

trishul mail

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REVIVAL OF 'TRISHUL MAIL'- QUARTERLY NEWS MAGAZINE

Central Himalayan Institute (CHI) is pleased to announce the revival of quarterly 'News Magazine' after ten years which had the RNI Regn. No. UPBIL/1999/607 and the last Vol XVI was published in March, 2016. The news magazine was then distributed free to those who purchased research - based books released by Central Himalayan Institute. The aim of the news magazine would continue to be known as 'public education program' which is necessary to make India corruption free, progressive and welfare state. CHI together with 'Trishul Mail' has been religiously following the guiding principles laid down which are recorded and available on the home page of this website. Updated version of the news magazine will be available in a digital format for the time being on this website i.e. on 1 Jul, 1 Oct, 1 Jan and 1 April.

MAKING OF CORRUPTION FREE UNITED INDIA

(After 75 years as progressive and welfare state)

By D.S. Bisht, Director CHI.

'Making of corruption free united India (After 75years as progressive and welfare state), is the first comprehensive and action- plan oriented research study project ever undertaken by any individual or institute so far which is due to be published soon after very favorable overview by AI. The conceptual framework or preamble of the research study project is given in the succeeding paragraphs.

Introduction

Let us start with the 'History of Corruption in India' by Shalini Bharti and Rochna Mittal published in International Journal of Political Science and Governance (2025). Abstract of research paper is as follows. – "This manuscript traces the historical evolution of corruption in India, from Vedic age to post liberalization era in India. Corruption is an inbuilt system in the human mind, and it has persisted since civilization started. Corruption was accursed in texts like the Rigveda as a societal evil linked to poverty and deprivation. Though Kautilya's Artha Shastra has no mention of the word 'corruption', it is the most comprehensive and detailed text about various forms of corrupt official practices, detailing 40 types of embezzlement and proposing stringent penalties for each of them. Medieval India, under the Delhi Sultanate and Mughal Empire, struggled with corrupt revenue systems, aggravated by decentralized governance and Jagir Dari abuses. The colonial era under the British Raj institutionalized corruption through rigid administrative practices crafted especially to exploit the wealth of India and lay the foundation for systemic irregularities. Post-independence, the License Raj fostered bureaucratic corruption. Post-1991 liberalization, crony capitalism became apparent. India is still struggling to counter this system, which is deeply rooted in politics, society, and administration in various forms."

In another research paper 'Corruption in historical perspective: A case of India', published in International Journal of Political Science (2007), Arun Kr. Agrawal said- "One begins to wonder whether we are the same who rode to freedom with truth and sacrifice as our motto. By adopting a holistic approach and by co-opting all the principal actors in the process of anti-corruption reform, a country or community can enhance its capacity to curtail corruption to manageable levels. But none of this can be tackled without enlightened and determined political leadership, without high levels of public awareness and support, and without a motivated and well-led private sector. In many countries, the most difficult element in the

equation is that of developing a vibrant civil society willing and able to play a meaningful role in shaping its environment.”

Keeping in view the historical background of corruption in India, the comprehensive research study project in hand was undertaken which is purely empirical based on factual information about governance with over forty years of personal and practical experience of public administration and experiment in delivery of public services at the grass root level both in urban and in rural (real) India. Briefly, the aim of the project was to examine the present status of political, economic and civic governance in India and to suggest necessary legal, administrative, structural and functional reforms to ensure that India is not allowed to slip back into divided states due to rising corruption, inequality, distribution of wealth, increasing economic distress and neglect of rural India. The conceptual framework of the research study project has been broadly stated in the following paragraphs.

It is well established now that the problem of corruption varies from country to country which is directly related to historical background, culture, traditions and the existing political structure and governance of the country concerned. Instead of routine research papers on corruption including index of corruption or cover stories on a particular incident of corruption/scam etc. holistic and practical approach has been adopted in this research project to study the existing status of political, economic and civic governance in India today at all level and in all allied branches/sectors of the government with reference to present status of structure, composition, role, manpower management, level of performance/efficiency as per rules/procedures, if any, laid down and the capacity to deliver public services to all category of citizens as per their legal entitlements with or without corruption.

The study project used all relevant information and data which has been in public domain during last 40-50 years for study and analysis to come to final conclusion and to suggest action plan to ensure corruption free governance with sharp focus on inefficiency, corrupt practices reported and known in each sector/department of the government. The study project has been able to identify the impact of inefficiency in governance which had adversely affected the performance of civil administration to deliver the public services to the citizens of the country without corruption at all level. The study project report is likely to serve as a valuable reference and guide book on governance to help people in power to ensure best possible political, economic and civic governance for the welfare of the people in a democratic and a welfare state like India through existing system of parliamentary democracy and in accordance to the constitution of India.

It is proposed to bring out revised and an updated edition of this study project report periodically till such time we are able to see visible improvement in corruption free political, economic and civic governance in India. Large number of relevant research papers on ‘Corruption in India and the world’ published during 1997-2024, have been received by the author of this project by e-mail during last one year which have also been studied. Research papers are only for theoretical study of corruption in general. This research study project has gone into the present status of corruption in each department/sector in India today and to what extent poor political, economic and civic governance has failed to check corruption in India. The study project succeeded in identifying the mode and specific reasons of corruption in each sector covered in 17 sector specific Sections. Sector/department specific conclusion have been drawn and necessary recommendations have been recorded at the end of each Section. Common recommendations to improve civic governance applicable to all departments for structural, functional, legal and administrative reform have been included in the Executive Summary of Findings to improve performance of civil services to make India corruption free in due course of time.

The world is also presently facing the problems arising due to military conflicts for domination of one region or other. The conventional war has now turned into arms race for unconventional war to acquire latest technology to conduct air warfare with latest aircraft, missile, drone, cyber technology and

use of satellite etc. Besides pandemic and climate change, it is bound to further aggravate, communalize and criminalize both international and national politics around the world. Internationalization of corruption and criminalization of politics will also affect adversely the peace and prosperity in this planet earth. Therefore, eradication of corruption, poverty and economic backwardness may not get the required attention till such time normalcy is established in this planet. However, delivery of minimum essential public services to the citizens as per their legal entitlement/human rights without corruption can still be ensured by improving civic governance with transparency and accountability in the country.

Origin and background of the study project

During national agitation for 'India against corruption', an article by me on this subject then titled 'Corruption & Lokpal Bill' was published on 19 November, 2011 in a local weekly 'Garhwal Post' in Dehradun. Since then, corruption has increased manifold. Today politicians, bureaucrats and others are being reported/arrested on a daily basis under MLPA and for holding unaccounted money/ wealth running into crores of rupees. Now even the bank and treasury officers have been arrested for pocketing public money including misappropriation of public funds without any fear. In other words, demonetization and Lokpal has neither helped to check growth of black money nor corruption.

The one- point agenda i.e. passing of Lok Pal Bill will neither eradicate nor reduce corruption in India. In a country of India's size with population over 140 crore living in 35 states/union territories governed by different political parties who are totally independent to manage the affairs in their respective states, it will be difficult to put up a united front to eradicate corruption when no one government is free from corruption. Therefore, the present exercise to enact Lok Pal and Lok Ayukta bill and appointment, thereafter, has so far not given any positive results. In fact, the offices of Lok Pal and Lok Ayukta are becoming a parallel center of governance with additional burden on the state exchequer. The issue of corruption is being raised to malign the ruling party both at the center and states by the opposition parties only to gain political advantage during election and not for eradication of corruption. Whether the Prime Minister and the Judiciary is brought under Lok Pal or not, will not solve the problem of day- to- day corruption faced by the ordinary citizens of the country. Number of cases involving middle and lower-level government employees are regularly caught and reported with unaccounted money and wealth running into crores of rupees which should be the main issue for those interested to eradicate corruption in the country.

It is often forgotten that 73 per cent of India's population continue to live in villages located in varying agroclimatic conditions where they have been practicing fair and co-operative means for their livelihood and survival from time immemorial. It is only the 20 per cent of the 27 per cent population (the lower middle class) mostly living or working in urban or semi urban areas who are facing the brunt of corruption in public services on the one hand and uncertain opportunities in employment, wages and inflation on the other. Unfortunately, some of the political organizations give more importance to community interest and linguistic brotherhood rather than national interest or supremacy of law of the land. Obviously, corruption is not an important issue for many organizations and political parties. Rural population in each state has their own occupational and cultural practices who are now facing the problems created by new culture of corruption spreading in rural/tribal areas due to urbanization and the role being played by multiple agencies of the central, state government and local bodies to implement welfare and rural development program in the country without any accountability.

Over a period, we have innovated various forms of corruption in the country. There are ordinary cases of bribery or collusive bribery where the bribe giver and bribe taker together take advantage and deprive the honest citizens of their fundamental rights. The other forms of corruption adopted by the so-called literate and the rich people are: tax evasion by collusion, managing government work orders including advertisements and execution of sub-standard works, corruption by government officials while

buying goods and services (public procurement), illegal exploitation of natural resources like mining and forest, production of spurious drug / food injurious to health and violation of safety norms to earn fast and easy money. The most important issue that is being over looked is the corruption within government machinery. Bribery for recruitment, payment of salary, posting, promotions/appointments and for payment of dues at the time of retirement. Therefore, the problem can be addressed only by undertaking necessary structural, functional, administrative and legal reforms to check corruption in each sector and departments of the government at various level.

Governance issues identified to check corruption in India

Administrative and legal reforms should aim at strengthening existing law enforcement authorities vertically from top to bottom. The existing authorities and law include Controller General of Accounts (CGA), Comptroller and Auditor General of Accounts of India, Central Vigilance Commission (CVC), Central Bureau of Investigation (CBI), Prevention of Corruption Act, 1988 and Prevention of Money Laundering Act (PMLA) etc. which are good enough to check corruption at all level involving multiple authorities and departments of the government such as CWG and Adarsh building society scam etc. Corruption can also be checked if prompt action is taken under existing Prevention of Corruption Act which includes (a) public servant taking gratification other than legal remuneration in respect of official act (b) taking gratification by corrupt or illegal means in order to influence public servants (c) taking gratification for exercise of personnel influence with public servants.

Similarly, corruption in delivery of public services by various departments/agencies of Central/State government can be checked by strengthening and enforcing Civil Service Conduct rules/Classification Control and Appeal (CCA) rules etc. already in existence. Unfortunately, rules are there in the statutory books and amended from time to time but not updated and honestly enforced to regulate the conduct of government employees. Since government employees themselves remain ignorant of service rules, the number of court cases between government employees and the government continue to rise in various tribunal and courts in the country. Hence, day to day corruption in public services is overlooked and delivery of public services is either delayed or denied till such time one is willing to grease the palm of service providers.

Beside strengthening existing laws, corruption can be checked by simply making each head of office, exercising administrative powers, directly responsible to check corruption in his own office and subordinate offices under his control. The head of the office should either take action against the employees indulging in corrupt practices or report the matter directly to anti-corruption department/vigilance authorities of the state for further action. If head of the office fails to do his duty, then action can be taken against Head of the office under civil service conduct rules which can also be amended accordingly.

Large number of articles have appeared in BEST Journals on 'Corruption Free India: A National Dream'. According to these articles India is going through an epidemic of corruption which is rapidly spreading in every field and department. Contractors and builders are constructing weak and low standard roads, bridges and houses. Students are engaged in mass copying, teachers and examination bodies are involved in leaking out question papers, doctors prescribe unnecessary medicines and traders are engaged in overcharging, adulteration and under weighing. Government officials take bribe for doing or sanctioning any work or contract. Scams in banks, financial institutions, sports, defense department, religious places and government projects are the order of the day. Hence, it has become biggest threat to the social and economic development of India. In order to cure society from this deadly social evil, we should know its causes, consequences and remedies.

The scope and form of corruption vary from department to department and profession to profession and therefore needs different regulating mechanism in each department or profession. This

cannot be done by the existing Ministry of Personnel but needs an independent ministry to regulate and monitor eradication of corruption in each sector/department under govt of India. The new ministry, if ever created, will have to undertake structural, functional and administrative reforms of all anti-corruption agencies including departmental vigilance organizations responsible for prevention of corruption. The people are generally ignorant of existing mechanism such as internal audit of accounts, vigilance wing under each department and police vigilance who can be made more effective and accountable after necessary reforms. This could check corruption at the lowest level and provide immediate relief to poor and helpless people living both in urban and rural India.

Making of corruption free welfare state like India

Now, that the issue of corruption has come to center stage, it will not die till such time concrete steps are taken to eradicate corruption in all walks of life which may take at least 5-10 years. How best this can be done systematically without disturbing political stability, national security, day to day public administration, existing legal system and development of the country- is the key question before the government and civil society which have been studied in-depth in this comprehensive research study project to make India corruption free for the welfare of the people.

The aim of corruption free welfare state like India should be that the citizens are well aware of their fundamental rights, duties on the one hand and are given equal opportunity to progress depending upon their knowledge and skills in their profession irrespective of the caste, color, creed or religion. At the same time corruption free country also means that economically weaker section of the society and those living below the poverty line including disabled are not exploited in any manner by those in power or living above the poverty line and are given adequate security in terms of job, food, shelter, medical facilities and education without discrimination or bribe. This will be possible only when well trained, honest, dedicated and committed civil servants are deployed to deliver the public services at the lowest level both in urban and rural areas.

No comprehensive study as such has been carried out so far with particular reference to corruption in India. The issue has now drawn the attention of all countries in the world after the study was conducted by Transparency International in 2005 and recorded that more than 62% of Indians had at some point or another paid a bribe to a public official to get a job done. In 2008, another report showed that about 50% of Indians had first-hand experience of paying bribes or using contacts to get services performed by public offices. However, in 2020 their Corruption Perceptions Index ranked the country 86th out of 180, reflecting steady decline in perception of corruption among people. Transparency International report broadly recorded various factors which contribute to be the reasons for corruption in India. Major corruption cases reported in the media included Indians stashing millions of rupees in Swiss Banks and Central Board of Direct Taxes (CBDT) having accepted that undeclared assets of Rs.20,078 crore have been identified by their office in India and abroad following the investigation till June 2021.

This study project report also contains in-depth study of the existing status of economic policies and development of the country in a welfare state like India. The estimates of GDP growth, increasing problem of inequality and distribution of wealth and its impact on human development index have been analyzed and findings with recommendations have been recorded accordingly in Part-B of this project report. In addition, the existing status of public services which include mainly health sector, education sector and land laws applicable to regulate land ownership and land transfer have been studied in detail and the findings have been recorded in Part-C of the study project report. The existing status of planning and implementation of welfare schemes and program drawn by the government for the welfare of citizens and delivery of common public services both in rural and urban areas have also been recorded and conclusion drawn with recommendations have been made accordingly.

National approach to check corruption in India today

This study project was formulated keeping in view all aspects of political, economic and civic governance for in- depth study for necessary reform to realize the dream of making India corruption free in the near future. People have more or less accepted the corruption as part of life which is not a good sign for the future of any country. If not checked now, it can even break the unity of the country and end parliamentary democracy. The symptoms are clearly visible. The people are seen taking law into their own hand and force the government agencies accept their demand or entitlement which is denied to them under the existing laws due to corruption and inefficiency in the concerned department. Government machinery fails to spot the corrupt practices within the government departments due to poor quality of civic governance, vigilance and action is only taken when the matter is reported in the media.

It should be a matter of concern that mostly the educated, rich and responsible people inside as well as outside the government machinery are found to be indulging in high level corruption today. Once the corruption cases are exposed, the rich people manage to employ experienced advocates to defend themselves and may even get acquitted after long drawn legal battle. The rest of the population remains neglected who have no choice but to bribe at various level to get all kinds of legal entitlements. The resolution was passed by Parliament some years ago i.e. (a) every government department adopt a citizen's charter which will ensure time bound rendering of public services (b) Lok Ayukta to be set up on the lines of Lok Pal and (c) the lower bureaucracy be made accountable to the citizens through Lok Pal or any other mechanism. But no visible impact could be seen on the ground because no structural and functional reform of the govt departments has been undertaken to implement the resolution on the ground at the grass root level.

AI overview of the research study project report

It was a first opportunity for the author of this study project report to avail the services of AI platform which is now available for fair evaluation of research study project report etc. without any bias and loss of time. The draft study project report (325pages) was submitted to three different AI platform for evaluation and the conclusion drawn by the AI servers are given in the following paragraphs.

AI server-I Chat GPT: This project can be best understood as a serious, experience-driven governance reform manifesto, not a strictly academic research study. The research study is valuable for policy makers and administrators (specially at state/district level), civil service aspirants (for broad understanding of governance issues), and think tank working on governance reforms. The final insight of the AI server- I says, the project that stands out most is the author's core belief i.e. corruption in India is less about lack of laws and more about failure of systems, enforcement, and accountability culture. That insight is both valid and important. The challenge is translating this wide-ranging diagnosis into prioritized, implementable reforms.

AI server- II Google: Research project titled "Making of Corruption Free United India After 75 Years as Progressive and Welfare State," is a comprehensive, action-oriented study authored by D. S. Bisht, a Research Scholar and Director of Central Himalayan Institute, Dehradun. It serves as a policy framework intended for stakeholders to reform political, economic, and civic governance in India. The project is an ambitious attempt to provide a "holistic and practical approach" rather than a purely theoretical academic exercise. Overall, the document provides a detailed, evidence-based roadmap for reform, positioning itself as a "valuable reference and guide book" for those in power to transition India into a corruption-free welfare state.

AI server Z-III: The third AI server in conclusion has described the project "Making Corruption Free United India" to be a substantial and serious attempt to diagnose the rot in the Indian administrative system. It moves beyond the rhetoric of "anti-corruption" slogan and looks into nuts and

bolts of service delivery, recruitment, and administrative lethargy. By focusing on “Civic Governance”- the point where the state meets the citizen- the project identifies the most critical frontier for reform. While the recommendations for new Ministry might be debated, the core argument that existing laws and conduct rules need strict enforcement rather than just new legislation, is pragmatic and valuable insight. It serves as a policy frame work document that highlights the urgent need for structural reforms to preserve the unity and democratic fabric of the nation.

Conclusion

Briefly, the study project succeeded in identifying the existing status of political, economic and civic governance in India today and its ability or inability to ensure corruption free governance for the development of the country on the one hand and welfare of the people including delivery of public services in urban/rural areas on the other hand with a view to keep everybody at least above poverty line and to maintain human development index at the required level. Beside historical background, existing level of corruption in each sector/ department of the government has been covered in five parts under 17 Sections. The exact mode of corruption with examples and the reasons have been identified to suggest structural, functional, legal and administrative reform with particular reference to recruitment of manpower, deployment, training facilities, service conditions, pay and allowances of the employees to ensure corruption free functioning of the government department to deliver public services efficiently in national interest

While the bigger scams take time to reach final conclusion, the high level administrative and universal corruption can be dealt with speed through fast-track court to produce its impact instantly in the society. Appointment of Lok Pal or Lok Ayukta by itself is not going to solve the problem of corruption. Lok Pal/ Lok Ayukta or CVC may be necessary at district/regional/state and national level who should not only be responsible to deal with complaint about corruption but also take action to prevent corruption by constant vigilance and issue advisory in advance to the concerned authorities for necessary administrative action before actual corruption is allowed to take place.

There is a need to record all corruption cases decided by various courts during last ten years, status of cases under trial in various courts and status of cases under investigations. This will help Government and all other stakeholders including media to adopt more constructive approach to eradicate corruption in India. Lastly but not the least, corruption in the Armed and Para Military forces and law enforcement authorities, who are responsible for national and internal security, should not be accepted at any cost. Therefore, anyone found indulging in corrupt or undesirable activities within Armed Forces or law enforcement authorities must be punished promptly and severely in the larger interest of the country.

The outcome of this research study project will help educate the people about the scale and volume of corruption prevailing in the country in all walks of life and to what extent it can harm the very existence of the country in future. Once the people are well informed about the corrupt activities of the people in power- the authorities responsible for good political, economic, civic and corporate governance can be made accountable and answerable. The importance of strict anti-corruption laws can be understood in correct perspective and the offenders can be punished severely through the court of law and black listed to hold any public office in future.

On completion of the project, I feel fully satisfied that the aim of the project i.e. to make it action plan oriented, has been achieved. The AI overview by three different servers is very positive, constructive and encouraging which have been reproduced in Part-G and minor observations made by AI have been clarified for the benefit of stakeholders. Part-G of the study project report contains “Formulation of action plan framework for stakeholders” covered in 13 chapters to make India corruption free in 5-10year time. It is necessary to quote here what former West Bengal Governor M.K. Narayanan said on September 27, 2013 during his interaction with research scholars at the Hindu Centre for Politics and

Public Policy in Chennai. He said, research into sensitive issues should go beyond finding facts or offering diagnosis and come up with solutions that can pave the way for reforms which could not be expected from academic think tanks.

-For career profile of Research Scholar & Director CHI, please visit home page of this website-

FUTURE EDITIONS OF TRISHUL MAIL

Keeping in view the conceptual framework of the study project 'Making corruption free united India', the executive summary of findings and recommendations recorded in Part-F of the project, formulation of action plan framework for stakeholders recorded in Part-G of the study project to make India corruption free in 5-10 year time -it is necessary to monitor the legal and administrative reform, if any, are being undertaken to improve political, economic and civic governance to make India corruption free. To this end, all related news about the present status of corruption cases (both old and new) will be published in this news magazine for the education of responsible citizens of civil society so that they can play constructive role to make India corruption free in due course of time.

In addition, useful information about defective planning and corruption in implementation of welfare schemes adversely affecting the economically backward population particularly in rural areas will be included in the coming editions of this news magazine as part of public education program for responsible social workers so that they can play constructive role to help government improve the functioning of departments involved in delivery of beneficiary -oriented welfare schemes and delivery of public services efficiently without corruption. The subject matter has been discussed in detail in the study project 'Making of corruption free united India' and necessary recommendations have been recorded in the executive summary of findings.

Any new scheme or project drawn by the govt for the benefit of all citizens as and when notified will also be included in this news magazine for the information and compliance by all affected citizens.

DIGEST OF USEFUL NEWS FOR THE WELFARE OF CITIZENS

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Cataract Surgery

At this time and for foreseeable future cataract surgery is the only viable treatment for cataracts. The most common type of cataract procedure performed today is called phacoemulsification, which is a cataract surgery, with foldable intraocular lens (IOL) implantation. Speaking about the surgery Dr Sanjeev Kumar, informs, "This procedure requires only very small incisions, and no stitches are needed at the end of surgery. Hand-held instruments are used to gain access to the cataract and removed from the eye in small fragments. A special device is then used to insert the flexible IOL, which unfolds inside the eye. The surgeon securely positions the IOL in the same location where the natural lens resided (directly behind the pupil)". In laser cataract surgery, a number of steps done with a computer for added precision. During pre-operative eye examination, patient can ask cataract surgeon for more details about different type of cataract surgery and procedure which would be more suitable for him. In addition to restoring vision that has been lost due to cataracts, cataract surgery can correct near sightedness, farsightedness and astigmatism. This means in addition to restoring clear vision, modern cataract surgery can also reduce your need for eyeglasses and contact lenses after the procedure.-Times of India, 2 Sep,2021

QR (Quick Response) Codes and financial fraud

Though QR codes are a convenient mode of transaction, they can be misused by cybercriminals when people are not vigilant. QR code fraud is on the rise in India. The cases usually involve fraudsters telling people they will receive money on scanning a QR code. However, one can only make payments (not receive) using QR codes. Banks have advised people to not scan QR codes shared by any one unless they are making a payment. In addition to this, experts caution that one should not share PIN, OTP, etc with any one, while making payments through QR code. However, most people are not aware of the fact that when you scan a QR code, your digital information gets saved as well. While tech experts have raised privacy concerns over QR transactions, in the last two years, QR code related scams have also gone up in the country. Cyber crime unit of Delhi arrested 14 persons related to QR code fraud on 31 Aug, 2021 and advised the people to be cautious while scanning a QR code sent for receiving payment or else you may lose money from your account.

RBI warns against frauds in guise of KYC update

The Reserve Bank of India (RBI) has cautioned the public against falling prey to frauds in the name of KYC (know your customer) update and sharing key details such as debit and credit card details and OTP's. The usual modus operandi in such cases include receipt of unsolicited communication, such as, calls, SMSs, emails among others from customers by urging them to share certain personal account or login details, card information, PIN and OTP or install some unauthorized or unverified application for KYC updation using a link provided in the communication. Such communication are also reported to carry threats of account freeze or closure.

Once the customer shares information over call or message application, fraudsters get access to customer's account and defraud the person. RBI has therefore cautioned public not to share account login details, personal information, copies of KYC documents, card information, password, OTP etc. with unidentified persons or agencies. Further, such details should not be shared through unverified/ unauthorized websites or applications. In case people receive any such requests they should get in touch with their bank.

The RBI also clarified that while the Regulated Entities (REs) are required to undertake periodic updation of KYC, the process of periodic updation of KYC has been simplified to a large extent vide circular dated May 10, 2021. Further RBI through circular May 5, 2021 have advised REs in respect of customers accounts where periodic updation of KYC is due and pending as on date, no restrictions on operations of such account shall be imposed till December 31, 2021, for this reason alone, unless warranted under instructions of any regulator/enforcement agency/ court of law among others.

CRYPTOCURRENCY

Suddenly crypto-currencies are all over on social media, on our TV screens and on the frontpages of newspapers. It is time to understand the real advantages and disadvantages of this currency directly expressed by the experts who have been handling economic

affairs of India. Shri D Subbarao, the former Governor of Reserve Bank of India in his article on 'Cryptocurrency' published in Times of India on 24 November, 2021 expressed his views and gist of the article is as follows.

According to Shri Subbarao, the Government and the RBI are not on the same page as far as regulation of cryptos is concerned. The biggest threat from the government's perspective must be that, absent of any regulation, the crypto world can become like the wild west with cryptos becoming conduits for illegal activity – money laundering, drug trafficking, financing of terrorism and defrauding of gullible investors. On the other hand, recognizing cryptos as an asset class and regulating them will allow the government to monitor the trading activity, tax the capital gains of investors and enforce some standards of transparency and a code of conduct.

Given this balance of concerns, Shri Subbarao has concluded that internationally regulatory responses to cryptos have fallen into three broad categories. The first is passive tolerance which involves prohibiting regulated institutions from dealing in cryptos without explicitly clarifying their legal status. RBI tried this option but Supreme Court struck it down. A second approach is a total ban like in China. But that model entails the risk of pushing the trade into invisible and illegal channels, possibly even greater damage. The third approach is to follow countries such as the UK, Singapore and Japan that have allowed space for cryptos to operate under a regulatory radar but without recognizing them legal tender. India will be well advised to follow this middle path.

Note: Similar useful news will also be included in the future editions of 'Trishul Mail'. Next edition of Trishul Mail will be released on 1st Oct, 2026