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GST Council and Corporate Tax

The **Goods & Services Tax (GST) Council** held a meeting on 20th September 2019 to decide on tax moderation, keeping in mind the revenue position and the need to boost **sagging**

economic growth.

Key Decisions

Cheer for hospitality

Lower tax rate and slab rejig for room tariffs

Tax cut to 5% on outdoor catering

Easier compliance

Small taxpayers needn't file returns

New returns only from next fiscal yr

Higher tax load

Caffeinated beverages to attract 28% tax + 12% cess

Rail wagons to be taxed at 12%, up from 5%

Minor relief for auto

Lower cess of 1-3% (on top of 28% tax) for passenger vehicles carrying up to 13 people

No decision on biscuits



- The GST Council had its **37th meeting in Goa** in the backdrop of **economic growth hitting a six-year low of 5%** for the first quarter of the current fiscal (April - June 2019).
- There have been **demands** pouring in from various sectors — from biscuits to automobiles and Fast Moving Consumer Goods (FMCG) to hotels — **to reduce tax rates** in the wake of the economic slowdown.

Decisions Taken

- To factor in the **creation of Union Territories of Jammu and Kashmir as well as Ladakh**, suitable amendments in the Central GST Act, the Union Territories' GST Act, and the corresponding State GST Acts were approved.
- **Slashed tax rates on a host of products** and services, including jewellery stones, hotel stay and outdoor catering, besides **easing the compliance burden for small and medium enterprises**.

GST Council

- It is a **constitutional body** for making recommendations to the Union and State Government on issues related to Goods and Service Tax.
- The GST Council is **chaired by the Union Finance Minister** and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.
- It is considered as a federal body where both the centre and the states get due representation.

Corporate Tax Rate Slashed

- The central government slashed corporate tax rates for **domestic firms from 30% to 22%** and for **new manufacturing companies from 25% to 15%** to boost economic growth.
- Corporate tax is a tax imposed on the **net income of the company**.
- The new effective tax rate inclusive of surcharge and cess for domestic companies would be **25.17%** and for new domestic manufacturing companies would be **17.01%**.
 - These rates would be applicable to those companies who forego the current exemptions and incentives.
 - Also, the **Minimum Alternate Tax (MAT)** will not apply to such companies.
- The reduction in the corporate tax rate for domestic companies would be effective from 1st April 2019.
- The change for new domestic companies would apply for those which get incorporated on or after 1st October 2019 and start producing on or before 31st March 2023.
- The provisions affecting these changes have been inserted in the Income-tax Act through an ordinance.
- Impact:
 - The move **will cost the government Rs 1.45 lakh crore annually**. This increases the chances of **higher fiscal deficit** and government may have to resort to spending cuts or embark on higher disinvestments.
 - It is expected that it will give a great stimulus to **'Make In India'**, attract private

investment from across the globe, improve the competitiveness of the private sector, create more jobs.

- The reduction in corporate tax, effectively, brings India's 'headline' corporate tax rate broadly **at par with an average of 23% rate in Asian countries.**

Source: TH

India - Mongolia Relations

Recently, the Mongolian President visited India. During the visit both the countries emphasized not **only the expansion of strategic partnerships** but also the conversion of a strategic relationship into the **spiritual brotherhood**.

- The two countries have also signed **Memorandum of Understandings (MoUs) on Space Cooperation and Disaster Management** that will provide a new dimension to

the India-Mongolia strategic partnership.



- **A joint statement on space cooperation** would allow **“peaceful exploration” of outer space** and include remote sensing and weather forecasting services for both the countries.
- Both sides took stock of the project to build a **Cyber Security Training Centre to be established in Mongolia with Indian support.**
- The scope of India and Mongolia regular military exercises named **“Nomadic Elephant”** and **“Khaan Quest”** is expected to be broadened.
- The year **2020** will mark the **65th anniversary** of the establishment of **diplomatic relations between India and Mongolia.**

Timeline of India-Mongolia Relations

- The common Buddhist heritage and civilizations link two countries and peoples.
- India established **diplomatic relations** with Mongolia in **1955** as Mongolia declared India as a **“spiritual neighbour”** and strategic partner
- Mongolia along with India and Bhutan co-sponsored the famous **UN Resolution for**

the recognition of Bangladesh as an independent country in **1972**.

- The **first-ever visit by PM** to Mongolia was in **2015** marked the 60th anniversary of the establishment of diplomatic relations between India and Mongolia.
- Mongolia has been **traditionally supporting India in the United Nations and various other international forums**.
- Mongolia voted in favour of India's proposal to **Yoga's inscription into the list of UNESCO's Intangible Cultural Heritage**.
- Mongolia has **publicly reiterated its support for India's membership to the permanent seat of expanded UNSC**.
- India has been helping Mongolia to develop infrastructure, health sector and to expand education and employment opportunities in the country.

SAMVAAD dialogue

- SAMVAAD dialogue brings Buddhist religious leaders, experts and scholars from different countries together to **deliberate on contemporary issues related to Buddhism**.
- "Samvaad", is a derivative of the Sanskrit word "Samvadam" [meaning "Dialogue"]
- The conference urged **open and truthful global dialogue on conflicts and the environment**.

General Assembly of Asian Buddhist Conference for Peace (ABCP)

- It was initiated at **Ulaanbaatar, (Mongolia) in 1969-70 as a voluntary movement of followers of Lord Buddha**, both monks and lay, striving to disseminate and implement the teachings of the Enlightened One on peace and harmony, compassion and loving-kindness for all sentient beings on Earth.
- It aims to bring together the efforts of Buddhists in support of consolidating universal peace, harmony, and cooperation among peoples of Asia.
- The year 2019 marks the **50th anniversary** of the Assembly of Asian Buddhist Conference for Peace (ABCP).

Source:PIB

National Conference on Agriculture

Recently the Union Minister of State for Agriculture & Farmers Welfare inaugurated the **'National Conference on Agriculture for Rabi Campaign 2019.'**

- In the Conference, he highlighted the fact that the Centre-State cooperation has made possible an all-time **high production** of **rice** (116 million tonnes), **wheat** (102.5 million tonnes), **pulses and oilseeds**.

Although the concern was expressed regarding the **shortage of oilseeds** for which a separate mission might be launched in the future to increase the **capacity and reduce import** of edible oils.

- The Minister emphasized that the demand for fertilizers should be made after consultation with farmer organizations at the **District level** so that the availability can be ensured to farmers at the crucial stages of crop production.
- **Seed mini-kits** for rabi crops, pulses and oilseeds will be distributed to the farmers, with the active involvement of State Agriculture Departments.
- Keeping in view the agricultural slowdown, several changes were announced:
 - **Kisan Credit Card:** Major changes in terms of
 - Waiver of the registration fee,
 - Minimum time for issuance of **Kisan Credit Cards**,
 - Widening the range of loans, etc. have been made for covering a large number of farmers.
 - Inputs from State Agriculture Departments were received for modifying and initiating better review mechanism for **Pradhan Mantri Fasal Bima Yojana (PMFBY)**.
 - **45-biofortified varieties** with an enhanced percentage of nutrients, proteins, etc. were also released.
 - The State Agriculture Departments will be organizing **Fertilizer Awareness Drive** with the onset of Rabi season to take advantage of favourable weather conditions for timely sowing of the crop and increase the final yield.
- There is a need to strengthen the **Lab to Land connect** for ensuring maximum benefit to farmers.

For that purpose, the State Agriculture Departments have been asked to provide support for strengthening **the seed hubs**.

Kisan Credit Card (KCC)

- The Kisan Credit Card (KCC) scheme was **introduced in 1998** for providing adequate and timely credit support to the farmers for the cultivation and other needs like the purchase of agriculture inputs such as seeds, fertilizers, pesticides, etc.
- The scheme was further extended for the investment credit requirement of farmers for the allied and non-farm activities, in the year 2004.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

- PMFBY was launched in the year 2016.
- The scheme is being administered by **the Ministry of Agriculture and Farmers Welfare**.
- It **replaced the National Agricultural Insurance Scheme (NAIS)** and the Modified National Agricultural Insurance Scheme (MNAIS).

- PMFBY fixes a uniform premium of 2% of the value of sum insured to be paid by farmers for all Kharif crops, 1.5% for all rabi crops, and 5% for annual commercial and horticultural crops or actuarial rate, whichever is less.

Source: PIB

Controlled Human Infection Model (CHIM)

Recently, The Department of Biotechnology (DBT) has proposed to develop new **influenza vaccines** using a **Controlled Human Infection Model (CHIM)**.

- Under the CHIM approach volunteers who take part in trials will be infected, under expert supervision, with infectious viruses or bacteria.
- Vaccines traditionally are made of a **weakened form of a disease-causing virus or bacteria** and injected into the body to coax the immune system into making **antibodies that create immunity against future infection**.
- Years of vaccine development have shown that frequently vaccines that work in small groups of people may not always work in large populations, or those that are effective in one country may not be in another.
- A CHIM approach will speed up the process whereby scientists can quantify whether potential vaccine candidates can be effective in people and identify the factors that determine why some vaccinated people fall sick and others do not.
- Experience with CHIM could help to **create clinical investigators trained in vaccine development**.
- Earlier, The Hyderabad-based biotech company, **Bharat Biotech**, used the CHIM approach to develop a **Typhoid vaccine**.
- Though the vaccine is already licensed in India the vaccine's potency was evaluated by infecting human volunteers at Oxford University in the U.K. and not in India.
- The risk in such trials is that intentionally infecting healthy people with an active virus and causing them to be sick is **against medical ethics**.
- CHIM approach would also help to study **bacterial or enteric viruses (residing in the intestine) like cholera** which is prevalent in India.

Source: TH

Pusa Yashasvi

Recently, the **Indian Agricultural Research Institute (IARI)** has released a new variety of **wheat** named **Pusa Yashasvi**.

- It is also known as **HD-3226**.

- It has **higher genetic yield potential** (at 79.6 quintals) as compared to other varieties of wheat.
- Pusa Yashasvi has a higher content of **zinc, protein, and gluten** (which contributes to the strength and elasticity of the dough).
- The best feature of this variety of wheat is that it is **highly resistant against all major rust fungi** viz. yellow/stripe, brown/leaf, and black/stem.
- It is compliant to the **conservation agriculture**.

Conservation Agriculture (CA) is defined as a sustainable agriculture production system that comprises of a set of farming practices adapted to the requirements of crops and local conditions of each region.

The farming and soil management techniques in CA protects the soil from erosion and degradation, improves its quality and biodiversity, and contributes to the preservation of the natural resources, water, and air while optimizing yields.

Source: IE
