

1. Anti-Defection Law

Topic: Polity and Governance

In News: The political crisis in Maharashtra has thrown the spotlight on the anti-defection law.

More on the Topic:

- The anti-defection law provides for the disqualification of MLAs who, after being elected on the ticket of a political party, “**voluntarily give up their party membership**”.
- **The Supreme Court has interpreted the term broadly** and ruled an MLA’s conduct can indicate whether they have left their party.
- The law is also **applicable to independent MLAs**. They are prohibited from joining a political party, and in case they do so, they can also lose their membership in the legislature.
- But the anti-defection law **does not apply if the number of MLAs who leave a political party constitute two-thirds of the party’s strength in the legislature**.
- These MLAs can merge with another party or become a separate group in the legislature.



About the Constitutional Provision of Anti Defection Law:

- Parliament added it to the Constitution as the **Tenth Schedule in 1985**. Its purpose was **to bring stability to governments** by discouraging legislators from changing parties.
- The Tenth Schedule - popularly known as the Anti-Defection Act - was included in the Constitution via **the 52nd Amendment Act, 1985** and sets the provisions for disqualification of elected members on the grounds of defection to another political party.

Governor’s Role in the Time of Political Instability:

- The Governor has a **crucial role when there is political instability in a state**.
- Before 1994, Governors were quick to dismiss a state government, charging that it did not have a majority in the state legislature and recommending the imposition of the President’s rule in the state.
- But the Supreme Court ended this practice with its **judgment in the S R Bommai case** in 1994.
- In this landmark case, the court ruled that the place for deciding whether a government has lost its majority was in the legislature.
- The Chief Minister of a state can recommend to the Governor to dissolve the

legislature before the end of its five-year term and call for elections. Here, the Governor's discretion comes into play.

- The Governor may choose not to dissolve the legislature if he or she believes that the recommendation is coming from a council of ministers who do not enjoy the confidence of the state legislature.

Source: Indian Express

2. New Rules under Surrogacy Act

Topic: Social Justice

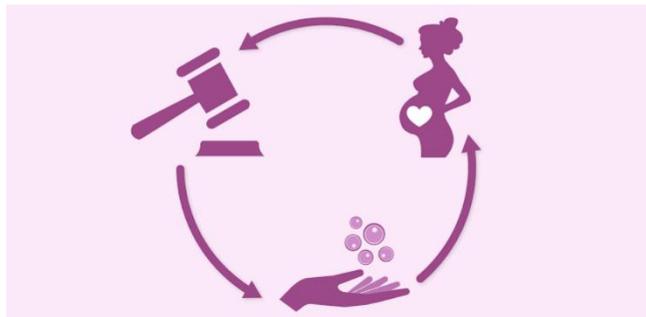
In News: The government has issued fresh surrogacy rules under the umbrella Surrogacy Act.

More on the Topic:

- The Act has made it mandatory for couples who wish to become parents through surrogacy to buy health insurance plans for surrogate mothers.
- The insurance should be recognised by the Insurance Regulatory Authority of India.
- It should cover all expenses for all complications arising out of pregnancy and postpartum delivery complications.
- The government has also ensured that the number of attempts of any surrogacy procedure on the surrogate **mother shall not be more than three times.**
- **A surrogate mother may be allowed for abortion** during the process of surrogacy in accordance with the Medical Termination of Pregnancy Act, 1971 in case of any complication as advised by the doctors.
- Every private surrogacy clinic **has to file an application for registration with a fee of ₹2 lakh** which is non-refundable. However, facilities under government-run institutes are exempt from such fees.
- Surrogacy clinics shall have at least one gynaecologist, one anaesthetist, one embryologist and one counsellor.

About the Surrogacy Act:

- The act defines **surrogacy as a practise where a woman gives birth to a child for an intending couple to hand over the child after the birth to the intending couple.**
- The Act will be constituting the National Assisted Reproductive Technology and Surrogacy Board, State Assisted Reproductive Technology and Surrogacy Boards, and



the appointment of appropriate authorities for regulation of the practice and process of surrogacy.

- **The Act prohibits commercial surrogacy but allows altruistic surrogacy.**
- **Altruistic surrogacy involves no monetary compensation** to the surrogate mother other than the medical expenses and insurance coverage during the pregnancy.
- Commercial surrogacy includes surrogacy or its related procedures undertaken for a monetary benefit or reward (in cash or kind) exceeding the basic medical expenses and insurance coverage.

Conditions for permitting surrogacy:

- For intending couples who suffer from proven infertility.
- Altruistic
- Not for commercial purposes
- Not for producing children for sale, prostitution, or other forms of exploitation
- For any condition or disease specified through regulations.

Source: Indian Express

3. New Tax Deducted At Source (TDS) Provision On Virtual Digital Assets (VDAs)

Topic: Economy

In News: The Central Board of Direct Taxes (CBDT) on Wednesday (June 22) issued detailed guidelines on the tax deducted at source (TDS) rule for virtual digital assets (VDAs) such as cryptocurrencies.



More on the Topic:

- The Finance Act, 2022 introduced Section 194S in The Income Tax Act, 1961, under which a TDS of 1 per cent will be levied on the transfer of VDAs effective July 1 if the value of transactions exceeds Rs 10,000 in a year.
- The threshold limit for TDS would be ₹50,000 a year for specified persons, which include individuals/HUFs who are required to get their accounts audited under the IT Act.
- The CBDT has defined four primary VDAs as bitcoin, ether, USD Tether, and USD Coin for the purpose of tax deduction on lesser known cryptocurrencies.

Significance of Taxation of VDAs:

- It will help the tax department to trace the VDA transactions as form 27QE require detailed information about the payments made on transfer of VDAs (like date of transfer, amount paid etc.)
- It will improve revenue collection of the Government.

About Virtual Digital Assets:

- A medium of exchange can be defined as currency only if it is issued by the central bank.
- Anything which is outside of that is not a currency. They are virtual digital assets created by individuals.
- These Private virtual currencies do not represent any person's debt or liabilities as there is no issuer. They are not money and certainly not currency.
- Government will be taxing the profits which are made during transactions of such private created assets at 30%.

Source: Hindu

4. Gilgit Baltistan

Topic: Places in News

In News: A recent report indicated that Pakistan may cede Gilgit Baltistan (GB), a Pakistan-occupied Kashmir region (PoK) to China on lease to pay off its mounting debt.

More on the Topic:

- Gilgit Baltistan is a region administered by Pakistan as an autonomous territory, and constituting the northern portion of the larger Kashmir region.
- It borders PoK to the south, the province of Khyber Pakhtunkhwa to the west, the Wakhan Corridor of Afghanistan to the north, the Xinjiang region of China, to the east and northeast, and the Indian-administered union territories of Jammu and Kashmir and Ladakh to the southeast.
- Three of the world’s longest glaciers outside the polar regions are found in Gilgit-Baltistan. They are **Biafo Glacier, Baltoro Glacier, and Batura Glacier.**



Gilgit Baltistan and India:

- India’s stand is that UTs of Jammu & Kashmir and Ladakh, including ‘Gilgit-Baltistan’, are an integral part of India by virtue of the legal, complete and irrevocable accession of Jammu & Kashmir to Union of the India (1947)

- The area is strategically importance for India as Pakistan ceding GB that it illegally occupies would be a boon for China's South Asian expansion.
- It has made use of territory in the region that Pakistan ceded earlier and would like GB since the Karakorum is right on the trail of the China Pakistan Economic Corridor (CPEC).

Background:

- Gilgit was part of the princely state of Jammu & Kashmir and ruled directly by the British, as it was taken on lease from Hari Singh, the Hindu ruler of the Muslim-majority state.
- When Hari Singh acceded to India on October 26, 1947, the Gilgit Scouts rose in rebellion. The Gilgit Scouts also moved to take over Baltistan, which was then part of Ladakh, and captured Skardu, Kargil and Dras. In battles thereafter, **Indian forces retook Kargil and Dras in August 1948.**
- Following the India-Pakistan ceasefire of January 1, 1949, Pakistan in the same year has entered into an agreement with the “provisional government” of “Azad Jammu & Kashmir” (parts that had been occupied by Pakistani troops and irregulars) to take over its defence and foreign affairs.
- The Government of Azad Kashmir is the state government which administers the Pakistani-occupied territory of Kashmir.
- Under this agreement, the “AJK” government also ceded administration of Gilgit-Baltistan to Pakistan.

Source: Indian Express

5. Santhal Tribe

Topic: Culture

In News: Santhal community is in the spotlight after the National Democratic Alliance (NDA) named Draupadi Murmu who belongs to Santhal tribe as their Presidential candidate for the upcoming election.

More on the Topic:

- The Santhali population is distributed in **Odisha, Jharkand ,West Bengal, Bihar, Jharkhand and Assam.**
- Draupadi Murmu's home district Mayurbhanj, is one of

Story of Santhals



- *Santhals are among the largest tribal groups in South East Asia.
- *Their population in India is around 70 lakh, of which 4.06 lakh are in Bihar.
- *Originally Santhals were hunter-gatherers & are mostly farmers now.
- *Santhals in Bangladesh, Nepal and Bhutan follow the same traditions & language .
- *Santhali is India's 22nd official language but isn't taught in schools or used in government work.



the districts having the largest concentrations of the tribe.

- **They are the third largest schedule tribe community in the country after Gond and Bhil.**
- **They Speak Santhali and follows Script called Olchiki.**
- Their festivals include Karam festival, Maghe, Baba Bonga, Sahrai, Ero, Asaria and Namah and Disum sendra.

Source: Business Standard

6. Dutch disease

Topic: Economy

DUTCH DISEASE

- It is a situation when a country suffers negative consequences from having excessive valuable natural resources
- There is a huge influx of foreign money into the country

IMPACT

- BOP
- Growth & sustainability
- Stagnated development
- Unemployment
- Price instability

NEGATIVE ASPECT

Reason why these countries suffers:

- ❖ Failed to focus & develop economic
- ❖ Domestic currency appreciation driven by strong exports for resources has make other segments of economy globally uncompetitive

EXAMPLE

- Venezuela is rich in crude oil supplies
- Oil prices in the Venezuelan economy dropped from \$100 to \$21.5 per barrel
- Reasons is country's heavy dependence on export crude oil sales
- Oil sales constitute 99% of export earnings and one-fourth of country's GDP
- Due to falling prices their production hit new low
- GDP shrunk by two-thirds as demand for oil was affected due to pandemic

In News: Some countries have faced uneven growth due to the sudden discovery of natural resources. This phenomenon is known as Dutch Disease.

More on the Topic:

- The term was coined in 1977 by The Economist to describe **the decline of the manufacturing sector in the Netherlands** after the discovery of the large Groningen natural gas field in 1959.
- The presumed mechanism is that as revenues increase in the growing sector (or inflows of foreign aid), **the given nation's currency becomes stronger (appreciates) compared to currencies of other nations** (manifest in an exchange rate).
- This results in **the nation's other exports becoming more expensive for other countries to buy, and imports becoming cheaper**, making those sectors less competitive.



- While it most often refers to natural resource discovery, it can also refer to "any development that results in a large inflow of foreign currency, including a sharp surge in natural resource prices, foreign assistance, and foreign direct investment"

Source: Hindu
