



CURRENT AFFAIRS



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Date - 26 July 2023

DIRECTORATE OF ENFORCEMENT

This article covers "Daily Current Affairs" and the topic details "Directorate of Enforcement". The topic "Directorate of Enforcement" has relevance in the "Indian Polity" section of the UPSC CSE exam.

For Prelims:

What is the Directorate of Enforcement? What are its functions?

For Mains:

GS2: Statutory, Regulatory, and various quasi judicial bodies

Why in the news?

The Madras High Court recently upheld the Enforcement Directorate's (ED) arrest of Tamil Nadu Minister V. Senthilbalaji.

About Directorate of Enforcement

The Directorate of Enforcement (ED) is a multidisciplinary organisation responsible for investigating economic crimes and violations of foreign exchange laws. It is under administrative control of the Department of Revenue, Ministry of Finance.

History of Directorate of Enforcement

Year	Event
1956	Enforcement Unit formed in the Department of Economic Affairs for handling Exchange Control Laws violations under FERA '47
1957	Enforcement Unit renamed as Enforcement Directorate and another branch opened at Madras
1960	Administrative control of the Directorate was shifted from the Department of Economic Affairs to the Department of Revenue.
1973	FERA '47 repealed and replaced by FERA, 1973
1973-1977	The Directorate was under the administrative jurisdiction of the Department of Personnel & Administrative Reforms
1977-Present	The Directorate operates under the administrative control of the Department of Revenue, Ministry of Finance
2000	FERA, 1973 repealed and replaced by FEMA

2002	Prevention of Money Laundering Act, 2002 (PMLA) enacted and ED entrusted with its enforcement
2018	Fugitive Economic Offenders Act, 2018 (FEOA) passed and ED entrusted with its enforcement

Composition of ED:

- The ED is headed by a Director, who is an IRS officer of the rank of Additional Director General of Revenue.
- The Director is appointed by the Central government and has a tenure of two years, which can be extended by one year.
- The Director is assisted by a number of Special Directors, Joint Directors, and Deputy Directors.
- The ED also has a number of regional offices and sub-regional offices across India.

Acts under which ED functions:

- **The Prevention of Money Laundering Act, 2002 (PMLA):**
 - It is a criminal law enacted to prevent money laundering and confiscate property derived from such activities.
 - The Enforcement Directorate (ED) holds the responsibility for investigating assets linked to proceeds of crime.
 - The law allows for the provisional attachment of property and prosecution of offenders in a Special court.
- **The Foreign Exchange Management Act, 1999 (FEMA):**
 - It is a civil law designed to facilitate external trade, payments, and the development of the foreign exchange market in India.
 - The ED is responsible for investigating suspected contraventions of foreign exchange laws.
 - The law grants the authority to adjudicate and impose penalties for contraventions of foreign exchange regulations.
- **The Fugitive Economic Offenders Act, 2018 (FEOA):**
 - The law aims to prevent economic offenders from evading Indian law by remaining abroad.
 - The ED is empowered to attach properties of fugitive economic offenders and confiscate them.
- **The Foreign Exchange Regulation Act, 1973 (FERA):**
 - *This law has been repealed and its functions included adjudicating Show Cause Notices and pursuing prosecutions for contraventions until 31st May 2002.*
- **Sponsoring agency under COFEPOSA:**
 - The Directorate is the sponsoring agency under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA).
 - ED is authorised to sponsor cases of preventive detention related to contraventions of FEMA.

Criticism of ED

- **Misuse of power:** The ED has been accused of using its powers to target political opponents and harass businesses. For example, in 2018, the ED raided the offices of the National Herald, a newspaper owned by the Gandhi family, on charges of money laundering. The raids were widely seen as politically motivated, and the ED eventually dropped the charges.
- **Lack of transparency:** The ED's investigations are often shrouded in secrecy, and the agency has been accused of not being transparent about its methods and procedures. For example, the ED does not release the names of the people it is investigating, and it often refuses to share information with the accused or their lawyers.

- **Political bias:** The ED has been accused of being biased in its investigations, and of targeting political opponents of the ruling party. For example, the ED has been criticized for its investigation into the Rafale fighter jet deal, which is seen as a major political issue in India.
- **Low conviction rate:** The ED has a low conviction rate, and many of the cases it investigates do not result in any charges being filed. For example, between 2005 and 2013, the ED filed charges in only 1% of the cases it investigated.

Solutions to these issues:

- **Strengthening oversight:** The ED should be subject to stronger oversight, and it should be made more accountable for its actions. This could be done by creating an independent oversight body, or by giving more powers to the existing oversight bodies.
- **Boosting ED's Funding:** Providing more financial resources to the ED will enhance the quality of investigations and lead to higher conviction rates.
- **Strengthening Manpower:** Increasing the number of personnel in the ED will improve efficiency and reduce the backlog of cases, enhancing the agency's overall credibility.
- **Ensuring Autonomy:** Granting autonomous status to the ED will address concerns about its independence and bolster its reputation as a reputable agency combating economic offenses in the country.

Ultimately, the goal should be to create an ED that is effective in combating economic crime, but that also respects the rights of individuals and businesses. By addressing the issues raised above, the government can help to ensure that the ED is a force for good in India.

Sources:

Explained | Senthilbalaji case: What has the SC said about ED's powers to arrest and seek custody in the past? – The Hindu

Q1. With reference to Enforcement Directorate (ED), consider the following statements:

1. The Enforcement Directorate (ED) is an autonomous financial investigation agency under the Department of Economic Affairs, Ministry of Finance.
2. The ED operates only within the territorial boundaries of India and does not have the jurisdiction to investigate international financial crimes.
3. The Director of the Enforcement Directorate is appointed by the Central government and has a fixed tenure of two years, which can be extended by one more year.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Answer: (c)

Q2. Consider the following:

1. Companies Act, 2013
2. The Foreign Exchange Regulation Act, 1973
3. The Foreign Exchange Management Act, 1999
4. The Fugitive Economic Offenders Act, 2018

Under how many of the aforementioned acts does the Enforcement Directorate (ED) function?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All Four

Answer: (c)

Q3. Critically analyze the effectiveness of the Enforcement Directorate in combating financial crimes and money laundering in India.

Gaurav Nikumbh

WATER MANAGEMENT

This article covers "Daily Current Affairs" and the topic details "Water Management". The topic "Water Management" has relevance in the Resource Management section of the UPSC CSE exam.

For Prelims:

About Quick-Fix Water Solutions?

Quick-Fix Water Solutions Initiatives?

For Mains:

GS 3: Resource Management

Challenges in Quick-Fix Solutions in Water Management?

Government Initiatives to Tackle India's Water Crisis?

Way Forward?

Why in the news?

Non-profits and civil society organisations are increasingly opting for quick-fix solutions to all issues, a tendency that needs to be moderated

About Quick-Fix Water Solutions:

- **River Widening, Deepening, and Straightening:** Modifying natural watercourses to increase their capacity to carry water.
- **Water Harvesting Competitions:** Encouraging communities to harvest rainwater and adopt water-saving practices.
- **Tree Planting Along Riverbanks:** Stabilizing soil and preventing erosion by planting trees along riverbanks.
- **Quick Infrastructure Development:** Rapid construction of water facilities like sewage treatment plants and water grids.
- **Artificial Recharge of Aquifers:** Injecting water into underground aquifers to replenish groundwater levels.
- **Desalination Plants:** Converting seawater into freshwater to meet coastal water needs.

Quick-Fix Water Solutions Initiatives:

Jalyukt Shivar Abhiyan:

- Maharashtra government initiative (2014) aimed to make the state drought-free through river widening, deepening, and straightening, check dams, and desilting.

- Criticized by experts for being unscientific, ecologically damaging, leading to erosion, biodiversity loss, and increased flood risk.

Water Cups:

- A competition initiated by a non-profit organization in 2016 incentivized Maharashtra villages to harvest water for drought-proofing.
- Criticized for overlooking water quality, groundwater impact, social equity, and maintenance mechanisms.

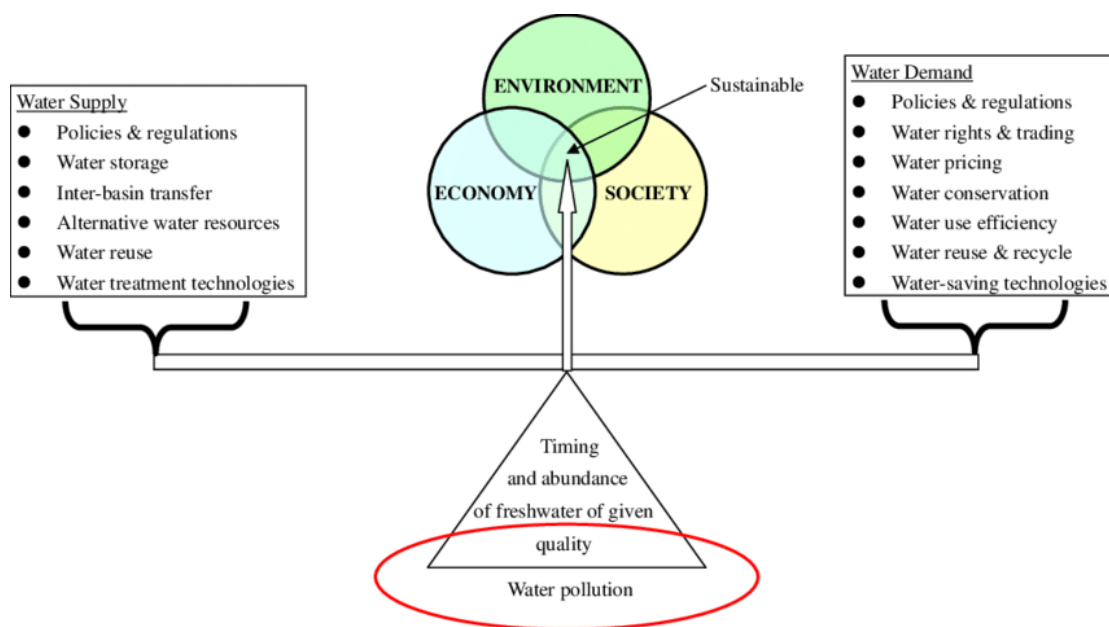
While quick-fix solutions can provide short-term relief, they often have limitations and may not fully address the underlying complexities of water management. To achieve sustainable water solutions, comprehensive and well-thought-out strategies are essential, considering ecological, social, and long-term impacts.

Challenges in Quick-Fix Solutions in Water Management:

- **Environmental Impacts:** Rapid interventions can lead to ecological damage, such as river widening and deepening causing erosion and loss of biodiversity.
- **Limited Community Engagement:** Quick-fix approaches may lack adequate participation and consultation with stakeholders, leading to resistance and conflicts.
- **Funding Dependency:** Relying on corporate social responsibility (CSR) funding can limit decision-making freedom and prioritize projects influenced by donor interests rather than community needs.
- **Neglecting Groundwater Management:** Quick-fix solutions may focus on surface water, overlooking the critical role of groundwater, which is crucial for sustainable water supply.
- **Conflicting Programs:** Some state projects may not align with community and environmental interests, such as riverfront development or massive water grids.
- **Shift from Critical Engagement:** Overemphasis on technical knowledge and problem-solving may overlook important socio-economic and ecological aspects related to water management.

Government Initiatives to Tackle India's Water Crisis:

- **Amrit Sarovar Mission:** Develop and rejuvenate 75 water bodies in each district to improve water storage and quality.
- **Atal Bhujal Yojana:** Targeting water-stressed areas in certain states to manage groundwater demand through scientific means and community involvement.
- **Central Ground Water Authority (CGWA):** Regulates and controls groundwater usage by industries and infrastructure projects, issuing NOCs for responsible water usage.
- **National Aquifer Mapping Program (NAQUIM):** Maps aquifers in the country to facilitate informed interventions and management plans.
- **Master Plan for Artificial Recharge to Groundwater - 2020:** Outlines the construction of Rain Water Harvesting and artificial recharge structures to promote water conservation and recharge.



Way Forward:

- Comprehensive and Sustainable Water Management:
- Embrace holistic strategies that address both immediate needs and long-term challenges.
- Community Engagement:
- Foster meaningful involvement of local communities in water management decisions.
- Investments in Infrastructure and Capacity-Building:
- Prioritize funding for water infrastructure and capacity-building programs to enhance resilience.
- Monitoring and Evaluation:
- Establish robust frameworks to assess the effectiveness and impact of water management initiatives.
- Responsible Groundwater Management:
- Promote conservation practices to ensure water availability for future generations.

SOURCE:

<https://www.downtoearth.org.in/news/water/can-quick-fix-solutions-address-india-s-growing-water-woes-90732>

Q.1 Which one of the following ancient towns is well known for its elaborate system of water harvesting and management by building a series of dams and channelizing water into connected reservoirs?

- (a) Dholavira
- (b) Kalibangan
- (c) Rakhigarhi
- (d) Ropar

Answer: (a)

Q.2 With reference to 'Water Credit', consider the following statements:

1. It puts microfinance tools to work in the water and sanitation sector.
2. It is a global initiative launched under the aegis of the World Health Organization and the World Bank.
3. It aims to enable the poor people to meet their water needs without depending on subsidies.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Answer: (c)

Q.3 What are the salient features of the Jal Shakti Abhiyan launched by the Government of India for water conservation and water security?

Rishabh

