‘Cut in tax will awaken corporate spirits’

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Mumbai: Industry players on Friday opined that Finance Minister Nirmala Sitharaman’s announcement to cut the effective corporate tax to 25.17% from 30% will boost investor sentiments, encourage manufacturing and awaken animal spirits in the economy. They further said the change in government's mindset from revenue orientation to production orientation is a welcome move and these tax measures will help India become a globally competitive market to attract more foreign investment.

Confederation of Indian Industry president Vikram Kirloskar termed it an unprecedented and bold move by the government. “The government is on a fearless track to ensure that India becomes as competitive on tax rates with the rest of the world. This also indicates the government is adopting a tax stimulus route rather than using increasing spending to help the recovery process of the economy,” he added.

Federation of Indian Chambers of Commerce and Industry president Sandip Somany said the tax reliefs will certainly prove to be a much-needed booster dose in tackling the current slowdown and regaining the growth momentum.

Society of Indian Automobile Manufacturers president Rajan Wadhwa said a set of fiscal measures are expected to uplift market sentiments and improve demand for automobiles. “These set of major tax reforms are a clear indicator of the government’s commitment to improving business environment to give a definite boost to economic growth,” he opined.

Grant Thornton India LLP Partner Vikas Vasal said the govt has addressed the key demand of businesses to align corporate tax rate with the current economic reality.

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India Inc. welcomes Rs 1.45 lakh cr mega booster: ASSOCHAM

The mega Rs 1.45 lakh crore booster announced by FM Nirmala Sitharaman by way of slashing corporate tax to 22 per cent and other key fiscal incentives will revive global and domestic investment into the Indian economy,” said ASSOCHAM President B.K. Goenka. The ASSOCHAM President said, "The timing of the bold and courageous package is perfect as Prime Minister Narendra Modi leaves for a week-long visit to the US, where he is scheduled to meet, among his other key engagements, CEOs of top American companies. In fact, today's fiscal measures unveiled through an Ordinance conveying a sense of urgency, would provide a perfect setting for Prime Minister's scheduled meeting with top American companies who should be even more excited about the approach of the Indian Government.”