

## 5% cut in corporate tax can spur investments: Assocham

### OUR BUREAU

New Delhi, June 28

The upcoming Budget should look at incentivising investments into the country, and measures such as a cut in corporate tax rate could bolster sentiments for investing in the Indian economy, a top industry chamber said on Friday.

Incentives are a must, apart from steps to encourage foreign direct investments in the country, according to Assocham.

"There is a need for investments in the industry, therefore, certain measures like a 5 per cent cut on the corporate tax can be helpful," said Balkrishan Goenka, President, Assocham.

### Liquidity crisis

The chamber said that the liquidity crisis has impacted lot of sectors and there

there is a urgent need to focus it.

"Post the dismantling of Foreign Investment Promotion Board, there is no nodal agency now, and overseas companies who come to India for FDI have to go through various departments. So, we have suggested that a desk be set up for major FDI-contributing countries," added Goenka.



Rushing companies into NCLT because of liquidity shortages is not the solution

**B K GOENKA**  
ASSOCHAM PRESIDENT

## ASSOCHAM suggests one-time rollover by banks

**SNS & PTI**  
NEW DELHI, 28 JUNE

Ahead of the Union Budget, industry body Assocham on Friday suggested a one-time rollover by banks to businesses reeling under severe liquidity stress to help them tide over the difficulties.

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Addressing a press confer-



ASSOCHAM president Balkrishan Goenka during a press conference in Delhi on Friday. SUBRATA DUTTA

ence here, Assocham top brass impressed upon the government,

Reserve Bank and banks to ensure adequate liquidity into non-banking financial companies (NBFCs), provide investment incentives and cut corporate tax rates for revival of economic growth and creation of new job opportunities.

"It could be a special window, one-time rollover or any other step. Rushing companies into NCLT because of liquidity short-

ages is not the solution," said Assocham President BK Goenka.

"We demand 100 per cent depreciation in the first year of new investment. A five per cent cut in the corporate tax will revive investment, he added.

The chamber's vice president Niranjana Hiranandani said the situation is such that even if there is a short-term failure one is required to go into the insolvency process.

## Assocham bats for one-time rollover by banks to firms

**ENS ECONOMIC BUREAU @ New Delhi**

**FIXING** the liquidity crisis faced by financial institutions will be the key to success of the economic programme of the new government, which is set to present the Union Budget on July 5, according to industry body Assocham.

The apex industry body suggested a one-time rollover by banks to businesses reeling under severe liquidity stress to

help them tide over the difficulties. A rollover can be described as an extension or transfer of a debt or other financial arrangements. "It could be a special window, one-time rollover or any other step. Rushing companies into NCLT because of liquidity shortages is not the solution," Assocham president B K Goenka said on Friday. Niranjan Hiranandani, vice-



president of the chamber, also pointed that the government also needs to restart spending and attract investments to revive economic momentum. "After dismantling of FIPP (Foreign Investment Promotion Board), FDI proposals are dealt with by the concerned sectoral ministry. This is causing significant delays in the approval process. There-

fore, it is suggested to have a similar Central or nodal agency or single-window for such cases. A dedicated desk for Japan has been very effective. We suggest a similar country-specific desk be set up for major FDI source countries," he said. Goenka also recommended that 100 per cent depreciation should be permitted in the first year of investment for all new investments, both FDI and domestic.



## India Inc calls for lower tax rates in Budget

**DNA Correspondent**  
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**New Delhi:** A week ahead of the Union Budget, India Inc on Friday pitched for a 5% cut in the corporate tax in the Union Budget to be presented on July 5. It also demanded incentives to boost investments to rev up the economy and creation of new enterprises.

"A 5% cut will bring down the corporate tax rate to 25% and revive investment," said Assocham president Balkrishan Goenka.

Pointing out that the industry is in need of a fiscal push in the Budget, Goenka said "The industry is at a standstill due to liquidity crisis. Rushing companies into National Company Law Tribunal (NCLT) because of liquidity shortage is not the solution."

He stressed on an urgent need to boost liquidity into non-banking financial companies (NBFCs).

To boost investment, the Assocham also wants finance minister to consider allowing 100% depreciation in the first year of new investment.

To boost consumption demand and investment, the Assocham has suggested that personal income tax exemption be raised to Rs 5 lakh.

**Full report on [dnaindia.com](http://dnaindia.com)**

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## Assocham suggests one-time rollover by banks to address liquidity crunch

New Delhi

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Addressing a press conference here, Assocham top brass impressed upon the government, Reserve Bank and banks to ensure adequate liquidity into non-banking financial companies (NBFCs), provide in-

vestment incentives and cut corporate tax rates for revival of economic growth and creation of new job opportunities.

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"We are suggesting that what was done in 2008 by the RBI to meet the crisis ... We think the crisis of today is even bigger than the crisis of 2008 so there is no reason why it should not again do the one-time rollover at the discretion of the banks, not everybody will be given a rollover but we need a one time roll over by the crisis which is today, he said.

- AGENCIES

