Cos seek steps to push exports, easy labour laws

New Delhi: Finance minister Nirmala Sitharaman on Tuesday held discussions on regulatory environment impacting private investment and measures for promoting exports in a pre-budget consultation with stakeholder groups from industry, trade and services sectors.

The representatives submitted suggestions concerning reduction of compliance burden and tax litigation, allowing self-certification in low risk industry, decriminalisation of tax and company laws.

Besides, they demanded reduction of cost of equity capital, simplification and rationalisation of duties and labour laws, adoption of international standards of alternative dispute resolution, export development funds for helping MSME exporters and ease of investment flow into manufacturing sector.

The main areas of discussion during the aforesaid meeting included regulatory environment impacting private investment, measures for promotion of exports amidst rising protectionist tendencies, industrial production, logistics, media & entertainment services & IT & IT-enabled services among others," an official statement said.

Speaking to reporters after the meeting, CII President Vikram Kirloskar said: "They (ministers and government officials) have understood the situation, the headwinds in the economy and they have looked at all the possible suggestions whether it is to have fiscal easing which is what we have suggested, various ways to improve tax collection, improve demand".

Ficci president Sandip Somany said the meeting delved into infrastructure bottlenecks in terms of the rules, regulations which can help free up business. ASSOCHAM secretary general Desh Pratap Sood said a common suggestion was how to increase the demand side of the economy and inject liquidity into the system.

PHD Chamber of Commerce and Industry president D K Aggarwal said the chamber has sought creation of a Rs 25,000 crore fund for stressed micro, small and medium enterprises sector, which faces difficulty in availing funds from banks and NBFCs.
CONSULTATION WITH FINANCE MINISTER

Pre-Budget meet: India Inc seeks export boosters, easing of compliance burden

ENS ECONOMIC BUREAU
NEW DELHI, DECEMBER 17

In a pre-Budget consultation with Finance Minister Nirmala Sitharaman Tuesday, stakeholder groups from industry, trade and services sectors recommended measures for promoting exports, lowering of taxes on equity capital and expansionary fiscal policy for boosting growth.

The representatives submitted suggestions concerning reduction of compliance burden and tax litigation, allowing self-certification in low risk industry, decriminalisation of tax and company laws. Besides, they demanded reduction of cost of equity capital, simplification and rationalisation of duties and labour laws, adoption of international standards of alternative dispute resolution, export development funds for helping MSME exporters and ease of investment flow into manufacturing sector.

Industry chamber CII suggested to the government for adoption of an expansionary fiscal policy, with a range of around 0.5 per cent to 0.75 per cent deviation from the target of fiscal deficit of achieving 3.3 per cent of GDP. The additional leeway could be spent on asset creation, especially in rural infrastructure. Industry leaders also suggested the government to remove long-term capital gains tax on shares.

“The main areas of discussion during the aforesaid meeting included regulatory environment impacting private investment, measures for promotion of exports amidst rising protectionist tendencies, industrial production, logistics, media & entertainment services & IT & IT-enabled services among others,” the Finance Ministry said in a statement.

Free Trade Agreement with the European Union.

India's GDP growth rate at 4.5 per cent for Q2, 2019-20, has hit a 26-quarter low in July-September, dragged down by a contraction in manufacturing, weak investment, and lower consumption demand. This is the lowest quarterly growth rate in the five-and-half years of the NDA government.

FICCI President Sandip Somany said the meeting delved into infrastructure bottlenecks in terms of the rules, regulations and how to streamline them to promote business. ASSOCHAM Secretary General Deepak Sood said a common suggestion was how to increase the demand in the economy and inject liquidity into the system.

FIEO President Ajay Salsal said the exporters’ body has highlighted the liquidity concerns of exporters and sought rollout of e-wallet recommended by the GST Council to ease liquidity of exporters. The meeting was also attended by Minister of State for Finance and Corporate Affairs Anurag Thakur, Finance Secretary Rajiv Kumar, Economic Affairs Secretary Atanu Chakraborty, Revenue Secretary Ajay Bhushan Pandey among others.

Agri experts demand scrapping GST on agri-inputs, revamp of PMFBY

New Delhi: The government should remove GST on agri-inputs, revamp crop insurance scheme, land lease rental while fixing MSP and ban futures trade on agri-commodities are some of the suggestions made by farm experts during pre-budget meeting with Finance Minister Nirmala Sitharaman on Tuesday.

Measures to promote organic farming, cut in import duty from 30 per cent to zero on live embryo, animal and semen, tweaking of electronic National Agriculture Market (e-NAM) and revisiting of Food Security Act were some other recommendations made during the meeting.

This is the fourth pre-Budget meeting on agriculture and agro-processing sectors.

Speaking to reporters after the meeting, CII President Vikram Kirloskar said: “They (ministers and government officials) have understood the situation, the headwinds in the economy and they have looked at all the possible suggestions whether it is to have fiscal easing which is what we have suggested, various ways to improve tax collection, improve demand.” To promote international trade, CII suggested the government should sign India-EU Bilateral Trade and Investment Agreement, which will enable resumption of talks on
States seek share of ‘super rich’ tax to compensate for GST dues

Rajeev Jayaaswal

NEW DELHI: The Centre should give the states a share of cesses and surcharges, including the super-rich tax levied on people earning over Rs 12 crore a year, according to one of the suggestions made at a meeting of state ministers (including some chief ministers) and Union finance minister Nirmala Sitharaman.

A group of chief ministers, deputy chief ministers, state finance ministers, and other ministers from the states participated in pre-budget consultations with Sitharaman on Wednesday. They expressed concerns about a slowdown in the economy, suggested several measures, including a pause to the fiscal deficit target to reverse the growth rate, and asked the Centre to compensate them for their revenue loss due to a sharp cut in corporate tax rate that involved a Rs 1.45 lakh crore loss to the exchequer, two officials familiar with the matter said on condition of anonymity.

States get a 42% share of the Centre’s tax revenue and anything that impacts the latter will hit their own revenues.

The taxation measures of Government of India have impacted the states. While the reduction of corporate tax will definitely provide a fillip to new investments, the loss of revenue is also shared by the states,” P Panneerselvam, deputy chief minister and finance minister of Tamil Nadu, said in a statement.

The government on September 20 reduced the corporate tax rate for domestic manufacturing companies from 30% to 22% and for new manufacturing companies from 25% to 15% provided they forego all other exemptions. The decision was taken to boost investment and accelerate growth. India’s GDP, which slowed to 6.8% in the first quarter of the current financial year, further slowed at 4.5% in the second (July-September) quarter, the slowest rate of growth since March 2013.

Panneerselvam asked the Centre to compensate states for their revenue losses due to the corporate tax rate cut by giving them a share of cesses and surcharges. “To overcome this loss, I suggest that many of the cesses and surcharges levied on Personal Income Tax and Union Excise Duty which have increased substantially in recent years should be merged into the basic rate of tax, so that the States also receive the share from the additional revenue,” he said. Cesses are levied for specific purposes and states cannot claim their any share from the cess fund. They also do not get a share of surcharges. The Union budget raised the surcharge on tax for those with taxable incomes between Rs 7.5 crore and Rs 12 crore to 25% from 15% and for those with taxable incomes above Rs 12 crore to 37% (also from 15%).

The move effectively increased the tax rate for these taxpayers to 41.5% from 32% and added to the Centre’s revenue.

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निवेश का माहौल सुधारने की मांग

असोच्चम मात्र, नौ दिनों : देश में निवेश की जरूरत प्रकट की गई। भारत के मुख्य मंत्री ने वित्त मंत्री के प्रति विनिर्देश दिए, कि वित्त मंत्री के विषय में बनाए रखे जाएँ विशेष ध्यान। वित्त मंत्री के प्रति विनिर्देश दिए जाने के बाद वित्त मंत्री ने मुख्य मंत्री के प्रति विनिर्देश दिए।

प्रधानमंत्री के प्रति विनिर्देश दिए जाने के बाद वित्त मंत्री ने मुख्य मंत्री के प्रति विनिर्देश दिए।

दिनांक 18 डिसम्बर 2019
देश में निवेश का महाहृत सुधारने की मांग

डीनक जगरण – जातिन संडिया (पृष्ठ 12)

18वें दिसंबर 2019