

Trying to be a first-rate reporter on the average American newspaper is like trying to play Bach's 'St. Matthew's Passion' on a tubule.
Bagdikian's Observation

Chinks in the Opposition Camp

Given the numerical strength of the twosides, the fate of the no-trust motion moved in the Lok Sabha on Friday was a foregone conclusion. What gave rise to speculation was what the 'neutral' parties which belonged neither to the NDA nor to the Opposition would do. In the event, the BJP and the TRS staged a walk out at the beginning of the debate, while Shiv Sena, an NDA constituent, did not take part in the voting. Most of the Opposition leaders concentrated only on the problems of their respective States and the Centre's 'apathy' toward them; few touched national issues. The Congress did but the Congress attack lost much of its thrust and weight because of the childish antics of Rahul Gandhi after he delivered his speech. The voting exposed the chinks in the Opposition camp.

The Prime Minister, with his usual aplomb, reeled out statistics relating to the 'achievements' of his government—the number of new schools, colleges, universities and medical colleges and hospitals set up, the number of villages electrified, the length of roads built and soon and so forth. He carefully avoided, as he was expected to do, all sensitive political issues like lynching, cow vigilantism, targeting of religious minorities, women, dalits and other backward and vulnerable sections of society. He did not even condemn such acts and their perpetrators. His silence on these issues was eloquent. With his usual oratory, he lampooned and lambasted the Congress, took a dig at Rahul and Sonia Gandhi without naming them. But there was no brilliance in the speeches of the speakers of either the Opposition or the Treasury Benches.

The Opposition obviously failed to take the full advantage of the debate and put the ruling party on the mat as they were expected to do. Even on the Rafale deal, Rahul's sensational charges were effectively rebutted by the ruling party by producing documents that proved that there was, indeed, a 'secrecy' clause in the commercial dealings between the two governments—of India and France. Many wondered why Rahul did not mention the specific instances where leaders of the ruling party openly supported the accused in the murders and gang rapes like the one at Kathua which forced two BJP ministers to resign from the Jammu and Kashmir Government. Strangely, the economic downside was not highlighted by the Opposition except for a casual mention by one opposition member of the fall of the rupee against the dollar. The overall performance of the Opposition was disappointing.

Strong case for lower tax regime

REFLEX ACTION

Nantoo Banerjee

Is no point in blaming chartered accountants alone for helping individuals and firms to evade tax. Every time the government reduced taxes in the past, collection and compliance levels improved. But, the government seems to be hesitant about appreciating this. The government needs to take bold enough decisions to revise the taxation levels downward and their slabs recast to improve compliance and grow the 'white' economy.

Thanks to the high rates of both direct and indirect taxes until the 1990s, Indian firms and citizens, it would appear, were driven to take the risk of evading tax in a big way for decades and, thus, become habitual tax and financial offenders. Scratch balance sheet of any firm or income of any middle or upper class individual, a case of tax avoidance, if not evasion, will, most likely, surface. The government's efforts to plug holes to tackle tax evasion often met with limited success. If the direct tax yield is so poor there is no reason to be depressed about the newly introduced GST's limited success. Recently, the indirect tax department issued notices to about 200 companies after data mining revealed that they may be guilty of evading the goods and services tax. The findings showed that these companies may be under-invoicing or selling their goods in cash to customers. Tax officials think that many companies indulge in undervaluing sales and overvaluing purchases. In the earlier tax regime, such transactions would typically go undetected as there was no mechanism to compare inputs from suppliers with sales.

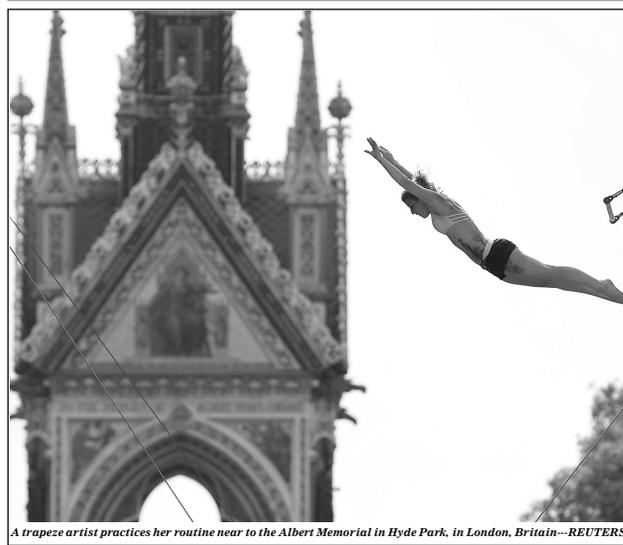
Under-invoicing and over-invoicing are popular methods by which most companies try to escape tax. The government had charted out sector-wise 'risk factors' companies might exploit to avoid paying GST.

Categorisation or risk evaluation for these audits has been created by using big data analytics. Interestingly, a recent tax notice sent to a company reads: "You have set off your tax liabilities (GST) by way of payment using input tax credit in excess of 95 per cent of the total tax liabilities... In other words, payment of tax was less than 5%." Similar tax notices may have been sent to several other companies as well.

According to tax officials, many of the companies recorded large raw material purchases but little sales, suggesting that they may be under-billing or selling products at lower prices officially and accepting money in cash from buyers for the rest. Logically, a better GST compliance rate may even lead to a better direct tax collection from both corporates and individuals. Direct tax rates have not been lowered and rationalised for quite some time. This needs to be done without delay. The tax compliance level appears to be considerably low if compared with the lifestyle of a large section of individuals, including businessmen, entrepreneurs—big or small—and professionals such as practising doctors, lawyers and chartered accountants as well as agents and fixers of all hues.

Going by the government's own statement, only 1.72 lakh people in the country showed income over Rs 50 lakh in 2017-18. The number does not certainly commensurate with level of individual spending and consumption. For example, the government says in the last five years, more than 1.25 crore cars had been sold. The number of Indians who flew abroad, either on business or tourism, was 2 crore in 2015. There are about 4.2 crore persons employed in the organised sector only 1.74 crore file tax returns. Of some 5.6 crore informal sector/individual enterprises and firms doing small business, less than 1.82 crore file returns. Only 40 per cent of the registered companies filed tax return in 2016-17.

Nearly 50 per cent of them showed losses or 'zero' income. If anything, such facts point to the government's inability to earn citizens' confidence in taxation policies and patterns. (IPA)



A trapeze artist practices her routine near to the Albert Memorial in Hyde Park, in London, Britain—REUTERS

Nitish's gameplan fails to deliver

FOCUS

Arun Srivastava

Nitish Kumar's election strategist Prashant Kishore's Mumbai mission failed to make Lalit Prasad forgive his 'younger brother' for his betrayal and embrace him once more.

As the political emissary of Nitish, his election strategist was flown to Mumbai with the task of assuaging Lalit's feelings and to make him pardon his boss. But it was a curt and impolite reply that awaited him. Without mincing words Lalit sent him back to Patna with the message that Nitish should first denounce the NDA, then only any talk could be held.

The outcome had a shattering effect on Nitish. He was conscious of the fact that Lalit might not accept his request, but he never expected that he would shut the door on his face. The rebuff from the RJD supremo left Nitish with no alternative but to fall in line with the BJP. Though aware of the fact the compulsion to continue with the NDA would hurt him beyond redemption, BJP has been keeping a close watch on Nitish's recent activities and is keen to grab the opportunity to its advantage notwithstanding

the rhetoric of Nitish and his aides' to go it alone. The party is convinced that Nitish could not muster courage to face the electorate on his own. Having no tangible support base has been a major shortcoming for Nitish. He has a vote base of only 7 per cent, which he can claim as his own.

Obviously for his survival Nitish needs the crutches of either BJP or RJD. With RJD reluctant to entertain his request, it is obvious that he has to maintain his strained relations with the BJP. He is left with no other option at least for now, till the 2019 Lok Sabha elections. But this situation has been created by none other than Nitish himself. He betrayed everyone. The people who were once supposedly close to Nitish vow that "he is friend of none", "he is for none". The persons who were once close to Nitish had to suffer maximum humiliation from him. The list is quite long.

One question that still haunts the people of Bihar is: why did Nitish betray Lalit Prasad and crushed the mahagathabandhan. The political relevance of the grand alliance could be gauged from

the simple fact that Lalit Prasad instead of staking his claim for the office of the chief minister offered it to Nitish on a platter. Because Lalit realised the importance of the alliance. He knew that to fight BJP it was imperative that all anti-BJP forces should join hands and come together, a political line that was eventually endorsed by the CPI(M)'s Hyderabad Congress.

But Nitish finally landed in the lap of the BJP. This obviously implied that he was overcome by his own personal vested interest than the welfare of the people and secular forces of the country. He was well aware of the threat from BJP and his Hindutva vigilantes to Dalits, minorities and the poor, but continued to make merry with the BJP. Nitish and his aides may claim that he is the modern day Chanakya, but the fact remains that he is a kaptul self. It is not that people could not make out his love-hate with

the BJP, especially with Modi. In 2010 he ridiculed the BJP, especially Amit Shah, but in 2014 he allied with saffron. After 2014 he ridiculed Modi. He held him in contempt and as a bitter enemy. In the following years he latched on to Lalit's RJD only to malign Lalit and his sons as corrupt and criminally inclined. It is indeed strange that a person who claims himself to be the honest and able administrator the modern Chanakya, could stoop so low.

BJP offering him the chair of the chief minister, after his act of great betrayal, is candid proof of the party's game plan to finish his political career. Amit Shah and other BJP leaders had foreseen his future. They knew that he would eventually turn untouchable in his own land. Though a few Congress leaders who have been beneficiaries of Nitish's stratagems pulled together for his inclusion in the secular alliance, by and large the entire

organisation, including the top leadership, has been reluctant to accommodate him. In politics nothing is impossible. But Nitish losing his secular friends is really pathetic. In the last one year, while Nitish was the chief minister of NDA, the BJP resorted to all kinds of machination to denigrate and embarrass him. In fact the people of Bihar through the recent by-elections demonstrated that they no longer treat Nitish as their leader. He lost all the by-elections held in recent months.

Though senior JD(U) leaders have been claiming that Nitish would be the NDA face for the 2019 parliamentary elections and the party would contest 20 seats on its own, the BJP has made it known that he is of no consequence in Bihar and he cannot be offered more than seven seats, and at best another three more. Nitish has been caught in such a piquant situation that he cannot say no to the BJP offer. However, sources close to Nitish say he would seek an assurance from Amit Shah that BJP would play second fiddle in the assembly elections scheduled to be held in 2020. (IPA)

Conventional Crossword

1	2	3	4	5	6
7			8		
9		10	11		12
13			14		
	15			16	17
18			19		20
	21			22	
24		25		26	
	27			28	
29			30		

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|--------------------------|-----------------------|
| 1 Effective power | 1 Church service |
| 4 Inflamed swelling | 2 Peaceful |
| 7 Land measure | 3 Inherited character |
| 8 Matte brown | 4 Unit |
| 9 Practical intelligence | 4 Hairless |
| 12 Incline | 6 Numerical |
| 13 Showed contempt | 6 Rangy |
| 15 Pale | 10 Fly the needle |
| 16 Secret agent | 11 Efface |
| 18 Top card | 14 Make into a statue |
| 19 Used a chair | 17 Abstract |
| 21 Regain health | 18 Performed |
| 24 Faithful | 20 Pull along |
| 26 On two occasions | 21 Quantity of paper |
| 27 Tool | 22 Passport |
| 28 Transgression | 23 Endorsement |
| 29 Judge | 24 Payment for |
| 30 Explosion | 25 Property use |
| | 25 Employ |

SUDOKU # 2262

5	8	9	4					
		3		2		5		8
		7				9	3	
2			1	9				
	5						9	
				4	3			1
7	4	2				7		
		5		8		3		
					7	4	6	5

Yesterday's Solution 2261

3	7	5	8	6	9	1	4	2
8	9	6	2	1	4	3	5	7
1	4	2	5	3	7	6	9	8
7	1	4	3	8	2	5	6	9
6	5	3	9	7	1	8	2	4
2	8	9	6	4	5	7	1	3
4	3	1	7	2	6	9	8	5
9	2	7	1	5	8	4	3	6
5	6	8	4	9	3	2	7	1

Yesterday's Cross Word Solution 270

H	O	E	S	T	A	M	E	S
E	N	M	I	T	A	T	E	
M	E	E	T	R	A	D	A	R
P	R	E	G	A	L	A	U	
	G	A	N	E	W	M		
A	E	D	I	T	A			
S	O	N	S	E	T	P		
P	A	W	N	S	P	E	A	R
E	G	O	A	V	E	R	S	E
N	E	E	D	Y	E	S	P	Y

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