

## Course correction – Delivering the goods

### GST revenue increase suggests the indirect tax regime is overcoming teething problems

Collections from the goods and Services Tax crossed the Rs.1 lakh crore mark in April, according to data released by the Finance Ministry on tax receipts that **accrued** in March but were payable in April. To be **precise**, the total revenue from the new indirect tax in April was Rs.1,03,458 crore, the highest recorded in a single month since its **implementation** in July 2017. Finance Minister Arun Jaitley has called this a "landmark achievement" and a "confirmation of increased economic activity". Separate data released last week suggest the number of registered tax payers filing GST returns by the specified deadline has risen from 57% for July to nearly 63% for March. And since many had consistently failed to meet the deadline in the initial months of confusion over the online returns filing system, it is **heartening** to note that by the final month of the financial year, they had caught up on their past arrears too. Overall tax **compliance** of July 2017 is now over 96% of registered taxpayers who are required to file, and ranges from 92% to 80% for each month the re-after, till December. Further simplification of the returns, hanging fire for a while now, must be **expedited** to improve compliance. Though it referred to the record GST collections as a sign of an **upswing** in the economy, the government, to be fair, also stressed that this number may be driven by the human tendency to **wrap up** pending official dues at the last moment – which in this case is the last month of the financial year. Yet, even delayed compliance is a welcome 'new normal'.

True, the revenue **influx** in April cannot be taken as a firm trend for the future. But given the **tumult** the GST caused in its initial months and the fear of high evasion levels that gripped officials when revenues **tumbled** after three months of Rs.90,000 crore plus collections, it is fair to say that the new tax system has ended its first three quarters on a **robust** note. By virtue of just the April inflows, the average monthly collection has gone from Rs.89,885 crore in the first eight months to over Rs.91,300 crore. This number is important, as by the government's own **reckoning** the new **regime** needed to deliver about Rs.91,000 crore a month to ensure that revenues lost by the Centre and the State under the earlier indirect tax system are covered. Fresh anti evasion measures introduced in the past few weeks, such as the e-way billing to track movement of goods, could **plug** leakages to some extent. The government is keen to start matching tax credits claimed by businesses for inputs from suppliers. While these should boost GST revenues in the new financial year, nothing will beat **fiscal** stress better than a **sustained revival** in consumption and investment demand. Policymakers need to ensure that the **uptick** in car sales and demand for steel and cement is **catalysed** further.

**WORD LIST**

1. **Accrued** : (increase by addition or growth, after financial)  
Synonym : accumulate, amass, collect, enlarge, gather, increase, grow, acquire, assemble, compile, swell
2. **Precise** : (exact, accurate)  
Synonym : actual, clear-cut, correct, decisive, definite, explicit, literal, narrow, particular, proper, rigid, rigorous, specific, strict, absolute.
3. **Implementation** : (exercise)  
Synonym : application, discharge, employment, exertion, fulfilment, operation, performance, pursuit, utilization.
4. **Heartening** : (encouraging)  
Synonym : reassuring, cheering, promising, hopeful, likely, supportive, hearten, convince, inspire, assure
5. **Compliance** : (agreement)  
Synonym : conformity, consent, amenability, assent, concession, deference, obedience, observance, passivity.
6. **Expedited** : (make happen faster)  
Synonym : accelerate, assist, facilitate, hasten, promote, quicken, speed, urge, advance, hurry
7. **Upswing** : (improvement)  
Synonym : upturn, boom, growth, increase
8. **Wrap up** : (short statement of main points)  
Synonym : analysis, essence, outline, prospectus, recap, rehash, sketch, synopsis, version, abbreviation, abstract, brief, capitulation, compendium
9. **Influx** : (flow, rush)  
Synonym : arrival, incursion, inflow, introduction, invasion.
10. **Tumult** : (uproar, confusion)  
Synonym : agitation, commotion, convulsion, disturbance, excitement, ferment, hassle, outcry, pandemonium, quarrel, riot, turbulence, turmoil.
11. **Evasion** : (escape, avoidance)  
Synonym : dodging, artifice, cunning, dodge, elusion, evasiveness, excuse, pretext, lie, shift, sophism, stall, trick, trickery
12. **Tumbled** : (fall or make fall awkwardly)  
Synonym : descend, dip, drop, flop, go down, plummet, plunge, sag, skid, slip, slump, spill, stumble, topple
13. **Robust** : (healthy, strong)  
Synonym : booming, hearty, hefty, potent, powerful, prosperous, sturdy, tough, vigorous
14. **Reckoning** : (computation, account)  
Synonym : calculation, estimation, evaluation, arithmetic, estimate, valuation
15. **Regime** : (leadership of organization)  
Synonym : administration, establishment, government, management, reign, rule, system, dynasty, tenure.

16. **Plug** : (stopper, publicity, publicize)  
 Synonym : bung, connection, cork, filling, stopple.
17. **Fiscal** : (monetary)  
 Synonym : budgetary, economic, financial, commercial, money, pecuniary
18. **Sustained** : (maintained)  
 Synonym : constant, continued, continuous, uninterrupted, backed, supported, consistent, stable, steady.
19. **Revival** : (Rebirth, reawakening)  
 Synonym : recovery, rejuvenation, renaissance, renewal, restoration, resurrection, revitalization, awakening, regeneration
20. **Uptick** : (something added)  
 Synonym : accretion, accrual, addition, boost, expansion, gain, increase, increment, more, plus, proliferation, supplement, raise.
21. **Catalysed** : (Ready for action, movement)  
 Synonym : assemble, marshal, organize, prepare, activate, actuate, impel, gather, circulate

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### Course correction – A risky recovery

#### Countries will need to move beyond monetary stimulus to boost their economies

Abroad based recovery in **global** growth may be gathering steam, but the price the world will have to pay for it is still unknown. According to the IMF's January update of the World Economic Outlook, the global economy is all set to clock its best growth rate in seven years in 2018 following a pick up since mid-2016. The IMF estimated that the global economy could **accelerate** of 3.9% in both 2018 and 2019, an **upward** revision of 0.2 percentage point over its previous estimates in October for both years, **boosted** by a **cyclical** recovery in global growth and the historic tax cuts in the U. S. India's economy is projected to grow at 7.4% during the financial year 2019, and at an even faster pace of 7.85% the following year. If the IMF's **prediction** come true, India will be the fastest growing major economy next year as China's growth is expected to slow from 6.6% this year to 6.4% in 2019. What comes as a further surprise is the upward revision in growth forecasts for many countries in Europe, thanks to stronger demand. The IMF, however, was not obvious to the threats that could severely **derail** the broad based economic recovery. In particular, it warned about the "troubling" rise in **debt** levels across countries, including the U.S., which could **pose** a huge risk to financial stability and **drag** down economic growth.

It is no secret that since the 2008 financial crisis the global economy has been **propped** up mainly by the **unprecedented** easy money policies adopted by global central banks. In fact, the absence of substantial structural reforms to complement central bank **stimulus** measures has been another feature of the present global economic recovery. Such a recovery comes with the **inherent** risk of being derailed whenever easy monetary conditions that fuelled it **cease** to

exist. While central banks until now have been careful not to **spook** markets with the **prospect** of higher interest rates, it is unlikely that they can keep markets calm forever. As the IMF has pointed out, the possible end to the era of **abundant liquidity** and debt fuelled economic activity is likely to cause **disruption** by affecting **asset** prices. As interest rates reach higher levels, it is likely to also expose the various real economic **distortions** created by a low interest rate policy, particularly across borders. While it is hard to predict the next **downturn**, it seems the day of **reckoning** may not be too far as consumer price inflation begins to push central banks to rethink their **dovish stance**. The IMF is right to urge countries to make use of the current **rosy** conditions to enact useful structural reforms. It is time countries recognise that monetary policy alone won't solve all growth problems.

### WORD LIST

1. **Global** : (worldwide, all encompassing)  
Synonym: comprehensive, international, overall, universal, all round, all inclusive, all out, catholic, cosmic.
2. **Accelerate** : (increase speed, timing)  
Synonym: advance, expedite, further, hasten, open up, quicken, spur, step up, stimulate.
3. **Upward** : (from a lower to higher position)  
Synonym: higher, uphill, skyward, above, ascending
4. **Boost** : (further, improve)  
Synonym: advance, encourage, promote, push, support, sustain, advertise, assist, foster
5. **Cyclical** : (happening at regular intervals)  
Synonym: periodic, repetitive, seasonal, circular, patterned, recurrent
6. **Prediction** : (declaration made in advance)  
Synonym: forecast, forecasting, guess, indicator, prognosis, prophecy, cast, foretelling
7. **Derail** : (go off the rails)  
Synonym: crash, hinder, thwart, wreck, deflect
8. **Debt** : (money owed to others)  
Synonym: arrears, bill, capital, commitment, credit, damage, deficit, due, indebtedness, liability, mortgage
9. **Pose** : (artificial position), (sit, stand in place; pretend, fake)  
Synonym: mannerism, mien, posture, act, affectation, attitude, masquerade, pretension
10. **Drag** : (bad situation)  
Synonym: burden, impediment, annoyance, bore, encumbrance, hindrance, nuisance.
11. **Prop** : (hold up or lean against)  
Synonym: brace, bolster, buoy, buttress, carry, maintain, rest, set
12. **Unprecedented** : (exceptional original)  
Synonym: bizarre, extraordinary, fantastic, miraculous, new, remarkable, singular, uncommon, unique, unparalleled, unrivalled, unusual
13. **Stimulus** : (Provocation)  
Synonym: Catalyst, encouragement, fillip, impetus, incentive, motivation, stimulant, Stimulation

14. **Inherent** : (basic, hereditary)  
Synonym: built-in, constitutional, deep-rooted, deep-seated, essential, fundamental, genetic, implicit, ingrained, innate, instinctive, internal, intrinsic, latent, natural
15. **Cease** : (stop, conclude)  
Synonym: break off, desist, discontinue, fail, halt, quit, refrain, terminate, close, culminate
16. **Spook** : (frighten, scare)  
Synonym: discomfort, alarm, horrify, panic, petrify, startle, terrify, unnerve
17. **Prospect** : (outlook for future)  
Synonym: anticipation, chance, expectation, future, hope, likelihood, plan, possibility, probability, promise, proposal, thought
18. **Abundant** : (plentiful, large in number)  
Synonym: ample, bountiful, copious, generous, heavy, rich, sufficient
19. **Liquidity** : (finance)  
➤ The availability of liquid assets to a market or company  
➤ Liquid assets; cash  
Example : "a firm may be unable to pay unless it has spare liquidity".
20. **Disruption** : (division, turmoil)  
Synonym: interruption, break, separation, severance, splitting
21. **Asset** : (advantage)  
Synonym: aid, benefit, credit, resource, service, distinction.
22. **Distortion** : (deformity, falsification)  
Synonym: bias, exaggeration, lie, misinterpretation, misrepresentation, misstatement, misuse, baloney
23. **Downturn** : (drop)  
Synonym: decline, deterioration, dip, plunge, slide, slump
24. **Reckoning** : (computation, account)  
Synonym: calculation, estimation, addition, estimate, counting
25. **Dovish** : (supporting discussion or other peaceful solutions in political relationships rather than the use of force)  
Example : He is a dovish politician who was one of the singers of a model peace treaty.
26. **Stance** : (position, posture)  
Synonym: attitude, stand, viewpoint, bearing
27. **Rosy** : (pink, reddish in colour) (cheerful, hopeful)  
Synonym: glowing, aflush, blooming, blushing, incarnadine.

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**SOME IMPORTANT PHRASAL VERB**

1. **Account for**  
Meaning : To explain, give a reason  
Sentence : I hope you can **account for** the time you were out!
2. **Allow for**  
Meaning : To take into consideration  
Sentence : We need to **allow for** unexpected charges along the way.
3. **Back down**  
Meaning : To withdraw, concede defeat  
Sentence : Local authorities **backed down** on their threats to build on that part of the beach.
4. **Block off**  
Meaning : To separate using a barrier.  
Sentence : The police **blocked off** the street after the explosion.
5. **Brush up on**  
Meaning : To improve, refresh one's knowledge of something  
Sentence : I must **brush up on** my French before going to Paris next month.
6. **Come forward**  
Meaning : To present oneself  
Sentence : Has the owner of the winning lotto ticket **come forward**?
7. **Deal with**  
Meaning : To handle, take care of (problem, situation)  
Sentence : Catherine is not good at **dealing with** stress.
8. **Dress up**  
Meaning : wear elegant clothes  
Sentence : Their wedding gave us a chance to **dress up** and get out of the house.
9. **Get away**  
Meaning : To escape  
Sentence : I think we should **get away** for the weekend.
10. **Get rid of**  
Meaning : To eliminate  
Sentence : Please **get rid of** that old t-shirt. It's so ragged.
11. **Hang out**  
Meaning : To spend time in a particular place or with a group of friends  
Sentence : Which pub does the team **hang out** at after the game?
12. **Hurry up**  
Meaning : To be quick, act speedily  
Sentence : **Hurry up** and finish your lunch or we'll miss the train.
13. **Join in**  
Meaning : To participate  
Sentence : Yes David, you can **join in** the discussion any time you like.
14. **Kick off**  
Meaning : To begin, start  
Sentence : The rugby match **kicked off** at 3 o'clock.

**15. Look for**

Meaning : To try to find something

Sentence : Harry went to the shop to **look for** a new computer.

**16. Move in**

Meaning : To arrive in a new home or office

Sentence : Did you hear? Our new neighbours are **moving in** this afternoon.

**17. Pass out**

Meaning : To faint

Sentence : He didn't drink enough water so he **passed out** at the end of the race.

**18. Put out**

Meaning : To extinguish

Sentence : The fire fighters were able to **put out** fire in ten minutes.

**19. Run away**

Meaning : To escape from a place or suddenly leave

Sentence : He **ran away** from home and joined the circus.

**20. Set up**

Meaning : To start a business

Sentence : They **set up** their own company when they were still in high school.

**21. Show off**

Meaning : To brag or want to be admired

Sentence : He's such a **show off**. He has to tell everybody about his new computer.

**22. Take care of**

Meaning : To look after

Sentence : Please **take care of** my cat when I'm away.

**23. Tell off**

Meaning : To reprimand/criticize severely

Sentence : The coach **told her off** for not trying hard enough.

**24. Watch out**

Meaning : To be careful

Sentence : Watch out! There's a dog in the road.

**25. Use up**

Meaning : To finish a product (so that there's none left)

Sentence : Your parents **used up** all the coffee!

**26. Take on**

Meaning : To hire or engage staff

Sentence : I hear they're **taking on** extra staff for this event.

**27. Show up**

Meaning : To appear/arrive

Sentence : I don't think she'll **show up** tonight. Her daughter is sick.

**28. Run into**

Meaning : To meet by accident or unexpectedly (also: bump into)

Sentence : I'm so glad I **ran into** you. I need to ask you something.

**29. Pass away**

Meaning : To die

Sentence : Your grandfather **passed away** peacefully in his sleep last night.

**30. Leave out**

Meaning : To omit, not mention

Sentence : Please check your form again and make sure nothing is **left out**.

*Some people dream of accomplishing great things.*

*Others stay awake and make it happen.*