Prelim Bits 16-02-2023 | UPSC Daily Current Affairs

BIMARU States

In a recent event, Prime Minister Narendra Modi has recalled the tag of 'BIMARU'.

- BIMARU refers to the states of *Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh*.
- The usage of BIMARU was used to imply that they have lagged in terms of economic growth, healthcare, education, and more.
- BIMARU means "sick" in Hindi.
- At times Odisha is also included in the grouping, as BIMAROU, although Odisha is not as big a state in terms of population.
- These states play a major role in population growth in India.
- A 2020 report of the National Commission on Population states that BIMARU states will contribute to 49.1% of the population increase in India between 2011 and 2036.
- NITI Aayog's 2019-20 Health Index Round IV also ranked these states at the last 4 positions out of 19 large states.

Reference

The Indian Express |BIMARU States

DHARA 2023

Driving Holistic Action for Urban Rivers (DHARA) Conference was organized recently by the National Mission for Clean Ganga (NMCG) and National Institute of Urban Affairs (NIUA) in Pune.

- DHARA is the annual meeting of the members of the River Cities Alliance (RCA).
- It provides a platform to co-learn and discuss solutions for managing local water resources.
- One of the thrust areas of Urban 20 (U20) Initiative is to promulgate urban water security and DHARA 2023 is in sync with U20 as healthy rivers are vital to enhance overall water security.

DHARA 2024

- It will take place in Gwalior, Madhya Pradesh.
- The focus area of the DHARA 2024 would be the implementation and action taken under Urban River Management Plans.
- The target has also been made to increase the member cities to 250 from the current 100 before the next annual meeting of RCA.

River Cities Alliance (RCA)

- It is a collaborated effort of National Mission for Clean Ganga (NMCG) and National Institute for Urban Affairs (NIUA).
- It is launched by the Ministry of Jal Shakti along with the Ministry of Housing and Urban Affairs.
- River Cities Alliance started with 30 cities in 2021 and currently has 95 cities as members across India
- The Alliance is open to all river cities of India. Any river city can join the Alliance at any time.
- The Alliance focuses on three broad themes Networking, Capacity Building and Technical Support.
- It is a dedicated platform for river cities in India to ideate, discuss and exchange information for sustainable management of Urban Rivers such as,

1. Minimizing their water footprint,
2. Reducing impacts on river and water bodies,
3. Capitalizing on natural, intangible, architectural heritage and associated services and
4. Develop self-sufficient, self-sustainable water resources through recycle, reuse strategy.

Reference

PIB | DHARA Annual Meeting

Office of Deputy Speaker

The Supreme Court has recently issued notices to the Centre and five states over the failure to elect a Deputy Speaker.

Deputy Speaker

- **Article 93** of the Indian Constitution establishes the post of the Deputy Speaker of Lok Sabha.
- **Articles 94-96** deals with the appointment, removal, and powers of Deputy Speaker.
- Since the 11th Lok Sabha, the Speaker will come from the ruling party, while the Deputy Speaker will come from the leading opposing party.
- The Deputy Speaker has the same power as the Speaker when presiding over a sitting of the House.
- Deputy Speaker is not subordinate to the Speaker and is directly responsible to the House.
- Whenever the Deputy Speaker is appointed as a member of a parliamentary committee, he automatically becomes its chairman.
- The Deputy Speaker’s salary and allowances are fixed by Parliament, and are charged on the Consolidated Fund of India.
- The Speaker and the Deputy Speaker do not take any separate oath or affirmation.

Reference

The Indian Express | The missing Deputy Speaker

Transfer Pricing

The Income-Tax Department has recently surveyed at British Broadcasting Corporation (BBC) and reported that it apparently diverted profits by violating 'transfer pricing' rules.

- **Transfer pricing** refers to the prices of transactions between associated enterprises.
- In other words, Transfer pricing refers to the value attached to transfers of goods, services, and technology between related entities, and between unrelated parties that are controlled by a common entity.
- **Working** - Suppose a company A purchases goods for 100 rupees and sells it to its associated company B in another country for 200 rupees, who in turn sells in the open market for 400 rupees.
- If A sold the goods in market directly, it would have made a profit of 300 rupees.
- But by routing it through B, A restricted its profit to 100 rupees, permitting B to appropriate the balance.
- The transaction between A and B is arranged and not governed by market forces.
- The goods is transferred on a price (transfer price) which is arbitrary or dictated (200 hundred rupees), but not on the market price (400 rupees).
- **Concerns** - Transfer pricing results in parent company tends to produce insufficient taxable income or excessive loss on a transaction.
- A group which manufactures products in a high-tax country may decide to sell them at a low profit to its affiliated sales company based in a tax haven country.
- That company would in turn sell the product at an arm's length price, and the resulted inflated profit would be subject to little or no tax in that country.
- The impact of transfer pricing is **revenue loss** and also a drain on **foreign exchange reserves.**

Quick facts

Arm's length price

- It refers to a price, at which transactions between persons other than associated enterprises are carried out in uncontrolled circumstances.
- In other words, Arm's Length Price demonstrates the price that should have been charged between related parties had those parties were not related to each other.

References

1. The Indian Express|BBC allegedly diverted profits
2. The Indian Express|The Express View on I-T 'Survey'
3. Business Today|Income Tax Dept alleges non-compliance from BBC

Office of Profit

- *Jharkhand Chief Minister was reported to be holding office of profit when he was the mining and forest minister of Jharkhand.*

Office of Profit

- An office of profit has been interpreted to be a position that brings to the office-holder some financial gain, or advantage, or benefit.
- The amount of such profit is immaterial.
- A person shall be disqualified, if he holds any office of profit under the Government of India or the Government of any State, other than an office declared by the Legislature not to disqualify its holder.
- The question of disqualification in matters related to office of profit is vested with the Governor and his/her decision is final.
- Before giving any decision, the Governor shall obtain the opinion of the Election Commission and shall act according to such opinion.
- However, it does not lay down a time frame for the Governor to act.

Quick facts

Representation of the People Act, 1951

- It provides for the conduct of election of the Houses of Parliament and to the state legislatures.
- It deals with the qualifications and disqualifications for membership of the Houses.
- It also deals with the doubts and disputes arising out of such elections.

References

1. The Indian Express|What is ‘office of profit’ case?
2. The Indian Express|Ramesh Bais sitting on EC opinion
3. PRSindia|Explained| Law on holding an ‘Office of Profit’

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