

Important Vocab for the Editorial

1. **transient** (adjective) – temporary, short-term or impermanent.
2. **inflow** (noun) – a flow of a large amount of something to a particular place.
3. **heartening** (adjective) – encouraging, cheering, promising, gratifying.
4. **lie ahead** (phrasal verb) – be going to happen.
5. **regime** (noun) – system, arrangement, apparatus, mechanism.
6. **hit** (verb) – reach, attain, touch (a level).
7. **surpass** (verb) – be greater than, exceed.
8. **lockdown** (noun) – an emergency protocol implemented by the authorities that prevents people from leaving from a place; An extended state of confinement/encirclement/isolation of a person by the authority.
9. **uptick** (noun) – a small increase or upward trend.
10. **in tandem** (phrase) – alongside each other.
11. **sustained** (adjective) – continuous, steady, constant.
12. **bolster** (verb) – strengthen, support, reinforce/butress.
13. **heightened** (adjective) – intensified, increased, enhanced, augmented.
14. **spectre** (noun) – threat, menace, danger/peril.
15. **impending** (adjective) – imminent, close at hand, about to happen, approaching, nearing/coming.
16. **in anticipation** (noun) – with the expectation of something occurring.
17. **moreover** (adverb) – besides, furthermore, in addition.
18. **remit** (verb) – send, forward, transmit (money).
19. **tighten** (verb) – make stricter, make more rigorous, make more stringent, stiffen, toughen.
20. **compliance** (noun) – conformity, observance, observation, accordance, adherence.
21. **pro-active** (adjective) – aggressive, intense.
22. **evade** (verb) – avoid, dodge, elude, escape.
23. **liabilities** (noun) – financial obligation, debt, indebtedness, debit.
24. **play a part/role** (phrase) – contribute to, be instrumental in, be a factor in.
25. **dip** (verb) – decrease, fall/drop, slump.
26. **mere** (adjective) – just, only, nothing more than.
27. **grind to a halt** (phrase) – (referring to an activity in a situation) becomes inactive slowly and then stops completely.

28. **amidst** (preposition) – amid, in the middle of; during.
29. **pandemic** (noun) – the worldwide spread of a new disease; The illness spreads around the world and typically affects a large number of people across a wide area.
30. **so far** (phrase) – until now, up to the present, up to this point.
31. **go by** (phrasal verb) – follow, observe something.
32. **impose** (verb) – force, thrust, inflict (an unwelcome decision).
33. **supply chain** (noun) – a network between a company and its suppliers to produce and distribute a specific product to the final buyer.
34. **weakening** (adjective) – reducing, decreasing, lessening.
35. **trigger** (verb) – cause, prompt, bring about.
36. **recalibration** (noun) – reevaluation, reassessment, reorganization/revamp.
37. **kick in** (phrasal verb) – come into operation, come into effect.
38. **indicator** (noun) – measure, signal, sign.
39. **plummet** (verb) – plunge, drop, nosedive, hurtle.
40. **shutdown** (noun) – closure of a (complete) system; closing down, winding up.
41. **inventory** (noun) – stock of a business; the goods and materials that a business holds in stock.
42. **build-up** (noun) – increase/accumulation, expansion, enlargement.
43. **Wall of Worry** (noun) – It is a report by CRISIL about Covid-19 and its impact on economic activity in India.
44. **CRISIL** (noun) – an Indian analytical company providing ratings, research, and risk and policy advisory services and is a subsidiary of American company S&P Global.
45. **slide** (verb) – fall, descend, decline.
46. **fell** past of **fall** (verb) – decrease, decline, diminish, lessen.
47. **in a row** (phrase) – consecutively, in succession.
48. **IHS Markit** (noun) – it is a global leader in information, analytics and solutions for the major industries and markets that drive economies worldwide. It partners with clients in business, finance and government to help them see the big picture with unrivaled insights that lead to well-informed, confident decisions.
49. **surge** (noun) – sudden increase or rise of something.
50. **desperate** (adjective) – serious, risky, critical, acute; urgent, pressing, compelling.
51. **infrastructure** (noun) – the basic physical or organisational structure for something (to function properly).
52. **pitch** (verb) – make an attempt (to get something).

53. **stringent** (adjective) – strict, severe, extreme, rigorous.
54. **foolhardy** (adjective) – reckless, incautious, careless.
55. **robust** (adjective) – strong, powerful.
56. **get a grip on** (phrase) – take control of a situation.
57. **vaccination** (noun) – treatment with a vaccine to protect against a particular disease; immunization.
58. **convene** (verb) – summon, call/get together, assemble, gather.
59. **add to** (phrasal verb) – increase, amplify, escalate, intensify.
60. **rationalisation** (noun) – systematisation, formalisation.
61. **slab** (noun) – category.
62. **rejig** (noun) – reorganization, rearrangement, alteration.
63. **prickly** (adjective) – problematic/troublesome, sensitive, difficult.
64. **gear up** (phrasal verb) – get ready, prepare, equip (oneself) for something.
65. **compensation** (noun) – payment, repayment, settlement (for loss/damage).
66. **GST Compensation** (noun) – Under the GST law (In India), state governments are guaranteed full compensation for any revenue loss for the first five years after the introduction of the goods and services tax (GST) in July 2017. The compensation is a gap between actual revenue collected and projected revenue.
67. **cannot afford/can ill afford** (phrase) – if you cannot afford to do something, you must prevent it from happening because it would be embarrassing and cause problems (if it happens).
68. **face-off** (noun) – conflict, clash.
69. **upend** (verb) – to affect/damage something completely/drastically.
70. **spirit** (noun) – real/true meaning, intention, essence.
71. **federalism/federal framework/system** (noun) – a system of government in which establishments such as states or provinces share power with a national government.

A transient high: On GST inflows

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Record GST inflows are heartening, but major risks lie ahead

India's GST regime could not have hoped for a better start to its fifth year. **Revenues from the tax hit an all-time high of ₹1,41,384 crore in April**, surpassing the **previous month's record of about ₹1.24 lakh crore**. After a disastrous period for the economy following last year's national

lockdown, GST revenues hit ₹1.05 lakh crore in October and have shown a steady uptick since then, in tandem with hopes of a sustained recovery. April's numbers, which are essentially driven by the transactions in March, were bolstered by heightened economic activity, no doubt. The spectre of rising COVID-19 cases and the fear of an impending lockdown could also have driven people to make advance purchases in anticipation. Moreover, firms in the process of closing annual accounts may have remitted higher GST based on audit advice, while a gradual tightening of the compliance regime, and pro-active co-ordinated probes against taxpayers using fake bills to evade liabilities, have played no small part. In April 2020, GST collections had dipped to a mere ₹32,172 crore after all activity ground to a halt at four hours' notice in late March. Economic activity may not yet be as badly affected amidst the pandemic's second wave.

So far, going by the restrictions imposed in several States, supply chain disruptions are not expected to be as challenging. However, weakening demand will trigger a recalibration of production and investment plans, some of which has begun to kick in. Consider some indicators — major two-wheeler producers saw sales plummet by around a third in April, compared to March. Plant shutdowns have gradually begun to reduce inventory build-ups. In a report, 'Wall of Worry', Crisil has warned of several indicators sliding since mid-April, including GST e-way bills which fell by over 6%, two weeks in a row. Manufacturing orders' growth hit an eight-month low in April, as per IHS Markit. And the pandemic surge and desperate shortage of health infrastructure have prompted industry leaders to pitch for a stringent lockdown. It would be foolhardy now to expect GST and other tax revenues to stay robust till the government gets a better grip on infections and vaccinations. With the Assembly polls over, the Centre must urgently convene the GST Council. To add to what is already pending — rationalisation of GST rate slabs, a rejig of rates on critical pandemic supplies and the prickly issue of bringing fuel under GST — the Council must begin gearing up early for shortfalls in GST compensation to States that may arise this year. India can ill-afford a repeat of the 2020 face-off between the Centre and States that almost upended the very spirit of co-operative federalism the GST emerged from.