



Ministry of Finance

FM: Process of Reforms to continue; Focus on lower tax rate and wider tax base; Government committed to keep the Growth Momentum High and Inclusive to ensure that the benefits of growth reaches to all sections of the society including the vulnerable and weaker sections

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The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley said that the Government is committed to facilitate trade and industry in the country so that the momentum of the growth continues to move-up. He asked the captains of Indian industry to comply with the recent recommendations of the GST Council with regard to reduction of rates of various items and pass on the benefits to the consumers at large. The Finance Minister Shri Jaitley was speaking when a delegation of Federation of Indian Chambers of Commerce and Industry (FICCI) called on him in his office in New Delhi today.

The Finance Minister, Shri Jaitley said that the process of reforms in case of direct and indirect taxes will continue in order to facilitate and further expedite the process of ease of doing business in the country. He said that Insolvency and Bankruptcy Code (IBC) has brought a change in the credit culture in the country and is helping the Banking Sector in making fast recoveries. The Finance Minister said that GST is now on the track and is in process of fast settling down. The Finance Minister said that the thrust of the Government is to lower the tax rate and widen the tax base and keep the revenue collections moving-up. He said that the indirect tax collections will further increase in future.

The Finance Minister, Shri Jaitley further said that India continues to be the sweet spot as far as the Foreign Direct Investment is concerned and is the fastest growing economy in the world. He concluded that the Government is committed to keep this growth momentum high and inclusive to ensure that the benefits of growth reaches to all sections of the society especially to the vulnerable and weaker sections.

Earlier, Mr. Sandip Somany, President, FICCI presented a copy of the FICCI publication- 'Ägenda for Growth and Shared Prosperity'- to the Union Minister of Finance and Corporate Affairs, Shri Arun Jaitley.

Mr. Somany thanked the Union Finance Minister for the Government's decision to introduce the Direct Income Support scheme for Small and Marginal Farmers during the Interim Budget 2019-20.

FICCI President also congratulated the Finance Minister for the decisive action taken on many economic fronts including Landmark Reforms like Introduction of GST and Insolvency and Bankruptcy Act among others.

To continue with the process of Direct Tax reforms. President, FICCI requested the Finance Minister to consider lowering of the Corporate Tax Rate to 25% for all companies irrespective of their turnover. A rationalisation of the Corporate Tax Rate would make the Indian Corporate Sector globally competitive.

The point on further consolidation of the Banking Sector and the need for divestment of Government Shareholding in some of the banks was also discussed. Another related point was the need to have Development Finance Institutions in the country to be able to provide long term finance for growth of the industrial and infrastructure sectors.

The importance of the NBFC sector was highlighted and members drew attention to growth in the consumer durables and real estate sector, much of which was supported by the NBFC sector. In this context it was mentioned that while the liquidity situation in the market had improved, some more steps were needed to restore the situation to complete normalcy.

Discussions were also held on the need to take all possible steps to improve employment generation in the economy. President, FICCI urged the Finance Minister to reintroduce investment allowance linking it with employment generation. A request was also made to extend the Phased Manufacturing Program to other sectors where the country is largely dependent on imports.

The Meeting ended with a vote of thanks to the Chair.

DSM/RM/KA

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