

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**IMMEDIATE PRIORITY OF THE GOVERNMENT IS TO KEEP THE INVESTMENT
CYCLE GOING: FM**

New Delhi, Pausa 17, 1934
January 7, 2013

The Union Finance Minister Shri P. Chidambaram said that immediate priority of the Government is to keep the investment cycle going. He said that both domestic and foreign investments are not an option but an economic imperative for the government. The Finance Minister said that there are some positive signs in the economy but no discernible trend so far. He said that the Cabinet Committee of Investment is constituted to resolve inter ministerial issues and to speed-up the clearances of projects. The Finance Minister Shri P.Chidambaram was making his opening remarks during his seventh Pre-Budget Consultation Meeting with the representatives of Industry and Trade Sector here today.

Along with the Finance Minister, both the Minister of State for Finance Shri S.S. Palanimanickam and Shri Namo Narain Meena, Adviser to the Finance Minister, Shri Parthasarthy Shome, Finance Secretary, Shri R.S. Gujral, Secretary, Financial Services, Shri D.K. Mittal, Revenue Secretary, Shri Sumit Bose, Secretary, Department of Economic Affairs, Shri Arvind Mayaram, Secretary, Disinvestment Shri Ravi Mathur, Secretary DIPP, Shri Saurabh Chandra, Secretary, Department of Commerce, Shri S.R. Rao, Chief Economic Adviser, Dr. Raghuram R. Rajan, Dr. Anup K. Pujari, DGFT and Chairman CBEC were present among others.

About 16 representatives representing different Organisations participated in the aforesaid meeting. The major participants included Shri Adi Godrej, Confederation of Indian Industries (CII), Ms. Naina Lal Kidwai, Federation of Indian Chambers of Commerce and Industries (FICCI), Shri R.N. Dhoot, ASSOCHAM, Shri Sandip Somany, PHD Chamber of Commerce and Industry, Shri Rafeeq Ahmed, FIEO, Shri Som Mittal, NASSCOM, Shri Ashwin Dani, Asina Paints Ltd, Shri Tulsi R. Tanti, Suzlon Energy Ltd, Shri Anand Mahindra, Mahindra & Mahindra Ltd, Shri Nitin Paranjpe, Hindustan Unilever Ltd, Shri J. Vadivelu, South Indian Chamber of Commerce and Industry, Shri Joginder Kumar, Federation of Tiny & Small Industries of India, Shri Aman Chadha, EEPC, Shri Vipul Shah, Gems & Jewellery EPC, Shri Arvind Vadhera, Export Promotion Council for Handicrafts and Shri P.C. Nambiar, Export Promotion Council for EOUs and SEZ among others.

Various suggestions were made by the representatives of trade and industry including present rates of excise and service tax rates be maintained if not reduced, government may allow 2 % interest rate subvention for all sector of exports, allow 25% accelerated depreciation for investment in plant and machinery for pre-defined period of 3-5 years to prepone investments without affecting revenues, 250 % weighted tax deduction on expenditure incurred by companies on going green, unutilised assets of Public Sector Enterprises be monetized and revenues generated be used for investment in infrastructure. Other suggestions include acceptance of the recommendations of the Kelkar Committee Report, disinvestment process be started from the beginning of financial

year rather than in the end, deregulation of diesel, early implementation of GST, no tax on transactions in Commodity Exchanges and non introduction of inheritance tax etc. Other suggestions include efforts to unlock money stuck in tax litigation, tax benefits to MSME sector, waiving of excise duty etc. on 14 inch colour TVs and various Export Oriented Units among others. It was suggested that nothing in budget should dampen the spirit of investors or create a negative perception.
