

**Publication : Mumbai News Network**

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**Publication : Bullet Daily News**

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**Publication : NRI News 24\*7**

**Link : <http://nrinews24x7.com/66501/>**

**Publication : Daily News**

**Link: <http://buisnessnewstrends.blogspot.in/2017/02/aiai-welcomes-union-budget-for-its.html>**

**Publication : Brand Turks**

**Link : <https://brandturks.wordpress.com/2017/02/03/aiai-welcomes-union-budget-for-its-balanced-approach-towards-fiscal-management-and-ease-of-doing-business-while-targeting-inclusive-growth/>**

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## AIAI welcomes Union Budget for its balanced approach

All India Association of Industries (AIAI) has welcomed the Union Budget 2017-18 for its balanced approach and enhanced thrust on infrastructure, promoting digitalization, rationalizing taxation and adhering to fiscal prudence. The Budget attempts to address some of the weak links in the economy by the pragmatic approach to transform, energize and clean India.

Vijay Kalantri, President AIAI said, "MSMEs reeling under heavy pressure post demonetisation would get a relief with the Government's move to reduce the corporate tax rate for companies with annual turnover of less than Rs 50 crore to 25% (from 30%). This is a welcome move as it is expected to benefit 96% of companies (MSMEs)."

However, AIAI expects that there should have been an additional thrust to boost capacity enhancement to make the Make in India programme successful. Similarly the inclusion of affordable housing in infrastructure sector and capital gain relief will provide much needed boost to the struggling real estate sector. The reduction of customs duty on LNG to 2.5% would help in Government's move towards clean environment. Although industry was expecting abolishment of MAT, Government has allowed companies to carry forward MAT upto a period of 15 years from the present 10 years.

The record allocation of Rs 396,135 crore for infrastructure sector would improve the competitiveness of the economy. Especially, the government has raised the allocation for investment in the railway sector to Rs 131,000 crore and it has provided renewed focus on improving safety in the sector. Similarly, the government has increased outlay to the roads and highway

sector to Rs 64,900 crore for 2017-18 from around 57,976 crore in the previous year. The proposed introduction of trade infrastructure export scheme would improve ease of doing business for exporters. Government's thrust on high public expenditure will boost the struggling economy on account of lower private sector expenditure.

In the rural sector, the proposal to allocate Rs 5,000 crore for micro-irrigation projects, increasing the coverage of crop insurance



scheme, increasing outlay towards Mahatma Gandhi National Rural Employment Scheme (MNREGA) underlines Government's intentions to boost rural economy and would certainly address the regional imbalance.

Continuing with the Government's push to digitisation, the budget has promoted digital payment system with cashback and other measures. In this regard, the proposal to set up payment regulatory board and targeting of 2500 crore digital transactions in 2017-18 are moves in the right direction.

Overall the budget impetus to push reforms, affordable housing, transparency in political funding and simplification of tax laws will help to support economic growth.