



Bombay Chamber of Commerce & Industry

PRESS RELEASE

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The Bombay Chamber of Commerce and Industry rates the Budget a 7 on a scale of 10.

Mr. Bharat Doshi, President, Bombay Chamber of Commerce and Industry, on behalf of the Chamber's Managing Committee and the invited experts, rated the budget a 7 on a scale of 10. He stated "the Budget provides the right balance between inclusive growth and fiscal discipline".

While enhancing the outlays on various schemes for rural areas as well as for housing and infrastructure, the Finance Minister has ensured that fiscal deficit was limited to 5.5%. The projected decline in the fiscal deficit for 2011-12 and 2012-13 gave the right signal on the future direction of fiscal management.

Mr. Bharat Doshi commended the Finance Minister for excellent expectation management during the weeks preceding the budget so that the rollback of 2% in Excise was not received as a shock.

While reduction in the surcharge on corporate tax was welcome, the increase in MAT from 15% to 18% was considered steep. Emphasis on R&D by a higher weighted deduction was a welcome move.

Maintaining of the service Tax at 10% came as a pleasant surprise for the industry.

The continued focus by increasing the outlay in rural area as well as increase in agricultural credit from Rs.325,000 crores to Rs.375,000 crores was justified based on the experience of the last 9 months and the factors that helped spur the economy.

While noting the restoration of the basic duty on crude petroleum of 7.5% on diesel and petrol, Mr. Doshi expressed concern about the likely inflationary impact of this increase.

Mr. Bharat Doshi also emphasized that for the first time the budget was used as a platform to convey that there were no differences between the various wings of the Government and the FDI policy announced by DIPP in March reflected a firm view of the government.

On a final note, the Finance Minister did make a very positive use of the budget to make policy pronouncements about the FDI, Financial Sector and Judicial sector reforms, roll-out of the GST, DTC, and setting up of Technology Advisory Group for unique projects under the Chairmanship of Mr. Nandan Nilekani.