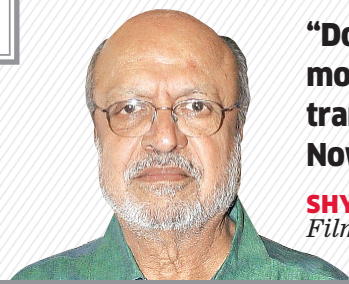


Non Taxing

UNION BUDGET 2011-2012  
WWW.ECONOMICTIMES.COM



"Doubling the salary of anganwadi workers, more money for education and cash transfers for the poor, are big positives. Now, you have to implement them well"

SHYAM BENEGAL  
Film-maker



"The King's Speech was a solid, hardworking, non-flashy film that won 4 Oscars... The FM's speech could share the same adjectives"

DEREK O'BRIEN  
Quizmaster & author

# Different FM Tunes

Some conversational tweaks, some contrarian tweets, some good-humoured liberties taken while guessing the future, and puzzling over a paradox. Therefore, no numbers, no charts, just some interesting thoughts, funny & serious

## What the Aam Aadmi Wants, the Aam Aadmi Gets

**TONGUE-IN-CHEEK**  
When Madam calls, I instinctively stand up. Which is how I got the bump on my head. She called when I was sitting inside a car riding from North Block to South Block

**MADAM SAID,** "HAVE YOU started making the Budget?" My head spinning in pain, I said, "Yes Madam."  
"Please keep the aam aadmi in mind when you make the Budget," she said and clicked off. "Of course Madam, yes I will," I said.  
Madam is very fond of the aam aadmi. She always says that the aam aadmi voted us into power. Madam is always correct.  
I too am very fond of the aam aadmi. Before this Budget, I want to meet him to know what he wants. But as you know my schedule is very busy. And I have to meet many people before the Budget. During the first meeting when everyone sat down, I said, "Look I'm looking for the aam aadmi. Are you the aam aadmi?"  
"Yes," said everyone.  
"Good, what do you want?"  
"I want zero taxes for all aam aadmi whose incomes are above ₹20 crore."  
"Done, next."  
"No taxes on iron."  
"Done."  
"None on oil, please."  
"Done."  
"I'd like a port."  
"He wants a port? I want an

airport."  
"Good, good. Done, next."  
"I want some spectrum."  
"What's that?" I asked.  
"Sir, never mind what. You can't see it, you can't touch it, can I get it?"  
"You got it. Next."  
"I'd like a few mines."  
"You got them."  
"I'd like interest rates to go down to zero."  
"Zero, you got it."  
"Could you sell some government companies to me?"  
"Sure, why not?"  
"If you're selling those companies to him, will you sell me some as well?"  
"Of course, of course."  
"If you don't mind, I'm a little short of cash right now. So maybe you could loan a few of those companies to me for now. I'll pay you back later. Promise."  
"Sure. But why are you short of cash?"  
"Sir, the aam aadmi is always short of cash. And I blew mine buying an airline and a cricket team."  
Everybody around the table moaned in sympathy. Me, I don't have time to watch cricket.  
"Alright everybody. Is that all?"  
"Thank you sir, you are so kind," said everyone and walked out. I turned to my secretary, whose face had turned a horrible shade of purple.  
"What's the matter, Chakrabarty? Have you got dyspepsia? Here have some Gelusil. I always keep some in my drawer."  
"Thank you sir," said Chakrabarty, gulping Gelusil, "But what did you just do?"  
"I felt a warm glow of satisfaction come over me. A Budget for aam aadmi. That's what we're going to have this year. Madam will be so happy."

ABHEEK BARMAN

### BUDGETING FOR THE INDIAN CENTURY

#### Economic Map of the Flat New World Order

2015: India will overtake Japan to become the third largest world economy. By 2040, India will take the number two slot ahead of USA. 2050, India will overtake China to become the world's largest economy!

**States Of The Former Globocop**  
**Kingdom Of The Former Globocop's Buddy**  
**Broke Union Of Retirees**  
**Putin's Fatherland**  
**Peaceful Rise Of Democratic Republics Of China**  
**Land Of The Setting Sun**  
**Stone-Age -ists**  
**A Billion Injuns Driving The World Economy**  
**Look East Land**  
**Kangaroo Land**  
**Oil Rich Jasmine Democracies**  
**Jurassic Republics Of Venezuela And Cuba**  
**NORTH OF INDIA**  
**WEST OF INDIA**  
**EAST OF INDIA**  
**SOUTH OF INDIA**

SALAM



## Too Cautious? Too Old? And no Direction?

Budget analysis at its shortest. A sampling of tweets critical of FM's effort or budget hype in general. From BJP politicians, industry leaders, economists and writers

- SushmaSwarajBJP**  
It is a conservative Budget. The Budget does not reflect a big thought. Only a ritual has been performed
- narendramodi**  
UPA Government's budget is an attempt to conceal its all round failures and directionless governance
- kiranshaw**  
A "play it safe" budget with no bold reforms announced
- bibekdebroy**  
This is country's 80th budget. Budget is old now. Time to die, as an institution. And hype... Who is being helped by reducing senior citizen threshold to 60? Why is very senior citizen 80?
- chetan\_bhagat**  
Budget Simplified: Whatever squeezed from loser taxpayers - whatever we can steal - subsidies to keep vote bank=deficit



## Pranab Paradox: He's Smart, He's Powerful, But Never A Game Changer

**P**RANAB MUKHERJEE has presented his sixth budget. He has begun his sixth decade in politics. He's widely credited with possessing an administrative sixth sense. He belongs to a group of six veteran non-Nehru/Gandhi politicians who can be considered as the heaviest of heavyweights; the other five being Manmohan Singh, Atal Bihari Vajpayee, LK Advani, M Karunanidhi, and Jyoti Basu, who died last year. But Mukherjee is the only politician in this group of six you would hesitate to call a game changer. What is Mukherjee's signature contribution to politics and government? Answering this question is a struggle. Therefore, the Pranab Paradox: Why is a thor-

oughly intelligent, formidably knowledgeable, extremely powerful politician in what is surely the last phase of his long career in this position? You think Manmohan Singh and signature contribution, and you think reforms and the nuclear deal. You think Vajpayee and you think first stable non-Congress government and foreign policy breakthroughs. Advani: rath yatra and Hindutva. Basu: the communist 'buy out' of Bengal. Karunanidhi: refining and immensely strengthening Annadurai's Dravidian 'social justice' politics and Chennai becoming a political force in Delhi. Pranab Mukherjee...? A new direct taxes code (DTC) and GST? Had there been a revolutionary rewrite of the tax text, then that effort, backed by the weight of the rest of Mukherjee's career, perhaps could have solved the Pranab Paradox. The budget has announced the date for DTC, April 1, 2012. But note that the version of DTC that's circulating now, which Mukherjee referred to, shows many signs of non-revolutionary change. Think of the first draft of the DTC. Compared to that, the current version has been compromised by bureaucratic roll backs. The final product, if it becomes law in April next year, is likely to be an improvement on the current rules - it can hardly get worse - but the new codified DTC is very unlikely to be a revolutionary rewrite. Mukherjee will most likely not be remembered as a finance minister who radically changed the tax game. That's the man. He's good at finding

pragmatic solutions, at asking sharp questions of bureaucrats and political colleagues, of doing something smart inside the System. Doing something about the System, that's not him. Even on matters inside the System, he's cautious. Look at the way he mentioned, during the budget speech, that bills on insurance, banking, pension, etc will be again put up. That was a fairly big announcement - the Congress was backing some reformist bills again. But Mukherjee's delivery as well as the text of the budget speech, made every effort to drain all excitement out of it. Mukherjee was being reformist - but you had to listen very carefully to catch it. Mukherjee's selection as finance minister in UPA-2 was in part thanks to the Congress leadership's comfort factor with his "pragmatic" approach. Pragmatism is a good quality. But in Congress view, it also meant someone who won't rock the boat, whatever the possible payoff. Of course, hundreds of Indian politicians, scores of them with a career as long as Mukherjee's, haven't been anything close to being game changers. But Mukherjee doesn't belong to that group. He's part of a small, select group - that group of six - by virtue of his ability, influence and stature. Does his being a Congressman for almost his entire career - he left the Congress for a short while and came back, as AK Antony did - explain the Pranab Paradox? This is an interesting question because there's a game changer Congressman, Manmohan Singh, in that group of six.

Is Dr Singh the exception that proves the rule that it's tough for non-Nehru/Gandhi Congress leaders, however capable, to be true game changers? Dr Singh was picked in 1991 by Narasimha Rao and in 2004 by Sonia Gandhi to be, respectively, finance minister and prime minister under circumstances that were almost unique. Minus those circumstances and the backing Dr Singh received from Rao and Sonia Gandhi, he wouldn't have emerged as a game changer. Could it be argued, therefore, that the Pranab Paradox is explained, at least in part, by Mukherjee being a very smart politician who's had to function under the Nehru-Gandhis? But let's not overstate the Nehru-Gandhi factor. Mukherjee seems content with being an able adviser. A question often asked by his fans - what if he had become PM - is also less relevant than it seems. The political nature of the man is such that even as the top boss, he might not have undertaken what Dr Singh did during the pursuit of the nuclear deal. Dr Singh had to contend with not just fierce Opposition criticism but also noisy intra-party rumbles. Almost nothing Mukherjee has done, including this budget, has produced rumbles in the Congress. This wasn't a bad budget. It was clever in some ways. But it was risk averse. Although, with growth news so good, this was a chance for him to do something radical. The budget was another example of the Pranab Paradox.

SAUBHIK CHAKRABARTI

### A Peek At Pranab's Past Through Pictures

A newly married Pranab Mukherjee with his wife (left); at a meeting with VP Singh (centre); on his way to present one his early budgets (right)  
-From the book Pranab Mukherjee - The All Season Man by Sukhendu Sekhar Ray

## Indian Overseas Bank

Touching hearts  
Spreading smiles

Since 1937  
IOB has reached out to millions in India and across the world

As we enter our 75<sup>th</sup> year, we rededicate ourselves to bring **Smile** on the face of every Indian.

Shri M.C.M. Chidambaram Chettyar  
FOUNDER

Since 1937  
IOB has reached out to millions in India and across the world

इण्डियन ओवरसीज बैंक  
Indian Overseas Bank  
(A Govt. of India undertaking)  
Good people to grow with