

Across
THE AISLE



PCHIDAMBARAM

THE UNMAKING OF A BUDGET

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 In course of time, some proposals in the budget will be modified; on occasion, one or two proposals may be withdrawn in response to criticism.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Status: Withdrawn on August 23.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 Rs 250 crore. I propose to widen this to include all companies having annual turnover up to Rs 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 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 Rs 5,000 from Rs 600 at present. Renewal of registration of ICE cars is proposed at Rs 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 per cent of budget estimate; total receipts are 44.9 per cent; fiscal deficit is 102.4 per cent; and revenue deficit is 112.5 per cent. 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 (Rs 70,000 crore); real estate (Rs 25,000 crore); NBFCs and HFCs (Rs 20,000 crore); IDBI Bank ((Rs 4,557 crore); and Punjab National Bank (Rs 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!

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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 V D 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.

She
SAID

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Somewhere up above temples touching sky

WHEN YOUNG, I always fancied a mouthful of sky. One reason was that a TV series by that name was the first such Indian series in English, back in the times of staid Doordarshan; the second was that it featured Milind Soman. However, a large part of it had to do with the image those four words conjured — of a whole wide world that could be just mine, yours, anyone's.

Then, one grew up, to see the sky recede — and not just due to the haze.

What was its colour that day in September when a girl in Rajasthan ran down nearly a kilometre terrified and naked, having been separated from her friends and reportedly gang raped by three? Was the sun harsh or were there clouds over it? If she ran barefeet, did the road burn her soles? In that terror, how many did she pass by? In cars, on foot, till someone came to her help? And yet, she ran, not daring to stop. Was that road lined with scraggly bushes or, after the monsoon that still lingered, new life? Did the fragrance of rare desert flowers fill the air? Will she ever forget, any of it? Will she get onto a scooter again for an impromptu trip with friends? Was it the first ever such outing she had had? How many stretches like those will she avoid? What time of day? All hours of night?

Because, let me tell you, we don't forget. The day we made the mistake of not wearing the right bra, the day we forgot to cross our arms over our chest as a group of boys passed by, the day we stood too close to a road as a car lurked near, the day we let our guard drop just for that second in a crowded bus, the day we took a lift and a presentable young man who was suspiciously sweaty dropped one off with that haunting warning to “not try this next time”.

But the Rajasthan girl is forgotten already, just a mere statistic in our rape record, with only those now lingering in our memory whose details are more horrific than the others. As told by the courts, she is cloaked in silence — stripped off all details of life, but for that act

another one across the border, that its concern runs to those fleeing “persecution” in three different countries (if they tick the right boxes), and that while she remains unacknowledged, ‘justice’ was served in the form of four killings in cold blood in her name.

She would also learn that the govern-

Out of
MY MIND

MEGHNAD DESAI



BORIS JOHNSON won the British general election with a huge majority. The central issue, which led to the demand for Brexit, was the European Union rule that citizens of the EU were free to live and work in any country in the EU. The British public turned against immigrants from Romania and Bulgaria. This may have been a reaction to the shock of 2008 but there was no doubt that the British wanted the freedom to make their own laws on immigration.

This is not necessarily a sign of British racism as, at the same time, the highest number of ethnic minority candidates have

Govt must clarify, or face chaos

been elected to Parliament. There are three ministers with Indian-origin parents and one of Pakistani-origin parents, more Muslims than ever before.

Brexit was caused not so much by racism as by xenophobia. The British want to choose their immigrants.

In the Citizenship Amendment Act debate, two different issues are confused together. The Act discriminates among refugees from neighbouring Muslim-majority countries by the criterion that these refugees are a minority there by virtue of their religion — Hindu, Sikh, Buddhist. This is where it gets tricky. Indian Muslims are a minority in India. Would the government conflate their religion with their being on a

par with Muslim refugees from Bangladesh? Are they likely to be cast as infiltrators because they are Muslims? How would you distinguish between a Bangladeshi Muslim refugee and a Bengali-speaking Indian Muslim? There are of course Muslims facing persecution in Pakistan — Shia, Ahmadiyya. India will not welcome them.

The government says Indian Muslims should not worry. But there is a complication here. The Assamese have been unhappy about ‘outsiders’ immigrating to their state for years. By outsiders, they mean Bengalis and Biharis, be they Hindu, Muslim or Buddhist. In signing the Assam Accord, Rajiv Gandhi implicitly agreed to

the idea of a cultural Assamese nation. This was tested in the NRC and 19 lakh residents of Assam failed to make the grade, many of them Hindus. There is promise of a review but the insecurity concerning the CAA is due to the NRC. Hindus would go through either because they are Indians or thanks to CAA, if they are persecuted minority from Bangladesh or Pakistan. But will the rejected Muslims?

Assam is not an exception in this. West Bengal itself is the classic cultural nation. After all, it was the 1905 Partition of Bengal that changed the character of the Indian nationalist movement. In 1971 again, it was the importance of Bengali as the mark of a separate identity which led to the

movement to secede from Pakistan, the Muslim nation Jinnah had fought for. This is why Mamata Banerjee is playing the cultural nationalism card in refusing to implement the NRC or CAA. In her case, there is a state election round the corner which she would hate to lose.

For a certain generation of politicians, the Partition is still unfinished business. The young are bewildered. The two-nation theory means nothing to them. They want clarity not about the status of refugees but their own future. Is CAA just the first step to ‘othering’ all Indian Muslims? If that is not the government's intention, it should clarify immediately and effectively. Or there will be chaos.

Fifth
COLUMN

TAVLEEN SINGH

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Gandhiji would have been at the barricades

ON THE day that protesters against the new citizenship law poured into the streets of cities across India, Home Minister Amit Shah posted a tweet that made me unsure whether to laugh or cry. The tweet had pictures that showed the Home Minister at a high table beside the President, the Prime Minister and the Vice-President at a meeting of the National Committee for Commemoration of the 150th Anniversary of Mahatma Gandhi. Amit Shah clearly missed the irony of his tweet. The Mahatma must be a very new hero in his political journey or he would have known that if Gandhiji were alive, he would have been outside at the barricades and not in this splendid hall with its gilded ceiling and bright lights. As a man who was killed for trying to make Hindus and Muslims live in peace he would have certainly not approved of a law that specifically excludes Muslims.

Even I who believe that radical Islam is the Nazi ideology of our time find it impossible to support a law that singles out Muslims. As someone who has openly supported Modi I was appalled to hear him make that comment about how he could tell clearly from the clothes of the protesters who they were. He seems to be locked in an echo chamber in which the only voices he hears are those that tell him that the people opposing his ugly amendment to the citizenship law are Lutyens liberals, pseudo-secularists, urban Naxals, anti-nationals and hated ‘intellectuals’. If he steps out of this echo chamber he will see that they are mostly young people. It was students who began the protests, and if political leaders, leftists and sundry activists have jumped into the fray, it is because the images of policemen throwing teargas canisters into the library of Jamia Millia and frog-marching students out of the university were very disturbing.

By last week students in Muslim universities across India had joined the protests. And, huge numbers of ordinary Muslims joined the protesters once the protests spilled out of campuses into the streets of major cities. This is no accident. In speeches that the Prime Minister and Home Minister have made, Muslims have been repeatedly targeted. Muslims who dared protest on social media have had the dreaded label ‘Pakistani’ pinned on them. A process of demonisation and ‘othering’ of our Muslim citizens has begun that is dangerous and truly anti-national. It is also against everything India has always stood for.

Ordinary Indian Muslims have got the message. They know that they are being singled out for special treatment with the purpose of showing them their place as India's lesser citizens. As someone who has been quite close to many people in the RSS since the days when I was a junior reporter in Delhi, I have been privy to several conversations in which somehow every discussion has ended in the articulation of the fear that Muslims ‘breed so fast’ that they will one day reduce Hindus to a minority. When I first heard conversations of this kind it was from Punjabi refugees in the Seventies, when memories of Partition were fresh and painful. What is worrying is that these conversations continue to this day in RSS circles, and Muslims continue to be seen as not fully Indian.

The alma mater of Narendra Modi and Amit Shah is the RSS. So they would have spent their lives believing this. After entering politics at a provincial level in Gujarat it may have been acceptable to continue hating Muslims. It is not acceptable when you become the two most important leaders in India. It is not just unacceptable within India but in the world as well, so Modi's international image as the man who would finally take India into the 21st century has been shattered. The cracks began to show in his first term when Muslims were lynched and he seemed not to care enough to condemn the mobs who did the lynching. But, since his second term began, he and his Home Minister have pushed more aggressively than before an agenda that seeks to show them as Hindu (not Indian) leaders. Last week, the Prime Minister made an election speech that made the front page of this newspaper in which he implied that the Congress party would like to give every Pakistani Indian citizenship. He then taunted this damaged, diminished political party by asking if it would dare reverse the changed status of Kashmir or the law that bans triple talaq.

If he had stopped for a minute before making this speech and thought about the man whose 150th birth anniversary his government seeks to celebrate with pomp and pageantry, he may not have made the speech. Gandhiji would have disapproved totally. As he would have of both the new citizenship law and the proposed register of citizens.