> "Sanitation and cleanliness are among the humblest of the civic virtues, and it is easy to underestimate their significance."
> -Ram Nath Kovind

EDITORIAL

PATHWAYS TO BETTER GOVERNANCE

Cantonment Boards, the civic administrative bodies governing cantonment areas primarily established for military purposes, represent a unique blend of civil and military governance. These boards play a vital role in managing urban infrastructure, public services, and community welfare for residents within their jurisdictions.

Cantonment areas, by nature, are distinct from typical municipalities. They serve as residential and operational hubs for defense personnel, families, and civilians living in these zones. The dual character of these regions necessitates a balanced approach to administration where military priorities coexist with civilian needs. The Cantonment Act, 2006, lays the legal framework for governance, emphasizing transparency, accountability, and provision of basic amenities. However, in practice, many boards struggle due to limited financial resources, lack of adequate infrastructure, and challenges in public engagement.

Financial autonomy and resource mobilization remain critical for the boards' development. Unlike urban municipalities that enjoy a wider tax base and revenue-generating opportunities, cantonment boards have a constrained revenue model, primarily dependent on defense allocations and limited local taxation. This financial constraint restricts their capacity to undertake large-scale developmental projects. Innovative approaches, such as enhanced property tax frameworks, incentivizing commercial activity, and collaborating with central and state governments for grants, are needed to bolster the boards' financial health.

Transparency and citizen participation must be integral to the boards' governance. Cantonment residents, both military and civilian, often feel disconnected from the decision-making process. Introducing e-governance platforms can facilitate real-time grievance redressal, service tracking, and greater access to information. Regular public consultations and inclusive forums can bridge the gap between administration and the populace, ensuring that the boards address genuine community needs effectively.

Education, healthcare, and recreational facilities within cantonment areas also demand urgent attention. These are crucial for fostering community wellbeing and attracting civilian residents. Cantonment Boards should collaborate with defense and civilian agencies to establish schools, hospitals, and green spaces that cater to diverse populations. Investments in these sectors will not only improve living standards but also nurture social harmony in these unique enclaves.

Environmental sustainability is another dimension that cantonment boards must prioritize. With increasing urbanization and ecological concerns, integrating green practices like waste segregation, water conservation, and promoting clean energy sources will align cantonment areas with national goals for sustainable development. Given the controlled nature of cantonment territories, these regions can pioneer eco-friendly urban management models as benchmarks for other urban local bodies.

Moreover, skill development and employment generation can be a game-changer for cantonment communities, especially civilians residing in these areas. Boards can collaborate with defense training institutes and local industries to create vocational programs that empower residents and reduce economic disparities.

To catalyze the overall development of cantonment boards, policy-level reforms are necessary. Strengthening the powers of elected representatives, enhancing coordination between defense and civilian administrative wings, and instituting performance audits can improve governance outcomes. The Ministry of Defence, along with state governments, should provide sustained support, capacity building, and funding to ensure these boards are not left behind in India's urban transformation journey.

PM Modi, the champion of technology

■ ASHWINI VAISHNAW

Remember when getting a government document was a whole saga? Multiple trips, long queues, random fees? Now it's literally in your phone. This transformation didn't happen by accident.

Prime Minister Modi turned technology into India's greatest equalizer. A street vendor in Mumbai uses the same UPI payment system as a corporate executive. Technology, in his vision, knows no hierarchy.

This transformation reflects his core philosophy of antyodaya - reaching the last person in the queue. Every digital initiative aims to democratize technology for all. What began as experiments in Gujarat became the foundation for India's digital revolution.

Gujarat: From where it started

As Chief Minister, Modi ji transformed Gujarat through the use of technology and innovation. The Jyotigram scheme launched in 2003 used feeder system technology. Rural industries revived with 24x7 power while groundwater depletion slowed through scheduled farm electricity.

Women could study at night and small businesses flourished, reducing rural-urban migration. According to one study, the Rs 1,115 crore investment recovered in just 2.5 years.

He decided to install solar panels on the Narmada canal in 2012. This project generated 16 million units annually, enough for 16,000 households. It also slowed the rate of evaporation which ultimately increased the availability of water.

This dual-benefit approach showcases PM Modi's vision for technology. Through a single intervention it solved multiple problems. Generating clean energy while conserving water. It demonstrated efficiency and impact far beyond standalone solutions.

The global adoption by USA and Spain adds credibility to the innovation's effectiveness.

The e-Dhara system digitized land records. SWAGAT allowed citizens to meet the Chief Minister through video conferencing. Online tenders eliminated corruption.

These initiatives reduced corruption and improved the ease of accessing government service. He restored the trust of people in governance which is reflected in the big back to back electoral success achieved in Gujarat.

National canvas

In 2014, he brought the experience and learning of Gujarat to Delhi. But the scale was different.

Under his leadership, India Stack, the world's most inclusive digital public infrastructure, to shape. The JAM trinity formed its foundation.

Jan Dhan accounts brought more than 53 crore people into the banking system. This brought the hitherto financially excluded into the formal economy for the first time.

Street vendors, daily wage workers, and rural families who lived entirely in cash now have bank accounts. This enabled them to

save securely, receive government benefits directly, and access credit.

Aadhaar gave the citizens a digital identity with 142 crore registrations done so far. Accessing government services became easier instead of requiring multiple document verifications.

Direct Benefit Transfer eliminated middlemen and reduced leakages. The savings from the usage of DBT has been over Rs 4.3 lakh crore so far. The savings are used for building more schools, hospitals, and infrastructure projects.

Previously, customer verification was a complex process. It required physical document checks, manual processes, and multiple touchpoints. This used to cost service providers hundreds of rupees per verification.

Aadhaar-based e-KYC reduced this to just Rs 5 per authentication. Now even the smallest transactions have become economically viable.

UPI has transformed how India pays. Over 55 crore users have transacted since its launch. In August 2025 alone, over 20 billion transactions worth Rs 24.85 lakh crore took place.

Money transfer has changed from being a multi-hour bank ordeal to a less than a 2-second phone scan. Bank visits, queues, and paperwork have almost become obsolete. Now, replaced by instant QR code payments.

Today, India handles half the world's real-time digital payments. A decade ago, India was largely cash-dependent. Prime Minister Modi's vision gave the final shape to JAM trinity and UPI infrastructure.

When COVID struck and he urged digital transactions, the ecosystem delivered. Result, UPI now processes more transactions than Visa globally.

A humble mobile phone is now a bank, a payment gateway, and a service center.

PRAGATI transformed governance accountability. The platform brings the Prime Minister directly into project monitoring through monthly video conferences. When officials know the Prime Minister will review their work on live video, accountability becomes automatic.

For eg, a delayed highway project gets immediate attention during PRAGATI reviews. The officials have to explain the delays. This ensures swifter course correction, ultimately benefiting the citizens.

Technology for All

Technology transformed agriculture and healthcare fundamentally. Take Jagdev Singh, a farmer in Haryana who now uses AI apps to make crop decisions. He receives real-time weather updates and soil health data on his phone.

The PM-KISAN scheme delivers direct income support to 11 crore farmers digitally.

DigiLocker now has over 57 crore users with 667 crore documents stored digitally. Your driving license, degree certificates, Aadhaar, and other official documents live securely in your phone.

Police checks no longer require fumbling for physical papers while on road. Just show your digital license from DigiLocker. Filing income

tax returns have become seamless with instant Aadhaar authentication.

What once meant carrying folders of documents now fits in your pocket.

Space and Innovation

India achieved what seemed impossible. Reaching Mars on the first attempt and that too with a budget smaller than a Hollywood movie. The Mars Orbiter Mission cost just Rs 450 crore, proving Indian engineering delivers world-class results.

Chandrayaan-3 made India the fourth country to achieve a soft lunar landing and the first to land on the Moon's South Pole.

ISRO launched 104 satellites in a single mission, setting a world record. Indian rockets now carry satellites for 34 countries. The Gaganyaan mission will make India the fourth nation to send humans to space using indigenous technology.

Prime Minister Modi stood shoulder to shoulder with our scientists and put 100% trust in their capabilities.

Global Leadership

When COVID-19 struck, the world struggled with vaccine distribution chaos. India responded through its strength.

The CoWIN platform was built in record time - a comprehensive digital solution for the world's largest vaccination drive. The platform managed 200 crore vaccine doses with digital precision. No black market, no favoritism, just transparent allocation.

Dynamic allocation prevented wastage - unused vaccines were redirected instantly to areas with higher demand. This achievement demonstrated how technology, when driven by political will, can deliver at a massive scale and with fairness

Manufacturing Revolution

Here's the thing about building stuff-you can't just jump to making chips without mastering the basics. It's like learning to code; you start with "Hello World" before building apps.

Electronics production follows the same direction. Countries first master assembly, then move to sub-modules, components & equipments. India's journey reflects this progression.

Under the Prime Minister's vision, our strong base in electronics production is now enabling the leap into advanced semiconductor manufacturing.

India has long been a hub for design talent, with over 20% of global chip designers based here. India now has design capabilities for advanced 2nm, 3nm, and 7nm chips. These are being designed in India for the world.

The current focus on building fabs and packaging facilities represents natural evolution. But the approach extends beyond manufacturing. The chemicals, gases, and specialized materials that feed semiconductor production are also being supported.

This creates an entire ecosystem, not just isolated factories.

The rise in these sectors has been made possible by Prime Minister Modi's clear understanding of value chains. Build capabilities step by step and ensure every stage of the value chain is strengthened before moving to

the next.

Infrastructure with Intelligence

The PM Gati Shakti portal uses GIS technology on an unprecedented scale. Every infrastructure project gets mapped digitally. Roads, railways, airports, and ports are planned together. No more working in silos. No more delays due to poor coordination.

Through the IndiaAI Mission, over 38,000 GPUs are available at one-third global cost. This has given startups, researchers, and students Silicon Valley-level computing at avg rate of Rs 67 per hour.

The AIKosh platform hosts 2,000+ datasets, ranging from weather to soil health. These can power indigenous LLMs developed for India's languages, laws, health systems, and finance.

PM Modi's understanding of technology is also reflected in India's unique AI regulation approach. Unlike the market-oriented model or state-controlled approach, he envision a unique techno-legal framework.

Instead of rigid regulations that could stifle innovation, the government invests in technological safeguards. Universities and IITs develop AI-driven tools to tackle deepfakes, privacy concerns, and cybersecurity threats. This approach fosters innovation while ensuring responsible deployment.

Technology for infrastructure

The Statue of Unity at Kevadia stands 182 meters tall, the world's tallest statue. Built using 3D modeling and bronze cladding technology, it attracts 58 lakh visitors annually. The project created thousands of jobs and transformed Kevadia into a tourism hub.

The Chenab bridge, 359 meters high, connects Kashmir to the rest of India. The Aizawl railway line uses the innovative Himalayan Tunnelling Method, passing through tunnels and bridges in a very tough terrain. The new Pamban bridge replaces a century-old structure with modern engineering.

These are not just engineering marvels. They represent Modi ji's vision of connecting India through technology and determination.

The Human connect

PM Modi understands technology, but he understands people even better. His vision of antyodaya drives every digital initiative. UPI works in multiple languages. The poorest farmer has the same digital identity as the richest industrialist.

Countries from Singapore to France are integrated with the UPI. The G20 endorsed Digital Public Infrastructure as essential for inclusive growth. Japan has granted a patent for this. What started as India's solution became the world's template for digital democracy. From his early experiments in Gujarat to the launch of Digital India, the journey showcases technology's power to transform lives. He has made technology the grammar of governance. He has shown that when leaders embrace technology with humanity, entire nations can leapfrog into the future.

(The author is Union Minister for Railways, Electronics & Information Technology, and Information & Broadcasting)

Audit of Arbitration Awards in J&K: A Long-Overdue Accountability Mechanism

■ ADVOCATE DEEPAK SHARMA

The Delhi Government's recent directive to audit all arbitration awards above Rs 1 crore passed against government departments in the last 20 years is a watershed moment in public accountability. The Public Works Department (PWD), Water Department, and Irrigation & Flood Control Department have been ordered to submit detailed records of such cases. This measure aims not only to review potential misuse of public funds but also to identify officials whose negligence or collusion may have caused massive financial losses to the exchequer.

At its core, this initiative reflects a growing recognition that arbitration in India, while originally conceived as a faster, business-friendly dispute resolution mechanism, has often failed the State when the departments are the parties involved. Instead of reducing litigation and facilitating economic efficiency, poorly managed arbitration cases have translated into significant burdens on public finances.

The Purpose and Contradiction in the Arbitration Ecosystem

Arbitration was introduced into India's legal and commercial landscape as a means to unburden the judiciary from protracted commercial disputes, and to promote India as a global hub for commercial dispute resolution, thereby improving its Ease of Doing Business rankings. Globally, arbitration is seen as a preferred mechanism due to its speed, flexibility, and enforceability. India too has repeatedly amended its Arbitration and Conciliation Act, 1996 to align with global standards and promote institutional arbitration. Yet, the ground reality paints a different picture. In the absence of a robust regulatory and monitoring framework, arbitration has, in numerous instances, resulted in colossal losses to the public exchequer. In numerous cases, particularly where government departments are respondents, arbitration has become a tool of exploitation rather than resolution. Weak internal systems, absence of monitoring, lack of trained officers, and negligence by counsels have resulted in astronomical awards being passed against the government. Many of these awards remain unchallenged within the statutory limitation period, making them final and binding. The financial impact is aggravated by the fact that arbitral awards often carry interest rates ranging between 18-24%, which multiplies the liability manifold over years of departmental delay.

Contradictory Government Approach

The contradictions in India's approach to arbitration have been striking. On international platforms, the Union Law Minister, Arjun Ram Meghwal, has repeatedly asserted India's commitment to strengthening arbitration, positioning the country as a global hub for dispute resolution. In contrast, on the domestic front, several states and agencies, including the Delhi Government's PWD, have started removing arbitration clauses from contracts altogether. This reflects a crisis of confidence, while the government acknowledges arbitration as an engine of economic progress abroad, it struggles to trust the system at home.

Such inconsistency not only weakens India's global standing but also leaves contractors and departments entangled in a cycle of disputes, delays, and financial losses.

The case for Audit in Jammu & Kashmir

The Union Territory of Jammu & Kashmir (J&K) presents a classic case of why audits of arbitration awards are urgently needed. Departments such as PWD, PMGSY, Jammu & Kashmir Economic Reconstruction Agency (JK ERA), Jal Shakti (PHE), PDD, JKPDCL, and JKPCC are routinely engaged in arbitrations with contractors. These disputes typically arise out of delayed payments, encumbrance-ridden sites, non-availability of timely forest or environmental clearances, non-acquisition of project sites and arbitrary departmental actions, suspensions of work and importantly not making proper and timely reply to the issues raised by the contractors. A 20-year audit of all arbitration awards above ₹1 crore against J&K government departments would serve multiple purposes.

1. Fixing Accountability of Officials

▶ Awards often arise because officials fail to provide encumbrance-free sites, delay approvals, or remain silent while contractors execute additional work without sanction.

▶ In one shocking case, a contractor constructed a double-lane bridge instead of the sanctioned single-lane bridge. During arbitration, the then Chief Engineer admitted under oath that he had given verbal approval, treating it as equivalent to administrative sanction. The award was passed against the department, yet no accountability was fixed on the officer concerned.

2. Fixing Accountability of Government Counsels

▶ Many cases have suffered because departments failed to file timely or proper statements of defence or raise viable counterclaims.

▶ In some cases, absurd counterclaims such as demanding Rs 20 lakhs for "use of rainwater" by the contractor or Rs 70 lakhs for "inconvenience caused to students" for timely non-construction of the bridge by the contractor, only inflated the arbitrator's fee without strengthening the government's case.

▶ More seriously, awards have gone unchallenged within the prescribed time under Section 34 of the Arbitration Act, rendering them final. This dereliction has cost the government crores in avoidable liability.

3. Accountability of the Law Department

▶ Departments often await legal opinions before challenging awards. Delays in receiving such opinions have resulted in missed limitation periods.

▶ In some cases, the Law Department misadvised deduction, even though no such claims were raised in the original arbitration. This not only displayed legal inconsistency but also invited further judicial censure.

Catalogue of Mismanagement in J&K

The depth of mismanagement in handling arbitration matters in J&K is alarming.

Lost Records: Vital documents like measurement books, bills, and agreements have gone "missing" from the departments in several cases. In some instances, they surfaced only after directions for registration of FIRs were given by the Administrative Secretary of the department.

Partial Payments: Departments often make partial payments of awards, letting interest accrue unchecked. For

example, in one case, a principal award of Rs 56 lakhs snowballed into a liability exceeding Rs 1.5 crore due to interest accrual.

Stamp Duty Evasion: Several awards were executed without contractors paying requisite stamp duty, leading to further loss to the exchequer.

Execution Chaos: Departments delay raising fund demands with administrative departments, by which time accrued interest far exceeds the sanctioned amount, perpetuating a vicious cycle.

Defective and Contradictory Tender Clauses: The Pathological Clauses‚A Hidden Culprit

A less discussed but equally critical factor amplifying arbitration disputes is the presence of defective, contradictory, or confusing clauses in tender documents and contract agreements.

▶ **Ambiguous Contractual Obligations:** Many tender documents fail to clearly define timelines, payment obligations, and scope of work. For instance, while one clause may provide that extensions of time shall be "deemed granted" upon certain circumstances, another clause may require formal approval, thus creating contradictions that contractors exploit in arbitration.

▶ **Contradictory Dispute Resolution Mechanisms:** Several government contracts contain overlapping provisions, some mandating first exhausting internal dispute redressal mechanism, while others refer directly to arbitration. Such inconsistencies create jurisdictional confusion and provide contractors with grounds to challenge preliminary objections of the department.

▶ **Absence of Risk Allocation:** Properly drafted contracts allocate risks (such as delays in site clearance, non-availability of materials, or force majeure events). In J&K and elsewhere, many contracts leave these issues vague, enabling contractors to claim damages for events which, under a well-drafted contract, would have been excluded.

▶ **Ill-Defined Variation and Escalation Clauses:** Contractors frequently rely on loosely worded clauses permitting "additional work" or "price escalation." Where tenders and agreements lack precise caps or approval mechanisms, arbitrators have upheld contractor claims for amounts far exceeding the original contract value.

▶ **Standard Clauses Removed or Altered:** In several instances, departments have unilaterally removed essential protective clauses (such as caps on liquidated damages or limits on interest liability), exposing the government to disproportionate financial risk.

These drafting defects are not mere technicalities. They lie at the heart of arbitral awards where government departments find themselves unable to defend claims effectively. The lack of consistency in contracts across departments also means that contractors, familiar with these loopholes, tailor their claims accordingly.

Therefore, as part of the proposed audit of arbitration awards above Rs.1 crore, it is essential to also conduct a parallel review of tender and contract formats. Standardization, legal vetting, and periodic revision of contractual templates must be institutionalized to prevent recurrence of such dis-

putes.

The Interest Trap: A Financial Black Hole

The most crippling aspect of arbitral awards against the government is the relentless accrual of interest. What begins as a moderate claim often manifolds several-fold due to statutory or contractual interest. At 18-24% annually, a liability of Rs 5 crore can balloon to Rs 15-20 crore within a few years of bureaucratic delay. This not only drains resources but also undermines public trust in governance. Unless systemic reforms check these delays and enforce strict timelines, the government will continue to bleed money not on legitimate claims but on interest accrued due to its own inaction.

Proposed Reforms for J&K

To restore credibility and protect public money, the following reforms should accompany the audit:

1. Creation of Arbitration Monitoring Cells in every major department with trained officers to track cases from initiation to execution.

2. Mandatory reporting system, where departments submit quarterly status updates on arbitration cases, including financial exposure and pending actions.

3. Time-bound decision-making on whether to challenge awards, with fixed responsibility on officials and counsels for delays.

4. Performance-based evaluation of government counsels, linking their continuation on legal panels to measurable outcomes.

5. Digital contract management systems ensuring all project records like agreements, bills, measurement books are digitally preserved and accessible.

6. Special training modules for engineers and departmental officers on contract management and dispute avoidance.

7. Legislative mandate requiring audit of arbitration awards exceeding a fixed threshold (Rs 1 crore) every five years.

Conclusion: Audit as a First Step, Not the Last

The Delhi Government's move to audit arbitration awards above Rs 1 crore is a model that J&K must urgently replicate. For two decades, taxpayers' money has been eroded not merely by contractors' claims but by administrative inefficiency, poor legal strategy, and lack of accountability.

A comprehensive audit will serve two key functions first, it will quantify the actual losses to the exchequer; second, and more importantly, it will help fix responsibility on erring officials and counsels. But the audit must not remain a one-time exercise. It should be institutionalized as a recurring mechanism, ensuring that every five years, a public report on arbitration liabilities is placed before the legislature.

Arbitration is not the adversary but Mismanagement is. If properly regulated, arbitration can still serve as a vital instrument of commercial dispute resolution. But if neglected, it will remain a financial black hole. For Jammu & Kashmir, therefore, the choice is clear: either conduct a 20-year audit now and introduce systemic reforms or continue losing crores of public money year after year to interest, inefficiency, and indifference.

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