Mfg sector demands lower corporate tax, sales tax

GST Critical To Reduce Business Costs, Say Players

Dileep Athavale | TNN

Pune: Speedy implementation of Goods and Services Tax (GST), higher investment in infrastructure and carry-forward of stimulus provisions are among the principal expectations of the manufacturing sector from the Union budget 2011-12.

Industry circles also said the finance minister should reduce corporate tax at least to the levels of Southeast Asian countries such as China (25%), Malaysia (25%), Singapore (18%) and Hong Kong (17.5%). In the absence of a GST, the Centre should bring down the Central Sales Tax (CST) to 1 per cent.

Deven Doshi, president of the Association of Indian Forging Industry, said the government should ban export of higher grade iron ore, if not all grades, to bring steel prices to competitive levels vis-a-vis Chinese ex-factory forging quality steel prices, which are lower by about Rs 5,500 per tonne. Indian consumers should get the benefit of Indian iron ore.

Doshi also suggested creation of technology upgradation fund and an increase in the DEPB benefit to exporters of forgings and machined components.

The Auto Components Manufacturing Association (ACMA) has said that it is important to waive the import duty on steel and aluminium alloys as these account for 60 per cent of the raw material costs in the auto component sector. The duty reduction in steel and aluminium alloys would mitigate the inverted duty structure caused by free trade agreements, association president Winnie Mehta said.

"This would also help the Indian auto industry access such raw material at international market prices. China, which is a major threat, accords lower than LME prices on both steel and aluminium for manufacturers of value added products," Mehta said. The ACMA has also demanded rationalisation of the Central Value Added Tax (Cenvat) regime to make it simpler for the component manufacturers.

According to Uday Palsule, managing director, Spear Logistics Pvt. Ltd., the budget should target legislative and infrastructure changes as these are critical and have the ability to transform logistics networks and reduce overall costs for the country up to about 3-4 per cent.

"Implementing GST will be a path-breaking change, which will transform the way business is carried out in India. It will integrate the logistics networks, enforce larger, smarter warehouses and, most of all, lead to lower inventories. This will invite organised players into contract logistics and make the industry more sophisticated," Palsule said.

"The government's plans of implementing the Direct Tax Code (DTC) will have a positive impact, as it will put more money in the hands of the consumer. The working class, having more disposable income will result in purchase of high-end products. Fast-tracking of implementation of road infrastructure projects will give further boost to the industry," said Diya Ibanez Garware, managing director of Garware Motors Ltd.

Ajay Parmar, head, institutional research, at Emkay Global Financial Services Ltd. felt the excise duty may be raised to 12 p.c. with strong growth in sectors like small cars. The service rates was spared in the last budget but, looking at the strong growth in services coupled with 16 p.c. GST rates in future, service tax may be increased to 12 p.c., he added.

Considering the steep inflationary pressures building up in fuel items and the rising subsidy bill, the customs duty on crude oil/petrochemicals/fuel products may be reduced or waived, Parmar said.

To encourage further investment in power sector, it is expected that the tax holiday under section 80-IA on power generation is extended, said Anuj Deshmukh, assistant manager, tax & regulatory services at Pricewaterhouse Coopers. To boost exports, the industry expects extension to tax exemption under section 10B to export-oriented undertakings.

According to Ashutosh Prabhudesai, director, accounts & finance, Fujitsu Consulting India, "For the current year's budget, on a macro front, while the robust GDP growth and exports performance are positive news, issues of mounting current account deficit and inflation need to be addressed."

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Times 'Home for All' Property Expo starts today

TIMES NEWS NETWORK

Pune: The Times 'Home for All' Property Expo will be held on February 19 and 20 at the Hotel Pride, Shivajinagar, Pune, with a focus on affordable housing and budget homes.

This is the sixth expo in the series of special edition property exhibitions and comes on the backdrop of the enthusiastic response to the previous property expos.

The Times 'Home for All' on affordable housing and budget homes.

The Expo has been conceptualised to provide a platform for property buyers to interact with builders and developers in the city, with projects catering to middle and upper middle class buyers.

With more than 40 builders showcasing over 200 projects, the exhibition will serve as the perfect opportunity for property buyers to zero in on their dream home.

MILITARY ENGINEER SERVICES

Garrison Engineer (Central) Kirkee, Pune- 411003 invites application up to 28 Feb 2
enlisted contractors of MES and enlisted /un-enlisted contractors working with other Gov
eligibility criteria as under for issue of tender for following works :-

Ser No.	Name of Work	Estimated Cost	Earnest Money	Eligi For ME Clas
1	REPAIR/REPLACEMENT OF SECURITY LIGHT FITTING CONTROL PANEL BOARD & LT/HT CONTROL DEVISES UNDER AGE E/M-I (C) IN GE (C) KIRKEE	13.90 Lakhs	27,800/-	'E'

Note : Eligibility criteria for other Contractors : (i) Meeting enlistment criteria of MES with
satisfactorily completed requisite value work, Annual turn over, working capital, Fixed A
recovery outstanding in Govt Dept.

Eligible Applicant contractor shall enclose a DEMAND DRAFT of Rs. 500/- towards cost of
nationalized Bank in favour of Garrison Engineer (Central) Kirkee. Application received
Demand Draft shall not be considered for issue of tender. However after scrutiny and select
tender form is not issued, the Demand Draft shall be returned to applicant by Accepting O

In case of rejection of application for issue of tender, the applicant shall be refunded th
However Contractor may appeal to next higher Engineer authority i.e. CWE Kirkee fo