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1. Jalgaon Train Tragedy Triggered by False Fire Alarm

Overview of the Incident

The tragic train accident in Jalgaon district of Maharashtra resulted in the loss of 12 lives. Maharashtra Deputy Chief Minister Ajit Pawar stated that the accident was caused by a false fire alarm raised by a tea vendor on the Pushpak Express.

Sequence of Events

• Passengers traveling from Lucknow to Mumbai aboard the Pushpak Express panicked after hearing a false alarm about a fire.

• The emergency chain was pulled, causing the train to halt. Pssengers on Pushpak Express, travelling from Lucknow to Mumbai, jumped off the train after an emergency chain-pulling incident owing to rumour of fire.

• Due to the curvature of the tracks (nearly two degrees), visibility was reduced, limiting the reaction time for the approaching train. The approaching train collided with the passengers of Pushpak Express.

• Despite the coming Bengaluru Express train pilots' best efforts, the accident could not be avoided.

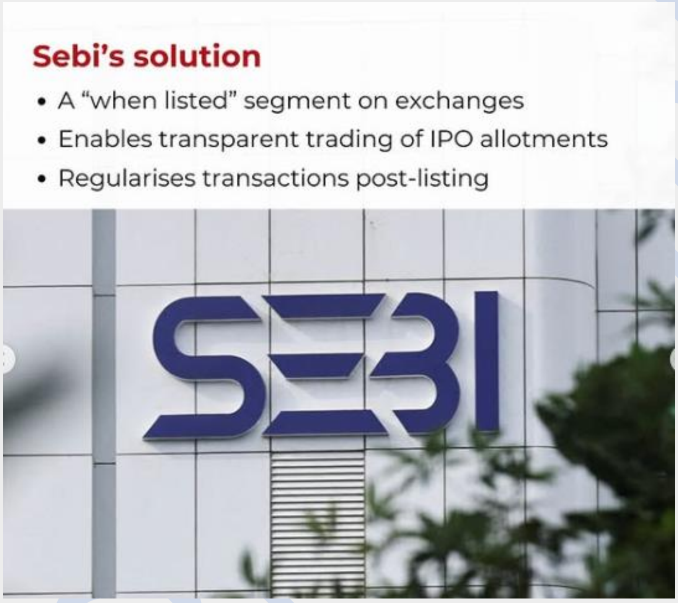
Casualty and Injuries
• The official death toll stands at 12 after initial miscalculations.
• Among the deceased:
O Seven were from Nepal.
O The rest were from Uttar Pradesh.

Clarifications and Statements
Collector Ayush Prasad dismissed rumors of any fire or smoke. He considers that there are chances of criminal conspiracy. The authorities continue to investigate the incident from both technical and criminal perspectives, while efforts are being made to support the victims' families and injured passengers.

Relevance: GS Prelims & Mains Paper III; Disaster Management
Source: The Hindu

2. Sebi's 'when-listed' platform and how it could impact investors

Introduction



The Securities and Exchange Board of India (Sebi) is planning to introduce a "when-listed" platform, which will allow trading companies' shares in a period between allotment of shares post the closure of the initial public offering (IPO) bidding process and the official listing on stock exchanges.

According to Sebi Chairperson Madhabi Puri Buch, it will facilitate the trading of such unlisted shares in a regulated manner.

What is the new platform?
The platform aims to reduce 'grey market activity' in companies' stocks. Simply put, the grey market refers to the unofficial trading of securities even before being listed on stock exchanges. This is an unregulated market and works on demand and supply, with investors purchasing or selling shares notionally in the grey market even before they get listed. The grey market is a cash market and there is no delivery of shares.

T is the day when an IPO closes for subscription while kerb trading refers to trading outside the ambit of stock exchanges post official market hours.

What is the current timeline for listing of shares?
At present, once the bidding process for an IPO closes, shares have to be listed on bourses in trading plus three (T+3) working days. The allotment of shares has to be done on T+1 day. In

the period between the allotment of shares and listing day, investors trade in the grey market. It is this pre-listing grey market trading activity which the Sebi wants to reduce.

How does grey market trading in an IPO happen?

Since the probability of getting shares allotted in an IPO is thin, most investors who are keen to buy shares of a company enter the grey market. The day a company announces its plan to launch an IPO, grey market activity for such a company's shares begins with a different set of brokers dealing only in the grey market. After arriving at a price band for an IPO, these operators then fix a premium over and above the price band.

For example, if the price band for an IPO in the grey market is Rs 90-100 per share, the premium could be Rs 10, Rs 20, or Rs 30 higher. Once the premium is fixed, investors send their bids to grey market operators for either buying or selling. For settlement of grey market trades, the opening price of shares of a company on the official listing day is considered.

If on the listing day, the stock opens higher than the grey market purchase price, grey market operators would be obliged to pay the difference between the opening price and the grey market purchase price to investors. In case of a lower opening than the purchase price, investors bear the loss.

How would the "when-listed" facility benefit investors?

The Sebi Chairperson said that as soon as the allotment of shares in an IPO is over, the entitlement to that share "gets crystalised", which means that investors have the right to sell that entitlement.

Market participants, however, feel that Sebi should come out with a solution for checking grey market activity that starts from the day a company announces its IPO plan. A step to curb this would help in protecting the interest of retail investors.

Relevance: GS Prelims; Economics
Source: Indian Express

3. Saif Ali Khan's 'enemy property' case: what are these properties, and what is the law?

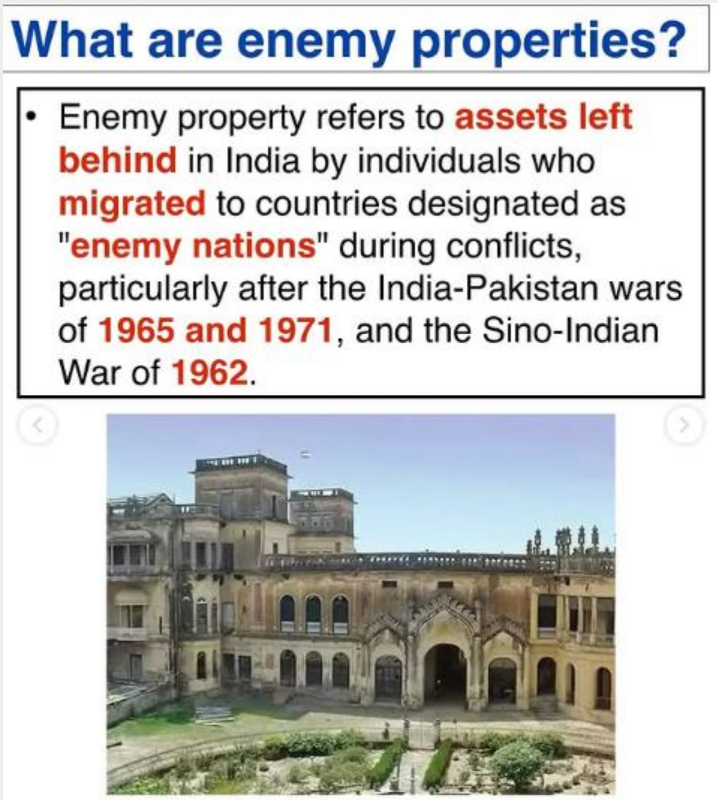
Saif Ali Khan Enemy Property Case

Madhya Pradesh High Court has asked actor Saif Ali Khan to approach the appellate authority against an order of the central government that declared historical properties of the Pataudi family in Bhopal, estimated to be worth Rs 15,000 crore, as "enemy property".

Among the properties in question are the Flag Staff House, where Saif spent his childhood, the luxury hotel Noor-Us-Sabah Palace, Dar-Us-Salam, Bungalow of Habibi, Ahmedabad Palace, and Kohefiza Property.

The court had been hearing Khan's challenge since 2015. On December 13 last year, after the government apprised the court that an "appellate authority has been constituted for adjudication of disputes in regard to enemy property", Justice Vivek Agarwal said the parties could file a representation within 30 days.

It is not known whether Saif, who is recuperating from the knife attack on him by an intruder inside his home last week, moved the tribunal by January 12.



Why did Saif approach the Madhya Pradesh HC?
In 1947, the princely state of Bhopal was ruled by Nawab Hamidullah Khan. He had three daughters, the eldest of whom, Abida Sultan, migrated to Pakistan in 1950.

The second daughter, Sajida Sultan, stayed in India and married Nawab Iftikhar Ali Khan Pataudi, who played cricket for both England and India, and whose son was the legendary Mansoor Ali Khan 'Tiger' Pataudi.

Sajida's grandson – Tiger Pataudi's son – Saif Ali Khan inherited a share of the properties in Bhopal. However, the migration of Abida Sultan became the focus of the government's claim to the properties as "enemy property".

In 2014, the Custodian of Enemy Property Department declared the Pataudi family's properties in Bhopal as "enemy property". Saif Ali Khan challenged the custodian's notice.

In 2016, an Ordinance was issued explicitly stating that heirs would have no rights over these properties.

What is enemy property?
Enemy property refers to the assets, both movable and immovable, left behind in India by individuals who migrated to countries designated as "enemy nations" during times of conflict.

Following the wars between India and Pakistan in 1965 and 1971, and the Sino-Indian War in 1962, the Indian government assumed control of properties and businesses owned by those who adopted the nationality of Pakistan or China.

Under the Defence of India Rules, formulated under the Defence of India Act, 1962, these properties were vested with the Custodian of Enemy Property for India. The custodian is tasked with managing these assets on behalf of the Indian government.

Can legal heirs of those who migrated inherit enemy property?

Under the Enemy Property Act, 1968, properties that are declared as enemy assets remain permanently vested with the Custodian of Enemy Property, with no room for inheritance or transfer.

The law provides the legal framework for the central government to manage and retain control of enemy properties across various states.

The Enemy Property (Amendment and Validation) Act, 2017, reinforced the law and expanded its scope. The amendments broadened the definition of "enemy subject" and "enemy firm" to include legal heirs and successors, irrespective of their citizenship, whether Indian or from a non-enemy nation.

It stipulated that enemy property would remain with the Custodian even in cases where the enemy subject or firm ceased to exist due to death, extinction, or business closure. This applied regardless of whether the legal heir was an Indian citizen or a national of a non-enemy country.

The amendments effectively nullified inheritance claims, ensuring that such properties remained indefinitely under the control of the government.

Critics argue that the Act infringes on individual property rights, while supporters emphasize its importance for national security.

How have courts dealt with cases involving enemy properties?

One of the most notable cases was about the estate of the Raja of Mahmudabad in Uttar Pradesh. The Raja, who owned extensive properties in Hazratganj (Lucknow), Sitapur, and Nainital, migrated to Pakistan in 1957 and acquired Pakistani citizenship. His wife and son, however, remained in India as citizens.

Following the enactment of the 1968 law, the Raja's properties were declared enemy assets. Upon the Raja's death, his son, Mohammad Amir Mohammad Khan, contested the designation and sought ownership of the properties. In 2005, the Supreme Court ruled in favour of the son, recognizing his right to inherit the properties.

The verdict led to a surge in similar legal claims, with many individuals, including distant relatives, presenting deeds of gift and other documents to make claims on enemy properties. The wave of litigation created significant challenges for the government in managing these assets.

In 2016, the Enemy Property (Amendment and Validation) Ordinance, 2016 was brought, which became an Act the following year. This legislation overruled prior court verdicts and clarified that enemy property would remain with the Custodian, irrespective of inheritance claims or changes in the enemy's nationality or status.

What happens to an enemy property after its takeover?

The Guidelines for the Disposal of Enemy Property, 2018 outline the procedure for the sale of properties vested in the Custodian of Enemy Property for India.

A detailed list of enemy properties and their valuation is submitted to the central government within a specified timeframe. Valuation Committees headed by district magistrates determine the value of these properties based on circle rates and other factors.

The Enemy Property Disposal Committee, comprising senior government officials, provides recommendations on whether to sell, transfer, or maintain the properties.

Vacant properties can be auctioned to the highest bidder, while occupied properties may be offered to existing occupants at a value determined by the committee.

Movable enemy properties, such as shares, may be sold through public auction, tenders, or other approved methods. The Custodian ensures legal compliance and issues sale certificates once the transactions are completed, with proceeds deposited into the Consolidated Fund of India.

How many enemy properties are there in India?
On January 2, 2018, then Minister of State for Home Hansraj Ahir told Lok Sabha that a total 9,280 enemy properties had been left behind by Pakistani nationals, and 126 by Chinese nationals.

In November 2018, the Union Cabinet approved the procedure to sell enemy shares worth more than Rs 3,000 crore. A total of 6,50,75,877 shares of 996 companies belonging to 20,232 shareholders were identified.

In 2020, a Group of Ministers (GoM) headed by Union Home Minister Amit Shah began monitoring the disposal of more than 9,400 enemy properties, which the government estimates is worth about Rs 1 lakh crore.

Relevance: GS Prelims & Mains Paper II; Governance
Source: Indian Express