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5 August 2023

GOVT. IMPOSES CURBS ON IMPORT OF LAPTOPS AND TABLETS

GS 3

SOURCE: [TH](#)

WHY IN NEWS : NEW REGULATIONS REQUIRES IMPORT LICENSES WITH IMMEDIATE EFFECT

WHAT IS PLI SCHEME

The PLI (Production Linked Incentive) scheme is a government program that aims to boost manufacturing in India. The scheme offers incentives to companies that invest in new manufacturing facilities or expand existing ones. The incentives are linked to the production of goods, so companies that produce more goods get more incentives.



FEATURES OF PLI SCHEME

- Companies get incentives based on the amount of goods they produce.
- The scheme is open to both domestic and foreign companies.
- The incentives are available for a wide range of products, including electronics, textiles, and automobiles.
- The scheme is designed to boost investment in new manufacturing facilities and to expand existing ones.
- It is an outcome based approach.
- It promotes private investment

SIGNIFICANCE OF PLI SCHEME

- **Boosts investment in manufacturing:** The PLI scheme has been very successful in attracting investment in new manufacturing facilities.
- **Creates jobs:** The PLI scheme is expected to create millions of jobs in India. For example, the electronics PLI scheme is expected to create 2 million jobs in the next five years.
- **Helps India become a global manufacturing hub:** The PLI scheme is designed to help India become a global manufacturing hub. By attracting investment and creating jobs, the scheme is helping to make India a more attractive destination for manufacturing.
- **Increases exports:** The PLI scheme is also expected to increase India's exports. For example, the electronics PLI scheme is expected to increase India's exports of electronics by \$50 billion in the next five years.
- **Development of high potential sectors:** Sectors who do not hold economic importance in current times but have significant opportunity in future can be developed through this scheme.
 - EG: Pharmaceutical sectors

PRELIMS SPECIFIC :

- The PLI schemes were initially declared in April 2020 as part of the Atmanirbhar Bharat Abhiyan, a comprehensive economic plan aimed at revitalizing the economy during the COVID-19 pandemic.
- These schemes were initially focused on three sectors: mobile phones and specified electronic components, active pharmaceutical ingredients (APIs) and medical devices, and critical key starting materials (KSMs), drug intermediates, and APIs.
- At present, the schemes provide incentives to companies for increasing sales of products manufactured in India across 14 significant sectors, including electronics, pharmaceuticals, automobiles, textiles, and food products.

ISSUES FACED BY PLI SCHEME

Lack of transparency: There is no clear information about how the incentives are calculated or how they are distributed. This has led to some concerns about corruption and cronyism.

Focus on large companies: The incentives are only available to companies that invest in new manufacturing facilities or expand existing ones. This means that small and medium-sized businesses are not eligible for the incentives.

Not enough to make India a global manufacturing hub: Some experts have argued that the PLI scheme is not enough to make India a global manufacturing hub. They argue that the government needs to do more to improve the infrastructure and skills in India.

Multiple Deliverables: The schemes promises multiple targets to achieve such as Increase in number of exports, Quality enhancement but unable to give result for all parameters.

Disadvantage to Excluded Sectors:

Some sectors are completely excluded from PLI scheme which causes lack of resources and human capital in these sectors.

Skills gap: Despite India having a sizable workforce, there is a noticeable deficiency of highly skilled labor, particularly in advanced technology sectors that the PLI scheme aims to address.



MEASURES TO BE TAKEN

Make the scheme more accessible to small and medium-sized businesses: The government could do this by lowering the minimum investment requirements for the scheme. The government could also provide financial assistance to small and medium-sized businesses to help them meet the investment requirements.

Coordinate the scheme with other government policies: The government could do this by creating a single window for businesses to access information about all the government policies that are relevant to them.

Improve the monitoring of the scheme: The government could do this by collecting more data on the scheme. The government could also create a system for tracking the progress of the scheme and identifying any problems that may be arising.

Increased Investment: There is a need to improve investment in the field of Innovation, Research and Skilling for better results.

Technological Competence: Incentives should be provided to industries so that they can enhance their technological competence of private players for transitioning into Global players.

GS 2

SOURCE: [TH](#)

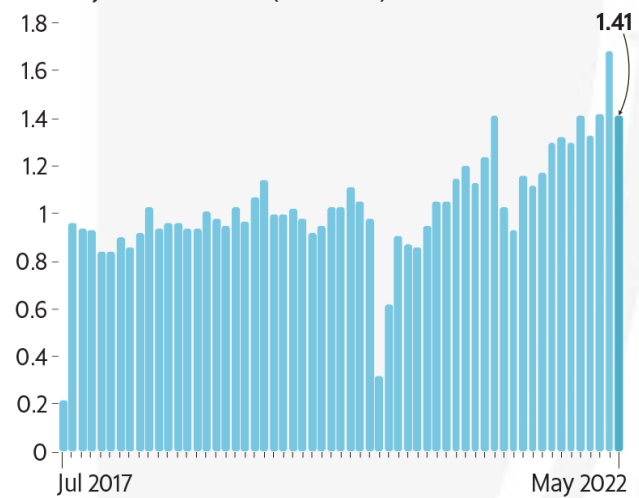
WHY IN NEWS: The GST Council's reconsideration of gaming bets lacks sufficient clarity and certainty.

The Goods and Services Tax system was implemented following the approval of the Constitutional (122nd Amendment) Bill by both Houses of Parliament in 2016.

The GST Council, established by the President under **Article 279A(1)** of the amended Constitution, serves as a collaborative platform between the Central Government and the states.

GST collections have consistently hit the ₹1-trillion mark in the last one year

Monthly GST collections (in ₹trillion)



Source: GST Council, PIB

SIGNIFICANCE OF GST COUNCIL

Uniform Tax Structure: The GST Council ensures a uniform tax structure across the country, replacing multiple indirect taxes levied by the Central and State Governments.

- For example, before GST, goods were subject to both Central Excise Duty and State VAT. Now, a single GST rate applies to most goods.

Fiscal Autonomy of States: It ensures that states have the freedom to decide on their revenue-raising powers within the framework of the GST law.

- For example, some states have chosen to exempt certain goods from SGST (State Goods and Services Tax) to promote local industries.

Tax Rate Rationalization: It aims to strike a balance between revenue generation and consumer affordability.

- For instance, over time, the council has reduced the GST rates on various items like daily necessities.

Decisions on Exemptions and Thresholds: The Council decides on exemptions, thresholds, and special provisions for small businesses.

- For example, businesses with an annual turnover below a specified threshold are exempt from GST registration.

Addressing Industry Grievances: The GST Council addresses industry grievances and concerns by making necessary amendments to the GST law.

- For example, it made changes to the GST law to provide relief to small businesses during the COVID-19 pandemic.

Input Tax Credit Mechanism: The Council ensures the smooth functioning of the Input Tax Credit (ITC) mechanism, which allows businesses to claim credits for taxes paid on inputs.

Dispute Resolution: The Council resolves disputes between the Central and State Governments on various GST-related matters.

- For example, there may be disagreements on sharing tax revenue or on the treatment of certain goods and services.

PRELIMS SPECIFIC :

ARTICLE 279 A: As per Article 279A (1) of the revised Constitution, the President is required to form the GST Council within 60 days from the commencement of Article 279A.

CHAIRPERSON : THE UNION FINANCE MINISTER

MEMBERS : The Union Minister of State in charge of Revenue or Finance

The Minister in charge of Finance or Taxation or any other Minister nominated by each state government.

Article 279A(3) stipulates that the Members of the Goods and Services Tax Council shall elect one member from among themselves to serve as the Vice-Chairperson of the Council for a duration determined by their mutual agreement.

Tax Structure under GST:

1. **Central GST** to cover Excise duty, Service tax etc.,
2. **State GST** to cover VAT, luxury tax etc.
3. **Integrated GST (IGST)** to cover inter-state trade.
4. It has a **4-tier tax structure** for all goods and services under the slabs- 5%, 12%, 18% and 28%.

ISSUES FACED BY GST COUNCIL

Dual Control and Administrative Turf : This dual control has led to disputes regarding tax administration, especially for businesses operating across state borders.

Revenue Shortfall: There have been instances where the GST revenue collected was lower than expected, leading to fiscal challenges for both the Central and State Governments.

Complex Tax Structure: The multiple tax rates and frequent changes in rates have resulted in complexity for businesses, causing confusion and compliance challenges.

Inverted Duty Structure: Certain sectors faced an inverted duty structure, where the GST rate on inputs was higher than the rate on the final product. This resulted in accumulation of Input Tax Credit (ITC) and impacted working capital for businesses.

Compliance and IT Challenges: The introduction of GST required businesses to adapt to new compliance procedures and adopt digital practices.

Revenue Sharing and Compensation: The issue of timely and adequate compensation to states for revenue loss during the initial years of GST implementation has been a significant concern.

WAY AHEAD

Transparency and

Communication: Ensure effective communication with all stakeholders, including businesses, states, and the public.

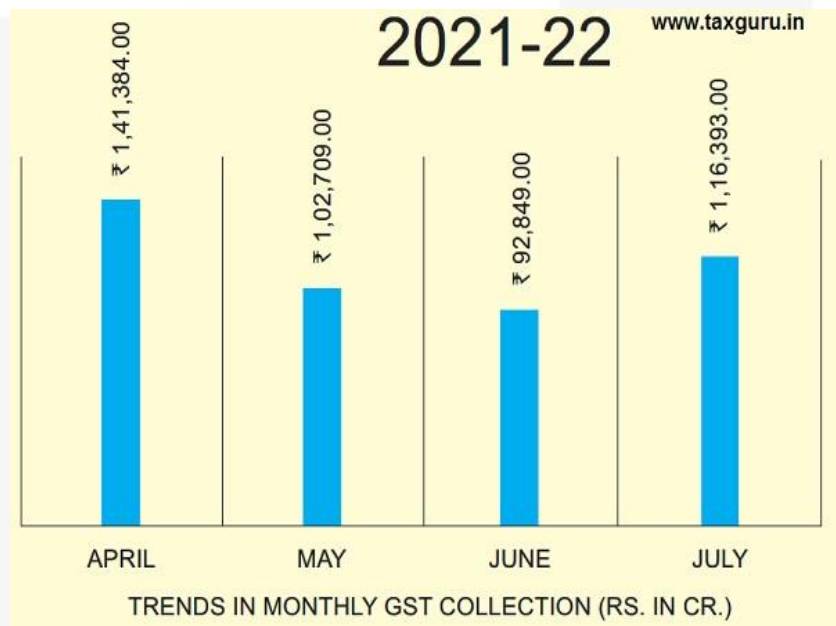
Collaborative Approach: Encourage a collaborative and cooperative approach among Central and State Governments and Foster an environment of open dialogue and consensus-building.

Review and Reforms:

Conduct periodic reviews to assess the GST implementation and identify areas for improvement.

GSTN and Technology: Strengthen the GST Network (GSTN) to ensure smooth functioning and handle large volumes of data.

Dispute Resolution Mechanism: Strengthen the dispute resolution mechanism to expedite the resolution of disputes between the Centre and states.



INDIA NEEDS EVIDENCE-BASED, ETHICS-DRIVEN MEDICINE

GS 2 AND GS 4

SOURCE: [TH](#)

WHY IN NEWS: The primary reason for rejecting homeopathy is not only its colonial history but mainly due to the absence of evidence supporting its effectiveness.

Homeopathy

- Homeopathy is a pseudoscientific system of alternative medicine. It was conceived in 1796 by the **German physician Samuel Hahnemann**.
- It is based on believe that a substance that causes symptoms of a disease in healthy people can cure similar symptoms in sick people; this doctrine called "like cures like".



COLONIAL HISTORY OF HOMEOPATHY IN INDIA

- Homoeopathy was introduced in India during the colonial period for colonial benefit, and its traditional tag is untenable.
- The argument to reject homoeopathy is based on its colonial history, lack of evidence for efficacy, and escapist arguments from practitioners.

TIMELINE OF HOMEOPATHY IN INDIA

1810: Homeopathy was introduced in India by Dr. John Martin Honigberger, a German physician Who was traveling in India.

1830s: Homeopathy began to gain popularity in India, particularly among the British colonial elite.

1839: The first homeopathic medical college was established in Calcutta (now Kolkata).

1845: The Indian Homeopathic Association was founded.

1860: The Indian government recognized homeopathy as a legitimate system of medicine.

1900: There were over 100 homeopathic medical colleges in India.

1947: India gained independence from British rule.

1950: Homeopathy was included in the list of systems of medicine recognized by the Indian government.

Present: Homeopathy is one of the most popular systems of medicine in India, with over 200,000 homeopathic practitioners.

NATIONAL AYUSH MISSION :

- The National AYUSH Mission (NAM) is a flagship scheme of the Ministry of AYUSH, Government of India.
- It was launched in 2014 with the objective of promoting AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy) systems of medicine.

The NAM has four main components:

Upgrading AYUSH Hospitals and Dispensaries: This component aims to upgrade the infrastructure of AYUSH hospitals and dispensaries across the country.

Co-location of AYUSH facilities at Primary Health Centres (PHCs): This component aims to co-locate AYUSH facilities at PHCs to provide easy access to AYUSH services to the people.

Strengthening of AYUSH educational institutions: This component aims to strengthen the AYUSH educational institutions across the country by providing them with financial assistance and other resources.

Fostering research and development in AYUSH: This component aims to foster research and development in AYUSH by providing financial assistance to researchers and institutions.

ISSUES WITH HOMEOPATHY MEDICINES IN INDIA

Lack of scientific evidence: There is a lack of scientific evidence to support the efficacy of homeopathy. Most studies on homeopathy have been small and poorly designed, and the results have been mixed.

High dilutions: Homeopathic remedies are often diluted to such an extent that there is no active ingredient left. This means that it is impossible to know whether the remedy is actually having any effect.

Side effects: Homeopathic remedies can have side effects, just like any other type of medicine. However, the side effects of homeopathy are usually mild and go away on their own.

Misinformation: There is a lot of misinformation about homeopathy in India. This can make it difficult for people to know whether homeopathy is a safe and effective form of medicine.

Regulation: Homeopathy is not regulated in India in the same way that conventional medicine is. This means that there is no guarantee of the quality or safety of homeopathic remedies.

WAY AHEAD

Regulatory Oversight: Strengthen the regulatory framework for homeopathy medicines to ensure quality, safety, and efficacy.

Evidence-based Practice: Encourage homeopathic practitioners to adopt evidence-based practices and treatments.

Standardization of Education: Standardize and enhance the education and training of homeopathic practitioners to maintain a high level of competence and Integrate evidence-based medicine into the curriculum to promote scientific reasoning.

Public Awareness: Educate the public about the principles and limitations of homeopathy to make informed decisions about their healthcare choices.

Regulating Homeopathic Combinations: Monitor and regulate the use of combination homeopathic products to ensure they comply with safety and efficacy standards.

Collaboration with Allopathic Medicine: Encourage collaboration and communication between homeopathic and allopathic practitioners for integrated patient care.

By adopting these measures, India can work towards addressing the issues related to homeopathy medicines, enhance public trust, and ensure responsible and evidence-based use of homeopathic treatments.

