

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

FM: Indian economy has emerged as one of the fastest growing economies in the world with its GDP growth accelerated at 7.3 percent in 2014-15; Economy is firmly on the path of economic revival

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The Union Finance Minister Shri Arun Jaitley said that Indian economy has emerged as one of the fastest growing economies in the world with its GDP growth accelerated at 7.3 percent in 2014-15 compared to 6.9 per cent growth in 2013-14 and 5.1 per cent in 2012-13, indicating that the economy is firmly on the path of economic revival. The Finance Minister Shri Jaitley was making the Opening Remarks during his fourth Pre-Budget Consultative Meeting with the representatives of IT (Hardware & Software) Sector today in New Delhi.

Highlighting the contribution and importance of IT Sector, the Finance Minister said that the Government's 'Make in India' programme has included the electronic systems and IT & BPM (Business Process Management) sectors among the 25 key sectors. He said that the Government recognizes this Sector's potential and the Information Technology sector is a key pillar in various flagship initiatives like digital India, Make in India, Skill India as well as Start-up India among others.

The participants expressed their gratitude and congratulated the Government for the measures undertaken in the previous year which facilitated their market performance and enabled them to revive and improve their growth. They expressed full confidence in India being the next big player in the manufacturing field in the world. They further said that Manufacturing will be the major driving force of our economic growth and they will be able to achieve the committed target of creation of job opportunities.

Various suggestions were received during the aforesaid Consultative Meeting. Major recommendations were to continue with measures to facilitate the exports, facilitating ease of doing business, measures for simplifying and rationalizing tax procedures. Other suggestions included the provision of Place of Effective Management (POEM) to be deferred by couple of years as this short period can be a hurdle for industrial growth. There was also suggestion that the scope of POEM need to be rationalized and made applicable to overseas shell companies. It was suggested that GST be implemented at the earliest.

On the proposal of sunset clause in case of SEZ companies, the tax relief to the eligible development activities and the sales activities by a SEZ unit may be extended till March 2019, as it will be unfair to deny the tax benefits to such SEZ developers who have planned large investments in setting-up SEZ infrastructure. Other suggestions were reduction of corporate tax, specific time bound policy to revive the mobile industry, incentive to pollution free industries and vehicles, TRIPS Plus (Agreement on Trade-Related Aspects of Intellectual Property Rights) commitment need to be relooked, directive to make all State and Inter-State

duties and procedures online among others. There is also need to create duty differential benefits for Indian (IT hardware) manufacturers especially in case of mobile and tablets.

It was also suggested to reduce Minimum Alternate Tax (MAT) and utilization period under MAT be increased from 10 years to 15 years.

Along with the Finance Minister Shri Arun Jaitley, the aforesaid Pre-Budget Consultative Meeting with the representatives of IT (Hardware & Software) Sector was also attended among others by Shri R.N. Watal, Finance Secretary, Shri Shaktikanta Das, Secretary, DEA, Dr. Hasmukh Adhia, Revenue Secretary, Ms Anjuli Chib Duggal, Secretary, Financial Services and Dr. Arvind Subramanian, Chief Economic Adviser (CEA). The representatives of the IT (Hardware & Software) Sector present during the meeting included Shri Ramadas Kamath, Infosys, Shri P.V.Srinivasan, WIPRO, Shri Anil Chanana, CFO, HCL, Shri Pauroos D Karkaria, TCS, Shri R. Chandrashekhar, Chief Economist, NASSCOM, Ms Nisha Tompson, Founder, Datameet, Shri Vinod Sharma, Chairman, Electronics and Computer Software Export Promotion Council, Shri Nitin Kunkolienker, Vice President, Manufactures Association for Information Technology (IT), Shri Rajoo Goel, ELCINA Electronic Industries Association of India, Shri Hari Om Rai, Co-Chairman Task Force on Mobile Phone Manufacturing, Shri Suraj Saharan Ajit Pai, COO, Delhivery, Shri Sumandro, the Centre for Internet & Society and Shri Vikas Jain, Member, Task Force on Mobile Phone Manufacturing among others
