CBI credibility has come under public scrutiny: CJI

PRESS TRUST OF INDIA
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CBI's credibility has come under deep public scrutiny with the passage of time as its actions and inactions have raised questions in some cases, Chief Justice N V Ramana on Friday said and called for creating an "independent umbrella institution" to bring various investigating agencies under one roof.

"When it comes to the CBI, it possessed immense trust of the public in its initial phase. In fact, the judiciary used to be flooded with requests for transfer of investigations to the CBI, as it was a symbol of impartiality and independence. Whenever the citizenry doubted the skill and impartiality of its own state police, they sought an investigation by the CBI, as they wanted justice to be done. But, with the passage of time, like every other institution of repute, the CBI has also come under deep public scrutiny. Its actions and inactions have raised questions regarding its credibility, in some cases," Justice Ramana said.

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N V Ramana, Chief Justice of India

The CJI, who was speaking at the 19th DP Kohli Memorial Lecture of CBI on "Democracy: Role and Responsibilities of Investigative Agencies", said there was an "immediate requirement for the creation of an independent umbrella institution for the investigating agencies to bring various agencies like CBI, SFIO, ED, etc under one roof".

Justice Ramana said the body was required to be "created under a statute" clearly defining its powers, functions, and duties.

He said such a law will also need too much needed "legislative oversight" for the "upright organisation" to be headed by an "independent and impartial authority" to be appointed by a committee which appoints the director of the CBI.

"The head of the organisation can be assisted by deputies who are specialists in different domains. This umbrella organisation will end a multiplicity of proceedings. A single instance these days gets investigated by multiple agencies often leading to dilution of evidence, contradictions in depositions, prolonged establishment of innocence. It will also save the institutions from being blamed as the tools of harassment," he said.

Once an instance is reported, the organisation should decide as to which specialised unit should take up the investigation, Justice Ramana said.

Justice Ramana said police and the investigative agencies may have de-facto legitimacy, but yet, as institutions, they still have to gain social legitimacy.

"Police should work impartially and focus on crime prevention. They should also work in co-operation with the public to ensure law and order prevails in the society," he said.

'NARCL's Shah quit before RBI nod'

Regulator approved 3 of the 4 names proposed as board members

MANOJIT SAHA
Mumbai, 1 April

Pradip Shah, who had taken charge as the chairman of National Asset Reconstruction Co Ltd (NARCL), stepped down before the Reserve Bank of India (RBI) could approve the proposal, State Bank of India (SBI) said.

Shah, a financial sector veteran, took charge of the NARCL soon after the debt recast firm received the licence from the RBI. According to sources familiar to the development, NARCL sought the RBI's approval for appointing four directors. The application also indicated Shah's role as the chairman of the board.

"Directors' appointment is one among the many approvals that an ARC requires prior to commencing business," SBI said in a statement.

Pradip Shah

NARCL has been set up by banks to aggregate and consolidate stressed assets for their subsequent resolution. SBI, along with other public sector banks will have 51 per cent stake in NARCL, the government had said.

"While these requests were under process, Mr Pradip Shah stepped down from the NARCL Board. The RBI approval, therefore, was received only for the remaining directors. The factual position is that Mr Pradip Shah happened to step down prior to receipt of the RBI approval," the statement said.

Sources said the RBI approval for the four candidates were sought on January 21, 2022. Shah stepped down from the post on January 28.

"RBI wanted some more time, some more background check was required," said a source, requesting anonymity.

"The standard process for onboarding of directors for an ARC is to seek prior approval of the RBI. In view of the urgency to operationalise NARCL quickly, soon after receipt of RBI licence, a few directors, including Mr Pradip Shah, were onboarded and an application was submitted to RBI for approval," the SBI said.

After Shah stepped down, Subrata Biswas, a deputy managing director of SBI and one of the nominee directors of NARCL, was appointed as interim chairman.

Sources said that NARCL will seek fresh approval from RBI for appointing the chairman. One director's post in the NARCL board is still vacant.

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Sebi directs MFs to pause launch of NFOs until Jul 1

Instead, funds required for buying securities or mutual funds (MF) units would have to move directly from the client's bank account to the clearing corporation. This, according to Sebi, would prevent the possible misuse of investors' funds.

Further, Sebi asked the MF industry to put in place a two-factor authentication (2FA) system for the redemption of MF units. Under this, units could be redeemed only after providing the one-time password (OTP) authentication sent via SMS, and an app password.

Discontinuation of pooling and 2FA for redemptions are aimed at preventing third-party payments, as well as safeguarding the interest of unitholders. The market regulator earlier had given the MF industry six months to implement the changes. But ahead of the April 1 deadline, Amfi sought additional time until July 1 to implement the October 2021 circular. In fact, the proposal to halt NFOs was put forth by the industry itself to bide more time from Sebi.

"You have also represented that significant effort and high priority are required from your side to implement the aforesaid circulars and that approvals of new schemes may be kept on hold to ensure undivided attention to the proper execution of this project in coordination with a large number of stakeholders," Sebi said in a communication to Amfi.

Mega trade pact with Australia today for lower-duty regime

To deal with the massive surge in imports, there will also be a provision of a safeguard mechanism.

When the negotiations kicked off in September, both countries had then agreed upon finalizing an interim trade deal or an early harvest agreement, that would be followed by a broader trade deal. However, officials said that both countries went ahead with a larger or an 'enhanced' trade agreement as they were on the same page regarding several issues. A broader trade agreement may be worked out at a later stage, but the timeline is not known.

The agreement will be implemented after the Australian Parliament approves it.

This is the second major trade agreement that India will sign this year, after inking a similar deal with the UAE in February. India is also negotiating a trade with the United Kingdom right now.

The agreement will be signed at a time when Australia is looking for a reliable trade partner at a time when it is facing export restrictions from China. It will also help India neutralize the disadvantages it has vis-a-vis some of its neighbouring countries, especially in labour intensive sectors such as textiles.

"As far as Australia is concerned, 50 per cent of their tariff lines are already zero and the remaining attracts 5 per cent duty. Most of the goods that we export to Australia attract a 5 per cent duty. So vis-a-vis our competitors such as Bangladesh, with which Australia already has a free trade agreement (FTA) or the fact that Bangladesh is counted as an LDC (least developed country), they have that advantage of 5 per cent, which we did not, especially in labour intensive sectors. That's where India will be able to neutralize the disadvantage," one of the officials cited above said.

Australia was India's 15th largest trading partner in FY21. Petroleum products, medicines, polished diamonds, gold jewellery, apparels are the key items exported to Australia, while coal, alumina and non-monetary gold are key products exported to India. In services, major Indian exports are related to travel, telecom and computer, government and financial services. In the case of Australia, services exports have mainly been in education and personal travel.

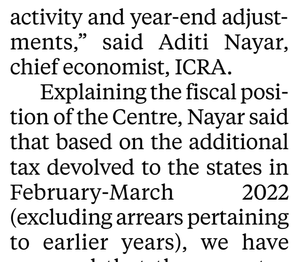
GST mop-up hits record high of ₹1.42 trillion

Of the total collection, CGST was ₹25,830 crore, SGST ₹32,378 crore, IGST ₹74,470 crore (including ₹39,131 crore collected on import of goods), and cess was ₹9,417 crore (including ₹981 crore collected on import of goods). The average monthly gross GST collection for the last quarter of the FY22 was ₹1.38 trillion, according to the official statement.

"Higher GST collections, in addition to customs duty (rebound from gold imports in February post the third wave), as well as direct taxes, are likely to have pushed up the gross tax revenues of the government well above the FY2022 RE. We expect the collections to rise further in the next month, benefitting from improved economic activity and year-end adjustments," said Aditi Nayar, chief economist, ICRA.

Explaining the fiscal position of the Centre, Nayar said that based on the additional tax devolved to the states in February-March 2022 (excluding arrears pertaining to earlier years), we have assessed that the gross tax revenues of the GoI are likely overshot the RE of ₹27.6 trillion by a considerable ₹2.25 trillion. Moreover, we estimate the net tax revenues (net of devolution to states) in FY2022 at ₹18.6 trillion, a robust ₹0.9 trillion higher than the RE (₹17.7 trillion)."

Net direct tax collection rises 50% in FY22



Towards the end of the fiscal year, the economy had started to recover from the impact but was hit again by a second wave in April-May and a third wave in December-January.

The rapid containment of Omicron, vaccination, and declines in new infections helped the recovery.

Advance tax collection, particularly the fourth instalment of which was due on March 15, rose to ₹6.62 trillion, up 40.75 per cent, the Central Board of Direct Taxes said.

Securities transaction tax (STT) also showed a sharp increase. Collection was over ₹23,000 crore, breaching the revised estimate of ₹20,000 crore.

Cumulative advance tax collection was ₹4.70 trillion for the corresponding period of the preceding fiscal year.