

India Inc to Jaitley: slash corporate tax rate to 18% to spur investments, consumption

KR SRIVATS

New Delhi, November 27

To offset the immediate downturn that industry will go through following the demonetisation move, India Inc has pitched for sharp cut in corporate tax rates in the upcoming Budget.

Rather than go in for phased reduction of corporate tax rate over the next four years, the Modi-led Government should cut corporate tax rate from the existing 30 per cent to 18 per cent (including all surcharges and cess) at one go, the Confederation of Indian Industry (CII) President Naushad Forbes suggested at the pre-Budget meeting convened by the Finance Minister Arun Jaitley here. In return for the slashing of corporate tax rate to 18 per cent — the same rate as existing MAT rate — the Government can remove all tax incentives, concessions and need no grandfathering of previous incentives, Forbes suggested. “We are not asking for removal of MAT. We have suggested that corporate tax



Naushad Forbes,
President, CII

rate itself be slashed to 18 per cent at one go. Time is right for Government to usher in simplified corporate tax system. Our calculations show that current effective tax rate is about 19.8 per cent (without any tax incentives/concessions),” Forbes told *BusinessLine* after the meeting.

Forbes also said that any such corporate tax rate reduction to 18 per cent will bring India in line with the most attractive international destinations such as Singapore, Sri Lanka, UK and Turkey. It will send a powerful message to Indian industry and global investors that India is an attractive investment des-



Sunil Kanoria,
President, Assocham

tinuation and would be a huge enabler for Make in India. CII has also suggested that Government must accelerate public sector disinvestment and look to divest/privatise by December 31, 2017, 100 companies including the 74 identified by NITI Aayog.

More tax reforms

Industry chamber Assocham suggested that the Government must follow the bold demonetisation move with more tax reforms to spur private investments and consumption in the economy.

“The Government must let go of its hold and empower the people to spend more in

the current trying times. We have suggested both corporate tax rate cut and enhancing income tax exemption so that more money is left in their hands,” Sunil Kanoria, President, Assocham, told *BusinessLine*. This apex industry chamber also called for abolition of minimum alternate tax (MAT).

For individuals, Assocham suggested that tax rate should be ‘nil’ upto taxable income of ₹5 lakh. For taxable income between ₹5 lakh to ₹25 lakh, the tax rate should be 10 per cent and 20 per cent for taxable income between ₹25 lakh to ₹1 crore. The tax rate of 25 per cent should be applied for income above ₹1 crore.

On Goods and Services Tax (GST), Kanoria said that he had suggested to the Government that average GST rate be pegged at 15 per cent and the maximum rate at 25 per cent. Also GST on turnover upto ₹1.5 crore be handled by the State Government and above that be handled by the Central Government.

FinMin asks trade and industry to step up private spending

Holds pre-Budget consultative meeting with top honchos in the Capital

OUR BUREAU

New Delhi, November 27.

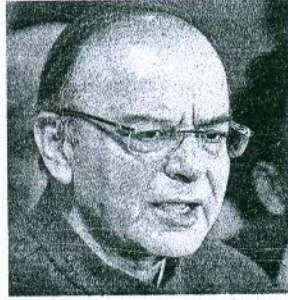
Finance Minister Arun Jaitley on Saturday urged captains of industry to increase private investments, especially in infrastructure sector.

In his pre-Budget consultations with industry and trade representatives, Jaitley said that the Government has taken many steps to im-

prove business environment and ushered in transparency through systematic changes.

He said in the first half of the current fiscal, the Indian economy has achieved robust growth despite volatility and uncertainty in global economy.

Jaitley said this was made possible by a slew of policy measures undertaken by the



Finance Minister Arun Jaitley

present Government, including enhanced public invest-

ment, kick-starting stalled projects and improving the status of financial inclusion.

Along with the Finance Minister Arun Jaitley, the pre-Budget consultative meeting was also attended among others by Ashok Lavasa, Finance Secretary, Shaktikanta Das, Economic Affairs Secretary, Hasmukh Adhia, Revenue Secretary, Anjuly Chib Duggal, Secretary, Financial Services, Rita A Teotia, Secretary, Department of Commerce,

Ramesh Abhishek, Secretary, DIPP and Arvind Subramanian, Chief Economic Advisor.

Indian industry was represented among others by the Presidents of the three apex chambers — FICCI (Harshvardhan Neotia), CII (Naushad Forbes) and ASSOCHAM (Sunil Kanoria).

The meeting was also attended, among others, by industrialists Shashi Ruia (Essar Group) and GM Rao (Chairman of GMR Infra).

'Ease Withdrawal Limits for Fleet Operators'

New Delhi: Industry body Assocham has urged the government to uncap cash withdrawal for logistics and transport fleet owners, arguing that their operational expenses are higher. "The chamber has urged the government to review the cash withdrawal limit of ₹50,000 from the current account per week and raise it to minimum ₹4-5 lakh, which is bare minimum," Assocham said.

A study by the chamber on transport and logistics noted that close to 10% of the expenses of trucks are accounted for by drivers and support crew who are part of the journeys which take 7-8 days on a single trip. — **PTI**

Ease cash withdrawal limits for fleet operators: Assocham

PRESS TRUST OF INDIA

New Delhi, November 27

Industry body Assocham has urged the government to uncap cash withdrawal for logistics and transport fleet owners, arguing that their operational expenses are higher.

Assocham observed that "the note ban has come as a bottleneck to the transport business".

"The chamber has urged the government to review the cash withdrawal limit of ₹50,000 from the current account per week and raise it to minimum ₹4-5 lakh (for transport fleet owners) which is bare minimum," Assocham said.

The Centre de-legalised ₹500 and ₹1,000 banknotes on November 8, in a sudden crackdown on black money and terror financing.

Drawing inputs from various sources, the Assocham study on Transport and Logistics noted that close to 10 per cent of the expenses of trucks on trunk routes are accounted for by drivers and other support crew who are part of the journeys which take 7-8 days on a single trip.

"The entire expenses of the drivers and other crew are to be met by cash. In the wake of the demonetisation of high value notes, the fleet owners are facing problems in operations," said the chamber.

While fuel accounts for 52-66 per cent of the total trip expenses, another 25-40 per cent outgo is towards sub heads like tolls, octroi, speedy clearance at check posts etc.

Besides, the study also sug-

gested that to promote seamless inter-State freight flows, a green channel should be adopted for transit of secure/sealed containerized cargo.

Presently, there are 177 inter-State check posts and 268 toll barriers on national highways.

Call for higher cash limit for logistics biz

INDO-ASIAN NEWS SERVICE

New Delhi, 27 November

In the wake of the 8 November demonetisation of high-value currency notes, industry chamber Assocham today urged the government to increase the cash withdrawal limit for logistic and transport fleet owners since they need cash for meeting their expenses.

"As corporate India supports Prime Minister Narendra Modi's battle against black money, Assocham has urged the government to consider, among other relief measures, increasing the cash withdrawal limit for logistic and transport fleet owners since they need hard cash for meeting expenses for crew members, including truck drivers and clean-

ers," the Associated Chambers of Commerce and Industry of India said in a statement here.

"A latest Assocham study on transport and logistics has noted that close to 10 per cent of the en route expenses of trucks on trunk routes are accounted for by drivers and other support crew for the journeys which take seven to eight days on a single trip," it said.

"The entire expenses of the drivers and other crew are to be met through cash. In the wake of the demonetisation, fleet owners are facing problems in operations. Traditionally, all this money was required in cash. The driver also acts as a petty cashier. The note ban has come as a bottleneck to the transport business," it said.

