

26 – 11 – 2021

News: Dosti Trilateral Exercise: India, Maldives and Sri Lanka

- The 15th edition of the **biennial trilateral coast guard exercise 'Dosti'** involving **India, the Maldives and Sri Lanka** is underway in the Maldives.
- The **year 2021 marks 30 years** since these exercises were first launched.
- The **exercise was first initiated in 1991, between the Indian and Maldives Coast Guard. Sri Lanka joined the exercise for the first time in 2012.**
- The Exercises carried out over the **past ten years have focused on exercises and drills on providing assistance in sea accidents, eliminating sea pollution, and the Coast Guard's procedure and conduct during situations** such as oil spills.
- **Indian Coast Guard vessels Vajra and Apoorva** have been deployed for the exercise (2021).
- Aim of the exercise is to **further fortify the friendship, enhance mutual operational capability, and exercise interoperability and to build cooperation between the Coast Guards of Maldives, India and Sri Lanka.**

News: Fourth Scorpene-class submarine 'INS Vela' commissioned into Indian Navy

- INS Vela, the fourth Scorpene-class submarine was commissioned into the Indian Navy.

Kalvari Class Submarines (Project 75)

- 'Project-75' is a programme by the Indian Navy along with French Navy that entails building six Scorpene / Kalvari Class attack submarines.
- The first submarine 'INS Kalvari' under this project was commissioned on 2017.
- The second ship of the class 'INS Khanderi' was commissioned on 2019.
- The third ship of the class 'INS Karanj' was commissioned on 2021.
- The fourth ship of the class 'INS Vela' was commissioned to the Navy by 2021 November.
- Fifth and Sixth ships, 'INS Vagir', and 'INS Vagsheer' respectively, is on the cards.

Scorpene Class Submarines

- The submarines in the P75 Scorpene Class are powered by conventional diesel-electric propulsion system.

- Scorpene is one of the most sophisticated submarines, capable of undertaking multifarious missions including anti-surface ship warfare, anti-submarine warfare, intelligence gathering, mine laying, and area surveillance.
- However, few submarines are expected to be equipped with air-independent propulsion (AIP) technology, which is developed by DRDO to provide long-range and extended endurance capabilities under sea.

News: 'Bring in three rate GST structure'

- The Government can rationalise the GST rate structure without losing revenues by **rejigging the four major rates of 5%, 12%, 18% and 28% with a three rate framework of 8%, 15% and 30%**, as per a National Institute of Public Finance and Policy (NIPFP) study.
- **GST Council has tasked a Group of Ministers**, headed by Karnataka CM Basavaraj S. Bommai, **to propose a rationalisation of tax rates** and a possible merger of different tax slabs by December to shore up revenues.

GST Council

- GST Council is constituted under the provisions of Article 279A.
- GST Council is **chaired by Union Finance Minister & other members are Union State Minister of Revenue/ Finance & ministers in-charge of Finance or Taxation of all states.**
- It is the GST Council **who sets, alters or modifies or takeaway the GST slabs** for the Goods & Services in India.
- Constitution mandates the meet of GST council **at least once in every financial quarter.**
- **One half of the total number of members of GST Council constitutes the quorum** at its meetings.

- Every decision of GST Council is taken by a majority of not less than 3/4th votes of weighted votes of members present & voting provided that centre shall have 33% of voting weightage and all states have combined 66% of weighting average.
- In short, Centre enjoys a hidden VETO power in GST council.
- The quorum for the meeting of GST council is one half of the members.
- The secretariat of GST council is located at New Delhi.
- The Union Revenue Secretary acts as the ex-officio Secretary to the Council.
- As per Article 279A (4), The Goods and Services Tax Council shall make recommendations to the Union and the States on the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax (GST), The goods and services that may be subjected to, or exempted from the goods and services tax; The threshold limit of turnover below which goods and services may be exempted from goods and services tax, Special provision with respect to the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand, Any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster.
- The GST Council dictates tax rate, tax exemption, the due date of forms, tax laws, and tax deadlines, keeping in mind special rates and provisions for some states.

- GST is an **ad valorem tax** (Tax on the basis of the monetary value of the item).
Specific tax is a fixed amount of tax placed on the units of a particular good sold and not the monetary value of the good.
- Recently, Kerala government levied a 1 per cent cess on the value of goods and services a disaster relief cess (Kerala flood) to raise additional revenue in 2019 after approval by the Goods and Services Tax Council.
- The **GST Council also shall recommend the date on which the goods and services tax be levied on petroleum crude, high-speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.**
- The GST is an indirect tax applicable to the supply of Goods and Services. It is a destination based tax.
- The **Goods and Services Tax Council shall establish a mechanism to adjudicate any dispute – between the Government of India and one or more States; or between the Government of India and any State or States on one side and one or more other States on the other side; or between two or more States, arising out of the recommendations of the Council or implementation thereof; or any other matter relating to the goods and services tax, as the Council may decide**

Taxes subsumed by GST

The GST replaced the following taxes levied and collected by the Centre:

- Central Excise Duty
- Duties of Excise (Medicinal and Toilet Preparations)
- Additional Duties of Excise (Goods of Special Importance)
- Additional Duties of Excise (Textiles and Textile Products)
- Additional Duties of Customs (commonly known as CVD)
- Special Additional Duty of Customs (SAD)
- Service Tax Central Surcharges and Cesses so far as they relate to supply of goods and services.

State taxes that subsumed under the GST are:

- State VAT
- Central Sales Tax
- Luxury Tax
- Entry Tax (all forms)
- Entertainment and Amusement Tax (except when levied by the local bodies)
- Taxes on advertisements
- Purchase Tax
- Taxes on lotteries, betting and gambling.