

**BUDGET DAY IS** more important to a finance minister than her/his birthday. ***Making*** a budget for the country is a memorable and monumental task. In course of time, some proposals in the budget will be modified; on occasion, one or two proposals may be withdrawn in response to criticism. Some outlandish proposals will be allowed to perish without action, mercifully.

**Making, unmaking**

However, Budget 2019-20 is unique. I know of no budget in recent memory where, after ***making*** the Budget, the Finance Minister consciously ***unmade*** the Budget. I made a list of proposals — highlighted in the Budget speech and whose virtues were proclaimed in the post-Budget interactions. Each one of them was reversed. Between February 1 and September 23, the Budget for 2019-20 was reduced to a pedestrian statement of dubious accounts.

Proposals in the July 2019 Budget, that were later reversed:

1. **SURCHARGE** on long- and short-term capital gains for foreign portfolio investors as well as domestic portfolio investors.

**Status:** Withdrawn on August 23. Nirmala Sitharaman said at a press conference, “In order to encourage investment in the capital market, it has been decided to withdraw the enhanced surcharge levied by Finance (no. 2) Act, 2019 on long- and short-term capital gains arising from transfer of equity shares/units referred in Section 111A and 112A respectively.”

2. **ISSUE** of overseas sovereign bonds. Para 103 in the Budget speech said, “The government would start raising a part of its gross borrowing programme in external markets in external currencies. This will also have a beneficial impact on demand situation for government securities in the domestic market.”

**Status:** Undecided, but most likely abandoned. Secretary, economic affairs, Atanu Chakraborty said on September 23: “(We) need very careful calibrations and deliberations... Work is presently going on to work out a proper structure, looking at various pros and cons. It is a process which is long and will continue. For this year, all the borrowings presently are in rupee-denominated bonds.”

3. **CORPORATE** tax cut. Para 110 in the Budget speech said, “So far as corporate tax is concerned, we continue with phased reduction in rates. Currently, the lower rate of 25% is only applicable to companies having annual turnover up to ₹250 crore. I propose to widen this to include all companies having annual turnover up to ₹400 crore. This will cover 99.3% of the companies. Now only 0.7% of companies will remain outside this rate.”

**Status:** Changed via ordinance on September 23, saying, “All domestic companies to be allowed to pay corporation tax at the rate of 22% (effective rate 25.17% including cess and surcharge). This would be subject to the condition that these companies do not avail of any tax incentives or exemptions. Moreover, no Minimum Alternative Tax (MAT) would be imposed on these companies. Any new domestic manufacturing company, incorporated on or after October 1, 2019, will be allowed to pay corporation tax at the



ACROSS THE AISLE

P Chidambaram

# The unmaking of a budget



Union finance minister Nirmala Sitharaman chairs a pre-budget meeting with industrialists in New Delhi

PTI

rate of 15% (effective rate 17.01%).”

4. **ANGEL** TAX.

**Status:** Withdrawn on August 23. Said Sitharaman at the press conference, “Section 56(2)(viib) of the Income Tax Act shall not apply to startups registered with the Commerce Ministry.”

5. **CRIMINALISATION** of CSR violations by companies (by amendment to Companies Act, 2013, July 31).

**Status:** Withdrawn on August 23. Said Sitharaman at the press conference, “Every doubt that was prevailing outside, I would like to dispel it today. There is no intention of the government to (take) the prosecution route. Corporate social responsibility will only be treated as a civil matter and not at all as a criminal matter.”

6. **INCREASE** in registration charges for new internal combustion engine (ICE) cars to ₹5,000 from ₹600 at present. Renewal of registration of ICE cars

is proposed at ₹15,000 (proposed on July 26).

**Status:** Withdrawn on August 23. Sitharaman said at the press conference that the fee for registering new vehicles was deferred to 2020.

## The cup of woes

Unfortunately, the woes of the Finance Minister were not over with the reversal of her prized announcements in the Budget. The mostly structural — and some cyclical — problems that plague the economy wrought havoc, the economy tanked, the numbers went horribly awry, brave words didn’t bring in more revenue or contain the expenditure, and the results showed up in the monthly accounts released by the Controller General of Accounts.

The last available accounts for October 2019 show that the net revenue receipts are a mere 41.4% of bud-

get estimate; total receipts are 44.9%; fiscal deficit is 102.4%; and revenue deficit is 112.5%. The Finance Minister has no scope to spend more or borrow more.

## Infusion or confusion

Yet, since July 5, the finance minister has announced huge sums that will be infused in sectors such as public sector banks (₹70,000 crore); real estate (₹25,000 crore); NBFCs and HFCs (₹20,000 crore); IDBI Bank (₹4,557 crore); and Punjab National Bank (₹16,000 crore).

Even as Dr Arvind Subramanian and Mr Josh Felman observed that “the economy seems headed for the intensive care unit”, the Finance Minister is looking at an abyss and seeing a green valley!



Website: [@Pchidambaram\\_IN](https://pchidambaram.in)



INSIDE TRACK

COOMI KAPOOR

## Uneasy switch

The ideological differences between the Shiv Sena and its alliance partner in Maharashtra are already showing. Rahul Gandhi, infuriated with the Sena’s position on the Citizenship (Amendment) Bill in Parliament, deliberately raked up VD Savarkar’s apology to the British government. (He was responding to the BJP’s demand that he apologise for his alleged rape-in-India remark.)

*Saamana* editor Sanjay Raut had to caution the Congress not to take potshots at Sena heroes.

The wordy skirmish arose after the Sena initially assured the Congress it would vote against CAB and then backtracked. After Amit Shah mocked the Sena in his Lok Sabha speech for voting on the same side as the Muslim Majlis, the hitherto Hindutva torchbearers were uncomfortable. Just before voting in the Lok Sabha, Sena MPs walked distractedly in and out of the House conferring frantically with Mumbai for instructions. Eventually, to the shock of the Congress, the Sena voted in support of the Bill. Rahul, who was against the Maharashtra alliance in the first place, threatened the Sena that the Congress would pull out of it in Maharashtra if the Sena did not change its position in the Rajya Sabha. Till the eleventh hour there was no unanimity in the party, however, and Raut delivered a roundabout speech in the Rajya Sabha which left everyone still guessing as to which way his party would vote. Finally, the Sena MPs simply abstained.

The BJP is now seeking to embarrass the Sena further. It is planning to demand that Bombay University be named after Savarkar. The Sena will find it embarrassing not to support the suggestion.

## Junior’s canny cuts

The IPL will not have its opening ceremony extravaganza this year. BCCI secretary Jay Amit Shah, who proposed this, pointed out that ₹25 to ₹30 crore could be saved by dispensing with the glitz and glamour. The junior Shah has come up with several costcutting measures. He showed a way in which the BCCI could save the ₹40 lakh annually spent on executives’ hotel suite bills. He suggested that hotels should be told to rent the suites at regular room rates. Given the substantial revenue and goodwill the BCCI generates when the team stays at a hotel, the hotels will fall in line, he pointed out. The post of BCCI secretary is actually the most powerful in the national cricket body, since he handles its day-to-day running, while the president is the public face who oversees occasionally. Jay Shah is taking his

job seriously, and visits Mumbai regularly for scrutinising files.

## Menon’s dark side

Jairam Ramesh’s biography of VK Krishna Menon sheds new light on the complicated personality of one of Jawaharlal Nehru’s closest friends, described as the former prime minister’s ‘soul mate’ by the author. The engrossing biography, based on fresh archival material, reveals that Nehru entrusted Menon with responsibilities such as the post of high commissioner to the UK and defence minister, although Nehru had himself diagnosed Menon as suffering from depression and dark mood swings, as early as 1938. When asked to leave as high commissioner, Menon in a letter acknowledged to Nehru that he took sedatives and hypnotics, but insisted that the barbiturates were not habit-forming. The mercurial Menon, who had strong likes and dislikes, usually created divisions wherever he worked. As defence minister Menon played havoc. He encouraged army chief General P N Thapar to humiliate and chargesheet two of the most outstanding officers in the Indian Army, General K S Thimayya and General S P P Thorat, who were later exonerated. He instigated his favourite, General B M Kaul, to hold a court of inquiry against Lt General Sam Manekshaw, who was to be later appointed India’s first field marshal.

## Image makeover

Delhi chief minister Arvind Kejriwal was working on an image makeover even before Prashant Kishor was formally inducted to help in his Assembly election campaign. Kejriwal is now focused on also wooing middle-class voters and not just the poor. He no longer projects himself as a rebel fighting the establishment. Despite Delhi’s terrible pollution, he has lost his cough, his trademark muffler and appears more mellow, measured and mature.

## Disappearing act

Narayan Lal Panchariya is officially the BJP’s whip in the Rajya Sabha, but backroom boys Bhupender Yadav and C R Ramesh were actually responsible for the impeccable floor coordination during the vote on CAB. Before the vote, Yadav predicted that at least 124 MPs would support the Bill. (Eventually 125 did.) Ramesh, who switched from the TDP to BJP, is friendly with MPs across party lines. Thanks to his persuasive powers, a dozen MPs from the Opposition disappeared before the vote, including from the Congress, NCP, BSP, Samajwadi Party, TRS and JD(S).

# A triumphant team

## Indian cricket unfolded gloriously to establish a contemporary cricketing superpower



Sandip G

**A YEAR THAT** began triumphantly—with India claiming a Test series in Australia for the first time—unfolded gloriously, and would end with India helming the Test ranking, topping the Test Championship charts by an unblemished margin and establishing themselves as a contemporary cricketing superpower. Barring the World Cup stutter in London, India hardly put a wrong foot, dismissing every challenger with the crushing authority of world-beaters, seldom as they ever had in the past.

Several protagonists stood out, not least Jasprit Bumrah, the wonderment of his unique skills still unabated and Mayank Agarwal, his unreal consistency in domestic cricket seamlessly transitioning into the Test level. Spectacular as their achievements were, and the promise they exude as India firmly eye world domination, the year undoubtedly belonged to Rohit Sharma and Virat

Kohli. A year Kohli immaculately sustained his gold-standards while Sharma came close to matching him, even dimming him in the 50-over version of the game. If it was the year, Sharma intruded into the pedestal of cricketing immortality, Kohli ensured that he remained in his happy space, in the company of the man whose six-hitting abilities he envies the most.

That Sharma is a limited-over beast has been daylight clear for several years. But this year, he vaulted to a level beyond his elevated level. The heap of records he piled up this year captures the story of his consistency. To start with, only Sanath Jayasuriya, among openers, has amassed more runs than Sharma in a calendar year; he needs nine more runs (2379 and 2387) in the season-ending ODI against West Indies to surpass the legendary Sri Lankan. The catalogue of his feats reads on—its the seventh successive season since 2013 that the highest individual score by an Indian in a calendar year is held by Sharma, his seven centuries this year is second to Sachin Tendulkar’s tally of nine in a calendar year, and that no other cricketer has crossed 150-plus runs so often (8 times) in the ODIs. The



Jasprit Bumrah at a training session ahead of a match

AP

most glittering (and thrilling) number perhaps is 77, the number of sixes he had struck this year.

At his hands, six-hitting has become

a scientific art or artful science, for there’s as much as science in his six-hitting as there is art. Science in his judgement, in his reflexes, in placement, in

the exact moment when his velvety bat meets the ball, and in the height and distance he wants the ball to travel. Art in the minimalism of his movements, in the unhurried swing of his bat, in the fluidity of the flourish and in the unflexed muscles of his forearms. He has become something of a programmable six-hitting machine. The confidence automatically saw his revival in the longest format too, where his performances have been frighteningly erratic. But afforded the last shot at redemption, which was to open the innings, a task several legends of the game have shirked away from, he took the challenge heads on and illustrated his aptitude with a brace of hundreds against South Africa, the kind of tone-setting, match-defining ones. It’s presumptuous to state that India has unearthed a Sehwag-like opener, but like the Delhi batsman, he can influence matches like few of his peers.

Compared to Sharma, and contrasted to his past year, Kohli had a rather average season. But still, Kohli’s mediocre season might be a great season for most other players, for he still averaged 68 from eight Tests, still racked up a double hundred and 612 runs despite not being at his fluent best, still found means to score 1292 ODI runs. It’s the sign of great batsmen that even when’s he struggling, he manages to dig in and come out of the phase. The double hundred (254 not out) against

South Africa in Pune was a classic instance. Rickety to start with and redemptive when it ended.

Strangely, but unsurprisingly, he was most destructive in T20Is, which is a dangerous portent for bowlers in the lead-up to the T20 World Cup next year. From 10 games, he ransacked 466 runs, at a staggering average of 77 and strike rate of 148. Not the most instinctive of six-hitters, he struck 23 this year, which’s one-third of his overall tally (71), spread out over a decade.

It was the year Kohli the captain shaded out Kohli the batsman, a coming of age season as a leader when the petulance and penitence of early years gave away to a more worldly-wise and pragmatic leader when he chose himself to be less adventurous and more judicious in decision making when every play was calculated than whimsical. A bit of the old theatrical Kohli resurfaced in the limited-overs series against West Indies. But then, what’s Kohli without theatrics. After all, he needs some unwinding after 11 intense months of literally non-stop cricket and eleven months of exhilarating highs, which saw usurping MS Dhoni to become the most successful Indian skipper in Tests and more remarkably, becoming the first captain to inflict four successive innings defeats.

So in a year, Indian cricket brushed unprecedented peaks, the twin towers—Kohli and Sharma towered over the rest.