

Today's Prelims Topics

Indian has decided to abolish Google Tax

Context

The central government has proposed to abolish the Equalisation Levy on online advertisements.

What is the Equalisation Levy (EL)?

- EL is a direct tax aimed at 'equalising' the tax component of resident and non-resident e-commerce companies.
- Introduced in **2016**, it initially imposed a **6% tax on digital advertisements** provided by offshore companies.
- The two conditions to be met to be liable to equalisation levy:
 - The payment should be made to a **non-resident service provider**.
 - The annual payment made to one service provider exceeds **Rs.1,00,000 in one financial year**.
- It is informally referred to as the **"Google tax"** because it affects global tech giants such as **Google, Meta and Amazon**, requiring them to withhold and remit this tax to the Indian government.

Government's Proposal to Abolish Equalisation Levy

- As part of the **35 amendments** to the **Finance Bill, 2025**, the **6% equalisation levy on digital ads will be abolished from April 1, 2025**.
- This move follows the earlier **repeal of the 2% equalisation levy on e-commerce in 2024**.

Source:

- [Indian Express - Equalisation Levy](#)

Gold Monetisation Scheme

Context

The Government of India has decided to discontinue the Medium-Term and Long-Term Deposits (MLTGD) under the Gold Monetisation Scheme (GMS).

About Gold Monetisation Scheme

- The **Gold Monetisation Scheme (GMS)** was launched in **November 2015** as a revamped version of the older **Gold Deposit Scheme**.
- **Objectives of GMS:**
 - **Utilizing Idle Gold** – Encouraging individuals and institutions to **deposit their gold** in banks.
 - **Reducing Gold Imports** – Enhancing domestic gold availability to **decrease dependency on imports**.
 - **Providing Interest on Gold Deposits** – Offering a **return on gold holdings** instead of keeping them idle.
 - **Supporting the Jewellery Industry** – Allowing banks to **lend gold to jewelers**, increasing liquidity in the sector.
- The scheme had three deposit options:
 - **Short-Term Bank Deposits (STBD):** 1-3 years (Interest decided & borne by banks).
 - **Medium-Term Government Deposits (MTGD):** 5-7 years (Interest decided & borne by the government).
 - **Long-Term Government Deposits (LTGD):** 12-15 years (Interest decided & borne by the government).

Challenges Faced by GMS

- **Low Participation:** Indians prefer holding physical gold over financial gold products.
- **Trust Issues:** People are hesitant to deposit family heirlooms and jewelry.
- **Storage & Liquidity:** Banks face difficulties in effectively utilizing collected gold.

Discontinuation of Sovereign Gold Bonds

- This is the **second gold-related scheme to be discontinued recently**, following the government's decision to **stop issuing Sovereign Gold Bonds (SGBs)**.
- Under the **Sovereign Gold Bond Scheme**, bonds were issued in **denominations of 5g, 10g, 50g, and 100g** for **5-7 years** with interest based on the metal's value at the time of investment.
- The scheme had an **annual cap of 500 grams per individual**.
- The **government is moving away from gold-related investment schemes**, likely due to **rising gold prices and market conditions**.

Source:


- [Indian Express - GMS](#)

News in Shorts

Govt notifies revised criteria for classifying MSMEs

- The Union government has notified significant revisions to turnover and investment criteria for classifying MSMEs that will take effect from April 1.

REVISED DEFINITION OF MSMEs



Rs. in Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprises	1	2.5	5	10
Small Enterprises	10	25	50	100
Medium Enterprises	50	125	250	500

Government Initiatives for MSME

- Credit guarantee cover** for micro and small enterprises enhanced from 5 crore to 10 crore.
- 10 lakh** customized credit cards with 5 lakh limit for micro enterprises registered on **Udyam portal** to be introduced.
- Export Promotion Mission** to facilitate easy access to export credit and support MSMEs to tackle non-tariff measures in overseas markets.
- New fund of funds of Rs. 10,000 crore to be set up for start-ups.
- Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**: It aims to organize traditional artisans into collectives or clusters, facilitating product development, diversification, and value addition.
- Prime Minister's Employment Generation Programme (PMEGP)**: It is a credit linked subsidy scheme for providing employment opportunities through establishment of micro-enterprises in the non-farm sector.

Source:

- [News on Air- MSME](#)

National Pest Surveillance System (NPSS)

- It is an AI-based platform that will help farmers connect with agriculture scientists and experts on controlling pests.
- It was launched in **August 2024**.
- Purpose:** To **enhance surveillance and management of pest diseases** across India using advanced digital technologies.
- Key Features of NPSS:**

- **Pest Identification and Management:**
 - Farmers can **identify pests and diseases in 61 different crops.**
 - It provides **pest management advisories for 15 major crops.**
- **Multilingual Support:** NPSS is available in **four languages - English, Hindi, Marathi, and Punjabi.**
- **Real-time Advisory System:** Farmers receive **instant solutions regarding pest attacks, crop diseases and crop damages.**
- **Technology used:** Artificial Intelligence (AI) & Machine Learning (ML).

Source:

- [PIB - NPPS](#)

Rushikonda Beach wins back Blue Flag tag

- Rushikonda Beach wins back the Blue Flag tag which was earlier withdrawn due to poor maintenance.

What is Blue Flag Certification?

- The **Blue Flag Certification** is an **international eco-label** awarded by the **Foundation for Environmental Education (FEE), Denmark.**
- It is given to **beaches, marinas and sustainable boating tourism operators** that meet high environmental, safety and cleanliness standards.
- **Criteria:** To receive the Blue Flag tag, a beach must fulfill **33 stringent criteria** across **four major categories:**
 - Environmental Education and Information.
 - Water Quality.
 - Environmental Management.
 - Safety & Services.
- India has **12** Blue Flag certified beaches.



Source:

- [The Hindu - Blue Flag Beaches](#)

Places in News

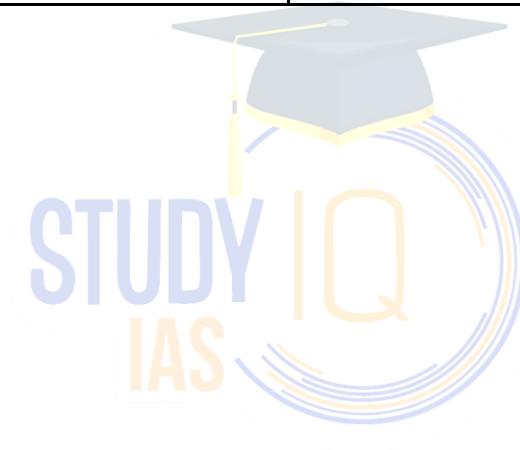
Black Sea

- **Russia and Ukraine** have agreed to **halt military strikes in the Black Sea and on energy infrastructure.**
- The agreement was reached during **U.S.-brokered talks in Riyadh, Saudi Arabia.**



- It is a large inland sea located between **Eastern Europe and Western Asia.**
- It is connected to the **Mediterranean Sea** via the **Bosphorus Strait, the Sea of Marmara, and the Dardanelles Strait.**
- **Countries bordering Black Sea:** Turkey, Bulgaria, Ukraine, Russia, Georgia & Romania.
(Trick to Remember - T-BURGeR)
- **Rivers draining in Black Sea:** Danube, Dnieper, Don.

Source: [The Hindu - Black sea](#)



Editorial Summary

AI, UBI, in between

Context

Bill Gates' overall vision is that **AI could generate enough wealth and efficiency** to make UBI feasible, but realizing this vision will require **effective policy, taxation, and wealth redistribution** strategies.

What is Universal Basic Income (UBI)

- UBI refers to a regular, unconditional payment made by the government (or another entity) to all citizens, regardless of employment status or income level.
- **Core Principles:**
 - **Unconditional:** No requirements related to work or income level.
 - **Universal:** Provided to all citizens, not just specific groups.
 - **Periodic:** Paid at regular intervals (monthly, annually).
 - **Cash-based:** Given in cash rather than goods or services.

Positive Impacts of AI On UBI

- **Increased Wealth Generation:** AI-driven automation and productivity could create significant economic value, which can be redistributed through UBI.
 - Higher efficiency in sectors like manufacturing, finance, and healthcare can boost overall GDP, creating more resources for UBI funding.
- **Reduced Cost of Living:** AI could lower the cost of essential services (like healthcare, education, and legal assistance) through automation and personalized AI solutions.
 - Lower living costs would reduce the amount of UBI required to meet basic needs.
- **Funding Through AI Taxation:** AI-driven companies generating super-profits can be taxed to create a sustainable funding source for UBI.
 - Taxing AI-based automation and intellectual property could provide a steady revenue stream for UBI.
- **Creation of New Economic Models:** AI could enable sovereign AI models, where governments own and lease AI systems to businesses, generating income for UBI.
 - AI-based productivity tools could be publicly owned, allowing citizens to earn dividends from AI-driven profits.
- **More Time for Creative and Intellectual Pursuits:** By reducing the need for traditional work, AI could allow people to focus on art, research, social work, and personal growth.
 - A post-labour economy could give rise to new cultural and intellectual movements.
- **Democratisation of Intelligence:** AI can make high-quality education, healthcare, and legal support widely accessible at little to no cost.
 - Greater access to AI-driven services could reduce social inequality and improve overall quality of life.

Negative Impacts of AI and UBI

- **Concentration of Wealth and Power:** AI development and ownership are currently dominated by a few large tech companies.
 - If AI-generated wealth remains concentrated, inequality could worsen rather than improve.
- **Displacement of White-Collar Jobs:** AI is likely to automate complex cognitive jobs (e.g., legal, financial, and educational sectors) before physical labour.
 - This could lead to structural unemployment and social instability.

- **Dependence on Government and Corporations:** If AI wealth is redistributed through UBI, people could become overly dependent on state or corporate policies.
 - Political instability or corporate failures could jeopardize livelihoods.
- **Loss of Purpose and Identity:** Work provides structure, identity, and social validation.
 - If AI eliminates the need for work, many individuals might struggle with a lack of meaning and purpose.
- **Ethical and Regulatory Challenges:** Determining how to tax AI-generated wealth and redistribute it fairly could be politically contentious.
 - Regulatory frameworks for AI ownership and UBI distribution may be complex and difficult to implement.
- **Risk of Global Inequality:** While AI tools are becoming more accessible, foundational AI research and infrastructure remain concentrated in the West and China.
 - Developing nations may face challenges in competing on an equal footing in the AI-driven economy.

Way Forward

- **Policy and Regulation**
 - Develop legal frameworks for taxing AI-generated wealth.
 - Ensure fair access to AI-driven services for all citizens.
- **Experimentation and Pilots**
 - Conduct pilot programs on UBI (like Finland's 2017-18 experiment).
 - Test different models of funding and distribution.
- **Investment in Public AI Infrastructure**
 - Develop sovereign AI models as public assets.
 - Encourage open-source AI development for wider access.
- **Social and Psychological Preparation**
 - Promote alternative structures of purpose (art, caregiving, volunteering).
 - Strengthen community and social engagement to replace work-based identity.
- **Equitable AI Governance**
 - Prevent monopolization of AI infrastructure and benefits.
 - Encourage global cooperation on AI ethics and wealth distribution.
- **AI-Driven Skill Transition**
 - Encourage lifelong learning and adaptation to AI tools.
 - Create programs for reskilling and upskilling in AI-based industries.

Source: [Indian Express: AI, UBI, in Between](#)

Detailed Coverage

Bulldozer Justice

Context

In recent years there has been an increasing trend of state governments using bulldozers to demolish properties without due process popularly known as 'Bulldozer Justice'.

Recent Instances

- Brihanmumbai Municipal Corporation (BMC) demolished an "unauthorised" shed linked to comedian Kunal Kamra's show after he criticized Maharashtra's Deputy CM.
- Malvan Municipal Council demolished the house of a family whose 14-year-old child allegedly chanted "anti-India" slogans during a cricket match.
- Nagpur bench of Bombay High Court stayed the demolition of houses of accused in recent city violence, but the order came too late to prevent key demolitions.

What is Bulldozer Justice (or extra-legal demolitions)?

- It refers to the instant justice mechanism that is propagated by the government of various states to punish the alleged rioters, protestors or perpetrator of serious crimes by razing down their houses, stalls or any construction using JCB machine.

Other Instances of Bulldozer Justice

TIMELINE	
<p>Sept 6, 2017 Yogi Adityanath announces for the first time that his govt will raze houses of those involved in criminal activities</p> <p>July 5, 2020 UP officials demolish the house of dreaded criminal Vikas Dubey whose accomplices shot dead eight policemen</p> <p>August 27, 2020 UP authorities demolish two illegal buildings owned by gangster-turned-politician Mukhtar Ansari in Lucknow's posh Dalibagh area</p> <p>Sept 23, 2020 A joint team of the Prayagraj Development Authority, district administration and</p>	<p>police, demolishes a house belonging to former parliamentarian Atiq Ahmed here as part of its drive against the jailed mafia don's unauthorised properties</p> <p>March 21, 2022 After the violence in Madhya Pradesh's Raisen, the district administration pulls down illegal homes and shops of the alleged culprits</p> <p>March 22, 2022 The house of the main accused of the gang rape of a 28-year old demolished in Shahdol district</p> <p>April 12, 2022 A day after communal clashes in Madhya Pradesh's Khargone,</p>
<p>16 houses and 29 shops, mostly owned by Muslims, razed citing their involvement in the riots</p> <p>June 14, 2022 Kanpur house of Mohammad Javed, a political activist and businessman, pulled down after serving just a day's notice to vacate it</p> <p>April 20, 2022 North Delhi Municipal Corporation demolishes several structures in the violence-hit Jahangirpuri; SC orders stay</p> <p>April 21, 2022 SC hears petition filed by Jamiat-Ulama-i-Hind against demolition drive in Jahangirpuri</p>	<p>July 5, 2023 Bulldozer action against a man who urinated on a tribal</p> <p>Dec 14, 2023 10 meat shops and houses of three persons accused of attacking a BJP worker demolished in Bhopal</p> <p>August 23, 2023 Congress leader Shahzad Ali's property in Chhatarpur demolished for allegedly leading a protest demanding action against a person for blasphemous remarks</p> <p>June 15, 2024 Houses of 11 demolished after police find beef in their refrigerators in tribal-dominated Mandla in Madhya Pradesh</p>

Source: Indian Express

Justifications for Bulldozer Justice

- **Legal Justification:** State government officials assert demolition is justified under municipal laws either on account of action against encroachment or under the pretext of unauthorised construction.
 - **E.g.,** U.P. Municipal Corporation Act and the U.P. Urban Planning and Development Act were used to carry out demolition.
- **Maintaining Public Order and Deterrence:** Put the fear of law in the minds of hardened criminals.
- **Restoring Order:** State governments argue that demolishing illegal properties of those accused in communal conflicts helps restore order and ease tensions during violence. For example the Haryana government's after the Nuh violence.
- **Clear Intent:** The Solicitor General of India said that demolitions in states like Madhya Pradesh were not aimed at any specific minority groups and affected properties owned by people from different communities as the **intent was to clear encroachment**.
- **Way to free encroached public land:**
 - **E.g.,** In Uttar Pradesh bulldozer drive helped the revenue department free up around 67,000 acres from the land mafia and lands so acquired were used to promote sports on a priority basis.

Issues with Bulldozer Justice

- **Against Rule of Law, Due Process of Law-** bulldozing alleged illegal properties of crime accused without serving notice is a violation of the rule of law and goes against the spirit of rule of law (Articles 14) and the due process of law upheld by Supreme court in Maneka Gandhi Case under Article 21. This is against the principle of Natural Justice.
- **Against Separation of Power-**the guilt of the accused must be proved before a court of law and the punishment should be given by the judiciary, not by executive action as it amounts to collective extra-judicial punishment
- **Judiciary's Observation on Bulldozer Justice**
 - In 2024 the Indore Bench of the MP High Court stated, "It has become fashionable for civic authorities to demolish homes without following proper procedure."
 - The Punjab and Haryana High Court stepped in to halt demolitions in Nuh citing concerns over the lack of due process and the possibility of ethnic targeting.
 - A three-judge Supreme Court bench stated:
 - a person's alleged involvement in a crime could not be the reason to demolish property adding that such action may be seen as "running a bulldozer over the laws of the land"
 - The court also stated that transgression by a family member cannot invite action against other members of the family or their legally-constructed residence.
 - Alleged involvement in a crime does not justify the demolition of a property, as the alleged crime must be proven through due legal process in a court of law.

Supreme Court Judgments

- **Olga Tellis vs. Bombay Municipal Corporation, 1985:** The Supreme Court stressed the importance of due process and ruled that eviction without notice infringes on the right to livelihood guaranteed by Article 21 of the Indian Constitution.
- **Municipal Corporation of Ludhiana vs Inderjit Singh, 2008:** Demolition cannot be carried out even for illegal construction without serving a notice and giving an opportunity of being heard.
- **Sudama Singh & Ors. vs Government of Delhi and Ajay Maken & Ors vs Union of India:** These cases envisaged due process of law to be followed

- **Antithetical to Criminal Justice System:** Governments resorting to such actions reflect lack of faith in the country's judiciary and the Constitution giving citizens a wrong signal.
- **Targeting Specific Groups:** It is also criticised that demolition justice targets people on the basis of their castes/community.
- **Double Punishment for the same crime:** Article 20(2) states that no person can be prosecuted and punished for the same offence more than once and hence punishing the guilty again through demolition goes against the spirit of fundamental right that protects against double jeopardy.
- **Right to Property a constitutional right:** Article 300A of the Constitution of India states that no one can be deprived of their property without authority of law.

Way Forward

- **Pre-Demolition Surveys and Advance Notice-** The Supreme Court has directed that a survey must be conducted before any demolitions take place and that authorities must adhere to basic procedural protocols, including providing sufficient advance notice.
- **National Guidelines on Demolition Procedures** should be integrated into local Municipal laws and regulations ensuring that correct procedures are adhered to at every stage of the demolition process—before, during and after the demolition.
- **Stricter Legal Adherence** before demolitions is essential as highlighted by the Supreme Court's ruling in the Olga Tellis case.
- **Burden of Proof for demolition** should be put on the authorities to better protect human right to Shelter which has also been recognised by the Supreme Court as fundamental right under Article 21 in Chameli Singh v. State of Uttar Pradesh case.
- **Independent Oversight Mechanisms:** A committee made up of judges and members of civil society should be formed to check if proposed demolitions are legal.
- **Reformation should be the aim of Punishment:** In a democratic society justice should not be about retribution and punitive measures should be aimed at reforming the guilty.

Source: [Indian Express: Injustice Unchecked](#)