



12 February, 2024

Direct Tax Collection in India

Context: India's net direct tax collections rose 20.25% year-on-year by February 10, up from 19.4% in January, according to Finance Ministry data released on Sunday.

➤ Direct Tax Collections:

- Gross Direct Tax collections stand at Rs. 18.38 lakh crore, showing a year-on-year growth of 17.30% as of February 10, 2024.
- Net Direct Tax collection, excluding refunds, amounts to Rs. 15.60 lakh crore, with a year-on-year growth of 20.25%.

➤ Breakdown by Tax Categories:

- Net Corporate Income Tax (CIT) growth is reported at 13.57% year-on-year.
- Net Personal Income Tax (PIT) demonstrates a substantial growth of 26.91% year-on-year.

➤ Refunds and Issuances:

Refunds totalling Rs. 2.77 lakh crore have been issued between April 1, 2023, and February 10, 2024.

➤ Growth Trends:

- Corporate Income Tax (CIT) registers a growth rate of 9.16%.
- Personal Income Tax (PIT) records a growth rate of 25.67% (PIT only) or 25.93% (PIT including STT) before refund adjustments.

➤ Ministry's Statement:

The Finance Ministry notes steady growth in provisional direct tax collections, with gross collections at Rs. 18.38 lakh crore, reflecting a 17.30% increase compared to the corresponding period last year.

➤ Forward Projections:

The Finance Minister anticipates achieving the revised estimates for the current fiscal year, which stands at Rs. 19.5 lakh crore, despite uncertainties surrounding Advance Tax.

➤ Direct Tax:

• Definition of Direct Tax:

- A direct tax refers to a tax paid directly by an individual or organization to the governing authority that imposed it.
- Examples of direct taxes include income tax, real property tax, personal property tax, and taxes on assets.

• Significance of Direct Tax:

- **Equitable Allocation of Tax Burdens:** Direct taxes, such as income tax and wealth tax, are based on the principle of ability to pay, ensuring fairness in the allocation of tax burdens.
- **Progressive Taxation:** Direct taxation is typically progressive, addressing income and wealth inequalities by allowing for fine gradation and progressiveness in tax design.
- **Revenue Flexibility:** Direct taxes are elastic and productive, with revenues increasing or decreasing in line with changes in national income or wealth.
- **Clarity and Predictability:** Direct taxation embodies the principle of certainty, providing taxpayers with clear knowledge of their tax obligations, leading to accurate revenue estimation by the state.
- **Economic Efficiency:** Direct taxes like income tax are collected annually, minimizing administrative costs compared to taxes collected at shorter intervals.

Additionally, collecting direct taxes at the source reduces the chances of tax evasion.

TYPE OF TAXES IN INDIA



- **Promotion of Civic Responsibility:** Direct taxes foster civic responsibility among taxpayers, as the direct burden of taxation raises awareness about government spending and the democratic process.
- **Anti-Inflationary Measure:** Direct taxation can be utilized as an anti-inflationary fiscal policy by absorbing excessive purchasing power during inflation through increased tax rates.

Constitution (Jammu and Kashmir) Scheduled Tribes Order (Amendment) Bill 2024

Context: The Constitution (Jammu and Kashmir) Scheduled Tribes Order (Amendment) Bill 2024 was passed by Parliament.

➤ Parliamentary Approval:

- Parliament passed three bills related to tribal communities in Jammu & Kashmir, Andhra Pradesh, and Odisha.
- These bills aim to fulfil the long-pending demands of tribal communities in these regions.

➤ Inclusions in Scheduled Tribes List:

- Over 50 communities, including 7 Particularly Vulnerable Tribal Groups (PVTGs), are set to be included in the Scheduled Tribes (STs) list of Jammu & Kashmir, Andhra Pradesh, and Odisha.
- These inclusions encompass various phonetic variations, synonyms, and a few new communities.

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➤ **Constitution (Jammu and Kashmir) Scheduled Tribes Order (Amendment) Bill, 2024:**

- Passed by Parliament to include 'Pahari Ethnic Group, Paddari Tribe, Koli and Gadda Brahmin' communities in the ST list of Jammu & Kashmir.
- Amends the Constitution (Jammu & Kashmir) Scheduled Tribes Order, 1989.

➤ **Constitution (Scheduled Tribes) Order (Amendment) Bill, 2024:**

- Amends the Constitution (Scheduled Tribes) Order, 1950, to modify the ST list for Andhra Pradesh.
- Includes 'Bondo Porja' and 'Khond Porja' as PVTGs and 'Konda Savaras' in the ST list of Andhra Pradesh.

➤ **Constitution (Scheduled Castes and Scheduled Tribes) Orders (Amendment) Bill, 2024:**

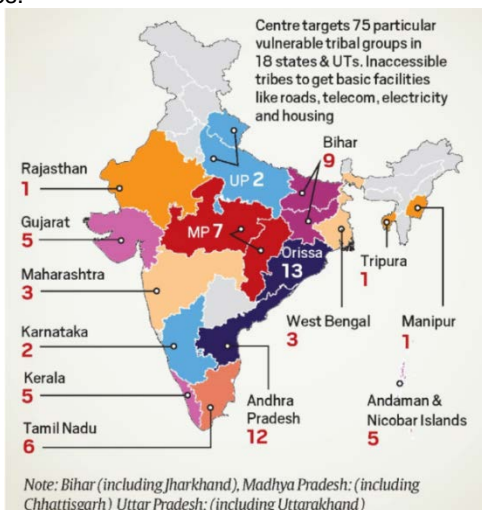
- Proposes amendments to the Constitution (Scheduled Castes) Order, 1950, and the Constitution (Scheduled Tribes) Order, 1950, to modify the ST list for Odisha.
- Inclusions, omissions, and phonetic variations/synonyms of existing entries are addressed.

➤ **Impact and Benefits:**

- Once enacted, members of newly listed communities will avail benefits meant for STs under existing government schemes.
- These schemes include scholarships, financial assistance, concessional loans, hostel facilities, and reservation in services and educational institutions.

➤ **Particularly Vulnerable Tribal Groups:**

- PVTGs are tribal communities characterized by dependence on hunting for sustenance, pre-agricultural technological practices, zero or negative population growth, and extremely low literacy rates.
- The identification of PVTGs as a distinct category began in 1975, based on recommendations from the Dhebar Commission.
- Initially, 52 vulnerable tribal groups were identified, a list expanded in 1993 to include an additional 23 groups, totalling 75 PVTGs.
- PVTGs are scattered across 17 states and one Union Territory (UT) in India, as per the 2011 census data.
- Odisha has the highest number of PVTGs among all states.



• **Conditions for being ascribed the PVTG status:**

- Pre-agricultural level of technology
- Low level of literacy
- Economic backwardness
- A declining or stagnant population.

PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

Context: A study on the PM SVANidhi scheme found that the initial ₹10,000 loan led to an extra annual income of ₹23,460 per beneficiary.

- The report, commissioned by the Union Ministry of Housing and Urban Affairs, will be used internally for assessment purposes and is not expected to be made public.

➤ **Findings of Report:**

- Data from the PM-SVANidhi portal revealed that 60.65 lakh first-term loans, 16.95 lakh second-term loans, and 2.43 lakh third-term loans have been disbursed under the scheme.
- The ISB study surveyed 5,141 vendors across 100 urban local bodies in 22 states.
- 95% of the surveyed beneficiaries considered the PM-SVANidhi loan their first-ever bank loan, while 72% regarded it as their first business loan.
- 94% of those who availed the first loan used it for business investments, while the figure was 98% for the second loan.
- The first loan led to an additional income of ₹1,955 per month, totaling ₹23,460 over its one-year duration.
- 13.9% of all loans disbursed were classified as non-performing assets (NPAs), with NPAs highest during the pandemic but declining over time.
- The debt-to-income (DTI) ratio of beneficiaries (9%) was lower than expected for small businesses, indicating their high creditworthiness.
- Despite the PM SVANidhi scheme, there was no significant improvement in street vendors accessing formal credit from other sources, with only 9% having loans from other financial institutions.

Benefits for repayment of loans by digital platform

- Scheme incentivises digital receipts/ payments using means like UPI, QR-codes of payment aggregators, RuPay debit cards etc. through monthly cash back. It will also improve credit scores
- Payment aggregators like NPCI, PayTM etc. will on-board vendors as merchants and provide QR-code for receiving payments; and
- Monthly cashback is ₹50 on 50 eligible transactions (of ₹25 or more), another ₹25 on 100 and further ₹25 on 200 or more in a month

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NEWS IN BETWEEN THE LINES

SWATI Portal



Recently, a panel representing India's science academies launched SWATI' Portal in New Delhi.

About SWATI Portal:

- The "SWATI" (Science for Women-A Technology & Innovation) is complete **interactive database Portal** to represent Indian women and girls in **STEMM** (Science, Technology, Engineering, Mathematics & Medicine).
- It is **developed, hosted and maintained by the National Institute of Plant Genome Research (NIPGR)**, New Delhi.
- It's the first of its kind in India and **aims to address the gender gap** in science, technology, engineering, mathematics and medicine (STEMM).
- Its objective is to **encourage and bring together young women scientists**, faculty members, researchers and start-ups from India and abroad to pursue the cause of science.

White Paper



Recently, the Union Finance Minister presented a "White Paper" on the Indian economy in the Lok Sabha.

About White Paper:

- A white paper is a **blueprint for future policy** that provides information, analysis and proposals on a specific issue.
- It can also be a **detailed assessment of economic indicators and reforms** and their implications for various sectors.
- A **government may present a white paper to make people aware of the nature and scope of a problem** and the possible ways to resolve it. For example, the government may present a white paper on black money.

Brumation



About Brumation:

- Brumation is a **state similar to hibernation but only practiced by cold-blooded animals** like reptiles.
- Reptiles **enter brumation to conserve energy and survive adverse environmental conditions**, such as cold temperatures and food scarcity during colder months.
- Reptiles retreat to underground **burrows, rock crevices** or other sheltered areas where temperatures are relatively stable during brumation.
- **Some examples of Brumation are: Box turtles and painted turtles burrow into mud** at the bottom of ponds or lakes, Snakes seek refuge in underground dens or caves, Lizards hide under rocks or within vegetation.

Personality in News

Usha Kiran Khan

Usha Kiran Khan (24 October 1945-11 February 2024)

Usha Kiran Khan, an Indian writer was born at Laheriya Sarai of Darbhanga district in Bihar.



Contributions:

- The literary world of Usha Kiran Khan is very diverse which includes **child literature, novel and story collections**.
- **Doobdhaan, Gili Pank, Kasavan, Jaldhar, Janam Awadhi, Chidia Chug Gayi Khet and Shershah Suri** are some of her notable literary works.

Awards and Honours:

- Usha Kiran Khan won **Sahitya Academy and Bharat Bharati award in 2011** for the Maithili novel Bhamati: **Ek Avismaraniya Premkatha**.
- She was awarded a **Kusumanjali Sahitya Samman** by the Indian Council for Cultural Relations for her novel Sirjanhaar in **2012**.
- She was also honoured with **Padma Shree** (the fourth highest civilian award of the country) in **2015** for her service in the field of literature and education.

Ethical Values: Integrity, Passionate, Courageous, etc.

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Place in News

Ethiopia

Ethiopia (Capital: Addis Ababa)

Recently, Ethiopia's flagship health project has been focusing on addressing non-communicable diseases (NCDs) among women and children through behavioral change and prevention strategies.



Location: Ethiopia, officially known as the **Federal Democratic Republic of Ethiopia**, is a **landlocked** country located in the Horn of Africa.

Boundaries: Ethiopia shares its border with **Somalia** (East and Southeast), **South Sudan** (West), **Eritrea** (North), **Djibouti** (Northeast), **Sudan** (Northwest) and **Kenya** (South).

Physical Features:

- **Mount Entoto** is the highest peak in the Entoto Mountains, which are located in Addis Ababa, Ethiopia.
- **Lake Tana** is the largest lake in Ethiopia and a source of the Blue Nile.
- **The Blue Nile**, the **Tekeze** and the **Awash** are the prominent rivers in Ethiopia.
- **The Ethiopian Highlands** are the largest continuous mountain ranges in Africa.

POINTS TO PONDER

- Which country recently launched the Zircon Missile, a supersonic ballistic missile? - **Russia**
- To which species does *Steinernema adamsi*, recently in the news, belong? - **Nematode**
- Who was recently honoured with the Laxminarayan International Award? - **Pyarelal Sharma**
- In the World Bank's 'Logistics Performance Index Report (2023),' what is India's rank? - **38th**
- On which date is 'World Pulses Day' observed annually? - **10 February**

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