



Current Affairs of the Day

Sec 144 ahead of hijab hearing

Prohibitory orders imposed in the affected area amid tension ahead of a crucial high court hearing today.

Highlights:

1. The Udupi district administration imposed prohibitory orders around all high schools in the district, days after Karnataka chief minister Basavaraj Bommai ordered the closure of all educational institutions amid the raging hijab row.
2. A single-judge bench of the HC referred the matter to the larger bench in view of the “enormous public importance of the questions involved” and issues of “constitutional guarantees to the religious minorities.”



SC examines allegations of rampant misuse of PMLA

1. The Supreme Court is looking into allegations of the metamorphosis of an anti-money laundering law, brought to sniff out drug money, into a potent weapon to raid rivals and deny rights.
2. A three-judge Bench is holding back-to-back hearings on petitions filed by people from all walks of life and across the country complaining of the alleged subversion of the Prevention of Money Laundering Act (PMLA) by the government and the Enforcement Directorate (ED).

Law going overboard:

1. Lawyers allege that the PMLA is pulled into the investigation of even “ordinary” crimes.



2. The ED could just walk into anybody's house. In all this, the fundamental purpose of the PMLA to investigate the conversion of "illegitimate money into legitimate money" was lost.
3. Lawyers reminded that the PMLA was enacted in response to India's global commitment (including the Vienna Convention) to combat the menace of money laundering. Instead, he said, rights have been "cribbed, cabined and confined".
4. "PMLA was a comprehensive penal statute to counter the threat of money laundering, specifically stemming from trade in narcotics. Currently, the offences in the schedule of the Act are extremely overbroad, and in several cases, have absolutely no relation to either narcotics or organised crime"
5. Petitioners pointed out that even the Enforcement Case Information Report (ECIR) — an equivalent of the FIR — is considered an "internal document" and not given to the accused.
6. "The ED treats itself as an exception to these principles and practices [of criminal procedure law] and chooses to register an ECIR on its own whims and fancies on its own file," they argued.
7. Pursuant to the registration of the ECIR, the ED begins to summon accused persons and seeks details of all their financial transactions and of their family members. The accused is called upon to make statements that are treated as admissible in evidence.

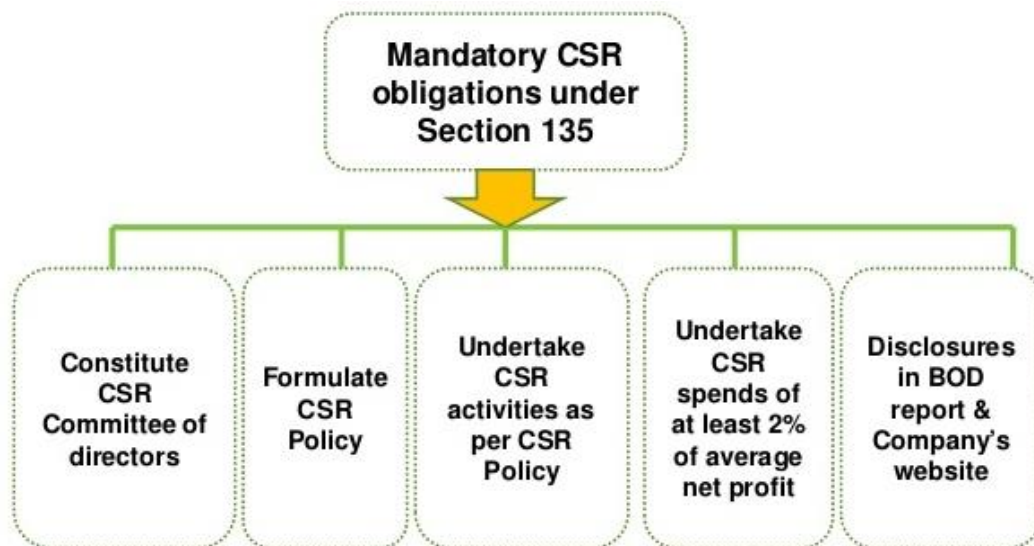
Accused and witness

1. The court is also examining submissions that the PMLA does not distinguish between an accused and a witness while summoning them. "Procedure under criminal law makes a distinction between the accused and a witness," lawyers argued.
2. The petitioners noted the lack of clarity about the ED's selection of cases to investigate. Petitioners have submitted that discretion exercised under the PMLA should be guided by rule of law. It must not be "arbitrary, vague and fanciful".



CSR spends dip 64% in the pandemic-hit year

1. Social spending by companies mandated by law plunged by a sharp 64.24% in the pandemic year of 2020-21, official data showed, as contributions towards corporate social responsibility (CSR) slumped to ₹8,828 crores compared to ₹24,689 crores spent in the preceding financial year.
2. The number of companies engaged in CSR activities dropped by about 93% on an annualised basis at 1,619 in 2020-21, compared to 22,531 a year ago, as per data on the CSR portal of the corporate affairs ministry.
3. The disruption caused by the Covid-19 pandemic and challenges in vetting organisations and projects to fund are among the reasons for the fall in CSR spending, experts said. The earmarked funds can be utilised once these obstacles are removed.
4. It is mandatory in India for companies with a net worth of at least ₹500 crores, or revenue of ₹1,000 crores, or net profit of ₹5 crores, to spend a minimum of 2% of their average net profit booked in the three preceding financial years on welfare activities.



Reasons:

1. There could be multiple reasons for the decline in social spending by companies, experts said. The fall in numbers is possible because most of the designated funds are parked in bank accounts for future use.



2. Any unspent amount from the CSR budget can be transferred to an appointed bank account within 30 days from the end of a financial year, and can be used within the next three financial years.
3. The spread of Covid-19 in 2020-21 could be another reason. In the previous financial year, during the initial lockdown period of 6-7 months, most CSR funds were re-routed to the PM Covid relief fund, with companies not being able to take up planned on-ground activities.
4. CSR compliances are cumbersome, which could have been another reason for the delay.
5. Another deterrent that may have impacted the number of companies declining could be the amendments made in January 2021 in the CSR rules under which eligible implementation agencies had to mandatorily register with the government and obtain a CSR registration number before they could accept funds.
6. A lot of NGOs got de-listed during the 2019-20 and 2020-21 period and there was a decline in available implementation partners for funding.

Doing Wrong, the Right Way

INDIA HAS STATUTORILY MANDATED CORPORATE SOCIAL RESPONSIBILITY FOR SOME COS

IT IS FIRST AND ONLY COUNTRY TO HAVE DONE SO BUT LAW ALLOWS A LOT OF LEEWAY

What's the Loophole?	How Does it Work?	Trouble Spot
<ul style="list-style-type: none"> ● However, CSR spends disclosed by cos need not be vetted by auditors ● Financials of charitable trusts also come under little statutory scrutiny ● Some cos are using on-hire charitable trusts to fabricate CSR spending 	<ul style="list-style-type: none"> ● Co obligated to spend, say, ₹10 crore, writes cheque in favour of a trust ● Trust, after deducting commission, discreetly returns cash to officials/promoters <p style="text-align: center; color: red; font-weight: bold;">» THIS TURNS ₹10 CRORE OF WHITE MONEY INTO BLACK WHILE MIDDLE-MAN GETS A CUT</p>	<ul style="list-style-type: none"> ● Public trusts are favoured to launder money as they aren't well-governed ● There is no centralized repository of information on public trusts

Though the financials are part of the directors' report which is audited by external auditors, the ADC-4 (CSR reporting form) itself is not subject to external audit. It is a lacuna.

BHASKAR CHATTERJEE
DG & CEO, Indian Institute of Corporate Affairs



Govt okays funds to modernise police force

1. A central scheme to modernise and improve police forces in all states and union territories will continue for another five years, the home ministry has said. The umbrella scheme of Modernisation of State Police Forces (MPF) has been approved for the period 2021-22 to 2025-26.
2. Under the MPF scheme, provision has been made for internal security, law and order, adoption of modern technology by police, assisting states and union territories for narcotics control and “strengthening the criminal justice system by developing a robust forensic set-up in the country.
3. The other salient feature of the scheme is to develop operationally independent high-quality forensic sciences facilities to aid scientific and timely investigation through the modernisation of resources.

e-Rupi limit hike to promote offline payments

1. The increase in the e-Rupi voucher cap to ₹1 lakh will boost digital payments in the offline mode and allow direct benefit transfers without having to have a bank account, experts said.
2. The Reserve Bank of India (RBI) increased the cap on e-Rupi vouchers issued by the government to ₹1 lakh per voucher from ₹10,000 and allowed one voucher to be used multiple times until fully redeemed.
3. Launched in August 2021 as a cashless payment product, e-Rupi vouchers allow users to redeem them without a card, digital payments app or internet banking access at select merchants.

PRIME MINISTER NARENDRA MODI
to launch digital payment solution
e-RUPI
on 2nd August

- e-RUPI is a **cashless and contactless** instrument for **digital payment** developed by **National Payments Corporation of India**
- Connects sponsors of the services with beneficiaries & service providers in a **digital manner without any physical interface**
- Assures timely payment **without involvement of any intermediary**.
- It can also be used for **delivering services** meant for **providing drugs & nutritional support under Mother & Child welfare schemes, TB eradication programmes, etc**



4. It will ensure better digital delivery of benefits of the central and state government schemes to the beneficiaries. Hence, it is likely to play a major role in strengthening direct benefit transfer (DBT) to citizens at the last mile, making it more transparent.

Salient features:

1. The e-RUPI is a QR code or SMS string-based e-Voucher, which is delivered to the mobile of the beneficiaries. The users of this seamless mechanism will be able to redeem the voucher without a card, digital payments app or internet banking access, at the service provider.
2. The e-Rupi does not require beneficiaries to have a bank account.
3. Another advantage is that it works on basic phones and can be used by people who do not own smartphones or are in places that don't have an internet connection, thereby promoting offline payments.
4. Experts said that in addition to vouchers issued by the government, extending this new cap to other business-to-consumer use-cases should also be considered by improving the acquiring infrastructure for e-Rupi and integrating it with existing point of sale (PoS) systems.
5. This will also encourage its use by private corporates and for other customer segments as well, such as larger value corporate gifting, transit/payroll/student cards, forex travel cards, among others.
6. e-Rupi's key benefit for governments is in enabling penetration among the unbanked and feature phone users, allowing issues without needing the recipient's bank account or KYC.

Launch of
Digital Payment Solution - eRUPI

A person and purpose specific digital payment solution launched by Hon'ble Prime Minister Shri Narendra Modi

Salient Features:

- ▶ e-RUPI is a cashless and contactless instrument for digital payment
- ▶ It is a QR code or SMS string-based e-Voucher, which is delivered to the mobile of the beneficiaries
- ▶ It has been developed by NPCI on its UPI platform, in collaboration with the Department of Financial Services, Ministry of Health & Family Welfare and National Health Authority.

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MCQs	<p>Q1. Semiconductors and silicon wafers are used in the manufacturing of</p> <ol style="list-style-type: none">1. Automobiles2. Phones3. Cameras4. Wearable devices <p>Select the correct answer from the codes given below</p> <ol style="list-style-type: none">a. 1 and 2 onlyb. 3 and 4 onlyc. 2, 3 and 4d. 1, 2, 3 and 4
MAINS DAWP	<p>Q. Discuss the significance of self-reliance for India in Semiconductor chip manufacturing.</p> <p>Q. What is e-RUPI? Discuss its purpose and benefits?</p>