

Current Affairs: 19.03.2021

ELECTORAL BONDS

Chief Justice of India agreed to urgently hear a plea by NGO Association for Democratic Reforms to stay the sale of a new set of electoral bonds on April 1, before the Assembly elections in crucial States such as West Bengal and Tamil Nadu.

- The Finance Act of 2017 introduced the use of electoral bonds, which are exempt from disclosure under the Representation of the People Act, 1951, opening doors to unchecked, unknown funding to parties

- The amendments have removed the existing cap of 7.5% of net profit in the past three years on campaign donations by companies and have legalised anonymous donations



- Contribution received by any eligible political party in the form of electoral bonds will be exempt from income tax

The Election Commission vide letter dated May 26, 2017 and the RBI in letters on 31.01.2017, 14.09.2017, 27.09.2017 had objected to electoral bonds and advised against the issuance of electoral bonds as a mode for donation to political parties

Arguments by petition:

The Reserve Bank of India (RBI) and the Election Commission had both said that the sale of electoral bonds had become an avenue for shell corporations and entities to park illicit money and even proceeds of bribes with political parties. Data obtained through RTI has shown that illegal sale windows have been opened in the past to benefit certain political parties.

There is a serious apprehension that any further sale of electoral bonds before the upcoming State elections in West Bengal, Tamil Nadu, Kerala and Assam would further increase illegal and illicit funding of political parties through shell companies. The scheme had “opened doors to unlimited political donations, even from foreign companies, thereby legitimising electoral corruption at a huge scale, while at the same time ensuring complete non-transparency in political funding”.

Arguments by Government:

The government notified the scheme on January 2, 2018.

It defended the scheme in court, saying it allowed anonymity to political donors to protect them from “political victimisation”.

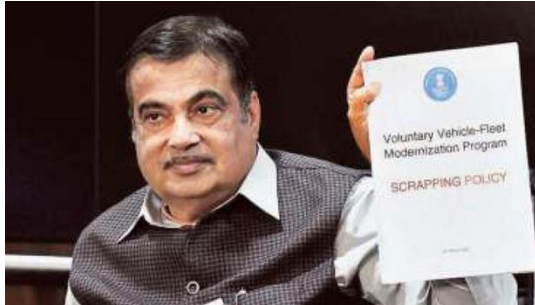
The Ministry of Finance had dismissed the Election Commission’s version that the invisibility afforded to benefactors was a “retrograde step” and would wreck transparency in political funding.

It said the earlier system of cash donations had raised a “concern among the donors that, with their identity revealed, there would be competitive pressure from different political parties receiving donation”.

ROAD TRANSPORT

India will implement a GPS-based toll collection system and do away with all toll booths within a year, Union Minister for Road Transport and Highways Nitin Gadkari informed the Lok Sabha.

GPS-based toll collection system:



It means that toll collection will happen via GPS. The money will be collected based on GPS imaging of vehicles. He said 93% of the vehicles were paying toll using FASTag — a system that facilitates electronic payment of fee at toll plazas seamlessly — but the remaining 7% had still not adopted it despite paying double the toll.

Vehicle Scrapping Policy:

He also shared details of the vehicle scrapping policy, first announced in the Union Budget for 2021-22, according to which the automobile industry in India will see a jump in turnover to ₹10 lakh crore from ₹4.5 lakh crore. The new policy provides for fitness tests after the completion of 20 years in the case of privately owned vehicles and 15 years in the case of commercial vehicles. Any vehicle that fails the fitness test or does not manage renewal of its registration certificate may be declared as an End of Life Vehicle.

The policy will kick in for government vehicles from April 1, 2022. Mandatory fitness testing for heavy commercial vehicles will start from April 1, 2023, and for all other categories of vehicles, including personal vehicles, it will start in phases from June 1, 2024.

THE INSURANCE (AMENDMENT) BILL, 2021

The Rajya Sabha passed the Insurance Amendment Bill, 2021 which increases the maximum foreign investment allowed in an insurance company from 49% to 74%.

About:

The Bill amends the Insurance Act, 1938 to increase the maximum foreign investment allowed in an Indian insurance company. The Act provides the framework for functioning of insurance businesses and regulates the relationship between an insurer, its policyholders, its shareholders, and the regulator (the Insurance Regulatory and Development Authority of India).

Foreign investment:



Proving a point: Finance Minister Nirmala Sitharaman speaking in the Rajya Sabha on Thursday. ■PTI

The Act allows foreign investors to hold up to 49% of the capital in an Indian insurance company, which must be owned and controlled by an Indian entity. The Bill increases the limit on foreign investment in an Indian insurance company from 49% to 74%, and removes restrictions on ownership and control. However, such foreign investment may be subject to additional conditions as prescribed by the central government.

Investment of assets:

The Act requires insurers to hold a minimum investment in assets which would be sufficient to clear their insurance claim liabilities. If the insurer is incorporated or domiciled outside India, such assets must be held in India in a trust and vested with trustees who must be residents of India. The Act specifies in an explanation that this will also apply to an insurer incorporated in India, in which at least: (i) 33% capital is owned by investors domiciled outside India, or (ii) 33% of the members of the governing body are domiciled outside India. The Bill removes this explanation.

SUPPLEMENTARY DEMAND FOR GRANTS



The Lok Sabha on Thursday passed the supplementary demand for grants (second batch for 2020-21). What happens if the government needs to spend additional money during the year?

During the year, if the government needs to spend any money which has not been approved by Parliament or needs to incur additional expenditure, it can introduce Supplementary Demands for Grants.

Typically, Supplementary Demands for Grants are passed in every Parliament session. **Article 115** of the constitution provides for Supplementary, additional or excess grants. Note that, unlike the Demands for Grants presented with the budget, these supplementary demands have never been scrutinised by Standing Committees.

TEACHERS CONTESTING ELECTIONS

The Supreme Court stayed a Kerala High Court decision barring aided school teachers and non-teaching staff from contesting Assembly elections or engaging in political activities.

About:

It issued notice to the Kerala government while staying the High Court verdict in



February. The High Court had declared Section 2 (IV) of the Legislative Assembly (Removal of Disqualifications) Act of 1951, which allowed aided school teachers to become legislators, as unconstitutional. Petitioners in the High Court had challenged the 1951 law, saying their participation in politics would affect the quality of education. They had argued in the

HC that since Kerala Government Servants Conduct Rules prohibits government school teachers from taking part in political activities, the rule should extend to school teachers also. The government had however contended in the High Court that as per a government order issued in 1967, the teachers of aided schools had political rights. There were no rules or Act prohibiting them from participating in political activities or contesting

polls.

PRITZKER ARCHITECTURE PRIZE

Social housing architects Anne Lacaton and Jean-Philippe Vassal, founders of



French studio Lacaton & Vassal, have been named the 2021 winners of the Pritzker Architecture Prize

About: French architects Lacaton and Vassal were named the winners of the award for their body of work that "reflects architecture's democratic spirit" and their "commitment to a

restorative architecture". Their recognition marks the first time a French female architect has won the prize, with Lacaton becoming the sixth woman to receive the award since it was established in 1979.

Cross & Climb, Rohtak



Pritzker Architecture Prize:

The Pritzker Architecture Prize is awarded annually to honor a living architect. Founded in 1979 by Jay A. Pritzker and his wife Cindy, the award is funded by the Pritzker family and sponsored by the Hyatt Foundation. It is considered to be one of the world's premier architecture prizes, and is often referred to as the Nobel Prize of architecture.