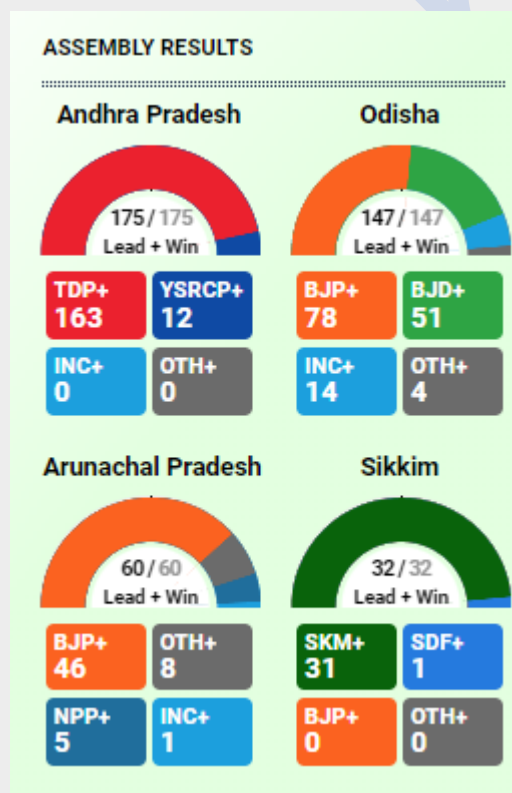
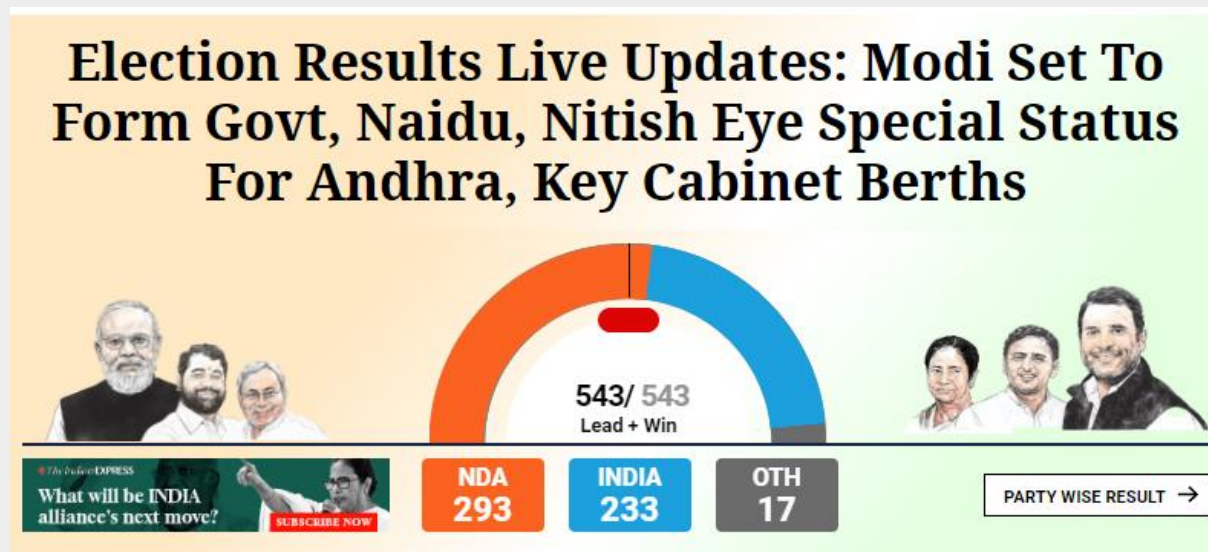


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1. Seat Share in Result Lok Sabha and Simultaneous Assembly Elections

Kindly add the below screenshots to Current affairs shared on 5th June.



Relevance: GS Prelims & Mains Paper II; Governance

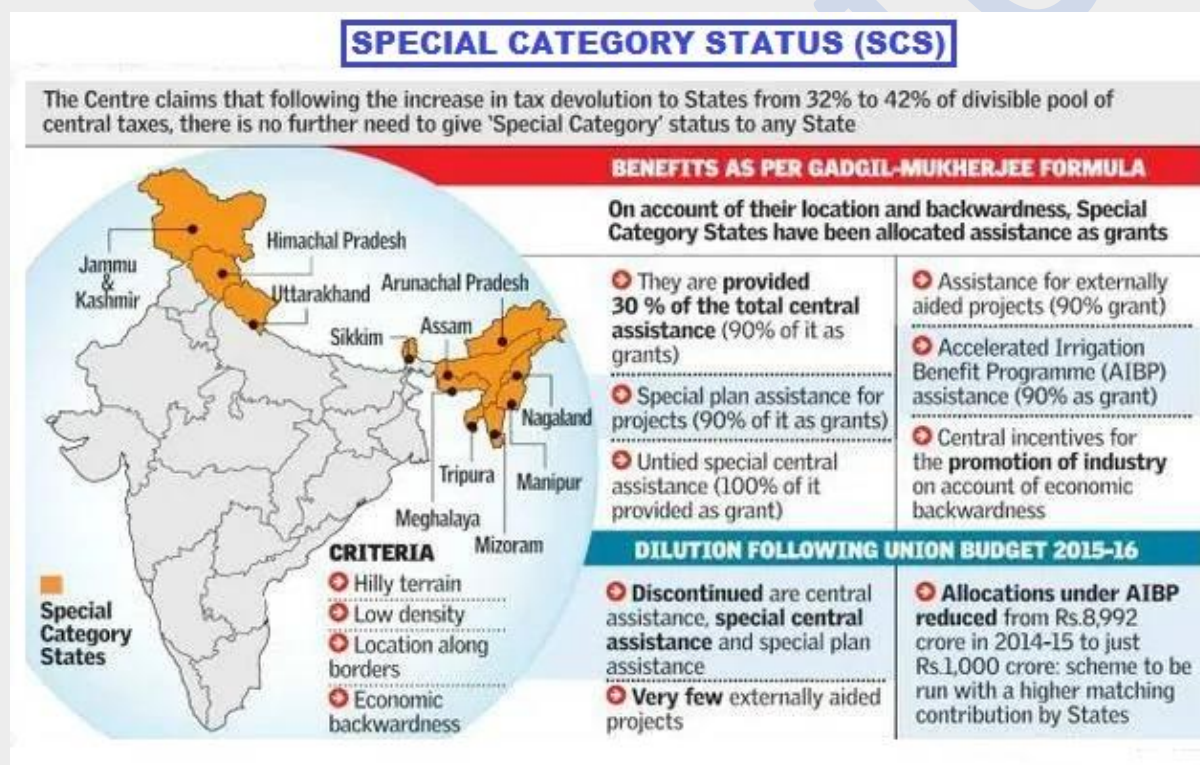
Source: Indian Express

2. Special Category Status for AP: Chandrababu Naidu's big demand and the BJP's compulsions

Why in News?

Telugu Desam Party (TDP) president N Chandrababu Naidu emerged as a key player in national politics after his party won 16 seats in the recent Lok Sabha election. TDP is in alliance with the Jana Sena Party and the BJP in Andhra Pradesh.

Naidu's support is critical for the BJP, which has only 240 seats in Lok Sabha. In return, Naidu is likely to extract several promises and assurances, the most important of which will be the status of a Special Category State for Andhra Pradesh.



What is Special Category Status (SCS)?

In 1969, the Fifth Finance Commission of India introduced the mechanism of SCS to assist certain states in their development and fast-tracking growth if they faced historical economic or geographical disadvantages. Factors such as difficult and hilly terrain, low population density and/ or a sizable tribal population, strategic location along borders, economic and infrastructural backwardness, and non-viable nature of state finances were typically considered to accord SCS.

The system was scrapped on the recommendation of the 14th Finance Commission, which suggested that the resource gap of the states should be filled by increasing the devolution of tax to 42% from the existing 32%.

SCS was accorded to 11 states, including the entire Northeast, and the border hill states of Jammu and Kashmir, Himachal Pradesh, and Uttarakhand. Subsequently, other states too demanded SCS — including Naidu's AP; Bihar, whose Chief Minister Nitish Kumar is another key NDA ally; and Odisha, where the BJP will now form the government.

Why does AP want Special Category Status?

When undivided AP was bifurcated to create Telangana in 2014 through the AP Reorganisation Act, 2014, the UPA government at the Centre had promised to grant SCS to AP to compensate for the loss of revenue, and of Hyderabad, where much of the development was concentrated. After the Narendra Modi government took charge, both Naidu who was CM from 2014 to 2019, and Y S Jagan Mohan Reddy who was CM from 2019 to 2024, repeatedly appealed for SCS, so more funds were made available from the Centre to overcome the "distressing" financial situation of the state.

As per presentations made by the AP government to NITI Aayog, the 14th Finance Commission estimated that the post-devolution revenue deficit for AP for the five-year period 2015-20 would be Rs 22,113 crore, but in reality, this figure stood at Rs 66,362 crore. The debt of the residuary state, which was Rs 97,000 crore at the time of bifurcation, reached Rs 2,58,928 crore by 2018-19, and is more than Rs 3.5 lakh crore now.

AP argues that the undivided state was bifurcated in an unjust and inequitable manner — the successor state inherited nearly 59% of the population, debt, and liabilities of the original state, but only 47% of its revenues. For example, of the Rs 57,000 crore of software exports from AP for the year 2013-14, Hyderabad city — with Telangana after the bifurcation — alone accounted for Rs 56,500 crore.

Today's AP is essentially an agrarian state, with low economic buoyancy, leading to huge revenue disabilities. This is evident from the fact that the per capita revenue of Telangana for 2015-16 was Rs 14,411, while it was only Rs 8,397 for AP.

According to the AP government, the UPA had assured the nation, and especially the people of AP, that it would be granted SCS for a five-year period as a precondition to bifurcation, and that the residuary state would be adequately compensated through a number of development interventions, investments, and direct financial assistance.

And what would SCS mean for AP?

SCS would mean higher grants-in-aid to the state government from the Centre. To illustrate, per capita grants to Special Category States is Rs 5,573 crore per year, whereas AP receives only Rs 3,428 crore.

SCS states enjoy special industrial incentives such as Income-tax exemptions, custom duty waivers, reduced excise duty, corporate tax exemption for a certain period, concessions and exemptions relating to GST, and lower state and central taxes.

In SCS states, the Centre funds central schemes up to 90%, compared to 70% in non-SCS states.

Governments of AP have argued that such special incentives are vital for the rapid industrialisation of the primarily agrarian state, and would lead to improved employment opportunities for the youth and overall development of the state.

Granting SCS would encourage investments in specialty hospitals, five-star hotels, manufacturing industries, high-value service industries such as IT, and premier institutions of higher education and research, AP has argued.

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express

3. Amritpal, Engineer Rashid win from jail: What happens next

Why in News?

Results of the Lok Sabha polls have thrown up two unusual winners — Waris Punjab De chief Amritpal Singh from Punjab's Khadoor Sahib, and Engineer Rashid from Jammu and Kashmir's Baramulla — both of whom are currently in prison on serious charges that are being probed by the National Investigation Agency.



Serious charges

Amritpal Singh has been in jail in Dibrugarh, Assam under the National Security Act (NSA) since March 2023. The NSA is a preventive detention law which allows the government to detain individuals for up to 12 months without pressing formal charges.

Rashid is currently in Delhi's Tihar jail facing charges under the stringent Unlawful Activities Prevention Act (UAPA) in an alleged terror-funding case. A former MLA, he contested in the election on a Awami Ittehad Party ticket.

Taking oath

The duo's election victory means that they now have a constitutional mandate as parliamentarians, despite being in prison.

Taking oath is the first step in fulfilling their role as parliamentarians. Although this is not explicitly spelt out in the Constitution, there have been past instances in which jailed lawmakers are granted temporary parole to take oath.

In March, Aam Aadmi Party leader Sanjay Singh, who was then imprisoned in Tihar on money laundering charges, was granted permission by a court to take oath as Rajya Sabha MP for a second term. A trial court directed the jail superintendent to ensure that he is taken to Parliament with adequate security, and brought back to the jail.

Duties as a lawmaker

Being allowed to take oath is not the same as being released on bail. It is akin to a special parole for a day.

The jailed lawmaker has to then write to the Speaker that she will not be able to attend the proceedings. This is important since Article 101(4) of the Constitution states that if an MP is absent for over 60 days from all the meetings without permission, then her seat would be declared vacant.

For attending a Parliament session or to cast a vote in the Parliament, the lawmaker will have to move court for permission.

However, only a conviction and a sentence of two or more years will lead to disqualification from Parliament.

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express