

GST: Focus on the Tech It Rides On

Broadband access cannot be taken for granted

Human society functions on the basis of mastery of assorted technologies. When you buy rice or vegetables, you take mastery over cooking technologies for granted. An importer or an exporter takes ocean-going liners and containerised cargo for granted. When we make a call on a mobile phone, we take the underlying technologies for granted. The goods and services tax (GST) takes ubiquitous broadband access for granted, in a similar fashion. Yet, this assumption that every economic agent who has to comply with the tax will have ready access to broadband in every part of the country remains sweeping and unrealistic. The government must focus on making that assumption realistic, in every part of the country.

If you sell something, you must upload the invoice to the GST Network (GSTN), so that the buyer can claim credit on the tax you have collected and paid the government. Suppose that you are unable to upload your sale invoice and pay the tax you have collected because you are in a part of the country where the telecom

network is patchy or has been ordered shut for security reasons. Your buyer would not be able to claim input tax credit. This is a hassle for the buyer. He might decide to eliminate the hassle by switching sourcing to locations where sellers have no difficulty uploading documents to GSTN. You would end up a victim, felled by unrealistic assumption about ubiquitous technological availability. You would channel your ire to the government. The government would suffer loss in popularity, arising from facile assumptions about the reach of communications infrastructure. But there is a way out.

Identify the patches where data connectivity is still weak. Identify problems: missing towers for last-mile connectivity, inadequate fibre-optic backhaul, hostile terrain. Identify solutions: build the towers, deploy microwave links or satellite connections for backhaul. Use money from the Universal Service Obligation Fund. Fix responsibility on public officials and private firms, in consultation with them. Put the infrastructure in place and working, before the tax rolls out in earnest in September.



French Parliament Sets Example for All

French President Emmanuel Macron and his young party, La République En Marche, have made history. Together with its allies, they have won 350 of 577 seats in the National Assembly. The result clears the path for the French president to roll out his reforms agenda to make the economy more efficient and productive. That is the only basis for building stronger ties with Germany and other members of the EU, to keep building an open world, instead of retreating into relative isolation of the kind the current American president stands for. The election result holds out the promise that France will lead, in keeping Europe and the world open, integrating and innovating.

What is striking is the sheer diversity of the legislators. The newly elected National Assembly reflects changing France. Half the candidates fielded by Macron were women and the number of women MPs has gone up from 155 to 223 out of a total strength of 577, the highest ever. People of African and Arab descent, a Fields Medal-winning mathematician and a hairdresser figure among

the new MPs. They represent weariness with politics as usual, which has produced Brexit and Donald Trump, as well as rekindled political engagement among the citizenry to lay the foundations of a new kind of politics and a new and open society, one that is mindful of aspirations of all sections of France. Macron needs to focus on his plans to get the French economy on track, especially addressing labour laws to tackle the high levels of unemployment. He must also deliver on his pledge to clean up politics.

The high level of abstention in the elections, with 57% of the voters opting to stay home, is indicative of widespread loss of faith in politics, as well. Sunday's spectacular victory means that Macron has no room for failure.



From our own Sun to Beyoncé and Amal, the brightest come in pairs it seems

Twins are All the Rage With Stars

The news that the Sun had a twin at the beginning of time should come as no surprise. Twins, after all, are currently all the rage when it comes to stars. The arrival of the newest (twin) additions to the Beyoncé-Jay-Z brood last week almost threatened to overshadow the daily excitement of the Trump administration, with late-night shows chronicling the obsession with the first sighting of the star babies. And not long before that, George Clooney and his wife Amal also had twins to similar media fanfare in London. That these couples had twins appear to be almost de rigueur given the number of celebrities with paired offspring, including two other members of the cast of Ocean's Eleven besides Clooney: Julia Roberts and Brad Pitt. Besides, Madonna has a pair; as do Jennifer Lopez and Mariah Carey. And many others including Zoe Saldana, Sarah Jessica Parker, Chris Hemsworth and Neil Patrick Harris do so too. Even the Indian cinematic firmament has a fair share of twins, from Shatrughan Sinha and Sanjay Dutt to Celina Jaitley and others, with Farah Khan doing one better with triplets.

The theoretical physicist and radio astronomer who recently averred that our Sun has an elusive "other" is going by the theory that all stars are born in pairs. The starry universe of show business has added its own twist to that theory.

Modi must ensure that his presidential choice is not just tokenism if he's to get Dalit support in 2019

A Bahujan Samaj Strategy



Nilanjan Mukhopadhyay

Given the political trajectory Prime Minister Narendra Modi opted for since assuming office, there were several definite pointers to the kind of person who would be his eventual presidential nominee. First, there was certainty that the National Democratic Alliance (NDA) candidate would not be a representative of the social, economic and political elite.

Despite Modi beginning his prime ministerial campaign in 2013 mainly with the backing of traditional upper-caste supporters of the BJP, he successfully socially widened his base and secured the backing of several middle castes as well as making inroads into the scheduled castes and scheduled tribes. In the last three years, as the elections in Uttar Pradesh most recently demonstrated, this strategy has been given greater impetus.

Contra to Controversy

The caste violence in Saharanpur in western UP that flared up in May and mounting Dalit assertion in Gujarat indicated that the PM and his close aides would serve their cause by identifying a suitable candidate from this community. Ignoring Dalits at this stage would have sent a negative message: that beneath the BJP's electoral reach-out lies the old 'savarn' (upper caste) mentality of its founders.

Sections within the Dalit community are not looking for 'honour' in the existing social order, but have graduated to the demand for redistributive politics

Besides ensuring that social balance was maintained, Modi also would have chosen someone from the economic elite at grave risk to his image of an egalitarian leader, cultivated since becoming PM and particularly publicised since demonetisation. Anyone part of the existing political elite would have come with past baggage.

Moreover, given his known comfort with non-assertive politicians, it was only expected that Modi would pick a candidate who was low on profile and political accomplishments.

Being non-controversial played a greater role in deciding Ram Nath Kovind's presidential candidature than any of his distinctions. When Prime Minister Indira Gandhi backed V V Giri in the only presidential contest decided on second preference votes in 1969, and when she nominated Zail Singh as president in 1982, she lowered the bar of the Indian presidency.

It can be argued that if the United Progressive Alliance (UPA) was entitled to nominate Pratibha Patil — to ensure allies found her suitable because she was not part of the Congress mainframe despite being linked to it — the BJP, too, is entitled to nominate Kovind, without doubt a political lightweight.

Kovind also met a crucial consideration: he is very much part of the Rashtriya Swayamsevak Sangh (RSS) system without being a swayamsevak. His link with the RSS was through its political affiliate, the BJP and earlier the Jana Sangh. He is acceptable to the RSS but does not put off allies or opposition leaders, significant, Mayawati, Nitish Kumar, Naveen Patnaik, or the entire spectrum from Andhra Pradesh and Telangana.

There is little doubt that Modi was aware of RSS expectations and knew that most in the fraternity would have



A presidential candidate and a PM

most preferred a swayamsevak. However, the RSS has also supported the promotion of those who are favourably inclined towards its ideology and vision while not being part of them.

Not everyone invited to the Dussehra rally at Nagpur as chief guest is from the RSS, but most often he is just a favourably inclined notable. The RSS under Mohan Bhagwat is more pragmatic and aware that the election of a 'purebred' as president now would be difficult. But expectations are likely to be different during the vice-presidential polls. The BJP's clout in the electoral college is greater and this has to be tracked subsequently.

Alliances and Dalliaces

The move to nominate a Dalit has unquestionably caused confusion among Opposition ranks. It has broken the emerging unity among them that appeared to be building after the UP verdict. Whether a mahagathbandhan (grand alliance) is formed at a later date will remain a matter of speculation. But unless the Congress matches Modi's masterstroke, the Opposition is unlikely to field a joint candidate against Kovind. In all likelihood, the Congress, the Left parties and a few others may remain the only ones who feel impelled to force a contest.

GOODS & SERVICES TAX

Brush Up for Teething Troubles



Anjana Menon

Next month, the government will roll out its biggest tax reform aimed at bringing more people into the tax net, treating the country as one tax-administrated unit. Commendable in scope and intent, the challenge for the goods and services tax (GST) may come from the lack of skill among taxpayers in using digital tax reconciliation. The new tax rules have changed much from what was originally intended: to have a single flat rate for all goods and services. Instead, to accommodate unrelenting states and hard-lobbying industries, the taxation now offers five different slabs with 28% as the top rate.

GST excludes drinking alcohol, which was held onto by the states that often get up to a quarter of such tax revenues through excise levies. All in all, what was meant to be a simple tax plan that could be easily communicated, is a somewhat complex maze to be mastered overnight. Still, that can hardly be the reason to hold back

tax reforms.

To ensure that GST works as it should, everyone falling under its purview will have to file into the giant government digital backbone, the GST Network (GSTN), an online bookkeeper. It will tally and link every entry in the supply chain of goods or services, to the central as well as state tax databases. That's a few billion invoices each month.

Some taxpayers have already expressed dismay after they failed to register their businesses through GSTN. These are teething troubles. Soon, users, including millions of small businesses, will be thrust into e-filings three times a month. Some would have never seen an e-filing. They will have to log 37 filings a year. And if they operate in more than one state, then each jurisdiction needs a separate set of filings.

And then there is the issue of filing accurately. A single erroneous entry from supplier to manufacturer to retailer means the invoices will not compute as part of the same goods or services. Each taxpayer will have to ensure accuracy not just for himself but also for other stakeholders to make tax reconciliation possible.

That's around 15 details to tally, including accurate addresses and duty rates. Take just one invoice detail in the tax filing that is "a consecutive



Roll it in before the rollout

serial number, in one or multiple series, containing alphabets or numerals or special characters, hyphen or dash and slash symbolised as '+' and '/' respectively, and any combination thereof, unique for a financial year". Now imagine a shopkeeper in a small town, who suddenly has to come to grips with an e-filing, and do so accurately, without a single error — on any of the parameters.

Lace that with other issues he may face, such as inadequate internet connectivity, or the inability to use software that will help him book-keep electronically. This is where GST filings may start to frazzle taxpayers.

It's a process that relies heavily on the coming together of many things: no fat fingers, online access, glitch-free technology, ability to understand how offsets work and sticking to deadlines. For this migration to be everything GoI wants, it needs to massively train taxpayers so they are able to use e-filings effectively.

That means holding taxation boot camps in areas far and wide and ensuring all stakeholders understand what it takes for GST to work. It might also mean embedding all businesses with electronic input software to eliminate manual inputs. Several software firms have seized the opportunity to create electronic filing software. But a lack of standardisation could present new problems.

Besides, there will be thousands of questions on everything from a classification of goods to inter-state invoices. Many of the answers won't be readily available in an automated system. It needs the setting up of help-lines in regional languages with trained tax officers at least in the first six months of the rollout.

If all this is executed, the GST rollout promises to become what it's meant to be: an effective tax model. Left to users to figure out, it might fester into a messy swamp.

The writer is CEO, Content Pixies

LETTER FROM WASHINGTON

Meet, Eat, Pray for Achhe Din



Seema Sirohi

Mitron, this American journey of Narendra Modi will be different. We don't know just how different — such is the mystery, the uncertainty but also the promise and the potential.

Modi will meet Donald Trump on Monday for formal talks followed by a dinner with the president. The two will have an opportunity to do some mann ki baat, and understand where the other is coming from. The setting provides for bonding, hopefully followed by happy tweets.

There may or may not be a long and winding joint statement, even though New Delhi would feel better if there was one. But we will await clues on Twitter from Trump, who lets the cat out of the bag, even when it might scratch him. If all goes well, the president may declare the meeting a 'win', 'tremendous' and 'the best'.

A surprise, most likely in the security realm, can't be ruled out. It could build on previous commitments, say, on maritime security, or India being a 'major defence partner'.

Yes, the expectations have deliberately been set low, but the external affairs ministry never promises a rose garden before a visit. It likes the glow of an aftershock.

A data-filled news report about the India-US engagement across sectors will be released on Capitol Hill the day Modi meets Trump. It's the first time such a comprehensive data collection exercise has been undertaken. Going beyond cold investment figures to cover "regional security, trade and cultural exchanges", it is an attempt to change the narrative stuck in the H-1B slot. Modi could unleash his own Twitter storm.

Modi is also likely to meet Newt Gingrich, the ideological chaperone



What will be on the plate?

of this administration and an enthusiastic supporter of India. He stands guard for Trump like an elder as Washington boils in political heat. Four Congressional committees and one special counsel are trying to find out if Russia put Americans under a spell by flooding them with well-timed leaks to make them choose Trump. The hysteria is off the charts. Bottomline: the presidential state of mind is not the happiest.

Nor do I imagine is the prime minister's, what with having to rethink the whole India-US thing after committing to the joint vision thing just two years ago with Barack Obama. It seemed like a real strategic alliance was falling into place. Now, Modi must convince the new president all over again. But it's a pattern. Both Bill Clinton and Obama saw China before they saw India.

Yes, India hasn't been on Trump's radar since he became president. After one celebrated appearance at a campaign rally organised by the Hindu Republican Coalition, he has only made negative noises on India. In fact, a senior Republican senator told some of us the other day that India is not on the radar because it is not a 'conflict' country. Oh well, better this way than not.

Modi opted to come sooner rather than later when a 'grand' visit could be planned and the controversies around H-1B visas, climate change, etc, had subsided. He wanted a show to surpass other foreign visits since Trump became president.

"The intent is all there to have a real serious relationship with India, but the means to get there are somewhat cloudy. Then there is a lack of manpower," said one observer. In the end, New Delhi decided it was better to engage early and try to keep the strategic relationship at a decent level. The low bar doesn't make the visit any less important.

It's best to get a measure of where things are and correct course as needed. We know that Trump is focused inward. He is not (yet) animated by the logic that a strong India does America good, something that informed the thinking of Obama and George W. Bush. Asian security and China's aggressive rise were big issues and India was part of the calculation.

While Trump is not oblivious to the problem and unlikely to actively harm India's interests, neglect creates its own kind of dynamic. The downside will be opportunities lost along the way. Unless, of course, senior members of Trump's cabinet see the logic of not only loudly endorsing what's gone before but expanding the relationship in a 'new direction'.



the speaking tree

Yoga Can Set You Free

SHEEL VARDHAN SINGH

Yogic healing is achieved with asana, pranayama, dharana and mantra sadhana. Sadhana is a way, a path and also a method of transformation. It is a journey from the impure towards the pure. The impure relates to the world of name, fame and ideas where it is the ego that is interacting with the world. The pure relates to Atman and acceptance of the world without delusions or illusions.

Regular sadhana transforms a person into being more simple and natural, internally. From this pure mind arise affection, universal love, compassion and devotion. These bring us closer to divinity and promote what we call *atma bhav* — seeing your own self in others. Yoga leads us to acceptance of individuals and circumstances.

In yoga sadhana, the healing process is threefold: physical, mental and psychic. At the physical level, we work through asanas and pranayama to purify the body. At the mental level, we connect to our inner Self and begin the journey within. According to Pantanjali's Yoga Sutra, *asana* is the posture in which one experiences joy, happiness and stability — when asanas are done with awareness.

According to one's need, specific pranayama is done in order to energise or calm the mind. Dharana sharpens the mind and improves your focus. Mantras are sound vibrations; they help you to connect the inner Self to the cosmic energy and help you overcome energy blockages within. The body becomes healthy, the prana balances and at the level of spirit, the process 'sets you free' and unravels creativity in life.

Chat Room

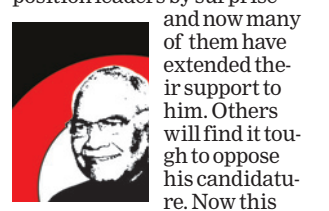
Youth Need to Awaken to Yoga

Yoga is an ancient spiritual science and means union in Sanskrit. The Bhagavat Gita says, "Yoga is the journey of the self, through the self, to the self." Yoga is joining of the individual consciousness to the Universal Consciousness. Celebrating June 21 as International Yoga Day is actually celebrating life. Sadly, yoga has been incorrectly linked with religion. It is but a science of well-being that integrates the body, mind and soul. Today's youth need to harness the power of yoga and become spiritual dynamites.

TS KARTHIK Chennai

A Masterstroke by Modi & BJP

Apropos the Edit, 'A Very Political Choice for President' (Jun 20), by nominating Bihar governor Ram Nath Kovind for the next presidential election, both PM Narendra Modi and BJP have taken most of the opposition leaders by surprise



and now many of them have extended their support to him. Others will find it tough to oppose his candidature. Now this election is merely of academic interest. Choosing a Dalit candidate is a masterstroke by the ruling party as it has created a huge rift among the opposition leaders who were trying to join hands against the BJP.

BAL GOVIND Noida

But India's Case Must Be Pushed

This refers to 'When in Washington, Desi' (Jun 20) by Ashok Malik. As a representative of India's interests, the PM should resolutely embark upon enhancing India's strategic presence in the IT sector and speak against protectionist overtones of the Trump administration that are largely against India's interests. The very first meeting must convey that India would like to be a partner in growth, not a sucker for favours. Trump must not get an impression that India is a push-over. If America First is his right, India First is ours.

BHOLEY BHARDWAJ Mumbai

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