

With savings rate falling, phasing out exemptions may hit it harder

UDIT MISRA
NEW DELHI, FEBRUARY 3

THE GOVERNMENT'S plan to gradually get rid of all exemptions and deductions under the personal income tax regime — in a bid to provide lower taxes and a simplified tax architecture as well as to boost consumption — will almost certainly hurt the already falling rate of savings rate in the Indian economy.

What's more, several sectors such as the cash-strapped real estate sector, as well as insurance sector, are also likely to feel an adverse impact of the move in which Union Finance Minister Nirmala Sitharaman offered an alternative income tax regime bereft of all exemptions and deductions but with lower income tax rates.

The savings rate, expressed as a percentage of the gross domestic product, reflects the pool of investible funds within the country that are available for the government and private businesses to use for investment purposes. In other words, a country's overall growth critically depends on having a healthy savings rate.

"The deductions for income tax purposes were brought in to encourage savings in the country. The idea was that these would channelise funds where they may be used for long-term projects. This new tax regime

EXPLAINED Why savings rate matters

THE OVERALL savings rate in an economy refers to the pool of domestic savings available for investment. For sustaining high growth rate (say 8%) over a long period, a country must have a high savings rate. India should ideally have close to 36%-40% (of GDP) savings rate but's been falling over the past few years and is now 30%.

would adversely affect that intent and hurt the savings rate," said N R Bhanumurthy, Professor, National Institute of Public Finance and Policy.

Over the past six years, data suggests that India's savings rate has been consistently declining. At the height of India's growth phase in 2012, the overall savings rate was around 36% but it is now down to 30%; during the 1990s, it was stuck at 23-24% of GDP.

"More significant is the decline in household savings. They were 23% in 2012 and by 2018, just 17%," says Sunil Sinha, principal economist of India Ratings. This is crucial because of the four

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To HARIDWAR VIA WAGAH

Hindu families from Pakistan enter India via the Wagah-Attari border on a 25-day visa to visit Haridwar, Monday. ANI REPORT, PAGE 9

CORONAVIRUS

3rd case in 5 days, Kerala declares state calamity, Centre forms GoM

SHAJU PHILIP & ABANTIKA GHOSH
THIRUVANANTHAPURAM, NEW DELHI, FEBRUARY 3

ON THE day Kerala reported a third case of the Novel Coronavirus (nCoV 2019) and declared the outbreak as a "state calamity", the central government set up a Group of Ministers (GoM) to monitor measures taken across the country to prevent the virus from spreading further.

Officials said the latest pa-

WORLD

GROUND ZERO WUHAN SHORT OF SUPPLIES

CHINA ACCUSES U.S. OF WHIPPING UP PANIC

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outbreak — and had travelled back to India 10 days ago. All the three cases are "out of danger" with "normal symptoms of infection", officials said.

State Health Department officials said the third patient, a 22-year-old man, took the same route to return home — via Kunming in China, Kolkata and Kochi — as the first two patients who were also students in Wuhan.

"But, he travelled on a different flight. In fact, the third case has thrown up a new batch of

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Rose Valley: KKR firm's bank account among those attached by ED

DEEPTIMAN TIWARY
NEW DELHI, FEBRUARY 3

BANK ACCOUNTS of St Xavier's College, Kolkata and Knight Riders Sports Pvt Ltd, the holding company of IPL team Kolkata Knight Riders, are among those provisionally attached by the Enforcement Directorate in an alleged money laundering case linked to the Rose Valley chit fund scandal. The book value of the assets attached is said to be over Rs 70 crore.

The ED said movable and immovable properties of various entities and individuals who allegedly received funds from the Rose Valley Group and related entities have been attached. These include bank accounts of M/s Multiple Resorts Pvt Ltd, St Xavier's College, Kolkata, M/s Knight Riders Sports Pvt Ltd etc. The total amount attached in these bank accounts have been pegged by ED at Rs 16.20 crore.

Venky Mysore, CEO of KKR and Red Chillies Entertainment, did not respond to a text message from *The Indian Express* seeking comment.

The ED also attached 24 acres of landed property in Ramnagar and Mahishadal, Purba Medinipur, West Bengal; a flat at Dilkap Chambers, Mumbai and one acre of landed property at

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MODI SHARPENS ATTACK IN DELHI LAST LAP

Behind Shaheen Bagh, Jamia protests, design to divide India, says PM



Slams AAP, Cong: Hiding behind Constitution, flag to give lectures

ABHINAV RAJPUT
NEW DELHI, FEBRUARY 3

WITH HIS party making the anti-CAA protests a poll plank to target the ruling AAP in Delhi, Prime Minister Narendra Modi, mentioning the Shaheen Bagh protests for the first time, sharpened the attack Monday, saying there was a "design" to destroy amity in the country.

In his first campaign speech in Delhi which will vote for a new Assembly on February 8, Modi told a rally in Karkardooma: "Seelampur ho, Jamia ho ya phir Shaheen Bagh, beete kayi dinon se Citizenship Amendment Bill ko lekar pradarshan hua. Kya ye pradarshan sirf ek sanyog hai? Ji nahi, ye sanyog nahi, ye ek prayog hai. Iske peeche rajneeti ka ek aisa design hai jo rashtira ke sauhard ko khandit karne ke iraaade rakhta hai."

"Be it Seelampur, Jamia or Shaheen Bagh, the past few days have seen protests against the Citizenship Amendment Bill. Are these protests merely a coincidence? No, this is an experiment. Behind this is a political design which intends to destroy the amity of the country."

Hitting out at the AAP and Congress, Modi said: "Had it been just a protest against a law, it would have ended after the government gave all assurances. The AAP and Congress are playing politics and everything is clear now. Keeping the

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Prime Minister Narendra Modi at a rally in Delhi. Tashi Tobgyal

Javadekar calls Kejriwal a terrorist, AAP hits back: why not arrest CM

EXPRESS NEWS SERVICE
NEW DELHI, FEBRUARY 3

WITH UNION Environment Minister Prakash Javadekar also making a "terrorist" jibe at Arvind Kejriwal, days after West Delhi MP Parvesh Sahib Singh Verma made a similar comment, the AAP on Monday "challenged" the BJP to "arrest and jail" the Delhi Chief Minister. An AAP delegation also met Chief Election Commissioner (CEC) Sunil Arora.

Addressing a press conference, flanked by Union Minister of State (Finance) Anurag Thakur, Javadekar said there is plenty of "evidence" to show that Kejriwal is a "terrorist", including the fact that the AAP chief had once called himself an anarchist.

"He (Kejriwal) is making a very innocent face and asking whether he is a terrorist. Toh aatankvaadee ho iske bahut sa-boot hain. Aapne khud kaha tha main arajakvaadee hoon. Aarajakvaad mein bahut zyada antar nahi hota. Aur Punjab ke chunav mein, jab ek



CM Arvind Kejriwal at a roadshow. Prem Nath Pandey

hafta bacha tha, tab Moga mein, Khalistan Commando Force ke aatankvaadee, commander Gurinder Singh, ke ghar pe raat bhar ruke the (There is plenty of evidence to prove you are a terrorist. You had called yourself an anarchist. There is not much difference between an anarchist and a terrorist. One

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J&K YEARNING FOR CHANGE

BY RAVI SHANKAR PRASAD
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BUSINESS AS USUAL

BY UNNY



EXPLAINED



SIMPLY PUT
WHAT FINANCE PANEL HAS SAID
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EXPRESS NETWORK

108 MEMBERS OF PFI ARRESTED IN FOUR DAYS: UP POLICE
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Bail to Chinmayanand, judge refers to silence when 'virginity is at stake'

APURVA VISHWANATH & MANISH SAHU
NEW DELHI, LUCKNOW, FEBRUARY 3

GRANTING BAIL to former Union Minister Swami Chinmayanand, who was arrested last September on the charge of sexually assaulting a student of a law college he runs in Shahjahanpur, the Allahabad High Court, in its order Monday, called it "a complete matter of quid pro quo" and said the young woman's conduct was "astounding", and that she "tried to blackmail him for ransom".

Justice Rahul Chaturvedi, in



'Woman never shared anything with parents'

his order, said: "A girl, whose virginity is at stake, not uttering a single word to her own parent or before the Court regarding the alleged incident, is an astonishing conduct which speak volumes about the ingenuity of the prosecution story."

Relying on the final report of the police under Section 173 of the Code of Criminal Procedure, Justice Chaturvedi noted that

Chinmayanand who "once adorned the post of State Minister for internal affairs in the Government of India has got himself involved in a most discreet incident and that too for a considerable period of time".

On the woman's statement recorded under CrPc Section 164 — a statement made before a magistrate — the court said it "contains almost same flavour and texture with certain modifications hither and thither" as the statements made before police.

The order said "it is also noteworthy there are material on record where the family members of Miss "A" were being

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Objections raised, SC says will frame larger issues in Sabarimala reference

ANANTHAKRISHNAN G
NEW DELHI, FEBRUARY 3

DESPITE OBJECTIONS from some senior advocates, a nine-judge Constitution Bench of the Supreme Court decided Monday to go ahead with the framing of legal issues to be adjudicated upon in the Sabarimala reference on the larger question of discrimination against women at different religious places. The Bench said it will also hear arguments on whether a reference can be made from a pending review petition.



Reference made on pleas to review Sabarimala order

"We will not abort hearing... We will frame the issues ourselves," said the Bench of Chief Justice of India S A Bobde and Justices R Banumathi, Ashok

Bhushan, I Nageswara Rao, M M Shantanagoudar, S A Nazeer, R Subhash Reddy, B R Gavai and Surya Kant. It will meet again on February 7 to decide allocation of time for hearing different sides.

The Sabarimala reference to the nine-judge Bench followed the September 19, 2019 decision of a five-judge Bench, headed by then CJI Ranjan Gogoi, to keep review petitions, challenging its September 28, 2018 order that lifted age restrictions on the entry of women to the hill shrine in Kerala, pending till a larger bench took a call on certain

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School 'sedition' arrests: 9-yr-old waits for mother to be freed, police seize slippers, question children

PAGE 1 ANCHOR

SREENIVAS JANYALA
BIDAR, FEBRUARY 3

THE NINE-YEAR-OLD breaks down when asked where her mother is. It's been three days since Najumunissa, a single parent, was put in jail on sedition charges after the Class 5 student spoke against the Citizenship (Amendment) Act in a school play, and said she would hit anyone who asked for documents

with shoes.

Apart from Najumunissa, police have held the school headmistress, Fareeda Begum, on sedition charges. It has also seized the slippers held up by a student as Najumunissa's daughter said "jooto mareng" as "evidence".

Since police have been dropping in daily to question students at the Shaheen Urdu Primary School since the arrests, parents have been coming to ensure they are around when that happens.

On Monday, D N Nagesh took over as the Bidar Superintendent



Shaheen Urdu Primary School has 254 students. Sreenivas Janyala

of Police after T Sreedhara was suddenly transferred on January 31, a day after the two women were arrested.

In between sobs, Najumunissa's daughter manages to say "bhahhi", referring to their landlord's wife who has been taking care of her with Najumunissa in prison.

Lodged at the Bidar District jail, Najumunissa, 35, who has no WhatsApp on phone, says she knows little about the CAA or the National Register of Citizens except what they had heard on TV and "once on someone's mobile".

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