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## POLITY AND GOVERNANCE

### JUDICIARY IS LOSING TALENT AS GOVT. SITS ON NAMES: SC

**CONTEXT:** The Supreme Court of India expressed its displeasure over the procrastination from the part of the Centre regarding the appointment of the judges to the Supreme Court of India and State High Courts.

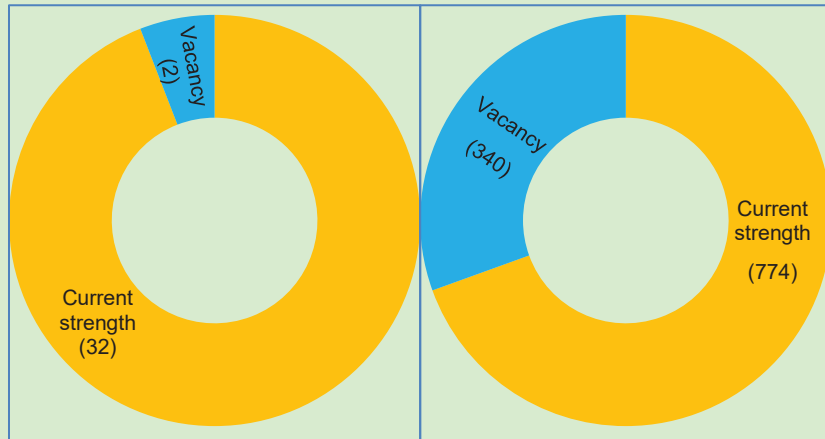
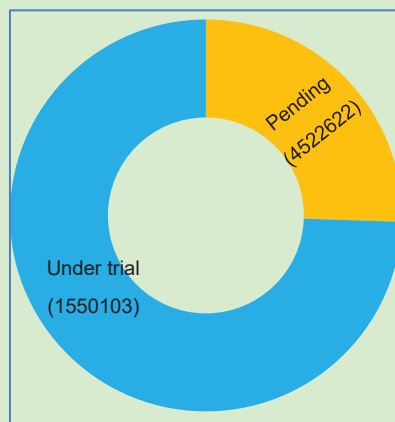


FIGURE: (L) Pie chart representation of the current working strength and vacancies of the Supreme Court of India. (R) Pie chart representation of the current working strength and vacancies of the State High Courts of India.



Around 70 names, recommended for judgeships by High Court collegiums have been pending with the government for over 10 months, since November 2022. There was no action from the government on 26 transfers recommended by the Supreme Court Collegium. The Memorandum of Procedure requires the government to appoint names reiterated by the Collegium without further delay. The President appoints the judges of the Supreme Court and High Court in India under Article 124(2) and 217 of the Indian Constitution. The Constitution mandates the President to hold "consultations" with such of the Judges of the Supreme Court and of the High Courts in the States as he may deem necessary for the purpose

FIGURE: (L) Pie chart representation of the status of cases in the State High Courts of India.

#### Procedures for the appointment of the Judges to the Supreme Court of India:

- The Chief Justice of India consults with his 4 senior most colleagues and make recommendations to the President for appointment of judges in the Supreme Court.
- The Chief Justice of India consults with his 3 senior most colleagues and Chief Justice of the concerned State High Court make recommendations to the President for appointment of judges in the State High Courts.
- The President enjoys suspensory veto only at the first instance. He is bound to act upon the advice of the Collegium.

#### Procedures for the appointment of the Judges to the State High Courts:

- A Collegium headed by the Chief Justice of India, 3 other judges of the Supreme Court and the Chief Justice of the State High Court recommends the name to the Union Law Ministry to initiate proceedings to appoint judges to the State High Court.
- The Union Law Ministry either accepts the recommendation or exercise "suspensive veto" returning the recommendation back to the Collegium for the reconsideration. The Union Law Ministry is obliged to accept the recommendations upon returning the recommendations with or without considering the pleas of the Union Law Ministry.
- The President either approves the names or returns the names for reconsideration of the Supreme Court. The President is obliged to accept the recommendations upon returning the recommendations with or without considering the pleas of the President.

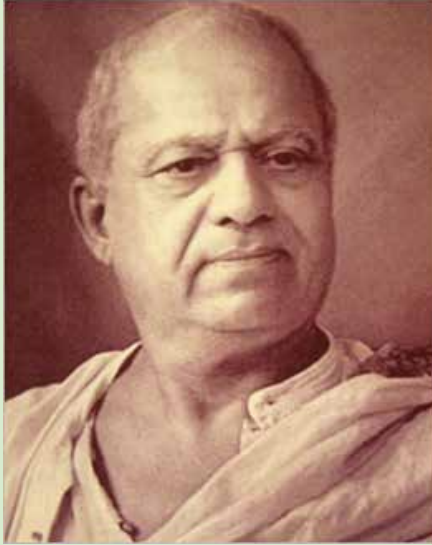
*"If you invest more in your education, then you are likely to get more interest in it." – Benjamin Franklin*

## ART AND CULTURE

## DADASAHEB PHALKE AWARD

**CONTEXT:** Veteran Bollywood actor Waheeda Rehman will receive the Dadasaheb Phalke Lifetime Achievement Award for 2021, recognizing her significant impact on Indian cinema.

**BACKGROUND:** Veteran Bollywood actor Waheeda Rehman is set to receive the Dadasaheb Phalke Lifetime Achievement Award for 2021, recognizing her outstanding contributions to Indian cinema. Prime Minister Narendra Modi extended his congratulations for her remarkable journey and talent.



## Dadasaheb Phalke

- **Cinematic Pioneer:** Dadasaheb Phalke, born in 1870, is revered as the pioneer of Indian cinema, directing India's first full-length feature film, "Raja Harishchandra."
- **Visionary Filmmaker:** His innovative spirit and dedication laid the foundation for the Indian film industry, marking the beginning of a cinematic journey.
- **Silent Era Icon:** During the silent film era, Phalke created remarkable works that showcased Indian mythology, culture, and folklore, captivating audiences.
- **Legacy and Honors:** His legacy endures through the prestigious Dadasaheb Phalke Award, India's highest cinematic honor, recognizing lifetime contributions to film.
- **Cinematic Heritage:** Dadasaheb Phalke's pioneering efforts and artistic vision continue to shape India's vibrant and diverse film landscape, inspiring generations of filmmakers.

## Dadasaheb Phalke Award

The Dadasaheb Phalke Award is India's highest cinematic honor, recognizing exceptional lifetime contributions to the film industry.

- **Named After the Father:** Named after Dadasaheb Phalke, the "Father of Indian Cinema," it pays homage to cinematic visionaries.
- **Diverse Awardees:** The award celebrates excellence across various film domains, from acting and directing to production and music composition.
- **Honoring Legends:** It is a mark of distinction bestowed upon legendary figures whose work has left an indelible mark on Indian cinema.
- **National Recognition:** The Dadasaheb Phalke Award underscores the cultural significance and enduring impact of Indian cinema on a global scale.

## INTERNAL SECURITY

## AFSPA TO STAY IN NAGALAND, ARUNACHAL

**CONTEXT:** The Home Ministry extended the Armed Forces (Special Powers) Act (AFSPA) in parts of Nagaland and Arunachal Pradesh for six months from October 1.

According to a notification, the AFSPA has been extended in eight districts and in the areas under 21 police stations in five other districts of Nagaland. In Arunachal Pradesh, the Act has been extended in Tirap, Changlang and Longding districts and areas in the jurisdiction of Namsai, Mahadevpur and Chowkham police stations in Namsai district. The notification is an extension of a March order.

## Armed Forces (Special Powers) Act – Salient features:

The Parliament enacted the Armed Forces (Special Powers) Act, 1958 in Assam. The AFSPA was later extended to the whole of Disturbed Areas in Northeast India and later introduced to J & K in 1990.

The Act defines a 'Disturbed Area' as a site of frequent occurrence of Low Intensity Conflict among racial, religious, linguistic, castes or communities over minor differences or disputes.

The Governor of the State or UT issue an official notification in 'The Gazette of India' under the Section (3) of the AFSPA, 1990 for assistance of Army / CAPF to aid civilian administration to restore and maintain peace and order. The Assam Government extended the AFSPA Act, 1958 to the whole of State of Assam. This is for first time state government has extended AFSPA and Disturbed Area provision on its own. The Governor of the State or the Centre can overrule the suggestion of the State Government regarding the geographical limits of enforcement of AFSPA, 1990.

In the past, AFSPA provision in state was always extended by the Centre. The Union Ministry of Home Affairs (MHA) included 3 districts of Arunachal Pradesh as "Disturbed Areas", namely Tirap, Changlang and Longding under Section 3 of the Armed Forces Special Powers Act (AFSPA), 1958 to deal with the continuing extortions, area domination, recruitment of locals and inter-factional rivalry in these districts between the warring factions of NSCN, namely NSCN (Isak & Muivah) and NSCN (Khaplang). The Armed Forces (Special Powers) Act (AFSPA) was partially removed from three of nine districts of Arunachal Pradesh but would remain in force in the force in the areas bordering Myanmar.

Section (3) of the AFSPA Act, 1990 provides immunity for security personnel from prosecutions for acts done under official capacity, including shootings to kill; arrest, search and seizure without warrants to deal a committed crime or to prevent potential cognizable offence even on "reasonable suspicion".

*"Intelligence plus character-that is the goal of true education. — Martin Luther King Jr.*



**ECONOMICS AND DEVELOPMENT**

# CENTRE SOFTENS ANGEL TAX RULES

**CONTEXT:** The government has eased some of the provisions of the angel tax introduced in this year’s Budget on investments into start-ups by non-resident investors at a premium over their fair market value.

## Easier rules

Govt. eases rules governing investments in start-ups by non-resident investors at a premium over fair market value

- The new rules notified by the Centre provide more flexibility to merchant bankers for the valuation of a company



- Until now, the valuation of equity shares could only be based on NAV and discounted free cash flow methods

- The new policy is expected to address practical difficulties faced by investors and firms due to lack of clarity on rules

As per a notification issued by the Central Board of Direct Taxes, Rule 11UA under the Income Tax Act has been amended to introduce five different valuation methods for shares and offered a 10 % tolerance for deviations from the accepted share valuations. The introduction of five alternative valuation methods for the valuation of equity shares, which so far could only be valued based on NAV and Discounted Free Cash Flow methods, should provide more flexibility to merchant bankers for the valuation of a company. The option to value equity shares by any of these five methods is not available to resident investors.

Indian companies and investors were facing severe practical difficulties in executing a simple transaction involving infusion of capital on account of lack of clarity on these rules. The amended rule brings in more clarity for both investor and investee, basis which an appropriate valuation method can be adopted, reducing the chances of any future litigation.

**NEW RULES UNDER FINANCE ACT, 2023**

- Recognised an eligible start-up as registered entity with the government, incorporated for less than 10 years, and with a

turnover having not exceeded ₹ 100 Cr. over that period.

- Increased the exemption for start-ups from angel tax with a cumulative turnover from ₹ 25 Cr. to ₹ 100 Cr.
- Fully exempted tax on investments made by Non-Resident Indians (NRIs) listed start-ups with a net worth of at least ₹ 100 Cr. or a total turnover of at least ₹ 250 Cr. with retrospective effect.
- Established mechanism of e-verification to resolve the issue of establishing the identity of the investor and source of his funds that would help waive start-ups requiring any kind of scrutiny from the Income Tax Department.
- Start-ups will not be required to present the fair market value of their shares issued to certain investors including Category-I Alternative Investment Funds (AIF).

**ANALYSIS:**

**REGULATORY CHOLESTROL:** Companies need to be registered with the government as start-ups to make use of the latest exemption. A company has to prove certain conditions such as that it hasn’t invested in vehicles worth more than ₹10 lakh, in land unrelated to the business, or in jewellery. Such conditions, probably intended to prevent money-laundering, can lead to a lot of bureaucratic delays as well as rent-seeking.

**TAX EXEMPTIONS:** The exemptions for NRIs would encourage wealthy individuals to invest in start-ups. The tax exemptions with retrospective effect would relieve start-ups which received notices from the Income Tax Department in the past.

**FAIR MARKET VALUE:** Angel taxes levied upon market value of a start-up angel based upon ‘cash discounted flow’ method can choke the flow of funds necessary for bootstrapped start-ups for scaling up. Taxes due are calculated based on the sale price of unlisted shares of a start-up not openly traded in the market can infuse arbitrariness in calculating the fair value of the start-ups. The funding for India’s start-ups dropped by 33% to US \$ 24 billion in 2022 as compared to the previous year (PwC India report). The proposed amendment will accelerate flipping overseas, as foreign investors may not want to deal with additional tax liability.

**ECONOMICS AND DEVELOPMENT**

# EXPORTERS SEEK HIGHER SUPPORT UNDER RODTEP SCHEME

**CONTEXT:** The government has extended support to outbound shipments by stretching the applicability of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for nine more months till June 30, 2024

The goods exports declining for seven months in a row till August. The extension comes even as the Revenue Department on Tuesday began a review of the export incentive scheme which provides a mechanism to reimburse taxes, duties and levies (at the central, State and local level) that are incurred by exporters in the production and distribution process and are not refunded under any other mechanism.

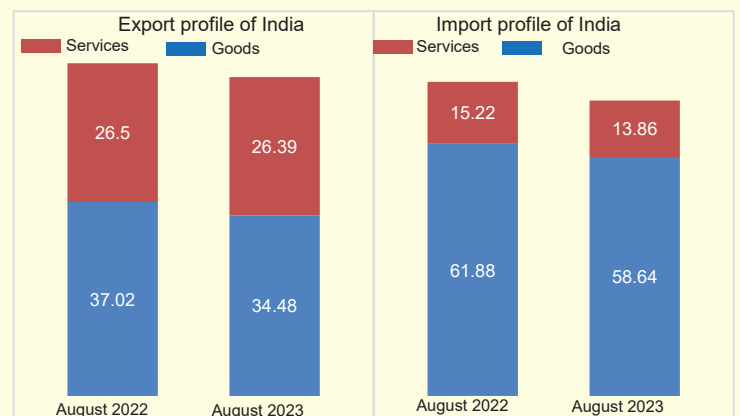


FIGURE: Bar chart representation of the (a) Export profile of India (b) Import profile of India.

*“Doing nothing is very hard to do. You never know when you’re finished.”—Leslie Nielsen*

## INTERNATIONAL RELATIONS

## PAKISTAN'S INTERNAL CHALLENGES, SHIFTING DYNAMICS (EDITORIAL)

**CONTEXT:** Pakistan's steadfastness in backing global jihadist and Islamist militant groups is a policy choice that is now casting a long shadow over the nation's trajectory.

### Pakistan and radicalisation

In the wake of the Taliban's seizure of Kabul, Pakistan witnessed a shift that caused concern. The Tehrik-e Taliban Pakistan (TTP) saw almost 40 allied groups joining its ranks, triggering a surge in insecurity.

Strategically, Pakistan's military, facing criticism and security lapses, sought to shift focus from its Afghan policy. The Afghan Taliban became the target of blame, with accusations of inaction against the TTP, which allegedly exploited Afghan soil for attacks inside Pakistan.

The TTP emerged as a more potent force, displaying heightened sophistication across domains — structural, communication, and public relations.

Bolstered by existing grievances and the marginalisation of the Pashtun and Baloch communities, the TTP capitalised on radicalised groups across Pakistan, particularly in Punjab.

The TTP leverages a potent narrative that resonates with Pakistanis, exploiting existing divisions and grievances while presenting Afghanistan's Taliban success as a model for governance.

In contrast, Pakistan's present government narrative is feeble due to economic struggles, governance lapses, a fragmented political elite, and societal divisions.

### A shift in paradigm

Pakistan's historical pursuit of strategic depth in Afghanistan, which encompassed the backing of non-state actors against amicable governments, has undergone a notable alteration.

The dynamic has reversed with the Afghan Taliban securing a strategic foothold within Pakistan. This was achieved through the backing of entities such as the TTP and other radical groups operating within Pakistan. There are several reasons why the Afghan Taliban cannot and will not take solid military action

against the TTP.

First, the Afghan Taliban avoids strong action against the TTP to avert internal division, preventing the potential loss of its ranks to the TTP or other extremist factions such as the Islamic State—Khorasan Province and al-Qaeda.

Second, the Taliban comprehend that antagonising the TTP could result in them losing secure havens across Durand Line which they once utilised when facing off against international forces and Afghan security (all under the shelter of the TTP's umbrella).

Third, Pakistan's historical use of religious madrasas to exert influence and issue fatwas against Afghan governments is now in the hands of the Afghan Taliban. Their extensive network established in the last 25 years within Pakistan, involving students, teachers, and friends across thousands of madrasas, provides substantial support.

Fourth, while Pakistan once tolerated public charity drives to fund the Afghan Taliban, according to many local sources, similar support is now flowing from Afghans to TTP groups, complicating the situation and indicating a paradigm shift.

### Pakistan needs to introspect

Navigating a way forward demands a thorough re-evaluation of Pakistan's policy on cultivating radical Islamist groups, domestically and internationally, for the sake of foreign policy gains. Notably, while many nations that once supported Afghan resistance against the Soviet invasion, including the Gulf states in the 1980s, have abandoned the practice of backing global Jihadist and Islamist militant groups, Pakistan remains steadfast in continuing this policy, a choice that now casts a shadow over the nation's trajectory. Rather than seizing the opportunities presented by the era of globalisation, and economic growth, Pakistan has persisted in channelling its resources toward cultivating terrorist organisations. Hence, it is imperative that the nation's military redefine its role to prioritise the interests and welfare of the populace, respecting the mandate of civilian governance.

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## SCIENCE AND TECHNOLOGY

## ADDRESSING CLIMATE CHANGE, CONFRONTING NEW DISEASES

**CONTEXT:** Climate change intensifies global infectious disease risks by disrupting disease patterns, vectors, and pathogen characteristics, according to the IPCC's recent report.

**BACKGROUND:** Mosquito-borne disease outbreaks defy predictable patterns due to climate variability. Dengue exhibits irregular peaks, as temperature, precipitation, and humidity shifts disrupt transmission cycles and affect pathogen behavior, making diseases more unpredictable.

**Climate change fuels infections**

- Habitat loss due to human activity forces disease-carrying animals into human territory, increasing the risk of disease transmission from wildlife to humans.
- Climate change exacerbates this risk, with over half of known infectious diseases worsening due to changing climate patterns.
- Climate-induced shifts create new disease transmission routes, complicating predictions for outbreaks by ecologists and epidemiologists.
- India, in particular, has experienced adverse health effects, such as water scarcity, dengue epidemics, and Nipah virus outbreaks, due to climatic changes.
- Human-induced climate change poses an unprecedented health vulnerability crisis, emphasizing the need for urgent environmental and health interventions.

**Surveillance and reporting**

- India's disease detection and reporting strategies have improved, but the current system, Integrated Health

Information Platform (IHIP), falls short in tracking emerging disease outbreaks.

- Addressing climate change-induced diseases requires ecosystem protection, reduced greenhouse gas emissions, and active pathogen surveillance.
- The One Health approach, integrating human, animal, plant, and environmental health, is crucial in preventing outbreaks, especially those originating from animals.
- India should launch One Health and infectious disease control programs, fostering collaboration between various specialized agencies, including animal husbandry, wildlife, and public health departments.
- Effective coordination, data sharing, and logical responsibility assignments are essential, requiring greater management and coordination, possibly with support from external funding sources like the World Bank.

While "disease X" captures attention, its familiar diseases and climate change that challenge public health. Nipah's return in Kerala highlights the need for a holistic, collaborative One Health approach to protect ecosystems and humanity. Our future demands proactive planet safeguarding.

**What is disease X?**

"Disease X" is a hypothetical term used by the World Health Organization to represent an unknown or emerging infectious disease with pandemic potential, emphasizing the need for preparedness and research.

## INTERNATIONAL RELATIONS

## THE NEED FOR QUIET DIPLOMACY TO CLEAR THE AIR (EDITORIAL)

**CONTEXT:** India – Canada relations are going through a strained phase since the Canadian Prime Minister accused Indian involvement in the murder of Hardeep Singh Nijjar.

**Differing perceptions**

For decades, India has felt that Canada has shown scant respect for its interests, especially on the Khalistan issue. On the other hand, Canada believes that India displays little understanding of its laws and governance system, which prevents it from taking actions that India wants.

There is also a deeper issue. The Canadian law enforcement system does not seem to trust the Indian system.

These differing perceptions have been accumulating over the years and a trigger was needed to publicly bring them out. The Nijjar case has been just that.

**The Khalistan issue**

Indian frustrations with Canada on the Khalistan issue go back more than four decades.

The Canadian Security Intelligence Service (CSIS) was

established in 1984. As many CSIS officers were taken from the police, they were aware of Khalistani activities which began in 1969 when the Khalistan Commando Movement led by Jagjit Singh Chauhan "declared unilateral independence for Punjab" and set up "consulates" in Vancouver, Winnipeg, and Toronto.

The Canadian authorities did not take these seriously even when it became apparent in the 1980s that Khalistani supporters were willing to use terror. Tragically, Air India's Kanishka bombing in June 1985 did not lead to a determination in Canada that terrorism was a universal threat.

This background is necessary to recall because it has contributed to Indian responses to Canada's recent charges.

**Conclusion**

Mutual recriminations are never helpful, especially in resolving issues in important bilateral relationships. Quiet and mature diplomacy is required to clear the air on the Nijjar case and other continuing issues.

**SCIENCE AND TECHNOLOGY**

## ADDRESSING MYTHS IN MICROBIOME RESEARCH FIELD

**CONTEXT:** The notion that microbes outnumber human cells 10 to 1 is debunked in a study, challenging common mis- conceptions about the human microbiome.

**HIGHLIGHTS:** Microbiome research is not as new as commonly believed. Scientists had begun studying gut bacteria, like Escherichia coli and Bifidobacteria, as far back as the late 19th and early 20th centuries.



**What study shows?**

- Myths surrounding the human microbiome include exaggerated claims about the number of microbial cells in feces ( $10^{10}$  to  $10^{12}$ , not 10-100 times more).
- The human microbiota weighs around half a kilogram, not 1-2 kilograms as previously suggested.
- Mothers do not pass their entire microbiomes to children at birth; individual microbiota configurations develop uniquely.
- The impact of microbes on health varies by context; diseases are not solely caused by microbial interactions, and specific profiles are hard to implicate in diseases.
- Not all microbes are functionally redundant, with different species performing unique and important functions within the human microbiome.

**Microbiome Research Field**

- **Complex Ecosystem:** The microbiome field explores the intricate communities of microorganisms inhabiting our bodies, influencing health, immunity, and even behavior.
- **Diverse Implications:** Research reveals microbiome's roles in digestion, disease, mental health, and beyond, opening doors to targeted therapies and diagnostics.
- **Personalized Medicine:** Understanding individual microbiomes allows tailoring treatments and interventions, potentially revolutionizing healthcare for personalized, more effective approaches.
- **Environmental Connections:** Microbiome studies extend to ecosystems, highlighting connections between microbial communities and environmental health, impacting conservation and agriculture.
- **Cutting-Edge Technologies:** Rapid advancements in sequencing and analytical tools drive microbiome research, offering insights into this dynamic field's full potential.

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