

BHARAT SCHOOL OF BANKING

THE HINDU EDITORIAL FOR ENGLISH COMPREHENSION SET 3

The GST Council is **besieged** with demands from various quarters for commodity-specific exemptions or **concessional** tax rates on many products. Of particular note is the one for biris (beedis). This is a bad idea, from the viewpoint of both revenue and public health. Tailored exemptions break the GST chain, raise the chances of **evasion** and generate systemic inefficiencies, beating the purpose of GST. On tobacco products, the plan is to **levy** the highest tariff of 28% plus a sin tax component of 15% that will not be eligible for input tax credit. This makes sense as it will keep the GST chain unbroken, while **dissuading** harmful consumption.

Cigarettes account for around 11% of tobacco consumption but contribute 87% of taxes from tobacco. Heavy taxation of cigarettes has brought down cigarette use, but the use of tobacco in general has gone up, raising the healthcare burden. The National Health Policy 2017 seeks to increase the country's public spending on health from 1.15% of GDP at present to 2.5% of GDP by 2025, with taxes on tobacco being specifically targeted as a potential source of finance.

The sensible thing to do is to tax all tobacco, at the stage of its first sale, on a reverse-charge basis, not to exempt the bulk of it in the name of the poor. Bidis and chewing tobacco are, if anything, more harmful than cigarettes, and making this source of harm cheap by **concessional** tax treatment makes little sense.

High taxes on cigarettes have an indirect victim as well: tobacco farmers, the demand for whose produce is hit by largescale smuggling of cigarettes into India induced by high taxes on cigarettes. GST excludes real estate, electricity, alcohol and petroleum products in the near term. So, the case to minimise exemptions and concessions is strong.

MEANING:

- **CONCESSIONAL**-A contract granting the right to operate a subsidiary business(சலுகை)
- **EVASION**- A statement that is not literally false but that cleverly avoids an unpleasant truth(மழுப்பதல்)
- **BESIEGED**-Surrounded by hostile forces(முற்றுகை இடு)
- **LEVY**-Charge a fee or tax(வசூல் செய்தல்)
- **DISSUADING**-Turn away from by persuasion(A personal belief or judgment that is not founded on proof or certainty)(அச்சம் ஊட்டி)

QUESTIONS BASED ON THE GIVEN PARAGRAPH:

SYNONYMS:

1. EVASION

- | | |
|-----------|------------------|
| a) Escape | d) Decisive |
| b) Catch | e) None of these |
| c) Ceded | |

2. LEVY

- | | |
|-----------|-----------|
| a) reveal | b) Impose |
|-----------|-----------|

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c) Corrupted

e) None of these

d) Dodging

3. BESIEGED

a) Calm

d) Accord

b) Forceful

e) None

c) Relinquish

ANTONYMS

4. Concessional

a) accommodation

d) Disagree

b) compromise

e) None of these

c) disavowal

5. Dissuade

a) deter

d) persuade

b) discourage

e) None of these

c) inhibit

6. Give the suitable title for the given paragraph

a) Exemption on alcohol

c) Harm of Cigarette

b) Don't keep punching new holes on gst

d) None of these

7. Biris is exempted from which tax?

a) Input tax credit

d) Service tax

b) Gst

e) None

c) Exemption tax

8. Which is more harmful than cigratte?

a) Bidis

d) Both a and b

b) Chewing tobacco

e) None of these

c) Alcohol

9. Full form of NHP?

a) National hareness policy

c) Net health policy

b) National health policy

d) Net harrasement prevent

e) None of these

10. How much percent of gdp is allocated for NHP in 2025?

a) 2.5%

d) 8.7%

b) 11%

e) None of these

c) 1.15%

11. What will happen if the exception and concessional tax is given to biris?

a) Break the gst chain

d) Both a, b, c

b) Chance of evasion on gst

e) None of these

c) Gst become inefficient

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ANSWERS:

1. a 2.b 3.b 4.c 5.d 6.b 7.a 8.d 9.b 10.a 11.d

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