18 February 2025

National and International News

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Person in news: Gyanesh Kumar

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Why in news?

- **Gyanesh Kumar** has been appointed as the Chief Election Commissioner following a meeting of a three-member committee led by Prime Minister Narendra Modi.

Key Points:

- The Election Commission of India is a **permanent and independent constitutional authority,** established under **Article 324** of the Indian Constitution.
- **Structure:** Initially, ECI had only one member, the Chief Election Commissioner (CEC). In 1989, due to the reduction of the voting age from 21 to 18, two additional Election Commissioners were appointed, making it a three-member body.
- **Appointments:** The President of India appoints the Chief Election Commissioner and the two Election Commissioners. They serve for a term not exceeding six years or until the age of 65, whichever is earlier.

New Appointment Process Under the Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Act, 2023:

- **Eligibility criteria:** Section 5 restricts eligibility to current or former Secretary-level officers.
- **Departure from tradition:**
  - Previously, the senior-most Election Commissioner succeeded the outgoing CEC.
  - The Act allows the selection of candidates outside the Election Commission, broadening the pool.
- **Search committee formation:**
  - Section 6 of the Act mandates a Search Committee, chaired by the Minister of Law and Justice, with two senior officials, to prepare a panel of five names.
  - The committee's recommendations are submitted to a Selection Committee.
- **Selection committee composition:**
  - The Selection Committee includes the Prime Minister, a Cabinet minister, and the Leader of the Opposition in the Lok Sabha.
  - This committee can choose from the panel or nominate an external candidate.

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Earthquake	**Why in news?** ● According to the **National Center for Seismology (NCS)**, a shallow earthquake of 4.0 magnitude struck Delhi-NCR, with a focal depth of 5 km. ● Delhi falls under **Zone 4 of India's earthquake hazard map**, meaning it is in the second-highest category of risk. ● This classification is based on the MSK scale (Medvedev-Sponheuer-Karnik scale), which measures earthquake intensity. Zone 4 areas can experience MSK-8 intensity, making them vulnerable to structural damage. **Key Points:** ● An earthquake is the **shaking of the Earth's crust caused by a sudden release of energy.** This release of energy occurs along a fault, which is a break in the Earth's crustal rocks. ● Earthquakes are caused by the **movement of tectonic plates.** ○ When two tectonic plates slide past each other, the jagged edges can get caught, and when they release, the energy is released as vibrations. ● Earthquakes can also be **caused by the injection or withdrawal of magma, or explosions of chemical or nuclear devices.** **Do you know?** ● **Hypocenter (Focus):** The location below the Earth's surface where the earthquake starts. ● **Epicenter:** The location directly above the hypocenter on the surface of the Earth.
Pradhan Mantri Fasal Bima Yojana (PMFBY)	**Why in news?** ● The Pradhan Mantri Fasal Bima Yojana marks its 9th anniversary, celebrating nearly a decade of supporting Indian farmers. **Key Points:** ● A scheme of the **Ministry of Agriculture & Farmers Welfare, PMFBY is an insurance service for farmers for their yields, launched in 2016.** ● The new Crop Insurance Scheme is in line with the **One Nation One Scheme theme.** ● The PMFBY replaced the previous two schemes: **the National Agricultural Insurance Scheme (NAIS) and the Modified NAIS.** ● **Objectives:** ○ To provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests and diseases.

	○ To stabilise the income of farmers to ensure their continuance in farming. ○ To encourage farmers to adopt innovative and modern agricultural practices. ○ To ensure flow of credit to the agriculture sector. ● **Key features:** ○ There will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops (winter sown). ○ In case of annual commercial and horticultural crops, the premium to be paid by farmers will be only 5%. ○ The balance premium will be paid by the Government (to be shared equally by central and state government). ○ The idea is to provide a fully insured amount to the farmers against crop loss on account of natural calamities.
New Income-Tax Bill, 2025	**Why in news?** ● Experts are concerned that the 2025 Income Tax Bill includes provisions for electoral bonds, despite the Supreme Court ruling them unconstitutional. ● This may be an oversight or an attempt to reintroduce them in a new form. ● Electoral bonds allow anonymous donations to political parties, which are tax-exempt under the I-T Act of 1961. **Key Points:** ● **Introduction of the 'Tax Year' Concept:** ○ The bill introduces the concept of a ‘tax year,’ which is defined as a 12-month period starting from April 1. ○ Unlike the current system where income earned in one financial year is assessed in the subsequent assessment year, taxes will now be calculated within the same tax year. ○ If a business or profession is established mid-year, the tax year will begin from the date of establishment and end on March 31. ● **Simplified and Clearer Language:** ○ The bill simplifies tax laws by reducing provisos, cross-referencing, and complex explanations, making them more accessible. ○ The length of the Income-Tax Act has been shortened from 823 pages to 622 pages, though the number of chapters remains at 23. ○ The number of clauses has increased from 298 to 536, consolidating provisions that were previously spread across multiple sections.

	Expansion of the Definition of 'Income': - Virtual digital assets (VDAs), including cryptocurrencies and NFTs, are now included in the definition of taxable capital assets. - VDAs are now treated the same as existing asset categories like land, buildings, shares, bullion, and artwork. **Removal of Redundant Provisions:** - Outdated exemptions, such as Section 54E (capital gains exemption for transfers before April 1992), have been removed. - Unnecessary amendments and references to outdated dates and laws have been eliminated. **Improved Clarity in Tax Provisions:** - Several provisions, including tax deducted at source (TDS) rules, presumptive taxation rates, and assessment time limits, are now presented in easy-to-read tables. - Deductions related to salaries (e.g., standard deduction, gratuity, and leave encashment) are compiled in one section, enhancing clarity. **Reform in the Dispute Resolution Process:** - The **Dispute Resolution Panel (DRP) now offers clearer definitions for:** - Points of determination - Decisions - Reasons for rulings
Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME)	**Why in news?** - Recently, Finance Minister Nirmala Sitharaman has launched the Mutual Credit Guarantee Scheme for MSMEs. **Key Points:** - The MCGS- MSME aims at providing 60 percent guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for credit facility up to Rs 100 crore to eligible MSMEs for purchase of equipment/machinery. **About Credit Guarantee Scheme for Machinery:** - A new credit guarantee scheme for purchasing machinery and equipment without collateral or third-party guarantees has been introduced. - The scheme will pool credit risks of MSMEs, providing a guarantee cover of up to Rs 100 crore per applicant through a self-financing guarantee fund. - Borrowers will need to pay an upfront guarantee fee and an annual fee based on the reducing loan balance.

	○ Key Points: ○ Under the scheme, the MSMEs should have a valid Udyam Registration Number; the loan amount guaranteed under the scheme will not exceed Rs 100 crore; project cost could be of higher amounts, and minimum cost of equipment/ machinery will be 75 percent of project cost. ○ Loan upto Rs 50 crore under the scheme will have repayment period of upto 8 years with upto 2 years moratorium period on principal installments. ● For loans above Rs 50 crore, higher repayment schedule and moratorium period on principal installments can be considered. ● An initial contribution of 5 percent of the loan amount will need to be deposited at the time of application of guarantee cover. ● The Annual Guarantee Fee for loans under the scheme will be waived in the year of sanction. ○ For the following three years, it will be 1.5% per annum of the loan outstanding as of March 31 of the previous year. ○ After that, the annual guarantee fee will reduce to 1% per annum of the loan outstanding as of March 31 of the previous year. ● The scheme will apply to all loans sanctioned under MCGS-MSME for a period of four years from the date the operational guidelines are issued or until a cumulative guarantee of ₹7 lakh crore is issued, whichever is earlier. **About MSME:** ● MSME **(Micro, Small, and Medium Enterprise)** are regulated under the **Micro, Small & Medium Enterprises Development (MSMED) Act, 2006.** ● MSMEs are managed under the **Ministry of MSME**. ● **The classification criteria are:** ○ **(a) Micro Enterprise:** Investment in Plant and Machinery or Equipment is less than INR 1 crore and Annual Turnover is less than INR 5 crore; ○ **(b) Small Enterprise:** Investment in Plant and Machinery or Equipment is less than INR 10 crore and Annual Turnover is less than INR 50 crore; **(c) Medium Enterprise:** Investment in Plant and Machinery or Equipment is less than INR 50 crore and Annual Turnover is less than INR 250 crore.
Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)	**Why in news?** ● The Government of India approved the continuation of the integrated Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) Scheme during the 15th Finance Commission Cycle up to 2025-26.

	Key Points: ● It is an **umbrella scheme aimed at ensuring remunerative prices to the farmers for their produce**. ● PM AASHA has three components, and states can choose whichever one they wish to implement. The three components are ● **Price Support Scheme (PSS):** ○ In PSS, physical procurement of pulses, oilseeds, and copra will be done by Central Nodal Agencies with the proactive role of state governments. ○ In addition to the National Agricultural Cooperative Marketing Federation of India (NAFED), Food Corporation of India (FCI)will take up PSS operations in states/districts. ○ The procurement expenditure and losses due to procurement will be borne by the Central Government as per norms. ● **Price Deficiency Payment Scheme (PDPS):** ○ Under PDPS, it is proposed to cover all oilseeds for which MSP is notified. ○ Direct payment of the difference between the MSP and the selling/model price will be made to pre-registered farmers selling his produce in the notified market yard through a transparent auction process. ○ All payments will be done directly into the registered bank account of the farmer. ● **Pilot of Private Procurement and Stockist Schemes (PPPS):** ○ In addition to PDPS, for oilseeds, states have the option to roll out PPSS on a pilot basis in selected districts/Agricultural Produce Market Committee (APMCs) of districts involving the participation of private stockists. ○ This scheme will allow private players to participate in the procurement of crops.