

● POLITY

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POLITY AND GOVERNANCE

Poll bonds: 22 firms donated over ₹100 crore

CONTEXT: The Election Commission of India published the data related to electoral bonds released by the State Bank of India on the orders of the Supreme Court.

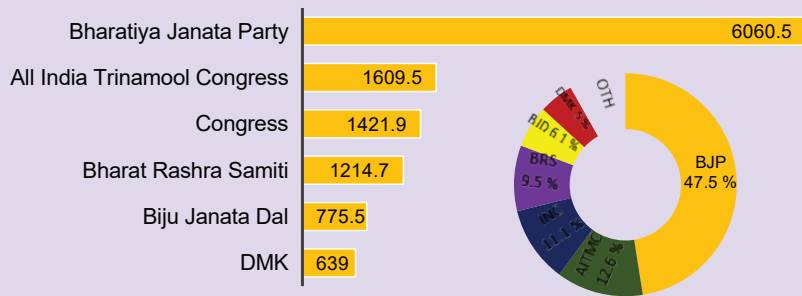


FIGURE: Bar chart representation of benefactors of Electoral Bonds and their receipts contribution (₹ Cr.). (Inset) Pie chart representation of share of funds received by different political parties via Electoral Bond Scheme.

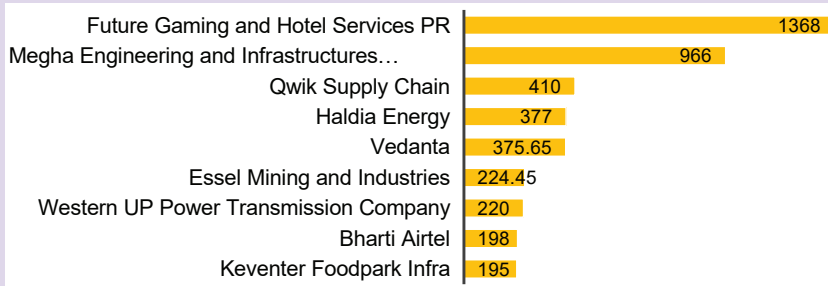


FIGURE: Bar chart representation of top 10 contributors and their respective contributions (₹ Cr.) via Electoral Bonds.

Future Gaming and Hotel Services PR, whose managing director is lottery magnate Santiago Martin, was the single largest donor to political parties between April 12, 2019 and January 24, 2024. The firm donated a cumulative sum of ₹ 1,368 Cr. through electoral bonds during this period. Incidentally, the Enforcement Directorate had attached ₹ 411 crore in the bank accounts of this firm and other companies in March 2022 and had later filed a prosecution complaint against it under the Prevention of Money Laundering Act, 2002 before the PMLA Court, Kolkata on September 9, 2023.

Other major buyers include: Grasim Industries, Megha Engineering, Piramal Enterprises, Torrent Power, DLF Commercial Developers, Apollo Tyres, Lakshmi Mittal, Edelweiss, PVR, Sula Wine, Welspun, and Sun Pharma.

In total, electoral bonds worth over ₹ 12,155 Cr. were purchased by donors in this period and more than ₹12,769 crore were encashed by all parties during the same time.

In an affidavit filed in the SC on Wednesday, the public sector bank said that 22,217 electoral bonds were issued between April 2019 and February 15, 2024. It said that political parties had redeemed 22,030 bonds, while the remaining 187 were redeemed and the money was deposited in the Prime Minister's National Relief Fund, in accordance with the scheme's rules.

POLITY AND GOVERNANCE

Panel recommends simultaneous polls

CONTEXT: The High-Level Committee headed by former President Ram Nath Kovind has recommended simultaneous elections to the Lok Sabha and State Assemblies as the first step, and holding municipal and panchayat polls within 100 days of the General Election in the next phase.



The Ram Nath Kovind High-Level Committee submitted a 18000 page report to President Droupadi Murmu. In all, 18 amendments to the Constitution and other statutes have been suggested. An implementation group has also been recommended to oversee the execution of the recommendations by the committee. The Ram Nath Kovind Committee has suggested the following:

RECOMMENDATIONS:

1. **SETTING A NEW ELECTORAL CYCLE:** The panel has recommended amendments to Article 83 (Duration of Houses of Parliament) and Article 172 (Duration of State Legislatures) of the Constitution to commence a new electoral cycle.
 - a. Issue of a Presidential notification on the first sitting of the Lok Sabha post General Elections setting an 'Appointed Date' to mark the beginning of the new electoral cycle.
 - b. State Assemblies, constituted after the 'Appointed Date' and before the completion of the Lok Sabha's term, would conclude before the subsequent General Elections.

- c. Elections to the Lok Sabha and all State Assemblies would be held simultaneously.
- 1. Fresh elections held to constitute a new Lok Sabha in the event of a hung House or a no-confidence motion, or any such event but the tenure of the House will be “only for the unexpired [remaining] term of the immediately preceding full term of the House”.
- 2. Suitable amendments to Article 324A of the Constitution to allow simultaneous elections in panchayats and municipalities; and Article 325 to allow the Election Commission of India (EC), in consultation with State election authorities, to prepare a common electoral roll and voter ID cards.

The 22nd Law Commission, which is examining the simultaneous polls issue, is also expected to submit its report to the Law Ministry soon and recommend the same from the 2029 General Election cycle.

The committee had reached out to 62 political parties out of which 47 responded — 32 in support of holding elections simultaneously, 15 against it. The BJP and the National People’s Party were the only two national parties that supported the move.

- 2. Addresses matters related to the appointment, remuneration, and removal procedures for the Chief Election Commissioner (CEC) and Election Commissioners (ECs).

Appointment Process:

The President will appoint the Chief Election Commissioner (CEC) and Election Commissioners (ECs).

- 1. The Search Committee, led by the Cabinet Secretary, will propose a list of eligible candidates – individuals with experience at the Secretary level (current or past) are eligible for these positions to the Selection Committee.
- 2. The Selection Committee comprising of the Prime Minister, a Union Cabinet Minister, and the Leader of the Opposition in Lok Sabha (or the leader of the largest opposition party in the absence of a designated Leader of the Opposition) will recommend candidates for these positions

POLITY AND GOVERNANCE

Gyanesh Kumar, Sukhbir Sandhu appointed Election Commissioners

CONTEXT: President Droupadi Murmu appointed retired bureaucrats Gyanesh Kumar and Sukhbir Singh Sandhu as Election Commissioners.



This is the first time that Election Commissioners have been appointed in accordance with the new Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Act, 2023 brought in by the government in December. According to the Act, a selection committee headed by the Prime Minister and comprising a Union Minister nominated by the Prime Minister and the Leader of Opposition in the Lok Sabha will select members of the Election Commission.

Major provisions of Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Act, 2023:

- 1. Supersedes the Election Commission (Conditions of Service of Election Commissioners and Transaction of Business) Act, 1991.

INTERNATIONAL RELATIONS

India 134th in global Human Development Index: UNDP

CONTEXT: India has moved up a rank on the global Human Development Index (HDI), according to the United Nations Development Programme (UNDP) report ‘Breaking the gridlock: Reimagining cooperation in a polarised world’.

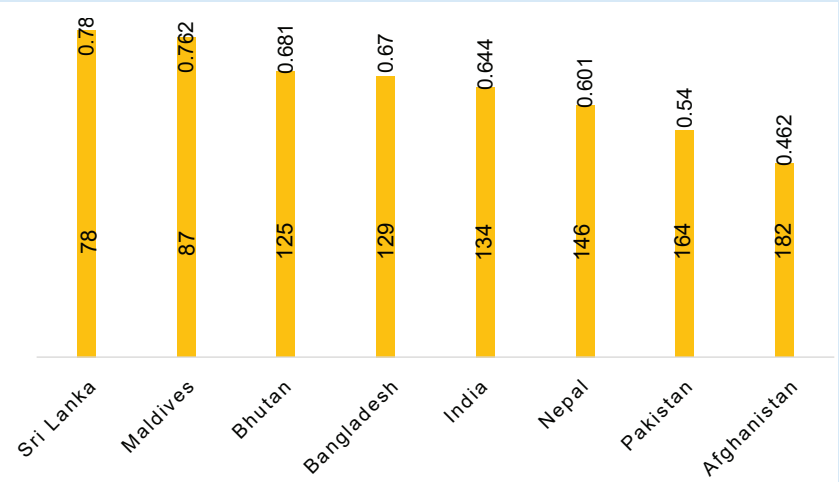


FIGURE: Column chart representation of HDI score of different countries.

India moved one rank up to 134 in 2022. A total of 193 countries were ranked in 2022, and 191 countries in 2021. India’s southern neighbour Sri Lanka has been ranked much ahead at 78, while China is ranked 75, both categorised under the High Human Development category. India also ranks below Bhutan, which stands at 125, and Bangladesh, which is in the 129th position. Switzerland has been ranked number one.

INTERNATIONAL RELATIONS

Bhutan's opening move, its Gelephu gambit

CONTEXT: *Bhutan Prime Minister Tshering Tobgay discussed plans for a regional economic hub at Gelephu, bordering Assam in India. King Jigme Khesar Namgyel Wangchuck launched "Gelephu Mindfulness City" (GMC) in December 2023 to create a 1,000 km² Special Administrative Zone with unique Bhutanese architecture and investor-friendly laws.*

Gelephu, planned as a carbon-neutral city will focus on non-polluting industries like IT, education, hotels, and hospitals as an investment destination and a health and wellness hub in the region. Gelephu is more similar to planned cities like Neom in Saudi Arabia and Nusantara in Indonesia. Gelephu's location is strategic, lying at the crossroads of India's "Act East" plans for connectivity to Myanmar, ASEAN, and the Indo-Pacific region, as well as India-Japan connectivity plans. The development plan aligns with India's push for lateral land-based connectivity across the Indian Ocean region, complementing maritime routes through initiatives like the India-Middle East-Europe Economic Corridor (IMEC) and the Trilateral Highway.

Gelephu's landlocked nature means it depends on countries like India for infrastructure and trade routes, highlighting the need for significant support and cooperation. A rare broad plain in mountainous Bhutan, leads to high rainfall and flooding during the monsoon season is also part of elephant corridors, posing risks to infrastructure and wildlife. Insurgencies in nearby regions like Assam and north-eastern states, as well as across the border in Myanmar, have been a concern, requiring past military operations to address.

A necessity for Bhutan

The Gelephu project is crucial for Bhutan due to its economic challenges. Bhutan has focused on sustainable tourism with a "high value, low volume" approach, limiting mass tourism. Bhutan needs to expand its capacity to accommodate more tourists and larger aircraft, which requires a larger airport than the current one in the narrow Paro valley to increase tourism revenue.

Gelephu project involves upgrading the airport to international standards, requiring financing and expertise from India. Gelephu will create job opportunities and stem this trend. Additionally, Bhutan faces pressure from China to resolve boundary issues and establish diplomatic ties. Gelephu presents an opportunity for Bhutan to open up to the world in a controlled manner while continuing negotiations with China for a stable border.

India is concerned about Bhutan broadening ties with China and sees the Gelephu project as crucial for maintaining their strong relationship. India has historically supported Bhutan's requests and is a major investor, accounting for 50 % of Bhutan's total foreign direct investment. New Delhi is cautious about missing out on opportunities, as seen in Sri Lanka's Hambantota port, which led to unsustainable debt and closer ties with China. India's infrastructure plans, including railway lines to the border with Bhutan, roads feeding into the trilateral highway, and cooperation with Japan for infrastructure development in Bangladesh, align with Gelephu's needs.

India's plans for a South Asian power grid, drawing from Nepal and Bhutan and supplying Bangladesh and Sri Lanka, would ensure consistent power supply for Gelephu.

New Delhi's plans for connectivity, including the International North-South Transport Corridor (INSTC) through Iran-Russia, the India-Middle East-Europe Economic Corridor (IMEC) through the UAE, Saudi Arabia, and Greece, and the I2U2 initiative involving Israel, India, the UAE, and the U.S., face challenges. INSTC is affected by western sanctions on Iran, while IMEC and I2U2 face obstacles from Israel's actions in Gaza and Houthi attacks in the Red Sea. Additionally, deteriorating ties with Pakistan have halted plans for land connectivity over India's western border.

POLITY AND GOVERNANCE

Has poverty really dropped to 5% in India?

CONTEXT: *NITI Aayog's B.V.R. Subrahmanyam stated that less than 5 % of Indians live below the poverty line, based on the Household Consumption Expenditure Survey (HCES) 2022-23. He argued that the average consumption expenditure of the bottom 5 % of India's population is equivalent to the poverty line, indicating a poverty rate of 0 to 5 %.*



According to the United Nations Millennium Development Goals (MDG) programme, 88 million people out of 1.2 billion Indians, roughly equal to 6.7 % of India's population, lived below the poverty line of \$1.25 in 2018 –19.

The Dandekar and Rath Committee (1971) use the per-capita annual income to afford threshold per-capita calorie consumption to estimate the poverty rates. The Committee estimated a per-capita annual income of ₹ 180 /- sufficient to afford consumption of 2250 calories in rural areas. Similarly, the Dandekar and Rath Committee (1971) estimated a per-capita annual income of ₹ 270 /- sufficient to afford consumption of 2250 calories in urban areas.

The Planning Commission of India constituted the Lakdawala Expert Panel in 1993. The Lakdawala Expert Panel too estimated poverty using the per capita annual incomes to afford threshold per-capita calorie consumption. The Lakdawala Expert Panel (1993) estimated a Real per-capita

income CPI (AL) to afford consumption of 2400 calories in rural areas. Similarly, the Lakdawala Expert Panel (1993) estimated a Real per-capita income CPI (U N-ML) + CPI (IW) to afford consumption of 2100 calories in urban areas. The Real per-capita income CPI (AL) refers to inflation adjusted per-capita income based on Consumer Price Index (Agricultural Labourer). The Real per-capita income CPI (U N-ML) + CPI (IW) refers to inflation adjusted per-capita income based on Consumer Price Index (Urban Non-Manual Labourers) and Consumer Price Index (Industrial Worker).

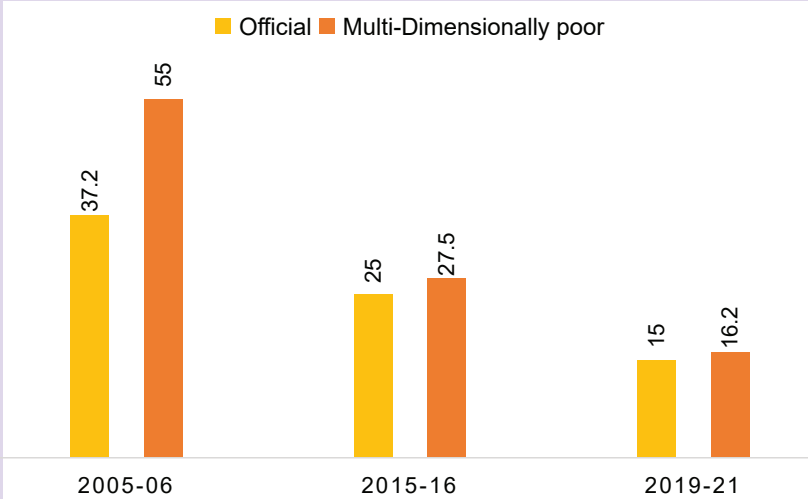


FIGURE: Column chart representation of official poverty estimates and Multidimensional poverty.

The Suresh Tendulkar committee estimated poverty rate using per-capita monthly income to afford threshold per-capita consumption. The Tendulkar committee estimated a per-capita annual income of ₹ 816 / - to afford threshold per-capita consumption in rural areas. Similarly, the Tendulkar committee estimated a per-capita annual income of ₹ 1000/- to afford threshold per-capita consumption* in urban areas.

The Rangarajan Committee estimated poverty rate using per-household (5 members) monthly income to afford threshold per-capita consumption. The Rangarajan Committee estimated a per-household (5 members) monthly income of ₹ 4807 /- to afford threshold per-capita consumption in rural areas. Similarly, the Rangarajan Committee estimated a per-household (5 members) monthly income of ₹ 7035 /- to afford threshold per-capita consumption in urban areas. The Rangarajan Committee estimated an All-India poverty estimate of 38.2 %.

The Tendulkar line adjusted for consumer price inflation and the World Bank’s purchasing power poverty line of \$ 2.15 a day, both of which would give you less than 5 % extreme poverty or extreme destitution. Poverty levels in India, according to the Tendulkar poverty line close to ₹ 1,500 in rural areas and ₹ 1,800 in urban areas would be close to 2 % in 2022-23. Applying the World Bank’s lower- middle-income line to calculate poverty, we get a poverty level of something like 25 % in rural areas and 11 % in urban areas, which gives you a poverty rate of 21 %.



“Education is the ability to listen to almost anything without losing your temper or your self-confidence.” - Robert Frost

POLITY AND GOVERNANCE

CAA and status of judicial proceedings

CONTEXT: The Union Ministry of Home Affairs (MHA) notified the rules to implement the law on March 11. It fast-tracks citizenship for undocumented immigrants from six non-Muslim communities — Hindu, Sikh, Buddhist, Parsi, Christian and Jain — from Pakistan, Afghanistan and Bangladesh four years after Parliament passed the Citizenship Amendment Act (CAA), 2019.



Implications of CAA

In December 2019, Parliament amended The Citizenship Act, 1955 to include a provision for granting citizenship to certain undocumented immigrants. The amendment specifies that immigrants who entered India on or before December 31, 2014, and are exempted under the Passport (Entry into India) Act, 1920, or the Foreigners Act, 1946, would be eligible for citizenship under the 1955 Act.

The Citizenship Amendment Act (CAA), 2019, could disproportionately affect Muslims in India if people are excluded from the National Register of Indian Citizens (NRC). Non-Muslims may have an opportunity to be included through the CAA, while this opportunity may be denied to Muslims. The Supreme Court-monitored NRC in Assam in 2021 excluded over 19 lakh people from the citizenship register.

On May 28, 2021, the Union government issued an order under Section 16 of the Citizenship Act, 1955, granting District Collectors in five States with high migrant populations the power to grant citizenship to groups identified in the 2019 amendment. The Ministry of Home Affairs (MHA) stated in its 2021-22 Annual Report that 1,414 citizenship certificates were granted under the CAA provisions in 2021. However, after petitions alleged that this order was a "ruse" to implement the CAA, the MHA argued in court that the order had "no relation whatsoever" with the CAA and that it merely delegated "the power (of granting citizenship by registration and naturalization) to the local authorities in particular cases."

The Centre has issued new rules to simplify the process of granting Indian citizenship to members of specified communities by removing the requirement for a valid passport from their origin countries or a valid visa from India. Instead, "any document" showing ancestry from these countries, up to great-grandparents, suffices. Additionally, a certificate from a local body member can replace a visa.

The Citizenship Amendment Act (CAA) has been criticized as an attempt to undermine the Assam Accord of

1985, which considers anyone unable to prove ancestry in India beyond March 24, 1971, as an alien, without discrimination based on religion. Critics argue that the CAA could lead to an increase in the "uncontrolled influx of illegal migrants from Bangladesh to Assam."

Significance of the challenge to Section 6A

The proceedings against the CAA are also dependent on the outcome of the challenge to Section 6A of the 1955 Act which was introduced in furtherance of a Memorandum of Settlement called the "Assam Accord" signed on August 15, 1985. In December last year, a five-judge Constitution Bench led by CJI D.Y. Chandrachud reserved its verdict on the validity of Section 6A after orally observing that the provision was enacted as a humanitarian measure in the wake of the 1971 Bangladesh Liberation War.

Section 6A determines who is a foreigner in Assam by establishing March 24, 1971, as the cut-off date for entry — those who came to the State on or after January 1, 1966, but before March 25, 1971, were to be declared as "foreigners" and would have all the rights and obligations of Indian citizens except that they would not be able to vote for 10 years. If March 24, 1971, is upheld as a valid cut-off date for entry into the State, then CAA can be held to be violative of the Assam Accord since it establishes a different timeline.

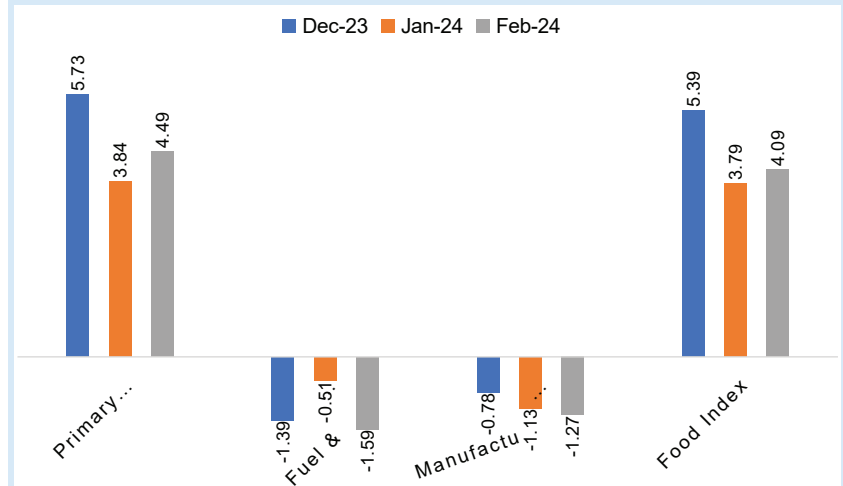


FIGURE: Column chart representation of inflation rate for the last three months of all commodities and WPI components

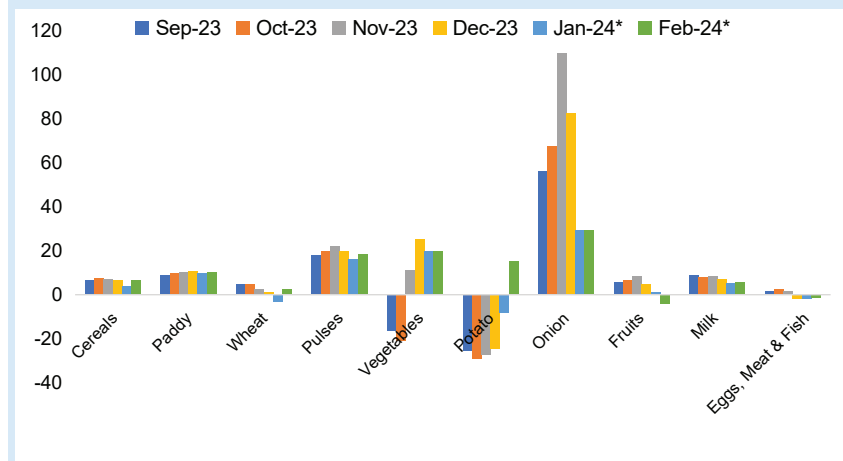


FIGURE: Column chart representation of All India Wholesale Rates of Inflation for food articles (Base Year: 2011-12=100) for February, 2024.

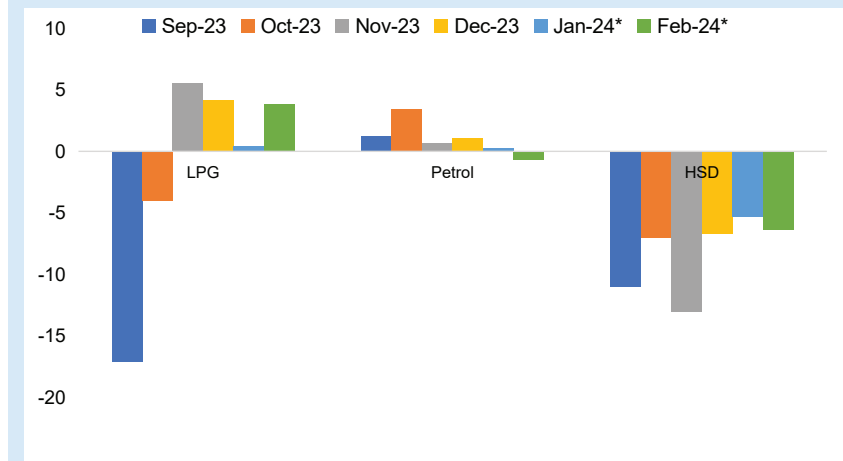


FIGURE: Column chart representation of All India Wholesale Rates of Inflation for fuel and power (Base Year: 2011-12=100) for February, 2024.

The Food Index quickened to 4.1 %, from 3.8 % in January, while primary articles' prices rose 4.5 %. On a sequential basis, the Wholesale Price Index (WPI) was 0.07% higher, with primary articles rising 0.22 % and food up 0.17 %.

INTERNATIONAL RELATIONS

Wholesale food inflation sped up in Feb. on onion, tomato

CONTEXT: Wholesale price inflation eased to a four-month low of 0.2 % in February, from January's 0.27 %, despite an acceleration in food and primary articles' inflation rates, owing to a sharper year-on-year drop in manufactured products' and fuel and power prices.

Wholesale concerns

The wholesale Food Index quickened to 4.1%, from 3.8% in January, while primary articles' prices rose 4.5%



- Tomato prices surged 60.5%; potato rose 15.3%, breaking a 12-month deflation streak
- Overall fuel and gas prices were 1.6% lower than in February 2023

■ Five food items saw double-digit inflation including vegetables (19.8%), onion (29.2%), pulses (18.5%) and paddy (10.3%)



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