

**POLITY**

❖ **The electoral bonds scheme and the challenges to it in Supreme Court**

❖ **CONTEXT: The Supreme Court is expected to hear the petition filed by the Association for Democratic Reforms (ADR) challenging the Centre's electoral bonds Scheme . The plea has been pending since 2017.**

- The interim petitions seeking to stay the electoral bonds scheme were taken up twice in the past, in 2019 and 2021 before elections but such a stay was not granted by the apex court.
- The main case challenging the constitutionality of the scheme is yet to be heard and ADR's plea appeared on the cause list for September 19, while a Bench has not been assigned yet. The scheme has generated much debate since its announcement in 2017, inviting concerns from the Election Commission, Reserve Bank of India, Parliament, and civil society.

❖ **What is the electoral bonds scheme?**

- Electoral bonds are money instruments like promissory notes that can be bought by companies and individuals in India from the State Bank of India (SBI) and donated to a political party, which can then encash these bonds. The electoral bond does not bear the name of the donor and is, in effect, anonymous.
- The scheme was first announced by former Finance Minister Arun Jaitley during the 2017 budget session and was notified in January 2018. It was introduced to "cleanse the system of political funding in the country" by eradicating the "menace of unaccounted money coming into the country's economy through political funding". The government contended that it would make political donations transparent while also protecting the identity of the donor.
- Under the scheme, bonds are available for purchase at any SBI branch in multiples of ₹1,000, ₹10,000, ₹1 lakh, ₹10 lakh and ₹1 crore and can be bought through a KYC-compliant account. There is no limit on the number of electoral bonds that a person or company can purchase.
- Every party registered under section 29A of the Representation of the Peoples Act, 1951 (43 of 1951) and having secured at least one per cent of the votes polled in the most recent Lok Sabha or State election has been allotted a verified account by the Election Commission of India. The donor can donate the bond to a party of their choice, which can cash it within 15 days, only through the allotted account.
- The bonds go for sale in 10-day windows in the beginning of every quarter, i.e. in January, April, July and October, besides an additional 30-day period specified by the Central Government during Lok Sabha election years.
- So far, from March 2018 to the last tranche of sales in April 2022, over 18,000 bonds worth over ₹9,800 crore have been sold by the SBI in 20 tranches as per information compiled by ADR. As per ADR's analysis, the ruling BJP received ₹210 crore in contribution as electoral bonds in FY 2017-18, which was 95% of the total bonds purchased that year. In FY19, three national parties — BJP, Congress, and Trinamool Congress — received ₹1931.43 through the scheme, while the highest share (₹1450.89 crore) went to the BJP.
- Electoral bonds are not the only way in which parties now receive donations. They can also receive cash donations of less than ₹2,000 from anonymous sources through cheque or by digital mode, in addition to electoral bonds.

❖ **What are the pleas challenging the scheme in the Supreme Court?**

- There are two petitions challenging the scheme — one jointly filed in 2017 by ADR and non-profit Common Cause, and another filed in 2018 by the Communist Party of India (Marxist) — both largely asking for the same relief. The Election Commission of India (ECI), which was a respondent to the petition, filed a counter-affidavit questioning the electoral bonds scheme in its current form.
- The grounds on which the petitioners oppose the scheme and the apprehensions expressed in ECI's affidavit:
  - **Concerns about electoral corruption:** it argued that the amendments made to multiple Acts to make way for the electoral bonds scheme would open the "floodgates" to unlimited political donations and anonymous funding of political parties by Indian and foreign companies, "legitimizing electoral corruption at a huge scale", and would have "serious repercussions on the Indian democracy".
    - ✓ The Election Commission submitted that contrary to the government's claims, donations received through electoral bonds would cause a "serious impact" on transparency.
  - **Amendments to Finance Acts:** In order to bring in the scheme, the Centre had made multiple amendments by way of two Finance Acts— Finance Act, 2017 and Finance Act, 2016, both passed as money bills (not necessitating the oversight of the Rajya Sabha). The petitioners challenged the amendments as being "unconstitutional", "violative of doctrines of separation of powers" and violative of some fundamental rights.
    - ✓ The ECI said that the amendments would pump in black money for political funding.
  - **Amendment to the Representation of the People Act:** The government amended Section 29C of the Representation of the People Act, 1951, effectively exempting political parties from informing the ECI about the details of contributions made to them through electoral bonds. ADR argued that this would impact transparency and keep citizens from vital information about how much contribution a political party received and through what source, as the source or donor is anonymous under electoral bonds.
    - ✓ The ECI said that would prevent it from ascertaining whether the donations were received illegally from government companies or foreign sources, calling it a "retrograde step" for transparency.

- **Companies Act amendment:** The petitioners also objected to the amendment to the Companies Act 2013 such that no companies are required to give details of political contributions in their annual profit and loss accounts. The petitioners argued that this would increase “opacity” in political funding and the danger of “quid pro quo” in return for benefits passed to such companies by political parties.

They also opposed the removal of the cap or ceiling for companies to make donations. Prior to 2017, companies were only permitted to make political donations of up to 7.5 % of net profits in the previous three years. This change, ADR argued, would allow even loss-making companies to make donations and result in the creation of unscrupulous companies only to route funds to political parties.

- ✓ The ECI too flagged similar concerns about shell companies.
- **Amendment to the FCRA Act:** The petition opposed an amendment to the Foreign Contribution Regulation Act, 2010 (FCRA), allowing foreign companies with subsidiaries in India to fund Indian political parties, stating that it would expose “Indian politics and democracy to international lobbyists” having their own agendas.
- ✓ The ECI too flagged concerns about this, saying it would invite foreign corporate powers to influence Indian politics.
- **Income Tax Act amendment:** The ECI also raised concerns about the amendment to the Income Tax Act 1961, allowing anonymous donations only less than Rs. 20,000. The poll panel said that due to this, many political parties had started “reporting a major portion of the donations received as being less than the prescribed limit of Rs. 20,000”.
- **Infringing the ”Right to Know”:** It has been argued that the amendments infringed upon the citizen’s fundamental ‘Right to Know’, which various Supreme Court judgements have interpreted as part of the freedom of speech and expression. The plea said that the opacity and anonymity made political parties more “unanswerable and unaccountable” to the citizens at large.
- **Derailing of ECI guidelines:** According to the ECI the amendments derailed its 2014 guidelines on disclosure of expenditure and contributions received by political parties. It added that it had “time and again voiced the importance of the declaration of donations received by political parties” for “better transparency and accountability in the election process”.

❖ **What were the RBI’s concerns?**

- Former RBI Governor Urjit Patel had, in 2017, expressed concerns about the scheme in its current form.
- The issuance of the bonds in the physical form or as bearer instruments would actually not serve the purpose of transparency as they are transferable, meaning that who finally contributes to the party “may not be known”.
- The bonds be issued in digital (demat) format, since physical ones could be transferred without leaving a trail, leading to possible money laundering.

❖ **What did the Supreme Court say in its previous two orders?**

- The petitioners approached the Supreme Court before the 2019 Lok Sabha elections, seeking interim relief in the form of either a stay on the issuance of electoral bonds or a disclosure of the names of the donors to ensure transparency in the poll process. The government, meanwhile, argued that the amendments were to rid the political funding system of black money, adding that the government “must be allowed a free hand to implement measures” and it would be premature for the court to render an opinion or pass an order.
- In its interim order on April 12, 2019, a Bench led by former Chief Justice of India Ranjan Gogoi, the issue of electoral bonds was a “weighty” issue having a “tremendous bearing on the sanctity of the electoral process in the country,” and that it required an in-depth hearing which could not be done in the limited timeframe. The Bench wanted to ensure that any interim arrangement did “not tilt the balance in favour of either of the parties” but at the same time provided safeguards against the competing claims of the petitioners and respondents. The Court directed political parties to provide complete information to the ECI in sealed covers on every single donor and contribution received by them till that date through electoral bonds.
- In March 2021, the petitioner, again approached the Court asking for a stay on the scheme before Assembly elections in multiple States, but the Bench led by former CJI N.V. Ramana refused the same. “If the matter has been argued for stay and it was not granted, we will also not grant it. The Bench had added that the sale of bonds in 2018, 2019, and 2020 had happened “without any impediment”.
- The Bench contended that just a little effort was required to pierce the veil of anonymity around electoral bonds. “All that is required is a little more effort to cull out such information from both sides (purchaser of the bond and political party) and do some ‘match the following’ . Therefore, it is not as though the operations under the scheme are behind iron curtains incapable of being pierced.” As for concerns related to the repurchase of bonds from the first buyer, also expressed in RBI communications, the court said that the bond was not tradable and asked why the first buyers would sell the bond to get black money in return for white.

**PRELIMS**

1. **Carbon dating**

- ❖ **CONTEXT:** A district court in Varanasi recently allowed a petition seeking carbon dating of the structure inside the Gyanvapi mosque that the Hindu side has claimed is a ‘Shivling’. The court has issued notices to other parties wanting to know whether they have any objection to carbon dating.
- ❖ **What is carbon dating?**

- Carbon dating is a widely-used method applied to establish the age of organic material, things that were once living. Living things have carbon in them in various forms. The dating method makes use of the fact that a particular isotope of carbon called C-14, with an atomic mass of 14, is radioactive, and decays at a rate that is well known.
- The most abundant isotope of carbon in the atmosphere is carbon-12 or a carbon atom whose atomic mass is 12. A very small amount of carbon-14 is also present. The ratio of carbon-12 to carbon-14 in the atmosphere is almost static, and is known.
- Plants get their carbon through the process of photosynthesis, while animals get it mainly through food. Because plants and animals get their carbon from the atmosphere, they too acquire carbon-12 and carbon-14 isotopes in roughly the same proportion as is available in the atmosphere.
- But when they die, the interactions with the atmosphere stops. There is no further intake of carbon (and no outgo either, because metabolism stops). Now, carbon-12 is stable and does not decay, while carbon-14 is radioactive. Carbon-14 reduces to one-half of itself in about 5,730 years. This is what is known as its 'half-life'.
- So, after a plant or animal dies, the ratio of carbon-12 to carbon-14 in the body, or its remains, begins to change. This change can be measured and can be used to deduce the approximate time when the organism died.

❖ **What about non-living things?**

- Though extremely effective, carbon dating cannot be applied in all circumstances. Specifically, it cannot be used to determine the age of non-living things, like rocks, for example. Also, the age of things that are more than 40,000-50,000 years cannot be arrived at through carbon dating. This is because after eight to ten cycles of half-lives have been crossed, the amount of carbon-14 becomes almost negligible and undetectable.
- There are other methods to calculate the age of inanimate things, but carbon dating can also be used in an indirect way in certain circumstances. For example, the age of the ice cores in glaciers and polar regions is determined using carbon dating by studying the carbon dioxide molecules trapped inside large ice sheets. The trapped molecules have no interaction with the outside atmosphere and are found in the same state as when they were trapped.
- How long a rock has been at a particular place can also be determined using similar indirect methods. If there are organic materials, dead plants or insects trapped beneath the rock, they can give an indication of when that rock, or any other thing, had reached that place.
- There are various other methods to date sedimentation around an object, for example, that are used depending on the specific situation. In the Gyanvapi case, the petitioners want to establish that the 'Shivling' existed in its place much before the mosque came into being. Ascertaining that is theoretically possible.

❖ **Is there anything that cannot be dated?**

- Though a variety of methods exist to know the age of a certain object, not everything can be dated. The accuracy of the different methods also varies.
- Though the petitioners in the Gyanvapi case have asked for carbon dating, it is not clear as of now whether carbon dating can be applied in this case, or if some other methods would be suitable. Some methods, like looking for trapped organic material beneath it, might not be feasible for practical reasons because that would involve uprooting the structure or making some other disruptions that are not desirable. What can be done to date the structure can be finalized only after a detailed study.

**2. G4 countries**

❖ **CONTEXT:** Recently, the G4 ministers expressed concern that the 76<sup>th</sup> Session of the U.N. General Assembly did not make "meaningful progress" in the Inter-Governmental Negotiations (IGN), which, according to the G4, was constrained by a lack of transparency.

- The G4 is a group comprising four-member countries Brazil, Germany, India, and Japan, who are demanding a permanent seat in the United Nations. This group is known as G4 nations or G4 countries where "G" stands for "Group".
- The group was founded in 2005 so that their voice could be heard by the United Nations for the permanent seat.
- The main aim of the G4 nations is to support each other's bid for a permanent seat in the United Nations Security Council (UNSC). According to the G4 nations, it is very important to expand the UNSC, in order to enhance the equitable representation of different regions of the world such as Africa, Asia-Pacific, and Latin-America. The reform of the UNSC will ensure the effectiveness of the organization as the UNSC was established after World War 2 and in that time the situation was different in the world but now the situation is completely different.
- Currently, there are five permanent members of the UNSC with Veto Power France, China, Russia, The UK, and The US. Out of five permanent members of the UNSC, three members France, The UK, and The US have maintained their seats since the UN founding and the People's Republic of China replaced the Republic of China in 1971 whereas Russia replaced the Union of Soviet Socialist Republics (USSR) in 1991.

**Opposition by Coffee Club countries (Uniting for Consensus):**

- Some countries are opposing the bids of G4 nations in UNSC for permanent seats. There is a movement named Uniting for Consensus, also known as Coffee Club, that formed in 1990 in opposition to the possible expansion of permanent seats in the UNSC, and currently, its aim is to counter the bids for permanent seats by G4 nations in the UNSC. The countries opposing the bids of G4 nations for permanent seats in the UNSC are

- The countries opposing the bid of Brazil for a permanent seat in the UNSC are Argentina, Colombia, Mexico, Peru, and Uruguay.
- The countries opposing the bid of Germany for the permanent seat in the UNSC are Bulgaria, Czech Republic, Denmark, Italy, Namibia, the Netherlands, Norway, Poland, and Spain.
- The countries opposing the bid of Japan for the permanent seat in the UNSC are China, North Korea, and South Korea.
- The countries opposing the bid of India for the permanent seat in the UNSC are China and Pakistan.

### 3. Khader Committee

❖ **CONTEXT: Recently, the second report of the M.A. Khader committee on school education was handed over to the government. The first report of the Khader committee mostly pertained to structural changes in school education such as merger of the three directorates under the department. The second report focuses on academic matters.**

- The M.A. Khader committee on school education was set up by the government against the backdrop of the Right to Education Act to study various aspects of school education from preschool to higher secondary.
- Changes to Schools - The committee has recommended a change in school timings from 8 am to 1 pm. Primary section to comprise Classes 1 to 7 and secondary section to comprise Classes 8 to 12.
- The main recommendation was to unify the classes from first through tenth, higher secondary and vocational higher secondary departments under one directorate. Other recommendations supplementing the unification included
  - The appointment of the Principal as the School Head for the Higher Secondary Schools and
  - Renaming High School Head Master as the Vice Principal and The Principal will be assisted by Vice-principal.
- Teacher training - It recommends a comprehensive change in teacher training to address the second generation challenges of education.
- It suggests a five-year integrated PG course that includes a teacher qualification and specialisation course that is intended to equip teachers with the changes in the world of education.
- The report calls for timely changes in approaches to learning so as to imbibe progressive thoughts academically and socially.
- Medium of Instruction - School education phase should be in the mother tongue. Since English was important for flow of information, study of English in schools had to make significant strides.
- The study of languages such as Hindi, Arabic, Urdu, and Sanskrit too had to improve.
- Shift - The report stresses the need for a shift from evaluation to assessment. Evaluation at present was a mechanical exercise. Without a change in this, no fundamental changes were possible in the education sector. Students should become free of examination fear.

### 4. Fly Ash

❖ **CONTEXT: Recently, the National Green Tribunal (NGT) made an urgent need to augment the utilisation and disposal of fly ash in Chhattisgarh**

- Fly ash is a by-product of burning pulverized coal in thermal power plants.
- During combustion, mineral impurities in the coal (clay, feldspar, quartz, and shale) fuse in suspension and float out of the combustion chamber with the exhaust gases. As the fused material rises, it cools and solidifies into spherical glassy particles called fly ash.
- Low-grade coal used in thermal power generation carries 30-45% ash content. The high-grade imported coal has a low ash content of 10-15%.
- Since most of the coal used in thermal plants is low-grade, it generates a large quantity of ash which requires a large area as landfill or ponds for disposal.
- All fly ashes exhibit cementitious properties to varying degrees depending on the chemical and physical properties of both the fly ash and cement.
- Fly ash includes substantial amounts of silicon dioxide (SiO<sub>2</sub>), aluminium oxide (Al<sub>2</sub>O<sub>3</sub>), ferric oxide (Fe<sub>2</sub>O<sub>3</sub>) and calcium oxide (CaO).
- It is an excellent material for making construction materials such as bricks, mosaic tiles and hollow blocks.
- Bricks made of fly ash can help conserve soil to a great extent.
- There are several eco-friendly ways to utilize fly ash so that it does not pollute air and water.
- It includes the use of fly ash in the manufacturing of cement, ready-mix concrete; constructing roads, dams and embankment, and filling of low-lying areas and mines.
- All the heavy metals found in fly ash like nickel, cadmium, arsenic, chromium, lead, etc—are toxic in nature. They leech into the surrounding soil and can enter food-chains, asthma and respiratory ailments due to direct exposure, destruction of mangroves, drastic reduction in crop yields, and the pollution of groundwater etc.

❖ **Utilization of Fly Ash**

- Fly ash can be used as a replacement for some of the Portland cement contents of concrete. It is environmentally beneficial because it reduces the Portland cement, a major contributor of CO<sub>2</sub>, required in concrete.
- Fly ash is a proven resource material for many applications of construction industries and currently is being utilized in manufacturing of bricks/blocks/tiles.
- Union Government has made it mandatory for use of fly ash bricks in construction activities happening 500 km around thermal power plants.

### ANSWER WRITTING

**Q. Social Audit is a powerful tool in the hands of the people to ensure financial accountability. In light of this statement discuss its major shortcomings and give suggestions to reform it.**

#### Introduction

Social Audit is the audit of a scheme jointly by the Government and the people, especially by those who are affected by the scheme or its beneficiaries.

It is a powerful tool to promote transparency, accountability, and people's participation in the schemes meant for them. A social audit helps to narrow gaps between vision/goal and reality, between efficiency and effectiveness.

Status of Social Audit:

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was the first Act to mandate Social Audit by the Gram Sabha of all the projects taken up in the Gram Panchayat.
- Most States have set up an independent Social Audit Unit (SAU) and some have even begun to facilitate Social Audit in other programmes, including Pradhan Mantri Awas Yojana, National Social Assistance Programme, Midday Meal Scheme and Public Distribution System.

Challenges associated with Social Audit:

- The lack of adequate administrative and political will in institutionalising social audits to deter corruption has meant that social audits in many parts of the country are not independent of the influence of implementing agencies.
- Social audit units, including village social audit facilitators, continue to face resistance and intimidation and find it difficult to even access primary records for verification.
- People's participation has been minuscule due to the lack of education, awareness and capacity building among the common masses.
- There is an absence of an independent agency to investigate and act on social audit findings.

Suggestions to Reform Social Audit:

- Citizens groups need to campaign for strengthening social audits and make real progress in holding the political executive and implementing agencies accountable.
- A team of social audit experts should be established in each district who are responsible for training social audit committee members (stakeholders).
- Training programmes should be created on social auditing methods such as conducting and preparing social audit reports, and presentation at Gram Sabha.
- The system of social audits needs synergetic endorsement and a push by multiple authorities to establish an institutionalised framework which cannot be undermined by any vested interests.

#### Conclusion

The social audit is a significant tool to ensure the benefits of Govt. Schemes, Policies, and Programmes reach the targeted section with minimum leakage. Hence, there is a need to make the required changes in the social audit to make it citizen-centric.

### MCQs

1. Consider the following statements about Electoral Bond Scheme :
  1. The aim of this scheme is to bring about transparency in the funding process of political parties.
  2. Only the political parties recognized by the Election Commission which secured not less than one per cent of the votes polled in the last general election to the House of People or the Legislative Assembly of the State shall be eligible to receive the Electoral Bonds.
  3. Electoral Bonds shall be valid for fifteen calendar days from the date of issue.
  4. The Electoral Bond deposited by an eligible political party in its account shall be credited on the same day.

Which of the above statements are correct?

  - a) Only 1 and 2
  - b) **1,2,3 and 4**
  - c) Only 2,3 and 4
  - d) Only 1,3 and 4
2. Consider the following statements:
  1. The ratio of <sup>14</sup>C to <sup>12</sup>C changes continuously for dead bodies or plants.
  2. Radioactive isotope Carbon-14 is used in a Carbon dating technique.

Choose the correct answer using the codes given below

  - a) **Statement (1) is true and is a reason of statement (2)**
  - b) Both (1) and (2) are not true
  - c) (1) is true but (2) is false

- d) (1) and (2) are not related to each other
3. With reference to G4 nations consider the following statements
1. Unlike the G7, where common denominator is the economy and long term political motives, the G4 primary aim is the Permanent member seat on the UN Security Council.
  2. Its secretariat located at Berlin, Germany
- Choose the correct statement/s using the codes given below
- a) **1 only**
  - b) 2 only
  - c) Both 1 and 2
  - d) Neither 1 nor 2
4. Indian Railway using newer technology called Real Time Train Information System (RTIS), on the locomotives for automatic acquisition of train movement timing at the stations, developed in collaboration with which of the following organisation?
- a) DRDO
  - b) Hindustan Aeronautics Limited
  - c) **ISRO**
  - d) IIT madras
5. India's 1st indigenous plant of 10 Tons/day capacity with integrated enzyme production for ethanol is being set up at :
- a) Nagpur
  - b) Bhopal
  - c) Nasik
  - d) **Panipat**
6. Khader committee recently mentioned in news is related to which of the following?
- a) **School Education**
  - b) Banking reform
  - c) Administrative reform
  - d) Mining in Schedule areas
7. With reference to 'fly ash' produced by the power plants using coal as fuel, which of the following statements is/are correct?
1. Fly ash can be used in the production of bricks for building construction.
  2. Fly ash can be used as a replacement for some of the Portland cement contents of concrete.
  3. Fly ash is made up of silicon dioxide and calcium oxide only, and does not contain any toxic elements.
- Select the correct answer using the code given below
- a) **1 and 2**
  - b) 2 only
  - c) 1 and 3
  - d) 3 only
8. With reference to banking system liquidity often seen in news, consider the following statements
1. On a given day, if the banking system is a net borrower from the RBI under the Liquidity Adjustment Facility (LAF), the system liquidity is said to be in deficit
  2. On a given day, If the banking system is a net lender to the RBI, the system liquidity is said to be in surplus
- Which of the given statement/s is/are correct?
- a) 1 only
  - b) 2 only
  - c) **Both 1 and 2**
  - d) Neither 1 nor 2
9. Which one of the following is not the most likely measure the Government or RBI takes to stop the slide of Indian rupee?
- a) Curbing imports of non-essential goods and promoting exports
  - b) Encouraging Indian borrowers to issue rupee-denominated Masala Bonds
  - c) Easing conditions relating to external commercial borrowing
  - d) **Following an expansionary monetary policy**
10. Operation Megha Chakra often mentioned in news is related to which of the following?
- a) Drug trafficking
  - b) Women Empowerment
  - c) **Child Sexual Abuse**
  - d) Water Conservation