

Course correction – A wider net

As the tax base widens, the Finance Minister should cut the share of indirect taxes

The demonetisation of high value currency notes and the **advent** of the goods and services tax regime have **triggered** a **surge** in the number of argues that the large gains on the indirect and direct tax fronts indicate that the primary intentions behind the two **big bang** economic strides – of formalising the economy and bringing more income into the tax net – have been met to some extent. From about 59 million individuals who filed income tax returns or whose tax was deducted at source in 2015-16, the number of tax filers rose by 10.1 million since the note ban. **Stripped** of statistical adjustments to avoid a **bias** in findings, the survey assesses that roughly 1.8 million, or 3% of the existing compliers, started paying up. Many of them are reporting incomes close to the Rs.2.5 lakh threshold for personal income tax, so this may not **swell** the **exchequer** much. But it holds potential for growth as the new taxpayers progress in their **vocations**. Personal income tax collections are expected to rise to a historic high of 2.3% of GDP in 2017-18, compared to 2% between 2013-14 and 2015-16. This may seem **glacial** progress but could be considered a **tipping** point in a country where just 4% of adults pay personal income tax, though the government **reckons** that number should be 23%.

The Survey finds a 50% increase in unique indirect taxpayers in the first six months of GST, with around 10 million registered taxpayers now compared to an estimated 6.5 million pre-GST. The GST regime, despite the initial **chinks**, could end up boosting India's macro-economic stability by breaking what the Survey terms 'inertia' of the tax-GSP ratio. This ratio for the Centre has remained at the same level since the 1980s, though the economy grew at an annual average of about 6.5%. The survey has noted that both of India's underlying macro weaknesses the **fiscal** and current account deficits – tend to get **exacerbated** when oil prices move up. A wider tax base could at least help tackle the former. Fixing exporters GST woes and continuing to ease the transition pains under its new features, such as e-way bills to **deter evasion**, would be critical to attain the 7%-7.5% growth projected for the coming year. At the same time, the government needs a road map to expand the direct tax pie by **pruning** blanket exemptions for vocations such as farming and using a more **proactive** Big Data driven approach to target **evaders**. The government must reward this tax base expansion by offering the 'compliant' some relief in the Budget, even if it means slashing high duties on petroleum products. After all, high indirect taxes pinch the poorest the most.

WORD LIST

1. **Advent** : (beginning or arrival of something anticipated)
Synonym : arrival, coming, onset, appearance, approach, entrance
2. **Trigger** : (cause to happen)
Synonym : bring about, cause, generate, produce, prompt, provoke, set off, spark, start, activate, elicit.

3. **Surge** : (rush, usually of liquid)
Synonym : deluge, flood, growth, outpouring, rise, swell, upsurge, wave, billow, efflux
4. **Big Bang** : (in the UK, the introduction in 1986 of major changes in trading on the stock exchange, principally involving widening of membership, relaxation of rules for brokers, and computerization.)
5. **Stripped** : (Unclad)
Synonym : deprived, bare, denuded, exposed, peeled, undressed.
6. **Bias** : (belief in one way; partiality)
Synonym : bigotry, favouritism, inclination, intolerance, leaning, preference, unfairness, disposition.
7. **Swell** : (wonderful, large increase, flow, become larger)
Synonym : fashionable, groovy, posh, ritzy, dandy, exclusive
8. **Exchequer** : (as in bank, chest, coffer, purse, treasury) (financial institution)
Synonym : fund, stock, store, treasury, coffer, depository, reservoir, savings, safe
9. **Vocation** : (life's work)
Synonym : art, business, calling, career, craft, do, duty, employment, field, game, handicraft, job, life work, line, mission, occupation, profession, pursuit, thing, trade.
10. **Glacial** : (extremely cold, unfriendly)
Synonym : freezing, frigid, frosty, frozen, icy, polar, arctic, raw, nippy.
11. **Tip** : (knock over; cause to lean given inside information)
Synonym : bend, dump, lean, spill, tilt, topple, upset, capsize, heel, incline, overturn, recline, slant, slope, unload
12. **Reckon** : (add up; evaluate)
Synonym : calculate, look upon, surmise, account, appraise, approximate, cipher, count, consider, deem, enumerate, esteem, figure, gauge, guess
13. **Chink** : (opening)
Synonym : crevice, fissure, aperture, cleft, crack, cut, gap, hole, rift, slit, slot, space
14. **Fiscal** : (monetary)
Synonym : budgetary, economic, financial commercial, money, pecuniary.
15. **Exacerbate** : (infuriate; make worse)
Synonym : aggravate, annoy, heighten, inflame, intensify, irritate, provoke, worsen, embitter, enrage, envenom, exasperate, madden, vex.
16. **Deter** : (check, inhibit from action)
Synonym : avert, block, dampen, daunt, discourage, dissuade, forestall, frighten, hinder, impede, intimidate, obstruct, preclude, prevent, prohibit, restrain, scare, stop
17. **Evasion** : (escape, avoidance)
Synonym : dodging, artifice, circumvention, cunning, ditch, dodge, elusion, equivocation, evasiveness, excuse, quibble.
18. **Prune** : (trim, cut short)
Synonym : cut back, shave, shear, shorten, snip, dock, eliminate, exclude, lop, reduce, skive, thin
19. **Proactive** : (full of enthusiasm)
Synonym : aggressive, anxious, ardent, banzai, dedicated, eager, energetic, enthusiastic,

excited, lively, intense.

20. **Evaders** : (delinquent, escapist, escape artist) (criminal, often young)
 Synonym : debtor, defaulter, felon, lawbreaker, offender, wrongdoer.

Course correction – A year of Trump

The American President has confused everybody with his State of the Union Speech

In delivering his first State of the Union speech on Capitol Hill, President Donald Trump spoke of many small victories that he **chalked** up to his administration’s record over the past year. Yet the biggest surprise to many may have been the fact that they saw before them a Commander-in-Chief who **unwaveringly stuck** to the script and **eschewed** his usual **provocative** style on social media. While “Twitter Trump” has **lashed** out at Democrats on **immigration** reform and the federal government shut down earlier in January, “Teleprompter Trump” issued a **generous** call for bipartisanship in policymaking. Where Mr. Trump has actively prompted, on social media, Russian involvement in resolving problems with North Korea, Syria, Ukraine and terrorism, he said in his Congressional address that Russia and China were rivals that challenged U.S. economic interests. Most strikingly, Mr. Trump assured his audience that prospective **immigrant** families would benefit from his proposed reform, yet just three months ago he had **vowed** on Twitter that the Extreme **Vetting** Programme for **migrants** from certain countries was being stepped up to fourth gear. The **divergence** between Mr. Trump’s two assessments of the current **scenario** is troubling also because the softer version of American he outlines in the State of the Union speech is in **stark** contrast to his inaugural speech a year ago when he famously spoke of “American **carnage**”. The question is, how much has really changed in the intervening year.

Considering his administration’s successes first, at the top of the list is the passage in Congress of his tax-cut proposal that he claimed put more money back into American workers pockets and built the foundations of a stronger economy. Leaving aside the fact that it was the 12th largest tax cut in post-World War I history, and not the largest as Mr. Trump claimed, it is quite likely that his voter base appreciates his **adherence** to the Republican fiscal mantra. On the linked subject of growth and jobs, the economy expanded by 2.3% in 2017, which is less than it did in 2014 or 2015. Mr. Trump’s first year saw more than two million jobs created, yet that falls short of any of the last six years of his predecessor’s tenure. Mr.Trump’s decision to revoke the previous administration’s decision to shut down the U.S. prison in Guantanamo Bay may have been a throwaway to policy hawks, but it could turn out to be self-defeating to the extent that it serves as a recruitment tool for terrorist groups. While Americans will continue to debate these complex questions of domestic policy, the attention of the world, including India, must have been on Mr.Trump’s call to end the sought after visa lottery and “chain

migration". Given the context of a hardening immigration policy, which could **potentially** affect legal migration, these remarks will likely make the American Dream seem like a mirage to separated loved ones and hopeful professionals on distant shores.

WORD LIST

1. **Chalked** : (as in colour, rough out, sketch)
(make pigmented; shade)
Synonym : darken, dye, embellish, enliven, illuminate, infuse, paint, stain, tint, wash, adorn, blacken, bloom, blush, chalk, crimson, flush
2. **Unwaveringly** : (as in firmly, obstinately, resolutely, steadily)
(with determination)
Synonym : adamantly, decisively, doggedly, persistently, resolutely, staunchly, steadfastly, strictly, stubbornly, tenaciously, constantly, purposefully
3. **Stuck** : (as in tight, stranded, perplexed, fastened)
Synonym : commented, fast, fastened
4. **Eschew** : (having nothing to do with)
Synonym : abandon, avoid, forge, forswear, renounce, shun, abjure, abstain, double, elude, evade, refrain, sacrifice, shy, give up
5. **Provocative** : (aggravating, sexually, stimulating)
Synonym : Challenging, disturbing, exciting, inspirational, insulting, offensive, outrageous, annoying, galling, goading
6. **Lash** : (beat, whip, criticize, harshly)
Synonym : batter, buffet, chastise, knock, pummel, smack, baste, dash, drum, flay, hammer, hide.
7. **Immigration** : (emigration)
Synonym : exodus, migration, travel, colonization, defection, departure, exile, leaving
8. **Vow** : (make a solemn promise)
Synonym : affirm, assure, declare, promise, swear, consecrate, dedicate, devote, pledge, plight, testify, vouch, warrant.
9. **Vetting** : (as in quality control, examine, inspect)
Synonym : cross-check, review, survey
10. **Migrant** : (person who moves to a foreign place)
Synonym : emigrant, traveller, evacuee, gypsy, itinerant, migrator, mover, tinker.
11. **Divergence** : (branching out; difference)
Synonym : discrepancy, disparity, distinction, diversity, aberration, alteration, departure, deviation, digression, division.
12. **Scenario** : (master plan; sequence of events)
Synonym : plot, scheme, book, outline, pages, rundown, sides, sketch, summary
13. **Stark** : (utter, absolute, bare, unadorned)
Synonym : blunt, simple, abrupt, arrant, bald, bare, blasted, blessed, complete, confounded, entire, firm, flagrant, gross
14. **Carnage** : (massacre)
Synonym : bloodshed, butchery, crime, havoc, killing, mass murder, slaughter, warfare,

innihilation, blitz

15. **Adherence** : (devotion)

Synonym : attachment, faithfulness, loyalty, obedience, cohesion, constancy

16. **Potentially** : (conceivably)

Synonym : likely, possibly, probably, imaginably, maybe.

SOME IMPORTANT IDIOM AND PHRASES

1. Once in a blue moon:

Meaning-Something that happens very rarely

Sentence- Once in a blue moon, the blue jay can be seen in these parts of the forest.

2. Beating around the bush:

Meaning-Avoiding the main topic

Sentence-The President was beating around the bush when the citizens demanded a reason for the forgery of legal documents.

3. Chip on your shoulder:

Meaning-When someone is upset about something that happened a while ago

Sentence-He has a chip on his shoulder for being abandoned by his parents in his childhood.

4. Cry over spilt milk:

Meaning-Complaining about a loss or failure from the past

Sentence-He was mad because he couldn't clear the cut off due to a silly mistake.

But, then he realized there was no use crying over spilt milk and decided to become more careful.

5. Spill the beans:

Meaning-To disclose a secret

Sentence-The little one spilled the beans about the surprise vacation we had planned.

6. Piece of cake:

Meaning-Something that is easy to understand or do

Sentence-I thought that the problem would be tough, but it turned out to be a piece

of cake!

7. Blessing in disguise:

Meaning-Something good and useful that did not initially seem that way

Sentence-His accident was a blessing in disguise because it gave him a lot of time to think about his life while he was recovering, and as a result, he made some important decisions that improved his life.

8. Come hell or high water:

Meaning-Possible obstacles in your path (will not stop you)

Sentence-I have decided that come hell or high water I will become an engineer.

9. Taste of your own medicine:

Meaning-When someone receives the same treatment, usually negative, that he/she gives to others

Sentence-She is always taunting others and hurting their sentiments. I just wish someone would give her a taste of her own medicine.

10. Golden handshake:

Meaning-A big sum of money given to a person when he/she leaves a company or retires

Sentence-The management of the company wanted to decrease their workforce. They offered a golden handshake to their aged employees.

11. Mean business:

Meaning-Being serious/dedicated

Sentence-The border is sealed by troops who mean business.

12. Apple of one's eye:

Meaning-Being cherished more than others are

Sentence-Sam is adored by his teacher for his childlike nature. He is the apple of her eye.

13. The best of both worlds:

Meaning-The benefits of widely differing situations, enjoyed at the same time.

Sentence-I had the best of both worlds since I worked as an ordinary member of the

team but got to learn from the leaders.

14. Feeling a bit under the weather:

Meaning-Feeling slightly ill

Sentence-I may not be able to jog today, as I am feeling a bit under the weather.

15. Icing on the cake:

Meaning-Something that turns good into great

Sentence-India's victory over England on India's Independence Day was like icing on the cake.

16. Cost an arm and a leg:

Meaning-Be very expensive

Sentence-His laziness made him miss his flight to Chandigarh. The next ticket cost him an arm and a leg.

17. Jump the bandwagon:

Meaning-To join a popular activity or trend

Sentence-When he was detected with diabetes, he quickly jumped on the bandwagon and joined the Zumba dance class.

18. Ball is in your court:

Meaning-When it is up to you to make the next decision or step.

Sentence-Now the ball is in your court; decide whether you want to reply or not.

19. Bite off more than you can chew:

Meaning-To take up a task which you may not be able to accomplish due to lack of ability.

Sentence-I bit off more than I could chew when I decided to take up the 300-page research project.

20. Can't judge a book by its cover:

Meaning-Cannot judge something primarily on appearance.

Sentence-The house looked impressive in the advertisement. Still I made a trip to the house to check everything. It is wise not to judge a book by its cover.

21. Hear it on grapevine:

Meaning-To hear rumors about something or someone

Sentence-I heard it on grapevine that he had stiffed an old man asking for his pension.

22. It takes two to tango:

Meaning-Actions or communications need more than one person

Sentence-Even though I thought I would be fired after the altercation with my manager, thankfully upper management realized that it takes two to tango.

23. Last straw:

Meaning-The final problem in a series of problems

Sentence-My body was already in bad shape. The accident was the last straw. I am now on complete bed rest.

24. To be in the doldrums:

Meaning-To be in low spirits

Sentence-Sam was in the doldrums after he was insulted by the boss in front of his colleagues.

25. To sit on the fence:

Meaning-To remain neutral

Sentence-Since I wasn't aware of the details, I decided to sit on the fence during the argument between my cousins.

***OUR GREATEST WEAKNESS LIES IN
GIVING UP. THE MOST CERTAIN WAY TO SUCCEED
IS ALWAYS TO TRY JUST ONE MORE TIME***