

Fine blueprint to accelerate economy

Finance Minister Arun Jaitley has offered a fine blueprint of several small steps to further accelerate India's economic growth, while sticking to the government's commitment of waging a war against black money.

The highlight of this year's Budget is its pro-poor thrust and a clear focus on key sectors like infrastructure, rural and agriculture, which can reinvigorate the economy through inclusive growth.

Also, the finance minister's resolve to keep fiscal deficit at 3.2% of GDP for 2017-18 while at the same time stepping up capital ex-

penditure by a fourth is indeed commendable.

Post demonetisation, the rural sector had come under stress, along with small and medium enterprises and informal sectors of the economy.

Credit commitments of Rs 10 lakh crore for farm sector along with several initiatives for helping agri-produce to get better prices will be the growth drivers for the farm sector besides favourable weather conditions and good monsoon.

The housing sector has also suffered a lot from the demonetisation drive and thus it is good to see the finance minister paying



Sunil Kanoria

EXPERT
SPEAK

adequate attention to this sector. Infrastructure status accorded to affordable housing is a welcome development.

Digital economy

Abolition of the Foreign Investment Promotion Board (FIPB) is a great signal to the foreign investors about furthering of reforms and ease of doing business

in India.

A boost to the digital economy by way of stepping in telecom infrastructure would bring in more transactions in the formal sector.

The reduction of corporate tax for the small and medium enterprises with turnover less than Rs 50 crore is a positive development. This will also go a long way in attracting more investments in the country.

It will surely give the domestic business a massive push and indirectly help the country in restoring its healthy GDP growth. However, further pruning of income tax and corporate tax rates could have been considered to ac-

celerate consumption and investment demand.

All in all, it is no-frill and business like Budget that is high on capital expenditure spends, doing away with the plan and non-plan distinctions. With advancement of the Budget presentations and early passage by Parliament, the quality of the government expenditure would improve as well.

We now look forward to the details of the forthcoming policies which have been outlined in the Budget.

(The author is the President, The Associated Chambers of Commerce of India-Assocham)



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-SUNIL KANORIA, ASSOCHAM PRESIDENT



While the reduction of corporate tax for small and medium enterprises with a turnover of less than Rs 50 crore is a welcome move, India Inc was expecting it for large firms as well

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president, Assocham

Post demonetisation, rural landscape had come under stress along with the SMEs and the informal sectors of the economy and needed a boost. Credit commitments of Rs 10 lakh crore for farm sector along with several initiatives for helping agri-produce to get better prices are the initiatives which would be a growth driver for the agricultural sector besides favourable weather conditions and good Monsoon in 2016.

Sunil Kanoria, President, ASSOCHAM



'It will propel employment in rural sector'

INDUSTRY-SPEAK A lot more to be done for supporting MSME sector, says IIA president

HT Correspondent
*htluc@hindustantimes.com

LUCKNOW: Industry bodies have hailed Union Budget 2017 for focusing on the farm and MSME sectors, which will propel growth in the Indian economy.

For the micro, small and medium enterprises (MSME) sector – the second largest of the Indian economy – reduction of corporate tax with turnover less than Rs 50 crore has been a welcome move. However, industrialists were expecting similar move for large firms as well.

Manish Goel, national president, Indian Industries Associa-

tion (IIA), welcomed the decision to reduce income tax for companies with annual turnover up to Rs 50 crore to 25% from 30%.

Goel, however, added that there was a lot more to be done for supporting the MSME sector.

"Budget announcements do not have any financial outlay for promotion and development of MSME sector, as has been done for the agriculture sector," he said. "IIA has been demanding lower interest rates for the MSME sector, at par with the agriculture sector. Flow of credit to MSMEs is a serious problem, which has not been addressed in the budget," he added.

The budget has come in for praise from industrialists for its focus on rural and agriculture sector. Industrialists feel it would propel employment in the rural sector.

"Post demonetisation, rural sector was under stress along with SMEs and informal sectors of the economy and needed a boost. Credit commitments of Rs 10 lakh crore for farm sector along with several initiatives for helping agri-produce are initiatives that will be growth drivers for agricultural sector," said Sunil Kapoor, president, ASSOCHAM. "Model law on contract farming and involvement of

states in easing of the Agriculture Produce Market Committee would be a game changer for the agriculture sector," he added.

The ASSOCHAM also welcomed the abolition of the Foreign Investment Promotion Board and dubbed it as a signal to foreign investors about furthering of reforms and ease of doing business in India. "Highest priority has been given to rural and agricultural sectors, with all the employment potential. They are expected to see 2% growth. This will bring our economy on top as the budget is considering every sector," said Atul Mehra, chairman, CII, UP state council.

THE TAKEAWAYS

Budget focuses on farm sector, rural population, youth, poor, health care, infrastructure, financial sector, public services, product fiscal management and tax administration.

REDUCTION OF 1-7 RATES

Industrialists have welcomed the decision of reduction in average corporate tax rates for small and medium tax payers from 30 to 25%. Similarly, reduction of income tax rates from 10% to 5% for individual assesses having income up to Rs 5 lakh has also been welcomed.

TRANSPORT SECTOR

Increase in the budget allocation for transportation sector

to Rs 2.41, 387 crore would create a demand for industrial products and thus help in the industrial growth for related industries.

DIGITAL ECONOMY

Steps towards digital economy are welcome, however, implementation for e-commerce and digital transactions are still a difficult area for majority of the people in MSMEs and lower income level population in India, feel industrialists.

