

25 December 2024

GST Council Meeting Highlights

Context: On December 21, 2024, the GST Council convened for a meeting where key decisions, particularly on health and life insurance taxation were on table. The meeting was chaired by Union Finance Minister Nirmala Sitharaman.

Decision on Insurance Taxation:

- A significant item on the agenda was the reduction of taxes on health and life insurance. However, the Council decided to postpone this decision, citing the need for more discussions.
- Bihar Deputy Chief Minister Samrat Chaudhary, who leads the Group of Ministers (GoM) on insurance, announced that a further meeting would be held in January 2025 to finalize the taxation structure for various policies, including those for groups, individuals, and senior citizens.

GoM Recommendations on Insurance Premiums:

- The GoM had earlier recommended tax exemptions for certain insurance premiums. It proposed exempting GST on premiums for term life insurance and health insurance for senior citizens.
- Additionally, premiums paid by individuals for health insurance policies with coverage up to ₹5 lakh would also be exempt from GST. However, policies with coverage exceeding ₹5 lakh would continue to attract an 18% tax.

Other Major Proposals which discussed:

- The GST Council also discussed various other tax proposals, including hikes for "sin goods" like aerated beverages, tobacco, and cigarettes, suggesting a rise from 28% to 35%.
- Additionally, the GoM proposed changes to GST rates for goods such as apparel, footwear and wristwatches, including a higher tax on luxury items.
- Other adjustments included reducing GST on packaged drinking water and bicycles under certain conditions. The final decision will be taken on January, 2025 GST council meeting.

What is Goods and Services Tax (GST)?

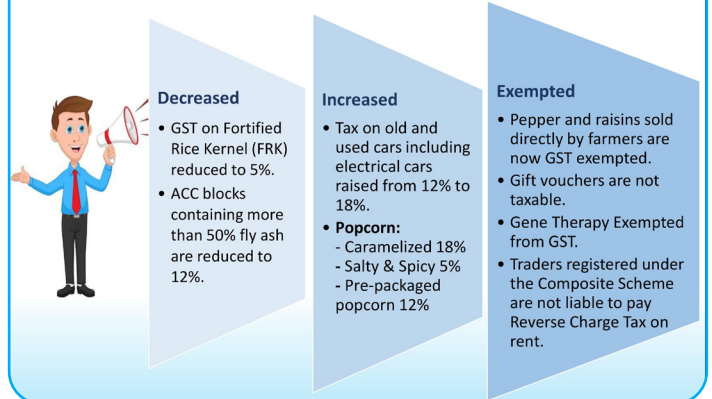
- Goods and Services Tax (GST) is an indirect tax levied on goods and services sold in India for domestic consumption. Based on the Value Added Tax (VAT)

principle, GST is paid by consumers but collected and remitted to the government by businesses. It replaced various indirect taxes previously levied by both the central and state governments.

History and Evolution of GST in India:

- GST's journey began in 2003 with the Kelkar Task Force's recommendation. The proposal to introduce GST at the national level was made in the 2006-07 budget, aiming to eliminate multiple indirect taxes.
- The Constitution (122nd Amendment) Bill was introduced in 2014, passed as the Constitution (101st Amendment) Act in 2016, and GST was officially implemented on July 1, 2017.

Highlights of 55th GST Council Meet



Constitutional Framework for GST:

- The 101st Amendment introduced three key articles: Article 246A, which allows both Parliament and state legislatures to legislate on GST; Article 269A, dealing with inter-state trade and revenue distribution; and Article 279A, which empowers the President to form the GST Council.

Components of GST:

- GST is divided into four components: Central GST (CGST), State GST (SGST), Union Territories GST (UTGST), and Integrated GST (IGST).
- These taxes apply based on whether transactions are intra-state or inter-state, with rates mutually decided by the Centre and the States.

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Telecommunications Rules, 2024

Context: On December 6, 2024, the Union Government notified the Telecommunications (Procedures and Safeguards for Lawful Interception of Messages) Rules, 2024. These rules, which replace Rule 419A of the Indian Telegraph Rules, 1951, empower certain enforcement and security agencies to intercept phone messages under specific conditions.

Key Provisions of the New Rules:

- The new rules allow specific agencies, including the Union Home Secretary and the Secretary to the State Government (Home Department), to issue orders for intercepting messages. Additionally, officers not below the rank of Joint Secretary can issue interception orders in "unavoidable circumstances," although these circumstances are not clearly defined.
- Interceptions can be authorized when deemed necessary under Section 20(2) of the Telecommunications Act, 2023. This includes situations where it is difficult for the competent authority to issue an order, particularly in remote areas or under operational constraints.

Key Differences from Previous Regulations:

- The new rules represent a shift from the previous regime. One of the major changes is the relaxation of the requirement that interceptions could only occur in "emergent cases." The updated rules now allow for more flexibility in issuing interception orders, especially in cases where the competent authority cannot issue the order directly.
- Another significant change is that only the head of the agency and the second senior-most officer at the State level are authorized to issue such orders, limiting the number of officers who can do so.
- Additionally, the new rules stipulate that intercepted messages cannot be used as evidence in court unless the order is confirmed within seven days. If the competent authority does not confirm the order within that timeframe, the interception will cease, and the data will be rendered unusable.

Retention period and Accountability Concerns:

- Under the new rules, records of intercepted messages must be destroyed every six months unless required for operational reasons or under court orders. However,

the rules have raised concerns about accountability.

- There are no provisions for punishing agencies that misuse interception powers, particularly during the seven-day window before confirmation by the competent authority.

Historical Context and Criticism of the rules:

- Before the introduction of these new rules, Rule 419A governed interceptions. In 1996, the Supreme Court in the People's Union for Civil Liberties (PUCL) vs Union of India case emphasized the importance of protecting privacy and required safeguards for any interception of messages.
- Critics of the new rules argue that they provide broader powers for interception, particularly by relaxing the "emergent case" condition, and raise concerns about the lack of checks to prevent misuse by authorized agencies.

India's First Bio-Bitumen National Highway

Context: Union Minister Nitin Gadkari inaugurated India's first bio-bitumen-based National Highway stretch on NH-44 in Mansar, Nagpur, Maharashtra. This project marks a significant milestone in sustainable infrastructure, utilizing lignin-based bio-bitumen technology developed by Praj Industries in collaboration with CSIR-CRRI, NHAI, and Oriental.

Benefits of this Highway

- **Environmental Benefits:** Bio-bitumen reduces greenhouse gas emissions by 70% compared to fossil-based alternatives, addressing bitumen scarcity and lowering import dependency.
- **Economic Benefits:** Utilizing agricultural waste like rice straw creates revenue for bio-refineries and farmers, saving India ₹4,000-4,500 crore in foreign exchange.
- **Infrastructure Benefits:** Roads made with bio-bitumen are 40% stronger, ensuring better durability and reduced maintenance costs. The technology also mitigates stubble-burning pollution.
- **Sustainability and Self-Reliance:** This initiative supports India's vision of Aatmanirbhar Bharat by reducing dependency on imports and promoting

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sustainable growth.

About Lignin-Based Bio-Bitumen Technology:

- Lignin-based bio-bitumen offers a sustainable alternative to traditional bitumen, using lignin, a by-product from plant biomass, as a binder.
- This innovation cuts greenhouse gas emissions by 70%, alleviates bitumen scarcity, and lessens India's reliance on imports. Additionally, it helps manage agricultural waste, contributing to reduced pollution from stubble burning.

Other Key Technologies

- **Rejupave Technology:** Developed by CSIR-CRRI, this technology is designed for cold and high-altitude regions. It lowers production temperatures by 30°C to 400°C, improving road durability while reducing emissions.
- **Steel Slag Road Technology:** Steel slag, a by-product of steel production, is processed and used as an aggregate for road construction. This technology improves road strength and drainage, while also providing an eco-friendly solution for recycling industrial waste.

About National Highway 44 :

- National Highway 44 (NH 44) is India's longest north-south highway, stretching over 4,112 km from Srinagar to Kanyakumari. It connects several key states, including Jammu and Kashmir, Punjab, Delhi, Uttar Pradesh, Madhya Pradesh, Maharashtra, and Tamil Nadu.
- The highway includes sections of former national highways, such as the Jammu-Srinagar Highway and Agra-Bombay Road. A major upgrade of the Delhi-Panipat section was completed in 2023, enhancing its infrastructure. The NH 44 plays a critical role in India's road network, facilitating both inter-state and national transportation.

India State of Forest Report

Context: The India State of Forest Report 2023 (ISFR 2023) was officially launched by Bhupender Yadav, Minister for Environment, Forest, and Climate Change, at the Forest Research Institute in Dehradun. Published by the Forest Survey of India (FSI), the report offers a comprehensive analysis of India's forest and tree resources, based on satellite data and field assessments.

Total Forest and Tree Cover in India:

- According to the ISFR 2023, the total forest and tree cover in India is 8,27,357 square kilometers, which is 25.17% of the country's geographical area. This includes 7,15,343 square kilometers of forest cover (21.76%) and 1,12,014 square kilometers of tree cover (3.41%). These areas are critical for maintaining ecological balance and supporting carbon sequestration efforts.

Changes in Forest and Tree Cover (2021-2023)

- The report highlights a positive trend, with an overall increase of 1,445 square kilometers in forest and tree cover compared to 2021. Of this, forest cover increased by 156 square kilometers, and tree cover expanded by 1,289 square kilometers. This suggests that afforestation and reforestation efforts are gaining momentum, contributing to improved forest health.



Maximum Increase in Forest and Tree Cover:

- The top four states showing the largest increases in forest and tree cover are:
 - » Chhattisgarh (684 sq km)
 - » Uttar Pradesh (559 sq km)
 - » Odisha (559 sq km)
 - » Rajasthan (394 sq km)
- For forest cover specifically, the leading states are:
 - » Mizoram (242 sq km)
 - » Gujarat (180 sq km)
 - » Odisha (152 sq km)
- The states with the largest forest and tree cover are:
 - » Madhya Pradesh: 85,724 sq km
 - » Arunachal Pradesh: 67,083 sq km
 - » Maharashtra: 65,383 sq km

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- For forest cover alone, the top three states are:

- » Madhya Pradesh: 77,073 sq km
- » Arunachal Pradesh: 65,882 sq km
- » Chhattisgarh: 55,812 sq km

Other Key Findings:

- Lakshadweep has the highest percentage of forest cover (91.33%) among states and Union Territories, followed by Mizoram (85.34%) and Andaman & Nicobar Islands (81.62%).
- India's total mangrove cover is 4,992 sq km, and the bamboo-bearing area is estimated at 1,54,670 sq km, an increase of 5,227 sq km from 2021.

- India's total carbon stock in forests is estimated at 7,285.5 million tonnes, with a 81.5 million-tonne increase. Regarding status on achievement of target under NDC related to carbon sequestration, the current assessment shows that India's carbon stock has reached 30.43 billion tonnes of CO₂ equivalent; which indicates that as compared to the base year of 2005, India has already reached 2.29 billion tonnes of additional carbon sink as against the target of 2.5 to 3.0 billion tonnes by 2030.

Power Packed News

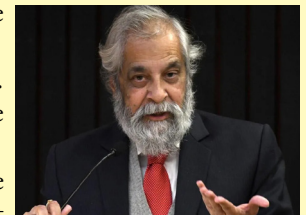
Indian Under-19 team wins first T20 Asia Cup

- The Indian Under-19 women's cricket team created history by winning the first Under-19 ACC Women's T20 Asia Cup held in Kuala Lumpur, Malaysia. In the final match, India defeated Bangladesh by 41 runs.
- Batting first, India scored 117 runs for 7 wickets in the stipulated 20 overs. Gongdi Trisha scored 52 runs in 47 balls, which was the team's best score. In bowling, Ayushi Shukla took 3 wickets, while Sonam Yadav and Parunika Sisodia took 2-2 wickets each.
- The tournament started on December 15, in which the top 6 teams of the continent were participating. Under the captaincy of Nikki Prasad, the Indian team performed unbeatable and captured the title. This victory shows the growing influence of Indian women's cricket.



Justice Madan Lokur becomes President of UN Judicial Council

- Former Supreme Court judge Justice Madan B. Lokur has been appointed as the President of the United Nations Internal Justice Council. He will hold the position till 12 November 2028.
- The Council comprises Ms. Carmen Artigas of Uruguay, Ms. Rosalie Balkin of Australia, Mr. Stephan Brezina of Austria and Mr. Jay Pozzenell of the US. Justice Lokur retired from the Supreme Court on 30 December 2018.
- In 2019, he achieved a unique feat by being appointed as a non-resident judge in the Supreme Court of Fiji. The Council will benefit from his experience and expertise. This appointment reflects India's influence in the global justice system.



V. Ramasubramanian becomes NHRC Chairman

- Retired Supreme Court judge V. Ramasubramanian has been appointed as the chairman of the National Human Rights Commission (NHRC). He was appointed by President Draupadi Murmu. He took charge in the Supreme Court on 23 September 2019 and retired on 29 June 2023.
- This appointment came after the term of former Supreme Court judge Arun Kumar Mishra ended. The new appointments

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will strengthen the protection of human rights and their enforcement.

No-Detention Policy Ended

- 16 states and 2 union territories, including Delhi, have abolished the 'No-Detention Policy' for classes 5 and 8. According to the new policy, if a student does not meet the promotion criteria, he will be given an opportunity to re-examine.
- If he fails in this too, he will be stopped in the same class. However, no child will be expelled from school until elementary education is completed.
- This policy has been implemented with the aim of improving the learning outcomes of students under the New Education Policy (NEP) 2020.

Shyam Benegal passes away

- Famous film director Shyam Benegal passed away at the age of 90. He has made National Award-winning films like 'Manthan', 'Bhumika', 'Junoon' and 'Netaji Subhash Chandra Bose: The Forgotten Hero'.
- In his career spanning six decades, he received several honours including the Dadasaheb Phalke Award, Padma Shri and Padma Bhushan. He was also a teacher and chairman of the Film and Television Institute of India. His films took Indian cinema to new heights.



Madhya Pradesh recognised as global destination

- Madhya Pradesh has been selected as one of the 'global destinations' for 2025 by the Wall Street Journal. The honour highlights the state's rich cultural heritage, unique wildlife and natural beauty.
- UNESCO World Heritage Sites like Khajuraho, Panna and Bandhavgarh played a key role in this recognition. This recognition establishes Madhya Pradesh as a world-class tourist destination.



India reaches 49th position in 'Network Readiness Index'

- India has jumped 11 places to 49th position in the Network Readiness Index (NRI) 2024. This index assesses the digital progress and technological innovations of countries.
- The US, Singapore and Finland are ranked first, second and third respectively. India's score is 53.63, which reflects improvements in digital infrastructure, artificial intelligence, and broadband services.
- In this report released by the Washington DC-based Portulans Institute, India has made significant progress in citizen engagement and use of technology. This achievement underlines India's move towards leading the digital revolution.



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