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Institute for IAS Examination

The Analyst

CURRENT AFFAIRS Handout

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Ending Speaker's Inaction on Disqualification



CONTEXT: The SC considered the question "whether a Constitutional court was so powerless that it cannot direct a Constitutional authority like the Speaker to perform his mandate under the Constitution".

Anti Defection Law

- **52nd Amendment Act of 1985** as part of **10th Schedule**.
- **Grounds for Defection:**
 - **Voluntary Give Up:** If an elected member **voluntarily gives up** his membership of a political party.
 - **Violation of Instructions:** If he votes or abstains from voting in such House contrary to any direction issued by his political party or anyone authorized to do so, without obtaining prior permission.
 - **Elected Member:** If any independently elected member joins any political party.
 - **Nominated Member:** If any nominated member joins any political party after the expiry of six months.
- **Exceptions:**
 - **Merger:** when **two-thirds of the members** of the party have agreed **Presiding Officer**
- **Deciding Authority:**
 - Kihoto Hollohan Case, 1992
- **Rule making Power:**
 - Committee of Privileges

Advantages:

- **Prevention of 'Aya Ram – Gaya Ram' Politics**
- **Curbing money power**
- **Ensuring cohesion**
- **Constitutional recognition to political parties**

Issues with adjudicating power of the Speaker

- **Partisan role of presiding officer:**
 - e.g. In 2017, the main Opposition party in Andhra Pradesh boycotted the Assembly, angry that **20 of their MLAs**, who had **defected a year and a half ago**, had still not had their petitions heard by the speaker.
- **Lacking legal expertise:**
 - Rabi ray and Shivraj Patil
- **Time Limit for Presiding Officer:**
 - K. M. Singh versus Speaker of Manipur (2020)
- **Courts intervention only at a later stage**

Way Forward

- **Ensure impartiality of Speaker**
- **Set time limit to decide petition for disqualification**
- **Adjudicating role to an independent tribunal**
- **Allow expression of Dissent:**
 - Law Commission 170th report, 1999
- **Constitution Review Commission (2002)**
- **Promoting intra-party democracy**

Mains Practise Question

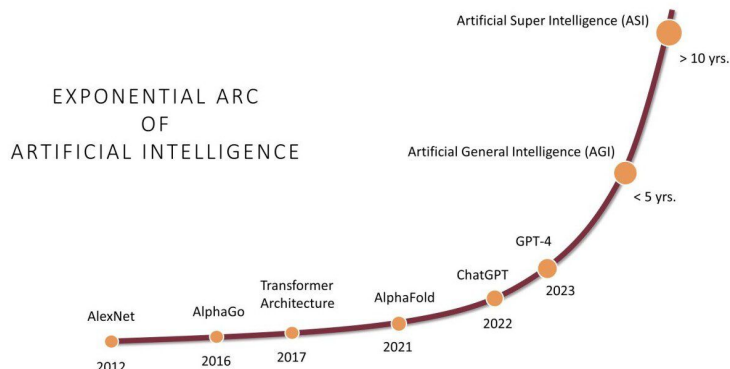
"Entrusting the Speaker with the role of the adjudicating authority under the Tenth Schedule of the Indian Constitution undermines the principle of impartiality and objectivity." Discuss

(15 Marks, 250 words)



Labour in the AI Era: Crisis or Catalyst?

CONTEXT: Bill Gates highlighted that on account of AI revolution we are heading towards a “post-labour world” altogether.



Opportunities

- **Boosting Productivity Across Sectors:**
 - NITI Aayog estimates **AI has the potential to add \$957 billion to India's GDP by 2035.**
- **Creation of New High-Skilled Jobs:**
 - WEF generate **12 million more jobs** than it displaces by **2025.**
- **Serves as a force multiplier**
- **Catalyzing the Startup Ecosystem:**
 - Unicorns like Fractal Analytics
- **Enhancing agricultural productivity:**
 - Gramophone

Challenges

- **Job displacement:**
 - **By 2025, 85 million jobs** – Future of Jobs report, WEF
- **Impact on White-Collars v/s Blue-collar Jobs**
- **Stagnation in real wages:**
 - **ILO** – World Employment and Social Outlook, 2024
 - fell by 0.6 percentage points from **2019 to 2022**

- **Skill Gap:** NASSCOM, nearly **40% of the workforce**
- **Income Inequality:**
 - **Oxfam:** 1% – **22%** of income & **40%** of wealth
- **Gendered Impact**
- **Psychological Impact:**
 - “New structures of meanings, Community & Contribution”

Way Forward

- **Capacity Building:**
 - #AIforAll campaign of Niti Ayog , NASSCOM's 'Future Skills' initiative
- **Fostering Industry academia linkage:**
 - "Professors of Practice" program
- **Promote Indigenous AI Research and Innovation**
- **Ethical framework**

Mains Practise Question

Examine the challenges and opportunities presented by AI in the Indian labor market. Also, suggest policy measures to ensure a balanced and inclusive workforce transition.

(15 Marks, 250 words)



Disaster Management Amendment Bill



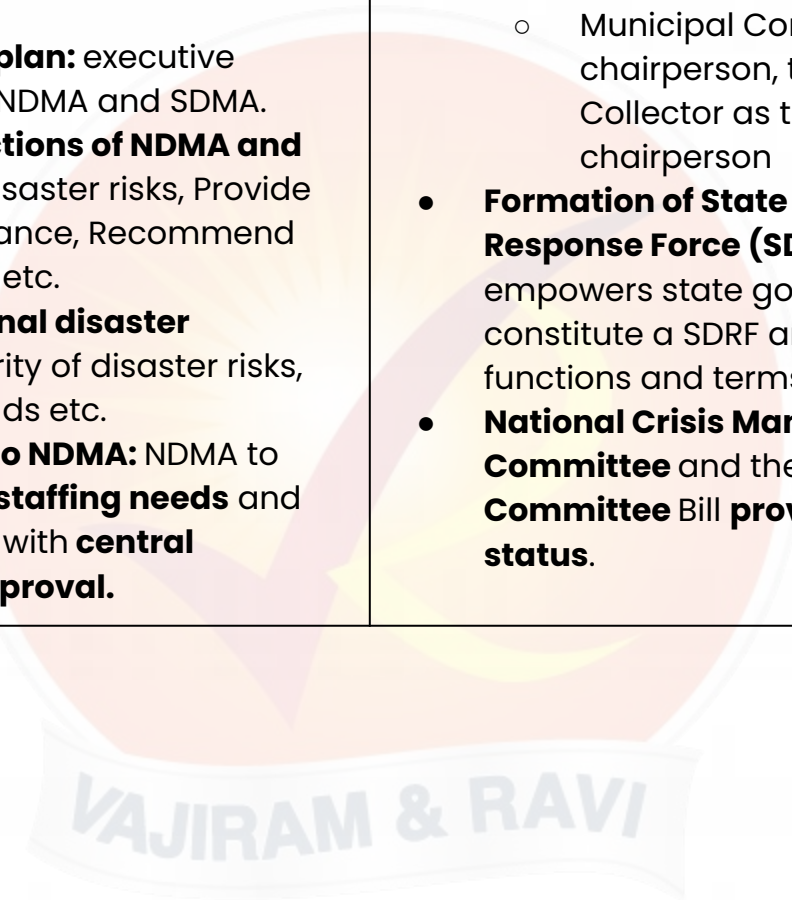
SYLLABUS: GS 3: Disaster Management
Newspaper : The Hindu; **Page No :** 10

Context: The **Rajya Sabha** passed the **Disaster Management (Amendment) Bill, 2024** by a voice vote on Tuesday.

About Bill:

- **Preparation of plan:** executive committees to NDMA and SDMA.
- **Additional Functions of NDMA and SDMA:** Assess disaster risks, Provide technical assistance, Recommend relief guidelines etc.
- **State and national disaster database:** severity of disaster risks, Allocation of funds etc.
- **Appointments to NDMA:** NDMA to specify its own staffing needs and appoint experts with **central government approval**.

- **Urban DM authorities:** state government to constitute a **separate Urban Disaster Management Authority** for **state capitals and cities** with a municipal corporation.
 - Municipal Commissioner as the chairperson, the District Collector as the vice chairperson
- **Formation of State Disaster Response Force (SDRF):** Bill empowers state government to constitute a SDRF and define its functions and terms of service.
- **National Crisis Management Committee** and the **High Level Committee** Bill provides statutory status.



SYLLABUS: Prelims: Polity

Newspaper : The Hindu; Page No : 8

EXPLAINER

Rangarajan R.

The story so far:

The Chief Justice of India (CJI) has constituted an in-house committee to conduct an inquiry into allegations of misconduct against Justice Yashwant Varma. This follows recovery of huge piles of cash at his residence during a fire-control operation.

What is the current issue?

A fire broke out at the residence of Justice Yashwant Varma of the Delhi High Court on March 14. The fire-control personnel discovered huge piles of cash that was burnt in the fire inside the storeroom. The Chief Justice of Delhi High Court conducted the preliminary inquiry and reported to the CJI that his prima facie opinion is for a deeper probe into the entire matter. As per the direction of the CJI, responses were sought from Justice Yashwant Varma on the preliminary inquiry findings. Justice Varma responded that no cash was ever placed by him or his family members in the storeroom, and that they were never shown the sacks of burnt currency notes during the fire-control operation. A three-member committee has been constituted as per the in-house procedure of the Supreme Court for conducting an inquiry into the allegations. Meanwhile, judicial work has been withdrawn from Justice Varma and he has been transferred to his parent Allahabad High Court by the collegium.

What is an in-house procedure?

In order to probe into complaints of alleged misbehaviour against judges of the higher judiciary, the Supreme Court has developed an in-house procedure of inquiry. The resolution for in-house procedures for action against judges was adopted in 1999 and made public in 2014.

When a complaint is received against a judge of a High Court, the CJI will decide



An overhaul: Burnt currency notes near Justice Yashwant Varma's house, in New Delhi on March 23. ANI

whether the issue is frivolous or warrants an inquiry. If an inquiry is deemed necessary, the judge's initial response along with comments of the Chief Justice of the concerned High Court are taken on record. The CJI can then form a three-member committee consisting of two Chief Justices from other High Courts and one High Court judge. The committee after the inquiry can provide a recommendation that the misconduct is serious enough to warrant removal or not serious enough. If the recommendation is not for removal, the judge would be apprised accordingly. However, if the recommendation is for the judge's removal, he/she will be asked to resign. In the event of the judge unwilling to resign,

the President and the Prime Minister will be informed of the findings for Parliament to initiate action for removal as per provisions of the Constitution. Any complaint against the Chief Justice of a High Court, would be inquired by a committee consisting of a Supreme Court judge and two Chief Justices of other High Courts. In case of a complaint against a Supreme Court judge, the committee would consist of three Supreme Court Judges. In the instant case, based on the preliminary opinion of the Chief Justice of Delhi High Court, the CJI has constituted a committee consisting of the Chief Justice of Punjab and Haryana Court, the Chief Justice of Himachal Pradesh High Court, and a judge of the Karnataka High Court

to inquire into the allegations.

What reforms are required?

The details of in-house inquiries are kept confidential by the Supreme Court. This practice may be changed to disclose the key findings of the inquiry to instil transparency and confidence in the whole process. Furthermore, in the past, no judge has suffered criminal punishment even after having been found guilty of misbehaviour by the inquiry committee. This needs to be addressed and the guilty should be brought to book. In the U.K., there is an autonomous statutory office called the 'Judicial Conduct Investigations Office' that investigates allegations of judicial misconduct. A similar autonomous and permanent body may be established in India under the CJI.

One of the root causes for the problem probably lies in the opaqueness of the collegium process that is followed for the appointment of judges. There needs to be a renewed debate on operationalising the National Judicial Appointments Commission (NJAC), that was struck down by the Supreme Court in 2015 as unconstitutional for violating the basic structure of the independence of judiciary. The collegium process has no doubt ensured independence of the judiciary in appointments. However, it does suffer from lack of accountability and transparency. A broad-based NJAC headed by the CJI with representatives from various stakeholders including members of the legislature, lawyer associations and academia may be set up on the lines of the Judicial Service Commission in South Africa. The CJI and other senior judges may be provided with a veto to have the final say in the appointment process. Such a set up would make the selection process more transparent and inclusive without compromising the independence of the judiciary.

Rangarajan R is a former IAS officer and author of 'Polity Simplified'. He currently trains civil service aspirants at Officers IAS Academy. Views expressed are personal.

→ **Context:** The CJI has constituted an in-house committee to conduct an inquiry into allegations of misconduct against Justice Yashwant Varma (Delhi High Court judge).

- Chief Justice of Delhi High Court conducted the preliminary inquiry and reported to the CJI that deeper probe is needed.

What is an in-house procedure?

- adopted in 1999 and made public in 2014.
- When a complaint is received against a judge of a High Court, the CJI will decide.
- judge's initial response along with comments of the Chief Justice of the concerned High Court are taken on record.
- CJI form a three-member committee:
 - two Chief Justices from other High Courts
 - one High Court judge.



SYLLABUS: Prelims: Polity

Newspaper : The Hindu; **Page No :** 8

- **Against CJ of HC:** SC Judge & 2 CJ of other HCs
- **Against SC Judge:** 3 SC Judges

Reforms needed:

- **Disclosure of key findings of inquiry**
- **Adequate criminal punishment**
- **Autonomous & permanent body: b**
 - **UK** – “Judicial Conduct Investigations Office”
- **NJAC:** Veto power to CJI & senior judges

Removal of Judges

- Under **Articles 124(4)** and **218** of the Indian Constitution, a **Supreme Court** or **High Court judge** can be removed by the **President** on grounds of ‘**proved misbehaviour**’ or ‘**incapacity**’. The motion must be passed in both Houses of Parliament: (**special majority**)
 - By a **majority of the total membership** of the House, and
 - By a **two-thirds majority** of the members **present and voting** in the same session.
- Detailed Procedure **Under the Judges (Inquiry) Act, 1968**
 - A **motion for removal** is to be signed by **at least 50 members** in the **Rajya Sabha** or **100 members** in the **Lok Sabha**.
 - **Presiding officers** has the discretion to **admit or reject** the motion after consultation.

- If admitted, a **three-member committee** is constituted, comprising:
 - A **Supreme Court Judge**,
 - A **High Court Judge**, and
 - A **distinguished jurist**.
- The committee investigates the allegations. If the judge is **cleared of misconduct or incapacity**, the **motion is dropped** and not pursued further.
- If the committee finds the judge **guilty** of misbehaviour or incapacity, the report is tabled in **both Houses of Parliament**, where the motion must be passed by a **special majority**.

Q. Consider the following statements: (2019)

1. The motion to impeach a Judge of the Supreme Court of India cannot be rejected by the Speaker of the Lok Sabha as per the Judges (Inquiry) Act, 1968.
2. The Constitution of India defines and gives details of what constitutes incapacity and proved misbehaviour of the Judges of the Supreme Court of India.
3. The details of the process of impeachment of the Judges of the Supreme Court of India are given in the Judges (Inquiry) Act, 1968.
4. If the motion for the impeachment of a Judge is taken up for voting, the law requires the motion to be backed by each House of the Parliament and supported by a majority of total membership of that House and by not less than two-thirds of total members of that House present and voting.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 3 only
- (c) 3 and 4 only
- (d) 1, 3 and 4



SYLLABUS: Prelims: Economy

Newspaper : Indian Express; Page No : 15

SOUMYARENDRA BARIK
NEW DELHI, MARCH 25

IN A move which is likely to benefit American big technology companies and also assuage US concerns about India being a high tariff nation, the Central government has proposed to abolish the equalisation levy on online advertisements, a part of amendments to the Finance Bill, 2025.

Experts believe that the move by the Indian government is aimed to ease trade tension with the United States, with New Delhi wanting to show a more accommodative stance as the two countries discuss a potential trade deal.

LEVY IN FORCE SINCE 2016

BY DEFINITION, an equalisation levy is a levy to 'equalise' the tax component of a resident e-commerce company as well as a non-resident e-commerce company.

AS PART of the 35 amendments to the Finance Bill, 2025, the Centre wants to

remove the 6 per cent equalisation levy (EL) it charges on digital ads from April 1, 2025.

THIS HAS been in force since 2016, on payment exceeding Rs 1 lakh a year to a non-resident service provider for online advertisements

under fire from the United States, which called it "discriminatory and unreasonable" arguing that domestic companies were ex-

empt. That led to India repealing the 2 per cent EL in 2024. However, the 6 per cent levy had continued.

Apple, Amazon, Google and Facebook. It had said that the digital services taxes adopted by Austria, India, Italy, Spain, Turkey, and the United Kingdom discriminated against US digital companies and were inconsistent with principles of international taxation and burdened US companies.

Vishwas Panjiar, partner at Nangia Andersen LLP, said, "Equalisation levy was always an imperfect and a symptomatic solution to bring digital transactions under tax, till the time a global and all-pervasive consensus was reached between countries. In addition to the equalisation levy, India also introduced the concept of Significant Economic Presence (SEP) in its domestic law to target foreign companies having significant online presence in India. The government's move to propose abolition of the equalisation levy altogether, is a step in the right direction as it not only brings certainty to taxpayers but also addresses the concerns raised by partner nations (like the US) regarding the unilateral nature of the levy in the first place".

What is equalisation levy?

By definition, an equalisation levy is a levy to 'equalise' the tax component of a resident e-commerce company as well as a non-resident e-commerce company.

As part of the 35 amendments to the Finance Bill, 2025, the Centre wants to remove the 6 per cent equalisation levy (EL) it charges on digital ads from April 1, 2025. This has been in force since 2016, on payment exceeding Rs 1 lakh a year to a non-resident service provider for online advertisements.

This levy, colloquially called "Google tax," affects online advertising services provided by offshore technology firms like Google, Meta and Amazon, requiring them to withhold and remit the tax to the government.

Why the change?

While the 6 per cent tax has been in force since 2016, in 2020, India introduced a 2 per cent equalisation levy on e-commerce sites offering digital services in India.

However, that tax had come

ing in June 2020 into digital services taxes, stating that they are against tech companies like Apple, Amazon, Google and Facebook. It had said that the digital services taxes adopted by Austria, India, Italy, Spain, Turkey, and the United Kingdom discriminated against US digital companies and were inconsistent with principles of international taxation and burdened US companies.

The US had earlier conducted a year-long investigation begin-

Context: Central government has proposed to abolish the **Equalisation Levy**, or digital tax, on **online advertisements**, aiming to benefit advertisers on platforms like Google and Meta.

Why this move?

- **Discriminatory against US companies:**
 - **2020 India** introduced **additional 2% equalisation levy** on e-commerce offering **digital services** (including online sale of goods and provision of services) in India, **repealed in 2024**
- **Principles of International Taxation**

Significance:

- Ease trade tensions b/w India & USA
- Softening of USA stance



SYLLABUS: Prelims: Economy

Newspaper : Indian Express; **Page No :** 15

About Equalisation Levy

- Equalisation levy at **6%** has been in force **since 2016 on payment exceeding Rs 1 lakh a year** to a non-resident service provider for online advertisements.
- It is now **applicable for e-commerce companies** that are sourcing revenue from Indian customers **without having tangible presence** here in the country.
- The **two conditions to be met** to be liable to equalisation levy:
 - The **payment should be made to a non-resident service provider;**
 - The **annual payment** made to one service provider **exceeds Rs.1,00,000 in one financial year.**
- **The tax rate under the equalisation levy depends on the type of service or transaction.**
 - For **online advertising**, the rate is **6% of the gross consideration.**
 - For e-commerce transactions, such as **online sale of goods or services**, the rate is **2% of the gross consideration.**

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SYLLABUS: Prelims: Economy

Newspaper : The Hindu; Page No : 13

Ashokamithran T.
MUMBAI

The Securities and Exchange Board of India's (SEBI) decision to increase the threshold for FPIs to start making granular disclosures, to ₹50,000 crore, may increase capital inflows amid relentless selling by foreign portfolio investors (FPI) and ease the compliance burden on genuine investors, according to experts.

In its Q4 board meeting on Monday, SEBI increased FPI investment threshold for granular disclosures to ₹50,000 crore from the earlier ₹25,000 crore citing doubling of cash equity markets in the past couple of years. This means foreign portfolio investors, who invest more than ₹50,000 crore in Indian stocks, will have to disclose details of beneficial ownership and returns of FPIs among other details of the investing entities.

"We are providing the kind of regulations which will really facilitate it [investment in Indian markets]. We are in no way wanting to scare anybody away or things like that," said SEBI chairperson Tuhin Kanta Pandey in a media briefing on Monday.

The revised norms are an amendment to the circular dated August 24, 2023, which brought in additional disclosure norms

Investor friendly

SEBI's move to increase FPI investment threshold to ₹50,000 cr. may ease compliance burden on genuine investors



- Tough granular disclosure requirement had made compliance difficult
- Many FPIs had diluted their positions in India to fall below the threshold of ₹25,000 crore
- SEBI's latest decision hailed as pro-growth and pro-investment

for FPIs to bring in more than ₹25,000 crore into Indian markets and invest more than half of their portfolio in a single entity.

The 2023 circular was seen as a move to prevent entities from flouting public shareholding norms and stock price manipulation using the FPI route, as alleged by shortseller Hindenburg against the Adani Group. "It is expected to enhance capital inflows, improve market depth, and ensure greater transparency. It simplifies compliance for mid-sized and small sized FPIs, encouraging greater participation in Indian equities, while reducing the compliance burden significantly," said Mahavir Lunawat, chairman of the Association of Investment Bankers of India (AIBI) and group founder of Pantomath Financial Services Group.

"Because of the sheer size of their portfolio, they were getting caught into

the granular disclosure requirement, which is always not a very easy one," said Siddharth Shah, partner at Khaitan & Co, a Mumbai-based law firm.

He further said India probably might have been the only emerging market where this level of granular data was being sought, making compliances for such funds very difficult.

Responding to such a requirement, many FPIs may have diluted their positions in India to fall below the threshold ₹25,000 crore to avoid getting caught into this level of compliance and this in some way may have been one of the factors contributing to the sell-off by FPIs in the Indian market, Mr. Shah added.

"Overall, SEBI's decision is a pro-growth and pro-investment move, balancing regulatory oversight with market attractiveness," Mr. Lunawat said.

Q. With reference to Foreign Direct Investment in India, which one of the following is considered its major characteristic? (2020)

- (a) It is the investment through capital instruments essentially in a listed company.
- (b) It is a largely non-debt creating capital flow.
- (c) It is the investment which involves debt-servicing.
- (d) It is the investment made by foreign institutional investors in the Government securities.

Why FPI is exiting Indian equity markets?

- **Sebi 2023** – threshold ₹25,000 Crore

Difference between FDI & FPI

- Definition
- Investment horizon
- Control
- Risk
- Impact on host economy
- Regulation



SYLLABUS: Prelims: Mapping

Newspaper : Indian Express; **Page No :** 16

THE UNITED States said on Tuesday it has reached separate agreements with Ukraine and Russia to ensure safe navigation in the Black Sea and to implement a ban on attacks by the two countries on each other's energy facilities.

The agreements, if implemented, would represent the clearest progress yet towards a wider ceasefire that Washington sees a stepping stone towards peace talks to bring an end to Russia's three-year-old war in Ukraine.

Trump is pressing both sides to bring a swift end to the war, something he promised to achieve when he ran for president last year.



- **Russia has the longest coastline** (2,300 km), followed by **Turkey (1,329 km)** and **Ukraine (1,282 km)**.
- The **Black Sea has lower salinity** than the world's oceans due to isolation from the Mediterranean.
- Major rivers flowing into it include the **Danube, Dnieper, Southern Bug, Rioni, and Dniester**.
- **Environmental Importance:**
 - **World's Largest Meromictic Basin:** The movement of water between **upper and lower layers** is **rare**, leading to **unique ecological conditions**.

- **Anoxic zones:** One of the **largest anoxic basins**, meaning **low dissolved oxygen** in deeper layers, affecting marine biodiversity.
- **Strategic Importance:**
 - **Crucial for global trade**, particularly for **Russia and Ukraine's grain and energy exports**.
 - **NATO and Russia** frequently conduct **naval operations** in the region.

Q. Turkey is located between (2014)

- (a) Black Sea and Caspian Sea
- (b) Black Sea and Mediterranean Sea
- (c) Gulf of Suez and Mediterranean Sea
- (d) Gulf of Aqaba and Dead Sea



Q1. Consider the following statements regarding the Anti-Defection Law in India:

1. A legislator is disqualified if they voluntarily give up party membership.
2. The Presiding Officer's decision on disqualification is final and cannot be reviewed by the courts.
3. It applies to both the Parliament and the State Legislatures.

Which of the statements given above is/are correct?

- a) 1 only
- b) 1 and 3 only
- c) 1, 2, and 3
- d) None

Answer: b

Q2. Regarding the In-House Procedure for complaints against a High Court judge, consider the following statements:

1. A three-member committee is formed by the CJI, including two Chief Justices from other High Courts and one Supreme Court judge.
2. The judge's response and the Chief Justice of the concerned High Court's comments are considered in the process.

Which of the statements given above is/are NOT correct?

- a) 1 Only
- b) 2 Only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: a

Q3. Consider the following statements regarding the Equalisation Levy in India:

1. It applies only to foreign e-commerce companies that have a physical presence in India.
2. The levy on online advertising is 2%, whereas for e-commerce transactions, it is 6%.
3. It is applicable only when the annual payment to a single non-resident service provider exceeds ₹1,00,000 in a financial year.

How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) All Three
- d) None

Answer: a

Q4. Regarding Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI), consider the following statements:

1. FDI involves a lasting interest and significant control in a foreign enterprise, whereas FPI focuses on short-term financial gains.
2. FPI is less volatile than FDI.
3. In India, FDI is regulated by SEBI, while FPI is regulated by the RBI.

How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) All Three
- d) None

Answer: b

Q5. Consider the following statements:

1. The Black Sea is connected to the Mediterranean Sea through the Bosphorus Strait and the Dardanelles Strait.
2. It shares its coastline with exactly three countries.
3. The Danube, Dniester, and Southern Bug rivers drain into the Black Sea.

Which of the statements given above is/are correct?

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

Answer: d





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