

A transformative document

It addresses bottlenecks faced by economic players



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The finance minister did well to remain prudent. With the objective of increasing agricultural productivity, allocations have been increased substantially for irrigation and management of ground water resources. Total investment in the road sector has been stepped up. The steps to revive public-private partnerships in infrastructure include measures for dispute resolution and guidelines for renegotiation of PPP concession agreements.

The new policy for management of government investment and disinvestment in public sector enterprises is critical for greater efficiency. It is encouraging to note that the NITI Aayog will identify central PSEs for strategic sale. The other area which the finance minister has kept in mind is the Make in India campaign, and announced a mélange of changes in customs and excise duties to encourage do-

mestic value addition. Industry was looking forward to a reduction in the corporate tax rate.

However, reduction in the tax rate has been granted to relatively small enterprises and new manufacturing companies, as an encouragement for entrepreneurship. Low-cost housing has been given a boost through several tax measures. On direct taxes, an additional dividend distribution tax of 10 per cent has been imposed on recipients of dividend in excess of ₹10 lakh.

Hopefully, these are for the very short term. Industry had been facing some issues in tax administration and is therefore happy with the emphasis given to the dispute resolution mechanism. Further, in order to speed up the settlement of disputes, 11 new benches of Customs, Excise and Service Tax Appellate Tribunal shall be set up. The budget will be

appreciated by all sections of society. Finally, the RBI will perceive the government's attempt to maintain its fiscal path as a positive. It is hoped it will agree to reduce its policy rate.

The writer is the director-general of CII. The views are personal

