

Paper soon to trim corp tax relief

A discussion paper on the first set of tax exemptions to be phased out will be in public domain soon, finance minister Arun Jaitley said on Sunday.

“As I said in my last budget speech, the Union government will bring down the corporate tax level from 30% to 25% gradually. A discussion paper on this will be in the public domain shortly,” Jaitley said at a gathering organised by the Indian Chamber of Commerce on Sunday.

Earlier in the day, addressing the inaugural function of the newly-launched Bandhan Bank, Jaitley pitched for financial patronisation of small and medium enterprises (SMEs).

Bandhan Bank began operations on Sunday, with 501 branches and 14.3 million accounts across India.

“SMEs generate maximum employment, besides contributing the least towards bad loans or non-performing assets,” Jaitley said. “That is why the Union government has opened Mudra Agency, which will soon become Mudra Bank, to fund SMEs, which often do not have access to institutional financing,” he added.

Bandhan Bank founder, MD and CEO Chandra Sekhar Ghosh said the bank will give priority to SMEs over big-ticket corporate loans. “Big-ticket corporate loans will not be the priority of Bandhan Bank initially. Rather, we will focus on smaller loans in SMEs,” he said.

Besides, Jaitley also said it was possible to achieve 8 to 10% economic growth. “I do believe it is (8% and above growth) achievable... if we take right steps in right direction and hopefully we don't have too many adverse global trend. It could be reasonably achievable. In order to achieve it is extremely important that we open ourselves for investments.”

(Hindustan Times)