

## **Govt. and Politics**

### **Coming under spotlight: power of Governor, floor test law (Page no. 7) (GS Paper 2, Constitution)**

As the Maharashtra political crisis continues to play out, with the Shiv Sena headed for a split and Chief Minister Uddhav Thackeray possibly losing majority, the Governor's powers under the Constitution to call for a floor test takes centre stage. Article 174(2)(b) of the Constitution gives powers to the Governor to dissolve the Assembly on the aid and advice of the cabinet. However, the Governor can apply his mind when the advice comes from a Chief Minister whose majority could be in doubt. In 2020, the Supreme Court, in Shivraj Singh Chouhan & Ors versus Speaker, Madhya Pradesh Legislative Assembly & Ors, upheld the powers of the Speaker to call for a floor test if there is a prima facie view that the government has lost its majority. The Governor is not denuded of the power to order a floor test where on the basis of the material available to the Governor it becomes evident that the issue as to whether the government commands the confidence of the House requires to be assessed on the basis of a floor test.

### **Expecting 7.5% economic growth rate this year: PM at BRICS Business Forum meet (Page no. 8) (GS Paper 2, International Relations)**

Prime Minister Narendra Modi proposed that the BRICS Business Forum might develop a platform for regular exchanges between start-ups in BRICS countries. He also called for a dialogue on "innovation-led economic recovery." Addressing the BRICS Business Forum, the Prime Minister said, "This year, we are expecting 7.5% growth, which makes us the fastest growing major economy. Transformative changes are taking place in every sector in the emerging 'New India'." He said that a key pillar of India's current economic recovery is technology-led growth. We are supporting innovation in every sector. We have made innovation-friendly policies in many areas like space, blue economy, green hydrogen, clean energy, drones, geo-spatial data.

### **FCRA validity of NGOs till sept 30 (Page no. 8) (GS Paper 2, Governance)**

The Ministry of Home Affairs further extended the validity of the FCRA registration of NGOs whose renewal application is pending with the government till September 30. It had earlier extended the validity of such NGOs whose registration was expiring on or before March 31 till June 30 this year. The validity of registration certificates of such entities whose validity was extended till 31.06.2022 in terms of the Public Notice dated 24<sup>th</sup> March, 2022 and whose renewal application is pending will stand extended till 30.09.2022 or till the date of disposal of renewal application, whichever is earlier. It also said that the validity of those FCRA entities whose five years validity period is expiring between July 1, 2022 and September 30, 2022 will stand extended to September 30 this year. This, however, is applicable to such NGOs who have applied for renewal before expiry of their validity period or will apply in the given period. The validity shall remain extended till the date of disposal of renewal application or the due date mentioned by the ministry, whichever is earlier.

## **Editorial Page**

### **Regulating global commons (Page no. 10) (GS Paper 2, International Relations)**

One of the most promising outcomes of the recently concluded twelfth ministerial conference of the World Trade Organisation (WTO) is the adoption of a new, first-of-its-kind, sustainability-driven trade agreement called the Agreement on Fisheries Subsidies (AFS).

The significance of the adoption of AFS can be gauged from the fact that this is only the third instance of amending the WTO agreement in its 27-year history.

The aim of AFS as echoed by Sustainable Development Goal (SDG) 14.6 is to address harmful fisheries subsidies provided by countries towards marine fishing and to save the world's fish stocks from further depletion.

Fundamentally, AFS prohibits three kinds of subsidies: First, illegal, unreported, or unregulated (IUU) fishing; second, fishing of already over-exploited stocks; and third, fishing on unregulated high seas.

As part of special and differential treatment (S&DT), developing countries like India have been given a two-year transition period for phasing out the first two kinds of subsidies within their Exclusive Economic Zone (EEZ).

However, the final negotiated outcome, most crucially, lacks the much-needed discipline on subsidies for fishing in other members' waters and those that contribute to overcapacity and over-fishing (OCOF).

India has been steadfastly demanding that developing countries be given a longer transition period of 25 years to put an end to OCOF subsidies within their EEZ. India's stand on this issue is rooted in its national interest. Given its long coastline of nearly 7,500 kilometres, the blue economy — sustainable use of ocean resources for economic growth — occupies a cardinal place in India's development trajectory.

India has set a target of exporting marine products worth \$14 billion by 2025. Thus, India needs the policy space to invest in developing the marine infrastructure to harness the full potential of the blue economy.

Moreover, India needs to protect the livelihood concerns of close to four million marine farmers, the majority of whom are engaged in small-scale, artisanal fishing, which does not pose a great threat to sustainability.

## **Idea Page**

### **BRICS after Ukraine (Page no. 11) (GS Paper 2, International Relations)**

Russia's conflict with Ukraine has complicated the agenda of the two-day BRICS summit. The focus of the Beijing-hosted virtual summit will be centred on the conflict and the association's future.

The leaders of BRICS countries — Brazil, Russia, India, China and South Africa — will navigate the crucial dilemma of evolving a common stance on the Russian-Ukraine conflict.

How should the BRICS find a way out of its current dilemmas? Will they become a major distraction from its primary agenda of rebalancing an international system dominated by the West?

Will it advance the role of BRICS as a leading force for global economic governance reform. Or will the geopolitical considerations of its members come in the way of attaining the grouping's original goal.

The answer to these questions lies in the way BRICS adapts to the new realities. The current predicament could be an opportunity to challenge the existing system dominated by unilateralism and exclusion.

## **Explained**

### **Maharashtra crisis: what now (Page no. 13) (GS Paper 2, Governance)**

The unfolding political crisis in Maharashtra has thrown the spotlight on the anti-defection law, and the roles of the Deputy Speaker and the Governor.

On Wednesday (June 22), the ruling Shiv Sena called a meeting of all its MLAs in Mumbai. Some of its legislators have aligned themselves with the party's rebel leader Eknath Shinde and are camping in Guwahati.

The party has warned its MLAs that their absence from the meeting would lead to the presumption they wanted to leave the political party. And this would therefore lead to action against them under the anti-defection law.

What is the anti-defection law, and would it apply to Shiv Sena rebels?

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.

**What the attempt to designate JuD's makki means for India, US and Pak (Page no. 13)**  
**(GS Paper 3, Internal Security)**

Last week, China placed a hold on a joint proposal by India and the United States to designate Abdul Rehman Makki under the UN Security Council Resolution 1267.

Makki is the brother-in-law of Hafiz Saeed, the founder of the terrorist organisation Lashkar-e-Toiba.

The proposal was circulated to all UNSC members on June 1, with a deadline of June 16 for approval if no country blocked it. Resolution 1267 provides for sanctions against individuals and entities that support or finance the acts or activities of ISIL, Al-Qaida, associated individuals, groups, undertakings and entities. LeT, JuD, Hafiz Saeed, Jaish-e-Mohammed and its head Masood Azhar are listed under 1267.

Makki was a virtual shadow of Hafiz Saeed before the latter was jailed in 2019 for 35 years, and continues to front for him now as he had done for a whole decade, when the LeT/Jamat-ud-Dawa leader, listed by the UN Security Council as a terrorist after the 2008 Mumbai attacks, went in and out of house arrest.

Wearing his trademark Pashtun cap, Makki would be a silent presence at the court hearings of Saeed's petitions challenging his detention at the time under the Maintenance of Public Order.

A fiery speaker, Makki has been a regular at the February Kashmir Solidarity Day rallies in Islamabad.

## **Business**

**Virtual digital assets: Norms laid out for tax deduction onus (Page no. 15)**  
**(GS Paper 3, Economy)**

Issuing detailed guidelines on the TDS rule for virtual digital assets (VDAs) such as cryptocurrencies, the Central Board of Direct Taxes (CBDT) laid down the various scenarios on how the tax will be applicable and on whom will the onus to deduct it lie.

With introduction of Section 194S in the Income-tax Act through the Finance Act, 2022, a tax deducted at source (TDS) of 1 per cent will be levied on transfer of VDAs effective July 1 if the value of transactions exceeds Rs 10,000 in a year.

The CBDT has, in the guidelines, defined the responsibilities of deducting the tax in various cases. For example, in case the transfer of VDA takes place on or through an exchange, and the VDA being transferred is not owned by the exchange, tax may be deducted by the exchange making the payment to the seller.

However, in case the payment between the seller and the exchange is being done through a broker, the responsibility to deduct tax shall be on both the exchange and the broker.

Similarly, in case the transfer of VDA takes place on or through an exchange, and the VDA being transferred is owned by this exchange, the primary responsibility to deduct tax remains with the buyer or his broker.

As an alternative, the exchange may enter into a written agreement with the buyer or his broker that in regard to all such transactions the exchange would be paying the tax on or before the due date for that quarter.

This mainly deals with situations where the transfer of a VDA is being made against money. The CBDT has also laid down examples of cases where the transfer of VDA happens in exchange of another VDA.