



Daily Current Affairs



To The Point

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1 New Income Tax Bill 2025

Context: Finance Minister **Nirmala Sitharaman** has presented the **New Income Tax Bill, 2025**, in the **Lok Sabha**, aiming to simplify tax laws and make compliance easier.

Introduction: The government has proposed the **Income Tax Bill 2025** to create a **simpler, more transparent, and streamlined tax regime**. Announced during the **Union Budget on February 1, 2025**, the bill eliminates **outdated provisions**, introduces **clearer terminology**, and replaces the term **'assessment year'** with **'tax year'**.



Although the **fundamental tax structure remains unchanged**, experts view this bill as a **significant step towards modernizing India's taxation system**. If approved, it will come into effect from **April 1, 2026**.

Key Features of the New Income Tax Bill:

Introduction of the 'Tax Year' Concept:

- The bill defines a **'tax year'** as a **12-month period starting from April 1**.
- Unlike the current system, where income earned in one financial year is assessed in the following year, the **new system will assess income within the same tax year**.
- For businesses established mid-year, the **tax year will begin from the date of setup and end on March 31**.

Simplified Language for Better Understanding:

- The bill **removes complex legal jargon**, reducing the need for excessive cross-referencing.
- The total length of the tax bill has been **reduced from 823 pages to 622 pages**, despite keeping the number of chapters the same at **23**.
- The number of clauses has increased from **298 to 536**, making the provisions **more structured and easier to comprehend**.

Expanded Definition of 'Income':

- **Virtual Digital Assets (VDAs)**, including **cryptocurrencies and NFTs**, are now included as taxable assets.
- This aligns VDAs with existing capital assets such as **land, buildings, shares, bullion, and artwork**.

Elimination of Redundant Provisions:

- The bill **removes outdated exemptions**, such as **Section 54E**, which provided capital gains exemptions for transactions before **April 1992**.
- **Unnecessary amendments and outdated references** have been scrapped.

Clearer Tax Provisions:

- Several tax-related provisions, including **TDS (Tax Deducted at Source)**, **presumptive taxation rates**, and **assessment time limits**, have been consolidated into easy-to-read tables.
- **Deductions for salaries** (such as standard deduction, gratuity, and leave encashment) are now grouped together under one section for better clarity.

Reforming the Dispute Resolution Process:

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- The **Dispute Resolution Panel (DRP)** will now provide:
 - **Points of determination**
 - **Detailed reasons for its decisions**
 - **Clear justifications for rulings**

Impact on Taxpayers and Businesses:

Easier Compliance for Taxpayers:

- The bill **removes excessive cross-referencing**, making tax laws easier to navigate.
- **Legal terms have been simplified**, replacing complex words like “notwithstanding” with simpler alternatives like “irrespective of anything.”

Smoother Tax Filing and Compliance:

- Provisions related to **revenue recognition, inventory valuation, and income exclusions** have been consolidated into schedules instead of being scattered across multiple sections.
- **Wealth tax-related provisions** have been integrated, reducing the need for external references.

Recognition of the Digital Economy:

- The bill includes **specific provisions for digital assets and service-based revenues**, reflecting the modern structure of the Indian economy.
- Income generated from **digital assets and online services** is now categorized clearly under capital assets.

Challenges & Future Implications:

No Major Structural Reforms:

- The bill focuses on **simplification rather than major policy changes**.
- There are **no alterations in tax rates, penalties, or compliance mechanisms**.

Transition to the ‘Tax Year’ Concept:

- Taxpayers and businesses may **require time to adapt** to the new system.
- **Financial professionals and accountants** will need to **update their taxation models and planning strategies**.

Pending Approval from Parliament:

- The bill has been **introduced in Lok Sabha** but still needs to be **reviewed by a parliamentary committee** before final approval.

Conclusion:

The **Income Tax Bill 2025** is a significant step toward **simplifying and modernizing India’s tax system**. The introduction of the **‘tax year’ concept**, removal of **redundant provisions**, and **streamlined tax structures** aim to make compliance **easier and more transparent**.

However, while the bill enhances **clarity and efficiency**, it does not introduce **major tax rate changes or structural reforms**. The government is **prioritizing continuity and simplification**, potentially paving the way for more substantial tax reforms in the future.

2 TRAI's New Rules to Tackle Spam Calls & Messages

Context: India's telecom regulator, TRAI, has introduced **new regulations** under the **Telecom Commercial Communications Customer Preference Regulations (TCCPR), 2018**, aimed at reducing **spam calls and messages**.

Leading telecom providers such as **Airtel, Jio, and Vi** must now **monitor call and SMS patterns in real time** to detect and report spammers. Any **failure to comply** will result in hefty **penalties ranging from 2 lakh for the first offense to 10 lakh for repeated violations**.



These updated regulations aim to **protect consumers** from intrusive spam communication and ensure a **more secure and transparent telecom network**.

How TRAI is Cracking Down on Spam Calls & Messages:

1. Faster Action Against Spam:

- Consumers can now **report spam calls and messages more easily**.
- **Telecom operators must take action within 5 days**, a major improvement from the earlier 30-day timeframe.

2. Clear Identification of Spam Calls:

- Telemarketers **can no longer use normal 10-digit numbers** for promotional calls.
- Instead, calls will be categorized as:
 - **140 series** – Reserved for promotional calls.
 - **1600 series** – Dedicated to transactional and service-related calls (already in effect).

3. Opt-Out Option for Promotional Messages:

- Users can now easily **opt out of promotional messages** through telecom providers.
- However, they will have the flexibility to **opt back in whenever they choose**.

4. Stricter Monitoring of Spam Activity:

- Telecom operators will **analyze call and SMS patterns** in real time based on:
 - **High call volumes**
 - **Short call durations**
 - **Unusual incoming-to-outgoing call ratios**
- This monitoring will help **identify and block spammers more effectively**.

5. Stronger Verification & Harsher Penalties:

- Telemarketers must now undergo **physical verification, biometric authentication, and link their mobile number to their identity**.
- **Repeat violators will have all their telecom resources permanently blocked**.
- Telecom companies are required to **maintain detailed records of spam complaints and sender details** to ensure **quick and effective action**.

Spam Calls: A Growing Problem in India

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Millions of Indians face relentless spam calls every day, especially from banking, insurance, and financial service providers. Despite multiple crackdowns, the problem has continued to worsen over time.

A LocalCircles survey (Feb 2023) of 12,000 respondents found that:

- 60% receive three or more spam calls daily.
- 30% get one to two spam calls every day.
- 36% receive three to five spam calls daily.
- 21% report receiving six to ten unwanted calls each day.
- 3% are bombarded with over ten spam calls daily.

With telecom operators sometimes playing a role in the rising spam call surge, TRAI's new stringent measures aim to bring relief to millions of frustrated consumers.



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Trump-Putin Talks: US Pushes for Ukraine War Settlement

Context: In a **major diplomatic move**, President Donald Trump held a **"lengthy and highly productive"** conversation with Russian President Vladimir Putin—their first confirmed dialogue since Trump's return to office.

The discussion marked the beginning of a **US-led initiative** to **negotiate an end to the Ukraine war**, signaling a **potential turning point** in global diplomacy.

Trump Takes on Mediator Role in Ukraine Conflict:

Trump's Renewed Focus on Ending the War:

From the start of his **second term**, Trump has made **ending the Ukraine war a priority**. His administration is working towards **facilitating peace talks between Russia and Ukraine**, aiming to bring stability to the region.

Russia's Response & Diplomatic Signals:

- The **Kremlin confirmed** the **90-minute conversation** between the two leaders.
- **Putin welcomed Trump's peace initiative**, acknowledging the need for both nations to work together on **global stability**.

Trump's Evolving Stance on Russia:

- Trump's **approach to Russia has shifted significantly** from his first term, when he was accused of being **too accommodating** toward Putin.
- While he previously **praised Putin's strategic tactics**, he has now **adopted a more critical position**, questioning Russia's conduct in the war.

Challenges Facing the Peace Process:

Despite Trump's **diplomatic push**, there are **several obstacles** to achieving peace:

- **Ukrainian President Zelenskyy** remains **unwilling to compromise Ukraine's sovereignty**, especially given **strong military and financial backing from the West**.
- **Western nations remain skeptical** of Russia's intentions, fearing that Moscow may use negotiations as a **delay tactic** while solidifying its hold over **eastern Ukraine**.

Europe Pushes for a Role in Peace Talks:

European Leaders Demand Inclusion:

European leaders have made it clear that **Ukraine and Europe must be involved** in any diplomatic resolution.

Trump's Shift on NATO & Ukraine's Borders:

- Trump has hinted at a **major policy shift**, suggesting that **Ukraine should abandon its NATO ambitions**.
- He has also questioned whether **Ukraine's pre-2014 borders are realistic**, indicating a **possible compromise with Russia**.

US Prioritizing Other Global Concerns:

Experts suggest that Trump's administration is **shifting focus away from European security**, instead emphasizing:

- **Border control policies**
- **Strengthening US-China deterrence**

The Importance of the Trump-Putin Call:

A Shift in Global Power Dynamics:

Trump's direct **negotiations with Putin** signal a **major departure** from past US foreign policy.

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- He invoked **World War II comparisons**, likening his diplomacy with Putin to the historic **Yalta Summit**.
- This move effectively **ends Russia's diplomatic isolation**, which had lasted over a decade.

A Ceasefire in Sight?

- Trump **announced immediate talks** to negotiate a ceasefire in Ukraine.
- A **meeting with Putin in Saudi Arabia** is already in the works, hinting at a **potential diplomatic breakthrough**.

Europe's Absence from Negotiations:

- Much like in **1945**, Europe has been **sidelined** in **US-Russia negotiations**.
- **Trump's administration** rejects **Ukraine's NATO membership bid**, acknowledging that reclaiming lost territories is **increasingly unrealistic**.

Russia's Weakened Position Could Encourage Negotiations:

- Past US-Russia talks, including **Biden's 2021 Geneva summit with Putin**, collapsed due to **Moscow's rigid demands**.
- However, **after three years of war**, **Russia's position has weakened**, making it more likely to **consider serious negotiations**.

Could Trump Visit Moscow?

If successful, Trump may **visit Moscow for Russia's Victory Day in May**, a **symbolic step towards a US-Russia deal**. For Putin, this would mean **recognition of Russia's great power status** and a **shift in Europe's security structure in Moscow's favor**.

What This Means for Asia & India:

Asia's Geopolitical Landscape Could Change:

If Trump succeeds in brokering a **Ukraine peace deal**, his next focus may shift towards **China**. Key questions arise:

- Will Trump **shift his foreign policy towards countering China**?
- Could he extend his **peace negotiations to Taiwan**?
- How will a **potential US-Russia reconciliation** impact **Moscow-Beijing relations**?

Implications for India:

For **India**, this is a **critical moment** in global diplomacy.

- Unlike in the **20th century**, India **now holds significant geopolitical influence**.
- **PM Modi's upcoming meeting with Trump** will be a chance to understand his **larger global strategy**.

Economic & Trade Considerations:

Beyond geopolitics, India and the US may **collaborate on economic restructuring**:

- **Countering China's trade dominance** will be a major topic.
- With both nations facing **large trade deficits with China**, Modi might align with **Trump's push for a new economic order led by democratic nations**.

As the **global power balance shifts**, all eyes are now on how Trump's **Ukraine peace efforts unfold** and what they mean for the **future of international diplomacy**

4 President's Rule Imposed in Manipur, 11th Time in State's History

Context: The President of India has issued a proclamation imposing **President's Rule in Manipur**, placing the state assembly under **suspended animation**.

This marks the **11th instance** of President's Rule in the state, with the **last imposition occurring in 2001-02**.

What is President's Rule?

Constitutional Provision: Article 356:

Under **Article 356 of the Indian Constitution**, the **President can impose central rule in a state if:**

- The **Governor's report** indicates that the **state government is unable to function as per constitutional provisions**.
- The **President is satisfied** that the state's governance **cannot be carried out in accordance with the Constitution**.

Duration & Parliamentary Approval:

- As per **Article 356(3)**, **President's Rule remains in effect for two months** unless approved by **both Houses of Parliament** through a **simple majority**.
- If approved, it can be **extended up to six months**.
- The maximum duration is **three years**, but **Parliament must approve an extension every six months**.

How Can It Be Revoked?

- **President's Rule can be revoked** by the **President through a subsequent proclamation**, restoring normal governance in the state.

What Happens When President's Rule is Imposed?

- The **President takes over the functions of the State Government** and assumes the **powers of the Governor**.
- The **state legislature's powers are transferred to Parliament**.
- The **functioning of the High Court remains unaffected**.

Key Judicial Ruling: S.R. Bommai vs Union of India (1994):

- The **Supreme Court ruled** that **President's Rule under Article 356 is subject to judicial review**.
- The **President cannot dissolve a state legislative assembly immediately**—this can only happen **after parliamentary approval** of the proclamation.
- Until Parliament grants approval, the **state assembly remains suspended, not dissolved**.

Significance of the Latest Imposition in Manipur:

With **political instability in Manipur**, the central government has once again invoked **Article 356**, taking direct control of the state's governance. The move raises **questions about governance, constitutional mechanisms, and the future political landscape of Manipur**.

All eyes are now on the **Parliament's decision** on whether to extend or revoke **President's Rule** in the state.



5 Union Government Releases Report on Panchayat Devolution Status

Context: The Union Government has released a report titled ‘**Status of Devolution to Panchayats in States – An Indicative Evidence-Based Ranking**’, offering a **detailed assessment** of how effectively Panchayats function under the 73rd Constitutional Amendment.

This report provides **key insights** into the **progress of devolution**, highlighting areas of improvement and major challenges.



Key Findings of the Report:

Panchayat Devolution Index:

The report ranks **States and Union Territories** based on **six key dimensions** of devolution:

1. Framework
 2. Functions
 3. Finances
 4. Functionaries
 5. Capacity Enhancement
 6. Accountability
- Overall devolution has improved from 39.9% in 2013-14 to 43.9% in 2021-22.
 - Top 3 States in Devolution:
 - Karnataka
 - Kerala
 - Tamil Nadu

Capacity Building Improvements:

- Capacity enhancement for Panchayats has **increased from 44% to 54.6%**, driven by initiatives like the **Rashtriya Gram Swaraj Abhiyan (RGSA)**.

Challenges Hindering Effective Devolution:

1. Election Management Issues:

- **State Election Commissions (SECs)** are sometimes **forced to consult state governments** on election dates, leading to **delays and potential political interference**.

2. Weak Implementation of District Planning Committees:

- **District Planning Committees (DPCs)** are constitutionally mandated under **Article 243ZD**, yet detailed grassroots-level planning is rarely undertaken in most states.

3. Panchayats Overlooked in Governance:

- **Multiple parallel bodies** operate in areas meant for Panchayats under the **Eleventh Schedule**, weakening their constitutional authority.

Key Recommendations for Strengthening Panchayats:

1. Empowering State Election Commissions (SECs):

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- Grant **full autonomy** to **SECs**, ensuring they can independently handle **election schedules, delimitation, and seat reservations**, without **state government interference**.

2. Strengthening Panchayat Governance:

- Establish **structured district planning frameworks**, ensuring Panchayats work in **alignment with state and national policies**.

3. Direct Fund Allocation to Panchayats:

- Ensure **all funds for subjects listed in the Eleventh Schedule** are transferred **directly to Panchayats**, rather than being diverted through **parallel bodies**.

The Way Forward:

The **findings of the report** emphasize the **progress made** in empowering Panchayats but also highlight **critical gaps in governance and autonomy**.

With **proper implementation of the recommendations**, Panchayats can be **strengthened to play a central role in local governance**, ensuring **effective grassroots democracy and development** across India.



6 India Ranks Sixth in Global Climate Risk Index

Context: A recent **Climate Risk Index (CRI)** report has revealed that **India ranks sixth** among the **top 10 countries** most affected by **extreme weather events** over the last **three decades (1993-2023)**.

This ranking highlights the **increasing vulnerability** of India to climate-related disasters, including **floods, heatwaves, and cyclones**.



What is the Climate Risk Index?

- **Introduced in 2006**, the **Climate Risk Index (CRI)** is one of the **longest-running annual reports** assessing the impact of **climate-related extreme weather events** on different nations.
- The index evaluates **realized risks**, ranking countries based on the **economic and human toll**, including:
 - **Fatalities**
 - **Injuries and affected populations**
 - **Homelessness and financial damage**
- The **rankings are based on data** from the **International Disaster Database (EM-DAT)** and **economic statistics** from the **International Monetary Fund (IMF)**.
- The **CRI is published by Germanwatch**, a **Bonn- and Berlin-based independent development, environment, and human rights organization**.

Key Findings of the Report:

- **India remains among the 10 most affected nations** due to extreme weather between **1993 and 2023**.
- The country accounted for **10% of global fatalities** caused by climate disasters and **4.3% of worldwide financial losses** (in dollar terms).
- **India ranked sixth in the Climate Risk Index 2025**, reinforcing its position as one of the most climate-vulnerable nations.
- The **top five most affected countries** ahead of India in the rankings include:
 1. **Dominica**
 2. **China**
 3. **Honduras**
 4. **Myanmar**
 5. **Italy**

Climate Disasters and Their Impact on India:

- India has suffered from **more than 400 extreme weather events** over the last three decades.
- These events caused **financial losses of \$180 billion** and resulted in **at least 80,000 deaths**.
- Major climate-related disasters include:
 - **Severe floods in 1993, 1998, and 2013.**
 - **Devastating heatwaves in 2002, 2003, and 2015.**
 - **Frequent and intense cyclones along the coasts.**

The Growing Climate Crisis:

The **latest Climate Risk Index report** reinforces the urgent need for **climate resilience strategies, disaster preparedness, and sustainable policies** in India.

As **extreme weather events become more frequent**, India must focus on **strengthening climate adaptation measures, improving early warning systems, and promoting sustainable development** to mitigate the devastating impacts of climate change.

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