

Budget has brought clarity in tax policies: FinMin

Government today said the **Budget** 2014-15 has brought about clarity in **tax** policies and it will walk the difficult path to bring growth impulses back into the economy amidst fiscal constraints.

"Both on direct and indirect tax side, the main focus of the government was to revive growth, to revive manufacturing sector, to take steps that will result in creation of jobs, go in for tax rationalisation, reduce tax litigations and ambiguity in policies," Revenue Secretary Shaktikanta Das said.

At the post-budget interaction with industry chamber Ficci, Das said the Budget has sought to bring in greater clarity in taxation policy.

In his maiden Budget presented in **Parliament** on July 10, Finance Minister **Arun Jaitley** has tried to provide relief to the middle class by increasing tax exemption limit by Rs 50,000 to Rs 2.50 lakh. It also hiked deduction limit for investments in financial instruments under 80C by Rs 50,000 to Rs 1.50 lakh.

The Budget contains several proposals to boost the manufacturing sector apart from assurance that government will not "ordinarily" bring about any change retrospectively which creates a fresh "liability" or tax demand.

Finance Secretary Arvind Mayaram, who along with other secretaries of the **Finance Ministry** was interacting with industry leaders, said government was open to discussing ideas with them and addressing their concerns.

"My own perspective is that this is a growth oriented Budget. It will bring the growth impulses back into the economy...We will have to move a very difficult path ahead, but there is a determination that the government would walk that path," Mayaram said.

India's economic growth slumped to sub 5% in the past two fiscals leading slowdown in revenue generation and high fiscal deficit.

The government has pledged to bring the fiscal deficit down to 4.1% of GDP in the current fiscal from 4.5% in the last year.

(Business Standard)