indigenization lists for the services, comprising over 500 items, and four other lists with over 4,600 items for DPSUs, to ensure that soldiers use weapons and platforms made in India. The decision to earmark 75 percent of the capital acquisition budget for procurement from local companies has been made.

By taking initiatives like setting up defence industrial corridors in Uttar Pradesh and Tamil Nadu, the government is ensuring that modern military hardware is not only manufactured in India but also exported to friendly countries.

Focusing on cutting-edge technologies

Investing in futuristic technologies such as AI, quantum computing, smart weapons, cyber warfare, and space warfare capabilities is crucial for India's long-term security and technological advancement. The government has stated its long-term vision of making India a major player in the field of technology, saying that a number of steps have been taken, including the launch of Innovations of Defence Technology (iDEX), Technology Development Fund scheme under DRDO and the setting up of National Research Foundation. These initiatives will not only lead to the emergence of new startups, but will also be a major bridge for industry-academia interface over the coming five years. https://www.indiatoday.in/india/story/boosting-defence-exports-and-enhancing-atmanirbharta-a-vision-for-the-next-five-years-2517915-2024-03-22

8. Govt open to offer closed and abandoned coal mines to private sector under revenue sharing mode, says Coal Secretary *(thehindubusinessline.com)* Updated - March 21, 2024

The government is also evaluating the possibility of using the mines for alternative uses such as solar parks and pump storage projects

The government is open to offering closed and abandoned coal mines to the private sector under the revenue sharing mode, Coal Secretary Amrit Lal Meena said on Thursday.

“We have undertaken a complete survey of all the coal mines which are closed or abandoned, and from where people are still taking out coal. There are about 225 such mines in total,” Meena said at the 17th Indian Coal Markets Conference, organised by mjunction.

“Our endeavour is wherever there are reserves, though it may not be viable for Coal India to extract coal, to offer it to the private sector under the revenue sharing mode. There is response from the private sector. So, we are open to offer those closed and abandoned mines to private sector whosoever is willing to take them, operate them to produce coal and give revenue share to Coal India,” he said.

The Coal Secretary said for those closed mines where there would be no takers, the way forward is final closure in a time-bound manner. Out of the 225 mines, as many as 69 have been identified by Coal India for final closure.

Stopping illegal mining is a high priority for the government. The government is also evaluating the possibility of using the mines, which are under the final closure plan, for alternative uses such as solar parks and pump storage projects.

On setting up of the proposed coal trading exchange, Meena said discussions are on. “After the elections, we will have further consultations,” he informed.

Notably, mjunction Services MD & CEO Vinaya Varma said his company is very keen to participate in the government’s exchange platform opportunity.

“mjunction has been appointed as the exclusive service provider of CIL for conducting the Linkage e-auctions, and it has launched a completely revamped platform for CIL on December 28, 2023,” Varma said at a press meet on the sidelines of the conference.

Earlier, B. Veera Reddy, Director (Technical), Coal India, said the state-run miner is trying to reach the 780 million tonnes production target for this fiscal.

“This year (FY24) our target is 780 million tonnes, which would be about 11 per cent year-on-year growth...As of now, 735 million tonnes of coal has been produced (till March 18). That is the highest ever production for Coal India. And this year, 770 million tonnes plus we will be doing. We are trying to reach the 780 million tonnes target,” Reddy said.

Significantly, during Q3-FY24 results conference call in February, CIL Chairman PM Prasad had said the company might witness shortfall of around 10 million tonnes of output against the production target. “...if everything goes well, we will try to minimise the gap,” Prasad had said.

Coal India is planning to execute coal gasification projects in an EPC (Engineering, Procurement, and Construction) model to make the projects more viable by eliminating the risks for the operators of the plants.

“We will opt for EPC contracts model to make the execution of the gasification projects more attractive. This will help us in faster execution of the projects,” Reddy said on the sidelines of the conference. https://www.thehindubusinessline.com/economy/govt-open-to-offer-closed-and-abandoned-coal-mines-to-private-sector-under-revenue-sharing-mode-says-coal-secretary/article67976911.ece

9. Move at the earliest to a three-slab system in GST: Rangarajan

(thehindubusinessline.com) Updated - March 21, 2024

The multiple slabs for GST and its complicated structure are the main problem

A road-map must be drawn up for rationalising GST slabs says C Rangarajan, former Chairman, Economic Advisory Council to the Prime Minister and former RBI Governor

Q: Why was GST needed?
GST was intended to provide a system of taxation which was the same for goods and services, in which the Centre and the State participate, and share the revenue.

Q: How has it proved a game changer?
In the pre-GST indirect tax system, the Centre was taxing goods up to the point of it leaving the place of production (excise duties). States had the power to levy tax at the point of sales (sales tax).

The idea was to merge the two to make one tax -- from the point of manufacture to the time it is sold. Taxation on services was introduced much later than taxes on goods so Centre had retained the power to tax services. Under GST, states too got the power to tax services.

It was also decided that the cascading effect of 'tax on tax' should go in the GST system. It was designed as a consumption tax, as all intermediate taxes are set off, and we tax only what consumer ultimately pays.

Q: What is the unfinished agenda in GST?
We should move at the earliest to a three-slab system (four slabs if the zero-rate slab is also considered) and the rates should be reasonable. We should have a road-map for moving towards simpler GST slabs. Compensation system, now that it is gone, should not come back.

The multiple slabs for GST and its complicated structure, are the main problem. Most countries have three slabs – one normal, one higher slab for luxury goods and one lower for essential items.

The multiple layers of GST not only complicated the system but also lowered the effective revenue neutral rate for States. The other issue is the compensation principle, it needs to stay out of GST. The compensation formula overcompensated the States as the taxes substituted by GST did not grow at the 14 per cent used in the compensation formula. https://www.thehindubusinessline.com/economy/move-at-the-earliest-to-a-three-slab-system-in-gst-rangarajan/article67975949.ece

10. Government to strengthen Regional Rural Banks; Rs 6200 crore allotted for recapitalisation *(zeebiz.com)* 22 March 2024

The performance of RRBs has improved significantly, with a consolidated CRAR (Capital to Risk-weighted Assets Ratio) at an all-time high of 13.83 per cent as of December 31, 2023

The Modi government has provided Rs 6212.03 crore to Regional Rural Banks under the recapitalization scheme as of March 6.

Regional Rural Banks (RRBs) are commercial banks owned by the Indian government that operate at the regional level in different states. RRBs were established in 1975 to provide basic banking and financial services to rural areas, particularly to small and marginal farmers, agricultural laborers, artisans, and small entrepreneurs.

The performance of RRBs has improved significantly, with a consolidated CRAR (Capital to Risk-weighted Assets Ratio) at an all-time high of 13.83 per cent as of December 31, 2023.

Under the scheme, recapitalization support is provided to RRBs to maintain the minimum prescribed capital-to-risk (Weighted) Assets ratio of nine per cent.

Indian RRBs have shown the highest ever consolidated net profit of Rs 4,974 crores in FY22-23 and a net profit of Rs 5,236 crore up to the 3rd quarter of FY 2023-24.

Similarly, the credit expansion has led to an increase in the consolidated credit-deposit ratio to 72.13 per cent as of 30.09.2023, which is the highest in the last 15 years.

This comes against a backdrop of a 3-year board-approved viability plan (VP) in the financial year 2022-23, with a well-defined implementation mechanism aimed at achieving sustainable viability
RRBs are vital for banking and financial services to rural communities, agriculture activities and small businesses.

There are 43 RRBs sponsored by 12 scheduled commercial banks in India. https://www.zeebiz.com/personal-finance/banking/news-government-to-strengthen-regional-rural-banks-rs-6200-crore-allotted-for-recapitalisation-281245

11. Regulating AI in finance looks like a wild goose chase *(livemint.com)* 21 March 2024

The intricacies of AI systems make it nearly impossible for regulators to keep abreast of every development. Yet, admitting this is difficult while banning AI may stifle innovation.

We humans are a sceptical bunch. When new technologies emerge, we view them with apprehension, worrying about their potential negative impact on our lives and future. However, as they reveal their wonders, we often embrace them without question, placing our trust in their 'capabilities' without fully considering the consequences. Perceptions of artificial intelligence (AI) vary greatly. Some view AI as a threat to the future of humanity, while others see it as a transformative force with the capacity to resolve pressing human problems. While there is no single notion of what AI is, it is useful to think of it as a set of computer algorithms that can perform tasks otherwise done by humans.

AI attracts human trust through its adept execution of tasks suited to its capabilities, particularly those characterized by clear-cut rules and abundant data inputs. However, this trust can sometimes lead to its deployment in critical functions ill-suited to its strengths, driven by cost-saving motives, a problem often compounded by inadequate, outdated or irrelevant data. This is why we fear AI 'hallucinations.' AI bots are programmed to provide guidance even when the accuracy of their answers should inspire minimal confidence. They may even fabricate facts or present arguments that, while plausible, are deemed flawed or incorrect by experts. The danger lies in AI tools making false or harmful recommendations.

The widespread adoption of AI has sparked concerns of transparency, accountability and ethics. The worries include patchy compliance with data protection and privacy rules when it comes to these AI tools sourcing and processing data, as well as the representativeness of their data samples, which can introduce biases in their output.

Challenges also arise of the accuracy and interpretability of what they generate, exacerbated by the opacity of many algorithms.

The deliberate misuse of AI presents a significant threat, especially within the financial sector, which has a large presence of profit-driven entities, many of which operate without much concern for the societal ramifications of their actions. Some of them also have the capability to circumvent controls and manipulate the system to their advantage, making detection by competitors and regulators a challenge. In some cases, they may exploit AI engines to exploit regulatory loopholes, capitalizing on the inherent complexity of the financial system.

AI relies on computing power, human expertise and data. A financial company that commands a significant quantum of each resource could establish dominance in the use of AI for business ends. And if regulatory authorities also rely on the same AI tools for analytical purposes, they may overlook potential vulnerabilities until it's too late. Such failures could occur because if regulators and regulated entities use the same tools, thus sharing their understanding of the stochastic processes underlying the financial system, then it would be less likely that a potential fragility gets identified.

Financial regulators emphasize the importance of exercising caution in regulating AI, acknowledging that its implications are yet to be comprehensively understood. However, they must also acknowledge the dual nature of AI regulations—they have the potential to mitigate market risks but can also inadvertently contribute to them. Relying on AI without human clarity on what's going on can lead hidden risks to escalate. Financial markets have a record of being hit by data-driven algorithms that made extrapolations which humans might have called untenable. AI may make these risks even more complex.

Financial regulators are understandably torn between recognizing their limitations in regulating AI and maintaining confidence in the financial sector. Admitting to constraints would risk undermining trust in their oversight, while banning AI usage would stifle innovation and disadvantage financial players. Yet, the intricacies of AI systems make it nearly impossible for regulators to keep abreast of every development. Regulators are right to worry about what AI adoption implies for financial stability. As AI tools are increasingly integrated with financial operations, the challenge will only multiply.

Financial regulators must confront the reality that their traditional methods of supervision are falling short. While they possess invaluable expertise, the rapid evolution of technology has created a widening gap between regulatory capabilities and the pace of innovation. As a result, supervision often lags the ideal regulatory responses that we need. To address this challenge, regulators must embrace real-time digital supervision techniques, leveraging activity-based supervision and algorithmic data analytics proactively (rather than reactively). Just as one cannot bring a bow-and-arrow to a gun battle, regulators must equip themselves with the tools necessary to effectively monitor and regulate financial activities in the digital age. This is the only way to ensure the stability and integrity of the financial system in the face of rapid technological changes.

The challenge has always been steep. Despite our ability to instruct AI to mimic human behaviour, there's no guarantee it will adhere to our desired standards. Given that financial regulators still grapple with the task of regulating human behaviour for ethical conduct, achieving similar control over AI is a distant prospect. https://www.livemint.com/opinion/online-views/regulating-ai-in-finance-looks-like-a-wild-goose-chase-11711031780513.html

12. Recalibrating conservation *(millenniumpost.in)* 20 March 2024

India's biodiverse and culturally rich forests, grappling with threats such as illegal logging and wildfires, find promise in innovative solutions like AI and community engagement

In the tapestry of nature's grand design, forests stand as majestic guardians of biodiversity, climate stability, and cultural heritage. As the world celebrates the International Day of Forests, 2024, under the theme "Forests and Innovation: New Solutions for a Better World," the spotlight turns towards reimagining the relationship between tradition and innovation in the realm of forest conservation. Against a backdrop of escalating environmental challenges, this year's theme underscores the urgent need for novel approaches that marry age-old wisdom with cutting-edge technology to nurture our forests and forge a sustainable future.

India is endowed with luxuriant forests which nurture rich forest ecosystems and cultural diversity. From the mist-clad peaks of the Himalayas to the sun-kissed shores of the Western Ghats, India's forests harbour a treasure trove of ecological wonders and traditional knowledge passed down through generations.

At the heart of India's forest heritage lies a deep-seated reverence for nature ingrained in the cultural fabric of its indigenous communities. For centuries, these custodians of the forest have safeguarded their ancestral lands through time-honoured practices rooted in harmony with nature. Drawing upon traditional ecological knowledge (TEK), indigenous communities have developed nuanced understandings of forest ecosystems, from medicinal plants to sustainable harvesting techniques, passed down through oral traditions. As India seeks to harness the wisdom of its indigenous communities, the fusion of traditional knowledge with modern innovation emerges as a potent force for sustainable forest management. However, rampant deforestation, habitat degradation, and climate change threaten to unravel this delicate balance, underscoring the need for holistic solutions that blend the best of tradition and innovation.

In recent years, technological innovations have emerged as a catalyst for change in India's forest conservation landscape. The advent of the Internet of Things (IoT), Artificial Intelligence (AI), and remote sensing technologies has opened new frontiers in forest monitoring, management, and restoration. From satellite-based forest mapping to sensor-equipped drones for aerial surveillance, technology offers unprecedented insights into forest dynamics and ecosystem health. By harnessing the power of innovation, India can leverage real-time data and predictive analytics to detect deforestation, monitor wildlife populations, and mitigate the impacts of climate change on forest ecosystems.

Illegal logging, fuelled by demand for timber and forest products, remains a pressing threat to India's forests, undermining conservation efforts and livelihoods. Here, technology serves as a powerful ally in the fight against illicit activities, enabling authorities to monitor forest areas remotely and detect suspicious behaviour in real-time. Through the deployment of smart sensors, satellite imagery, and blockchain technology, India can enhance transparency and accountability in the forest sector, curbing illegal logging and promoting sustainable forest management practices.

Forest fires, exacerbated by climate change and land-use practices, pose another formidable challenge to India's forests, endangering lives, livelihoods, and biodiversity. In this battle against the flames, technology emerges as a vital tool for early detection, rapid response, and fire suppression. By integrating IoT sensors, thermal imaging, and predictive modelling, India can bolster its firefighting capabilities, enabling authorities to pinpoint fire hotspots, deploy resources effectively, and coordinate emergency response efforts. Through proactive measures such as controlled burns and community-based fire management initiatives, India can reduce the risk of catastrophic wildfires and safeguard its forests for future generations.

Habitat restoration, vital for reversing ecosystem degradation and conserving biodiversity, lies at the heart of India's forest conservation efforts. By engaging local communities as stewards of the land, we can tap into traditional agroforestry practices, watershed management techniques, and biodiversity conservation strategies that have sustained forest ecosystems for centuries. Through collaborative initiatives such as community-based nurseries, wildlife corridors, and agro ecological restoration projects, degraded landscapes can be rejuvenated and resilient ecosystems can withstand the impacts of climate change.

Community engagement, anchored in principles of inclusivity and empowerment, forms the bedrock of sustainable forest management in India. By fostering partnerships between government agencies, civil society organizations, and local communities, the collective wisdom and expertise can be utilised to tackle complex challenges such as deforestation, wildlife poaching, and habitat fragmentation. Through participatory decision-making processes, capacity-building initiatives, and incentive-based conservation programs, the communities may be empowered to take ownership of forest resources, promote sustainable livelihoods, and preserve cultural heritage for future generations.

One such example is the Joint Forest Management (JFM) program, which empowers local communities to co-manage forest resources in collaboration with government agencies. Through innovative approaches like eco-tourism and non-timber forest produce (NTFP) enterprises, communities derive economic benefits while conserving biodiversity and ecosystem services.

The Forest department, in collaboration with the Government Engineering College, Idukki, has initiated the deployment of innovative systems for biodiversity data collection in the Mankulam forest division. These systems include an AI-based application for identifying butterfly species and an AI-enabled surveillance camera system. Led by Professor S Santhosh Kumar and his team, the application utilizes a robust image database to accurately identify known butterfly species, with plans to expand its database to include other fauna. The project aims to enhance biodiversity monitoring and conservation efforts in the region, underscoring a commitment to leveraging technology for sustainable forest management.

The state forest department is transitioning to AI-based solutions for wildlife conservation, aiming to monitor animal migration, identify species, and detect poaching activities and forest fires. Currently, officials face challenges with manual data extraction from camera traps, leading to delays. AI algorithms will process camera trap data in real-time, providing insights on wildlife movements and habitat assessment, thus enhancing response times and proactive measures. The department is seeking agencies to develop and implement the AI solution, focusing on strategic locations within the Amrabad Tiger Reserve.

Furthermore, India's commitment to innovation extends to the realm of sustainable forest management practices. Traditional agroforestry systems such as "taungya" and "agri-silviculture" are being revitalized and integrated with modern techniques to enhance soil fertility, increase carbon sequestration, and promote biodiversity conservation. By combining indigenous knowledge of tree species selection and planting techniques with modern agroecological principles, India pioneers a holistic approach to forest restoration and climate resilience.

Innovative financing mechanisms play a pivotal role in scaling up India's forest conservation efforts and incentivizing sustainable land management practices. Through initiatives such as the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) and Payments for Ecosystem Services (PES) schemes, India mobilizes financial resources to support afforestation, biodiversity conservation, and community livelihoods. By channelling investments towards nature-based solutions, India catalyses a paradigm shift towards green growth and environmental sustainability.

As India commemorates the International Day of Forests 2024, the call to action resonates clear: to forge a path towards sustainable forest management that honours the wisdom of tradition while embracing the promise of innovation. By weaving together the threads of tradition and innovation, India can create a tapestry of resilience, biodiversity, and cultural heritage that sustains both forests and communities alike. In the journey towards a better world, harmony in nature serves as our guiding principle, weaving a narrative of hope, stewardship, and reverence for the forests that bind us all.
https://www.millenniumpost.in/opinion/recalibrating-conservation-556668?infinitescroll=1

13. India looking to Africa for critical minerals *(moneycontrol.com)* 22 March 2024

India is preparing rules for the auction of offshore mineral blocks with 10 blocks ready, Rao said, adding the country aims to begin auctions this year.

India is looking to Africa for minerals such as copper, cobalt and other critical minerals, while also engaging with Australia for lithium blocks, said V.L. Kantha Rao, secretary of mines, on the sidelines of an industry event on Friday.

"In Africa, we are exploring countries like Zambia, Namibia, Congo, and Ghana for critical minerals," he added.

India is preparing rules for the auction of offshore mineral blocks with 10 blocks ready, Rao said, adding the country aims to begin auctions this year.

India will also announce the results of the first tranche of critical mineral blocks in 10 days, he said.
https://www.moneycontrol.com/news/business/economy/india-looking-to-africa-for-critical-minerals-12508541.html

14. ACB registers case against former officials, contractors for misappropriation of govt funds *(risingkashmir.com)*

Srinagar: The Anti Corruption Bureau (ACB) has registered a case against the former Chief Executive Officer, former Executive Engineer, and former Assistant Executive Engineer/Executive Engineer, as well as beneficiary contractors and others for abuse of official position and misappropriation of government funds.

The ACB in a statement issued here said it registered a case FIR No. 03/2024 under Section 5(1) (d) read with Section 5(2) J&K P.C Act Svt. 2006 & Section 120-B RPC at PS ACB Baramulla against Zulfiqar Mohammad Khan, the then Chief Executive Officer, Bashir Ahmad Baba, the then Executive Engineer, and Zahoor Ahmad Sheikh, the then Assistant Executive Engineer/Executive Engineer, as well as beneficiary contractors namely Ghulam Nabi Mir S/o Ghulam Mohi-ud-Din R/o Treesa and Ghulam Nabi Bhat S/o Mohammad Maqbool Bhat R/o Safapora, and others for abuse of official position and misappropriation of government funds.

The verification conducted into the matter revealed that the Wullar Manasbal Development Authority executed about 23 civil works during the financial years 2016-17, 2017-18 and 2018-19. Out of these, 18 works were tendered, and in 15 works, significant illegal and fraudulent extensions were granted ranging from 44% to 218% by the then Chief Executive Officer Zulfiqar Mohammad Khan in brazen violation of laid-down norms through gross abuse of official position and authority, which was beyond the competence of the officer, the probe agency said.

The verification revealed that five works were illegally and fraudulently executed on an approval basis, even without inviting tenders, by Zulfiqar Mohammad Khan, Bashir Ahmad Baba, and Zahoor Ahmad Sheikh during the period 2016-2019.

“The accused not only granted illegal and fraudulent extensions in these works but also raised and provided exorbitant rates to contractors on various items utilized in these works during execution, which was also in grave violation of laid-down norms,” the ACB said.

During the preliminary probe, experts from the Engineering wing of ACB Kashmir conducted spot inspections of the works executed by the accused public servants and scrutinized the records. The acts of omission and commission on the part of the accused public servants, in connivance and conspiracy with private beneficiaries (contractors), led to a significant loss to the state exchequer and undue pecuniary benefits to the contractors.

Following the registration of FIR, house search warrants in respect of accused public servants were issued by the court of Special Judge Anti Corruption Baramulla. “In pursuance of these warrants, the ACB conducted searches in multiple locations simultaneously, belonging to the accused persons. The searches were conducted meticulously, in accordance with legal procedures, to gather evidence linked with the investigation of the case. Various incriminating documents have been recovered during the course of the searches," the ACB said, adding that further investigations into the case are ongoing. http://risingkashmir.com/acb-registers-case-against-former-officials-contractors-for-misappropriation-of-govt-funds-fed8f6b0-0b48-4189-b4ae-e3415cc3114b