

1. **lacklustre** (adjective) – dull, uninspired/uninteresting, mundane.
2. **spur** (verb) – stimulate, prompt, encourage/motivate.
3. **sag** (verb) – decline, fall/drop, decrease/reduce.
4. **tax evasion** (noun) – an illegal action in which a person or company purposely avoids paying a true tax liability.
5. **implications** (noun) – consequence/outcome, ramification, repercussion.
6. **across the board** (phrase) – applying or affecting all.
7. **modest** (adjective) – small, ordinary, simple, not large.
8. **send out** (phrasal verb) – produce, create, give out.
9. **push through** (phrasal verb) – succeed in passing a law accepted by the people who oppose it.
10. **pro-growth** (adjective) – referring to something (national policies/reforms) which are primarily to stimulate economic growth.
11. **tenure** (noun) – term, period, time (in office).
12. **quantum** (noun) – portion, part, division.
13. **profiteering** (noun) – an act of making an excessive/illegal profit.
14. **profiteer** (verb) – extortion, overcharge, make an illegal profit.
15. **anti-profiteering** (noun) – relating to a clause which acts against a person who makes excessive profit illegally.
16. **promising** (adjective) – hopeful, favourable, positive.
17. **clause** (noun) – condition, requirement, provision.
18. **pass on** (phrasal verb) – to give someone something that someone else has given you.
19. **end up** (verb) – finish up, turn up, appear.
20. **drive down** (phrasal verb) – to force a price, value, etc. to go down.
21. **bureaucracy** (noun) – administration, government, the establishment.
22. **rent-seeking** (noun) – a behavior which does not create economic gains for society, instead it helps a company/organisation/individual using their resources to get economic gain.

## Lacklustre meet: on GST Council meet

### **GST Council has missed the chance to send positive signals to boost consumer demand**

The **Goods and Services Tax Council's first meeting under the new government** did not deliver any big surprises. Apart from some minor changes to the existing structure and procedures under the GST, the council's meeting on Friday, under Finance Minister Nirmala Sitharaman, was largely a lacklustre event. There was some expectation that the council would consider a significant cut in tax rates across the board in order to help spur consumer demand that has been sagging in recent quarters. But none of that happened. The meeting ended with some changes in procedure that are expected to tackle tax evasion and make GST filing easier. In particular, Aadhaar has been approved as sufficient proof to obtain GST registration. Even the expectation that there would be a cut in the tax imposed on electric vehicles, from 12% to 5%, was not met. The government may be worried about

the revenue implications of any significant across-the-board tax cut. Although GST collections have been encouraging in the past couple of months, monthly tax collections have largely been modest since the introduction of the tax regime in mid-2017, failing to meet the government's own targets most of the time. But such caution may not help the larger cause of the economy, which urgently needs a boost in some form. A significant cut in rates could have sent out the strong signal that the NDA government is serious about pushing through serious pro-growth reforms during its second term in office.

Another notable decision taken by the council was the one to extend the tenure of the National Anti-Profiteering Authority by two years, till November 2021. Further, the council increased the quantum of penalty that could be imposed by the authority on profiteering companies, from the current maximum of ₹ 25,000 to an additional 10% of the profited amount. Given that the government has increased the powers of the anti-profiteering body, it would not be surprising if the body becomes a permanent feature under GST. This does not send a promising message to the business community ahead of the Union Budget, scheduled to be presented in **Parliament** on July 5. The anti-profiteering clause assumes that government action is absolutely necessary in order to pass on the benefit of tax cuts to consumers, or else tax cuts may simply end up adding to the profits of businesses. This is wrong. While businesses naturally try to profit from lower taxes, the forces of competition make sure their profit margins are driven back down to normal. The alternative of having a bureaucracy to deal with the issue makes profit look like a bad word, and encourages rent-seeking by corrupt authorities.