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*C – Chennai; B – Bengaluru; D – Delhi; T – Thiruvananthapuram
Sloth Bears (Melursus ursinus)

- Omnivorous
  - insects, fruits, honey especially termites, ants
- Only species of Bear adapted for Myrmecophagy
- Distribution of Species
  - Habitat: Wet and dry tropical forests, Savannahs, scrublands & grasslands
  - Low land species

**Loss of Habitat:**
- Reliance on lowland areas → also used by humans
- Overharvest → timber, fuelwood, fodder, fruit, honey
- Monoculture plantations → teak, eucalyptus
- Over-grazing

**Threats**

**Features**
- Nocturnal & Crepuscular
- Shelters in rock outcrops, thickets & tree cavities

**Extraction of minerals**
- Quarrying
- Settlement of refugees
- Expansion of agricultural areas → human settlements → roads

**Poaching**
- Male reproductive organs of bear → aphrodisiac
- Bones, teeth, claws → ward off evil spirits
- Bear fat → native medicine, hair regeneration
- Bear paw soup → delicacy
Capturing cubs → “Dancing bears”
- Nomadic tribe - Kalanders / Aalanders
  - ‘dancing’ sloth bears for emperors
  - living depends on dancing bears
- Now entertainment for villagers and tourists → pays to watch agony of bear
- Mother bears are killed, cubs captured

Human-bear conflicts → outside protected areas

Conservation:
* IUCN → 'Vulnerable'
* CITES → Appendix I
* WPA, 1972 → Schedule I

In a big boost, govt. cuts corporate tax
Centre issues ordinance to amend the Income Tax Act of 1961 and the Finance Act of 2019

Firms can use CSR funds for R&D
Announcement will help meet monetary needs of research

Part A—Preliminary Examination
Paper I - (200 marks)
- Current events of national and international importance.
- Indian Polity and Governance- Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues, etc.
- Economic and Social Development- Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination
PAPER-IV
- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
- Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.
Corporate Tax - tax levied on the incomes of registered companies and corporations

- Domestic company
  - 25% - if turnover / gross receipt for 2016-17 is less than or equal to 250 crores
  - 30% - more than 250 crores

- Domestic company
  - registered under Companies Act
  - Management and control wholly Situated in India
  - has made the prescribed arrangement for declaration and payment of dividends within India

The Taxation Laws (Amendment) Ordinance, 2019

Amends

1. The Finance (No.2) Act, 2019
2. The Income Tax Act, 1961

Corporate Tax Structure in India

- Effective corporate tax rate: 34.94%
- High corporate tax rates
  - affect earnings and savings of a company
  - leads to less willingness to invest when there is a weak demand
  - affects flow of investments

New Changes:

1. Reduction of corporate (income) tax for ‘certain’ domestic companies
   - for companies who will not avail any exemption / incentive
   - corporate tax reduced to 22%
   - Section 115 BAA - inserted into Income Tax Act, 1961
   - Effective Corporate Tax - 25.14%
   - Shall not be required to pay Minimum Alternate Tax
   - Book Profit - a net profit as shown in the statement of profit and loss, prepared in accordance with Schedule III to Companies Act, 2013

Minimum Alternate Tax (MAT):

- By 1980s, several companies - reduced tax liabilities / did not pay corporate tax - by taking advantage of incentives - but make substantial book profits
- To bring such companies into tax net, MAT was introduced by Finance Act, 1987
- Section 115 JB of the Income Tax Act, 1961
- Concept of MAT: Tax liability will be higher of
  (a) Normal tax liability
  (b) Minimum Alternate Tax
(a) Normal Tax Liability
- tax computed on taxable income by applying corporate tax rate

(b) MAT - tax computed at 18.5% at book profit

Example 1:
A → Company - annual turnover > 250 crores
Taxable Income = 10 lakhs
Book Profit = 30 lakhs
Normal Tax liability = 30% of 10 lakhs = 3 lakhs
MAT = 18.5% of 30 lakhs = 5.55 lakhs
A → Pays MAT, not corporate tax

Example 2:
B
Taxable income : 50 lakhs
Book profit : 30 lakhs
Normal tax liability : 15 lakhs
MAT : 5.55 lakhs
B → Pay Normal tax liability

2. Companies that avail exemptions/incentives
1. No reduction in corporate tax
2. MAT reduced from 18.5% to 15%

3. For new domestic manufacturing companies
   1. Corporate tax - 15%
   2. Effective corporate tax rate - 17.01%
      - registered on or after 1st Oct, 2019
      - should commence production on or before 31st March 2023
      - should not avail exemptions or incentives under IT Act

4. Enhanced surcharge on Capital Gains
   NOT to apply for certain cases
   1. Foreign Portfolio Investors
   2. Sale of equity share in a company

5. Expansion of Scope for CSR funding
   1. Section 135 of Companies Act, 2013
   2. At least 2% of the average net profits made during three immediately preceding financial years
   3. Social welfare activities
   4. Expanded to new projects (incubators) funded by Government, public funded Universities, National laboratories and Autonomous Bodies of the Government
      - to promote India's status with respect to SDG goals
Reduction in Corporate tax rate Structure:

- Major Objective: to promote investments
  - may not boost investments when there is low demand or no demand
  - demand for such reduction in personal taxes also to create demand

- Make Indian companies attractive and competitive at global level
  - foreign companies will invest in Indian entities

- Savings → Investments

- enabling environment for new domestic manufacturing companies

- Will increase fiscal deficit of India
  - may widen to 3.8% of GDP
  - ₹1.45,000 crores - foregone revenue
  - GST Tax collections - not as predicted

- Request for such concessional tax rates for housing and real estate sector
A rural stimulus

Putting more money in the hands of rural households will lift up the economy.

The government's statistical machinery has begun to show an upward trend in consumer price inflation in rural India. The surge in the price of essential commodities has led to higher inflationary pressures. The recent data from the Consumer Price Index (CPI) shows a significant rise in the prices of food items, particularly cereals and pulses.

Part A—Preliminary Examination

Paper I—(280 marks)

- Current events of national and international importance.
- Indian Polity and Governance—Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues, etc.
- Economic and Social Development—Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination

PAPER-II

General Studies-I: Indian Heritage and Culture, History and Geography of the World and Society.
- Role of women and women's organization, population and associated issues, poverty and developmental issues, urbanization, their problems and their remedies.

PAPER-III

General Studies- II: Governance, Constitution, Polity, Social Justice and International relations.
- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
- Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

PAPER-IV

General Studies-III: Technology, Economic Development, Biodiversity, Environment, Security and Disaster Management
- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

MGNREGA Act, 2005:

- Section 3: 100 days of waged employment—rural adult members—unskilled manual work
- Objectives:
  - Employment generation
  - Creation of productive assets

Consumer Price Index (CPI):

- Measures change in price of a basket of goods and services
  - CPI - Agricultural Labourers (CPI-AL)
  - CPI - Rural Labourers (CPI-RL)
  - Compiled by Labour Bureau, Ministry of Labour and Employment
  - Base Year: 1986-87

Government's Announcement:

- Linking MGNREGA wages to CPI-AL or CPI-RL → whichever is higher
- MGNREGA wage → rural income → rural demand
- Average MGNREGA wage → ₹178
  - Very low to make a quick impact
- Once indices are revised → Govt to notify updated wages in this FY
  - Urgency - to boost rural economy
Problems to be taken care before revising:

* CPI - AL base year 1986-87
  - Not updated for 3 decades

* CPI - AL:
  - Still more than 2/3rd weightage to food items
  - Changed consumption pattern in rural areas
  - Rural people - increased spending on health, education, telecom, etc.

RBI Annual Report 2018-19:

* Decreased rural demand since Q3, 2018-19

Reasons:

* Weak harvest in 2018-19
* Decreased growth in agriculture and allied sectors
* Low price for crops

Conclusion:

* Focus more to raise rural demand to revive economy

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**Blooming of microalgae kills coral reefs in Gulf of Mannar**

More than 80% colonies have perished, finds survey

Pgs. 1, 4 → Chennai

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* Algal bloom in Gulf of Munnar - killed coral reefs → Noctiluca scintillans algae

* Coral reefs: a living animal - symbiotic relation with Zooxanthellae
  - Coral reefs - built by polyps
  - Natural anthropogenic threats
  - Coral bleaching → eventually coral dies

* Noctiluca scintillans:
  - Microalgae - a one-celled phytoplankton
  - Causes bioluminescence
**Harmful algal blooms:**

- Excrete ammonia - fish mortality
- Restrict sunlight penetration → death of aquatic plants, corals
- ↓ oxygen availability
- Cause: Eutrophication - nutrient enrichment

**Mucus sheathing in corals**

- A protective covering for corals
- Coral release mucus when stressed - such as algae, pathogens, UV radiation
- Settlement of Noctiluca cells in corals → resulted in mucus sheathing

**Spot:**

Shingle island, Gulf of Mannar Marine National Park

How algal bloom killed corals?

1. Blocked sunlight from reaching corals
2. Oxygen depletion - ↓ availability of O₂