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CURRENT AFFAIRS

Date: 18 October 2023

INTERNATIONAL INSTITUTE FOR POPULATION SCIENCES (IIPS)

This article covers "Daily Current Affairs" and the topic details "International Institute for Population Sciences (IIPS)". This topic has relevance in the "International Relations" section of the UPSC CSE exam.

For Prelims:

What is International Institute for Population Sciences (IIPS) ?

What is United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)?

For Mains:

GS2: International Relations

GS2: Social Issues

Why in the news?

The Indian government recently lifted the suspension of K.S. James, the International Institute for Population Sciences (IIPS) director, and accepted his resignation.

International Institute for Population Sciences (IIPS)

- The International Institute for Population Sciences (IIPS) has a rich history dating to its establishment in July 1956 in Mumbai.
- Initially known as the **Demographic Training and Research Centre (DTRC)**, it was founded through collaborative efforts between the **Sir Dorabji Tata Trust, the Government of India, and the United Nations.**
- Its primary mission is to serve as a **regional Institute for Training and Research in Population Studies for the ESCAP region**, which encompasses a significant part of the world's population.
- In 1985, the institute underwent a significant transformation and was re-designated as the International Institute for Population Sciences, reflecting its expanding role and commitment to academic activities.
- It was granted the status of a '**Deemed to be University**' on August 14, 1985, under Section 3 of the UGC Act, 1956, by the Ministry of Human Resource Development, Government of India.
- The administrative control of the IIPS falls under the **Ministry of Health and Family Welfare**, signifying its importance in public health and family planning.

IIPS as ESCAP Regional Centre

- IIPS holds a unique and pioneering position among all the regional population centres. It was the first such centre established and has continued to be a vital resource for addressing population-related challenges.

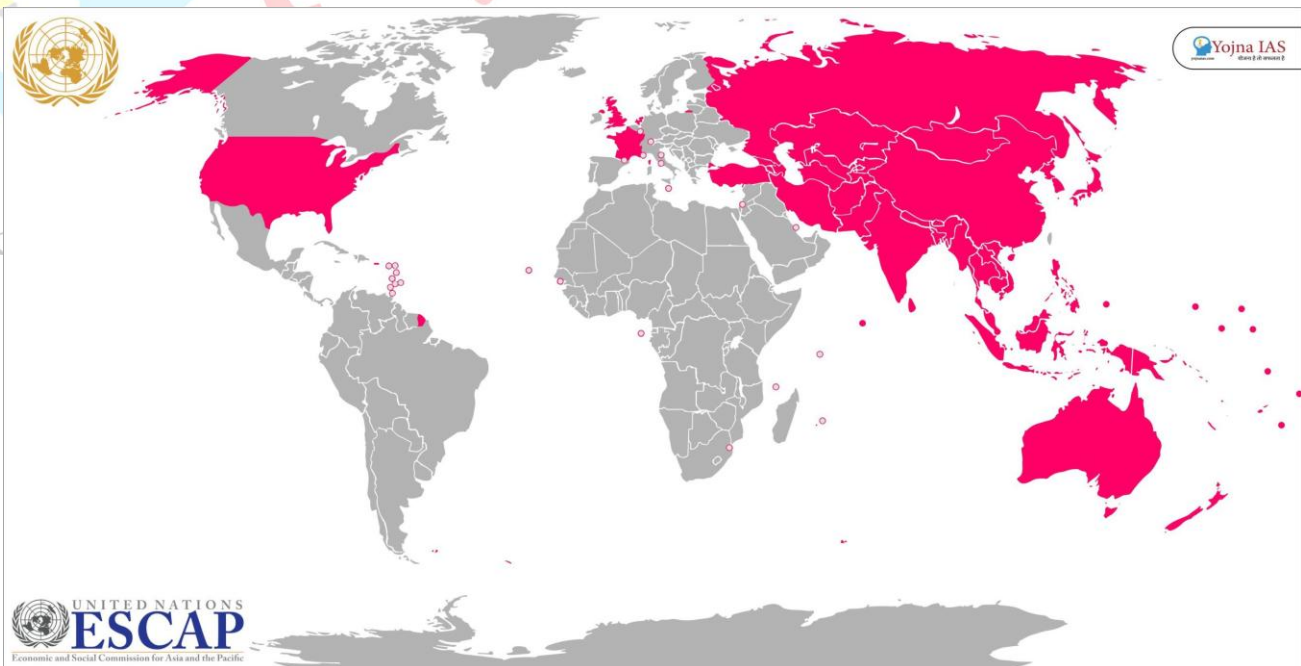
- Furthermore, it serves a much larger population than other regional centres, contributing significantly to demographic research, education, and policymaking.

Reports by IIPS

- Over the years, the institute has played a crucial role in conducting various national-level surveys, including the **National Family Health Survey (NFHS)**, **District Level Household Survey (DLHS)**, Assessment of National Rural Health Mission (NRHM), **YOUTH in India Project**, and many others.
- These surveys have been instrumental in gathering essential demographic and health data, enabling evidence-based decision-making and policy formulation in India.

About United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

- The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), or ESCAP, is **one of the five regional commissions under the jurisdiction of the United Nations Economic and Social Council (ECOSOC)**.
- Established on 28 March 1947 as the United Nations Economic Commission for Asia and the Far East (ECAFE), it was renamed to ESCAP on 1 August 1974.
- ESCAP is the largest regional intergovernmental platform with 53 Member States and 9 associate members, **covering a region with 4.1 billion people, or two-thirds of the world's population**.
- ESCAP's mission is to promote cooperation among countries in Asia and the Pacific for inclusive and sustainable development.
- It addresses various challenges through projects, technical assistance, and capacity building in areas like economic policy, trade, transport, social development, environment, technology, disaster risk reduction, statistics, sub-regional development, and energy.
- Notably, **ESCAP's membership includes countries in Asia and the Pacific, France, the Netherlands, the United Kingdom, and the United States.**



Sources:

Centre revokes IIPS Director's suspension two months after he resigned – The Hindu

Q1. Which of the following reports are published by/ in collaboration with the International Institute for Population Sciences (IIPS):

1. National Family Health Survey (NFHS)
2. District Level Household Survey (DLHS)
3. Periodic Labour Force Survey (PFLS)

Select the correct code from the options given below:

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) All of the above

Answer: (a)

Q2. Consider the following statements regarding the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP):

1. It is one of the regional bodies of the United Nations Educational, Scientific and Cultural Organization (UNESCO).
2. ESCAP covers more than two-thirds of the global population.
3. It includes membership from countries such as France, the United Kingdom, and the Netherlands.

How many of the abovementioned statements are correct ?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Answer: (b)

Gaurav Nikumbh

ANGEL TAX ON START-UPS

This article covers "Daily Current Affairs" and the topic details "Angel Tax on Start-ups". This topic has relevance in the Economy section of the UPSC CSE exam.

For Prelims:

Updated Provisions for Angel Tax and Start-ups?

Central Board of Direct Taxes (CBDT)?

For Mains:

GS 3: Economy

Provisions Related to Angel Tax Under Finance Act 2023?

Why in the news?

In response to notices sent to start-ups, the Central Board of Direct Taxes (CBDT) has issued a directive instructing its officers not to conduct scrutiny of angel tax provisions for start-ups that have received recognition from the Department for Promotion of Industry and Internal Trade (DPIIT).

Background

- Previously, angel tax only applied to investments made by “resident investors.” The Finance Act of 2023 extended angel tax to non-resident investors, effective from April 1, 2023.
- In response to this change, the tax department issued a directive to its field officials. The directive instructed officials not to conduct verifications for recognized start-ups in cases related to Section 56(2)(viib) of the Income-tax Act.
- Section 56(2)(viib) of the Income-tax Act has been amended in the Finance Act of 2023 to include non-resident investors under the angel tax levy. This section is relevant to the taxation of unlisted companies, including start-ups, when they receive equity investments exceeding the face value.
- The primary goal of this amendment is to prevent the generation of undisclosed or unaccounted money.

Updated Provisions for Angel Tax and Start-ups:

- The directive from the CBDT states that start-up firms acknowledged by the DPIIT (Department for Promotion of Industry and Internal Trade) will not be subject to scrutiny concerning the revised angel tax provisions.

DPIIT-Recognized Start-ups:

- DPIIT-Recognized Start-ups meet specific criteria set by the Department, including factors related to innovation, scalability, and employment generation.
- Recognition by DPIIT provides various benefits and exemptions, including relief from certain taxes and compliance requirements.

Procedure for Assessment of Start-ups Outlined:

- For start-up companies solely under scrutiny for section 56(2)(viib) of the Income-tax Act, Assessing Officers will not verify this issue during proceedings under section 143(2) or 147/143(2) of the Act.
- The contentions of recognized start-ups on this matter will be summarily accepted.

Exclusion of Section 56(2)(viib) During Multi-Issue Scrutiny:

- In cases where start-up companies are under scrutiny for multiple issues, including section 56(2)(viib), this specific section will not be pursued during the assessment proceedings for such start-up companies.

Provisions Related to Angel Tax Under Finance Act 2023:

- **Amendment of Section 56(2)(viib):** The Finance Act 2023 brought about an amendment to Section 56(2)(viib) to expand the scope of ‘angel tax’ provisions. This modification included foreign investors in the taxation of start-up funding.

- **Exemption for Recognized Start-ups:** Start-up companies recognized by DPIIT were granted an exemption from the angel tax. This exemption spared them from the tax liability associated with angel tax.
- **Final Valuation Rules for Investors:** The Finance Ministry introduced final valuation rules applicable to both resident and non-resident investors in unlisted companies. These rules involved valuation methods such as the Discounted Cash Flow (DCF) method.
- **Exemption for Investors from Certain Countries:** Angel tax exemptions were extended to investors from 21 countries. However, some countries like Singapore, Netherlands, and Mauritius were excluded from these exemptions.

Central Board of Direct Taxes (CBDT):

- CBDT operates as a statutory authority in accordance with the Central Board of Revenue Act, 1963.
- CBDT is a component of the Department of Revenue, situated within the Ministry of Finance.

Functions:

- **Formulation of Policies:** CBDT is responsible for the formulation of policies related to direct taxes.
- **Levy and Collection:** It deals with matters concerning the levy and collection of direct taxes.
- **Supervision:** CBDT supervises the overall functioning of the Income Tax Department.

Policy Proposals:

- CBDT has the authority to propose legislative changes in direct tax enactments.
- It also suggests modifications in tax rates and the structure of taxation, aligning them with the government's policies.

Structure:

- The CBDT is headed by a Chairman.
- **Members:** It comprises six members, all of whom serve as ex-officio Special Secretaries to the Government of India. These members include:
 - Member (Income Tax)
 - Member (Legislation and Computerization)
 - Member (Revenue)
 - Member (Personnel & Vigilance)
 - Member (Investigation)
 - Member (Audit & Judicial)

Source:

Angel tax for start-ups: What CBDT has clarified after scrutiny notices |
Explained News – The Indian Express

Q.1 Consider the following statements regarding the Central Board of Direct Taxes (CBDT):

1. CBDT operates as a statutory authority.
2. The Chairman of CBDT is also designated as the Special Secretary to the Government of India.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

ANSWER: C

Q.2 Regarding the updated provisions for angel tax and start-ups, which of the following statements:

1. DPIIT-recognized start-ups are not subject to scrutiny related to the revised angel tax provisions.
2. DPIIT recognition primarily depends on a start-up's ability to generate high profits.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

ANSWER: A

Q.3 Discuss the recent provisions introduced by the CBDT (Central Board of Direct Taxes) regarding angel tax and their impact on start-ups in India. How do these provisions aim to encourage innovation and ease the taxation burden on the start-up ecosystem?

Rishabh

