THE UNION BUDGET 2020-21

H. P. Ranina

Forum of Free Enterprise

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OF FREE ENTERPRISE

“Free Enterprise was born with man and shall survive as long as man survives”.

- A. D. Shroff
Founder-President
Forum of Free Enterprise

SHAILESH KAPADIA

(24-12-1949 – 19-10-1988)

Late Mr. Shailesh Kapadia, FCA, was a Chartered Accountant by profession and was a partner of M/s G.M. Kapadia & Co. and M/s Kapadia Associates, Chartered Accountants, Mumbai.

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Shailesh enjoyed the confidence of clients, colleagues and friends. He had a charming personality and was able to achieve almost every task allotted to him. In his short but dynamic professional career, spanning over fourteen years, Shailesh held important positions in various professional and public institutions.

Shailesh's leadership qualities came to the fore when he was the President of the Bombay Chartered Accountants' Society in the year 1982-83. During his tenure he successfully organized the Third Regional Conference at Mumbai.

Shailesh was member, Institute of Fiscal Studies, U.K.; member of the Law Committee and Vice-Chairman of the Direct Taxation Committee, Indian Merchants' Chamber. He was also a Director of several public companies in India and Trustee of various public Charitable Trusts.

He regularly contributed papers on diverse subjects of professional interest at refresher courses, seminars and conferences organised by professional bodies.

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Budget Proposals – taking a leap of Faith

H. P. Ranina*

This year's Budget proposals have been formulated in the background of a difficult international environment, moderating growth scenario and decelerating exports. The strong linkage with international markets has imposed serious constraints on the calibration of domestic macro-economic policy instruments. Expectations from this Budget were running high in view of three disturbing trends in the economy-

- steep fall in the rate of investments, particularly by the private sector;

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- perceptible slowdown in growth; and
- stressed financial system.

Attempts to decouple the Indian economy from the international environment have not succeeded, and will not be achieved. The recessionary environment globally has squeezed export demand. In this background, it has been necessary to continue austerity measures to check the fiscal deficit.

Budgetary Resources

The fiscal deficit for 2019-20 is estimated to be Rs. 7,66,846 crore which is 3.8% of the GDP, breaching the mandate of the Fiscal Responsibility and Budget Management Act. Growth in government spending has fallen in this financial year and remains skewed towards revenue expenditure.

Low tax revenue collection has always been and continues to be the Achilles Heel of the Indian economy. The gross tax revenue which is estimated to be collected during the fiscal year 2020-21 is Rs.24,23,020 crore. This gross tax revenue collection is around US$ 341 billion which is much less than what large multinational corporations earn in revenue every year. After transferring funds to State governments and Union Territories, the net tax revenue which will remain with the Central Government will be Rs.16,35,909 crore.

The Government's collection by way of the Goods & Services Tax is estimated to be Rs.6,90,500 crore. Corporate tax will fetch Rs.6,81,000 crore and personal income-tax Rs.6,38,000 crore. Customs and excise duty put together will bring around Rs.4,05,000 crore. The Government, has to rely substantially on non-tax revenues and market borrowings in order to fulfill the expenditure target of Rs.30,42,230 crore.

The gross domestic product for fiscal year 2020-21 is pegged at a figure of Rs.225 lakh crore which is roughly US$ 3.17 trillion. The fiscal deficit is projected to be Rs. 7,96,337 which is 3.54% of the GDP during this fiscal year. This deficit will add to the public debt of the Indian Government resulting in an interest burden of Rs.7,08,203 crore on the outstanding debt. Defence expenditure on revenue account, including pensions, is estimated at Rs.3,43,144 crore, and the capital outlay on defence will be Rs.1,13,734 crore.

Agricultural sector

An amount of Rs.1.60 lakh crore is earmarked for agriculture, irrigation and allied activities. Integrated farming systems in rain-fed areas are to be strengthened. Multi-tier cropping is to be promoted. The crop insurance scheme will provide a safety net for an estimated six crore farmers. With soil cards being provided to farmers to enable them to decide on the best crop suitable for their land, it is expected that farmers will be able to double their income by being able to sell their produce at the best available price. Farm based activities, like livestock breeding, apiary and fisheries, are to be supported with facilities for warehousing and cold storage.

One of the unique ideas proposed is to install solar plants on barren land which farmers are not able to cultivate. The supply of electricity generated would enable a farmer to earn Rs.60,000 every year. Further, the solarisation of agricultural pumps will reduce the cost of irrigation to one-fourth of its present cost by making the sector diesel free.

About 10,000 farmer producer organizations have been set up all over India. Around Rs.50,000 crore have been disbursed to 85 million farmers in order to reduce their dependence for loans on money lenders. A plan has been formulated to upgrade rural markets into modern retail outlets. The Kisan Credit Card Scheme has been extended to enable agriculturists to buy seeds, pesticides, neem-coated urea, etc. and establish micro-irrigation facilities. Organic farming is being encouraged, covering two lakh farmers who own 2.5 million hectares of land. The demand for organically grown vegetables, fruits and crops will substantially increase the profitability of the agricultural sector.

Infrastructure Development

With significant increase in spending on infrastructure projects, the 2020 Budget proposals will give the firepower to reignite the economy. The strongest thrust of the budget proposals is in the field of infrastructure development; an allocation of Rs.103 lakh crore has been earmarked for the national infrastructure pipeline. This amount to be spent over the next five years will cover housing, healthcare, safe drinking water, clean and affordable energy, upgradation of educational institutes, and modernization of railways, airports and other logistical projects.

A task force has been set up to monitor implementation of the projects in a time bound manner. The energy sector will receive the largest chunk of investments (24%), followed by roads (19%), urban development (16%) and railways (13%). The Centre and the States are expected to make an equal contribution to the capital outlay, namely, 39% each, and the private sector will provide the remaining 22%. It is expected that 60% of the investment will be made over the two financial years 2020-21 and 2021-22. Significantly, 42% of the projects are already under implementation.

Thus, the investment will boost the economy and create additional jobs.

Key reforms have been proposed for the power sector, especially in distribution which is the weakest link in the electricity value chain. Schemes are to be announced to revive the ailing distribution companies by liquidating their dues and amending the Electricity Act to impose penalties on those who renege on their contracts. All States and Union Territories will replace conventional energy meters by prepaid smart meters over the next three years.

For the first time, serious attempts are made to incentivize the private sector to invest in railways. Private players will be allowed to set up solar panels on railway lines apart from investing in upgradation of railway stations as well as passenger trains. In addition to the branded Tejas trains, another 150 passenger trains are proposed to be offered to entrepreneurs. Railways require an investment of around Rs.50 lakh crore in the next ten years. For the fiscal year 2020-21, Rs.70,250 crore has been allocated for railways to meet their operating costs and there is a further allocation of Rs.1,61,042 crore for capital expenditure.

For the aviation sector, it is proposed that one hundred new airports will be constructed by 2024 to improve regional connectivity. India currently has 450 airstrips where no airports exist. Money has been allocated for developing 50 airstrips and viability gap funding is provided where private players join hands with the Government.

To build the ecosystem for intellectual property rights, the budget proposes to set up a digital platform for seamless applications and for capturing all intellectual property rights. This will promote and safeguard patents at a time when protection of such rights has assumed global significance. The Government will set up a centre of excellence to work on complexities and innovations in the field of IPR. If the policy is effectively implemented, India will emerge as a deep-tech nation in the next decade.

Job creation initiatives

In order to promote job creation, a special fund is set up to assist entrepreneurs to manufacture electronic equipment, mobile phones and semi-conductor components. The Rs.36,000 crore fund will provide protection-linked incentives to smart phone manufacturers so as to reduce dependence on imports from China and Vietnam. Electronics manufacturing industry is highly competitive and India has specific cost advantages. Further, there is tremendous potential for job creation in this industry. The US$ 190 billion mobile phone industry is expected to push exports to the tune of US$ 110 billion as envisaged in the National Policy on Electronics, 2019.

To encourage startups to employ highly talented employees, the Employees' Stock Option Plan is sought to be made more attractive by proposing to defer the tax payment on the perquisite value by five years or until the employee leaves the company or when he sells the shares, whichever is the earliest. Under section 80-IAC of the Income tax Act, a startup company is entitled to a tax holiday of 100% for three consecutive years. Currently this is to be availed of within the initial seven years of starting operations. This period is now sought to be extended to ten years as most startups do not make taxable profits during the initial years. Further, an eligible startup for claiming the tax holiday benefit would be one which has a turnover of Rs.100 crore, as against Rs.25 crore at present.

There are positive indicators that job creation is on the rise. The Employees' Provident Fund Office data for April-December, 2019 shows average net addition of 7.22 lakh employees per month, partly due to formalization of the economy. The monthly net addition to EPFO subscriber base was 5.1 lakhs during the financial year 2018-19. The good news is that during the first nine months of 2019-20, 27.45% and 26.3% of employees in the age bracket of 22-25 years and 18-21 years respectively of net EPF subscribers, were added.

While India generates a large skilled workforce, the main impediment is that there is a skills mismatch. Therefore, it is necessary to create a job and skills ecosystem which will generate a virtuous cycle of job matching and demand responsive skilling to fuel the growth of a service economy that can contribute atleast US$ 3 trillion to India's GDP by 2025

Corporate Tax regime

The corporate sector has been left untouched, apart from the reduction in tax rates announced in September, 2019; there is no reduction in surcharge which was expected. The only benefit given to the corporate sector is the removal of the dividend distribution tax. Consequently, companies from the financial year 2020-21 may declare a higher amount of dividend for shareholders and pass on the benefit of abolition of the dividend distribution tax. This is expected to give a boost to share prices when financial results are declared later this year.

Some shareholders may stand to gain. Foreign investors will be able to claim credit for the tax which is paid in India as, under section 194, tax will be deducted at source when dividends are paid. In order to remove the cascading effect, a holding company will get deduction of the dividend received from its subsidiary, so that the holding company does not again have to pay tax on the dividend declared by the subsidiary.

The shareholder or unit holder receiving dividends from companies or mutual funds will stand to gain if he has borrowed money to buy the shares or units because he will be entitled to claim a deduction of the interest paid on the money borrowed under section 57 of the Income-tax Act. However, the deduction of interest will be limited to 20% of the amount of dividend from shares or income from units.

Tax certainty for Multinational Companies

Multinational companies having a permanent establishment in India will now be allowed to enter into advance pricing agreements with the Income-tax Department. This would be done to determine the profits attributable to the permanent establishment on which tax is to be paid in India. Until now, such arrangements were possible only in respect of transfer pricing issues. It is expected that this new provision incorporated in section 92-CC will allow about 3,500 foreign companies to negotiate advance pricing agreements and thereby establish a safe harbour regime. Such negotiated agreement may be applicable for the past four years and for subsequent five years. This would bring great certainty and avoid costly and protracted litigation.

It is also provided that non-residents will be exempt from filing of income-tax returns if they earn income which is in the nature of royalty or fees for technical services. This exemption would be applicable if tax has been deducted at source at the applicable rates set out in section 115-A. This will reduce the compliance burden on non-residents.

To further help foreign corporates, it is proposed to defer to the financial year 2021-22 the applicability of rules pertaining to Significant Economic Presence because the G-20 OECD Report on the digital economy is expected by that time. To facilitate setting up of fund management activity in India, the conditions for setting up of an offshore fund are proposed to be rationalized.

New Personal Tax Regime

As far as individuals and Hindu Undivided Families are concerned, a new income-tax rate tax structure is being introduced from the Assessment Year 2021-22, under which the current tax rates on different slabs of income are revised. This scheme is optional and may be changed as provided in section 115 BAC of the Income tax Act. The first slab of Rs.2.5 lakhs of taxable income does not attract any tax; the next slab of Rs.2.5 lakhs to Rs.5 lakhs will continue to be taxable at the rate of 5% as at present. For the financial year ended on 31st March, 2020, income between Rs.5 lakhs and Rs.10 lakhs is taxable at the flat rate of 20%. Under the new scheme applicable from financial year 2020-21, this slab is divided into two parts: income between Rs.5 lakhs and Rs.7.5 lakhs will be taxed at the rate of 10%, and income between Rs.7.5 lakhs and Rs.10 lakhs will be taxable at the rate of 15%.

Therefore, under the new tax rate structure which is for the first time provided under the Income tax Act itself, the 20% rate will be applicable only in respect of income exceeding Rs.10 lakhs. This will result in tax savings for the middle class tax payers leaving more purchasing power in their hands. Income between Rs.10 lakhs and Rs.12.5 lakhs will be taxable at the rate of 20% and income between Rs.12.5 lakhs and Rs.15 lakhs at the rate of 25%. The maximum marginal rate of 30% will, from the financial year 2020-21, be applicable only to income in excess of Rs.15 lakhs, whereas upto the financial year 2019-20 this maximum rate was applicable to taxable income in excess of Rs.10 lakhs.

The new tax regime applicable from 1st April, 2020 is optional. The reason is that the lower tax rates will apply only if the tax payer does not claim any deductions or exemptions from his taxable income. Such person can continue to be governed by the existing tax structure if he wishes to continue claiming the deductions and exemptions. Therefore, those who are availing of the standard deduction from salary, exemption of certain allowances, or claiming deduction under section 80-C for certain investments like in provident fund, bank deposits, repayment of housing loan, etc. may find it beneficial to pay tax under the existing scheme, rather than opt for the new tax regime.

On the other hand, the new tax regime will be beneficial for senior citizens and others who in any case are not eligible to claim the deductions and exemptions which are available to salaried employees. Self employed persons who do not claim deductions under Chapter VI-A of the Income tax Act, would find the new tax regime attractive. To illustrate, if a person having annual taxable income of Rs.15 lakhs does not claim any deductions or exemptions, he will save in tax Rs.78,000 every year if he opts for the new scheme.

Non resident tax conundrum

Non-resident Indians will be liable to pay tax in India on their foreign income if they spend 120 days or more in India during a financial year starting from 2020-21. Upto the financial year ended on 31st March 2020, a person visiting India became a resident if he spent 182 days or more. The reduction in the number of days from 182 to 120 has been justified on the ground that Indian citizens or persons of Indian origin who visit India are actually carrying out substantial economic activities from India and yet do not pay tax by retaining their non-resident status.

While this may be so in some cases, a large number of Indians or persons of Indian origin spend upto 181 days in India as they have retired and desire to have closer links to their families in India. Many of them like to spend almost six months in India in order to enjoy the balmy weather and avoid the extreme cold weather in the West. To take care of the concerns of most NRIs, the provision provides that the new 120 day rule will apply only if the taxable income of the NRI in India exceeds Rs. 15 lakhs in a financial year.

A relaxation is provided in the budget proposals to tweak the definition of 'resident but not ordinarily resident' by stating that a person who is non-resident in seven out of the preceding ten financial years will hereafter have this status, as against the present requirement of being non-resident in nine out of the ten preceding financial years.

Those Indian citizens, who are not residents of any foreign country, would be deemed to be resident in India and would be liable to tax on their world income. However, they will continue to get exemption from Indian taxes in respect of income earned outside India so long as they are residents of any foreign country. This change is in conformity with recent international trends. Persons in the Gulf who are resident in those countries will not be liable to tax in India because technically they are liable to tax under the laws of those countries though tax is not payable by them in view of exemptions granted.

Tax compliance measures

Assessments and appeals will now be conducted in a faceless manner so that any scope for corruption is eliminated as the tax payer will not know which officer of the tax department is handling his assessment or appellate proceedings. However, some procedural issues have cropped up in its implementation and these should be streamlined in due course after obtaining feedback from tax practioners, tax officers and tax payers.

A ***Tax Payer's Charter*** is to be introduced to set out the rights and duties of tax payers. The Organization for Economic Co-operation and Development conducted a study to determine different parameters of tax administration in 55 countries. Those countries which had adopted a Charter of Tax Payers' Rights had higher tax collection as a percentage of their gross domestic product.

In the United States of America, Tax Payers' Bill of Rights has been passed in 2014 which recognizes certain basic rights, like the right to a fair and just tax system and the right to challenge the tax administration's position. In May 2017, the Canada Revenue Agency adopted a Bill of Rights enshrining 16 tax payer rights, including the right to have the law applied consistently and the right to be treated professionally, courteously and fairly. In the United Kingdom, a Charter document has been published in 2009 mentioning the rights and obligations of tax payers. Creating a climate of trust, fairness and transparency in India's tax system will go a long way in promoting voluntary compliance.

Vivad se Vishwas scheme is proposed to be introduced for reducing the direct tax litigation which is pending as on 31st January, 2020. About 4,83,000 appeals in direct tax cases pending at various appellate levels, including Courts, have blocked tax revenues of Rs. 9.32 lakh crore. Tax payers having pending appeals at any level would be eligible to take benefit of the scheme which would require them to pay only the amount of the disputed tax. If this is done by 30th June, 2020, there would be complete waiver of interest and penalty. Where the pending litigation is for disputed penalty or interest, the tax payer would be required to pay only 25% of the same by 30th June, 2020.

Those tax payers who have been assessed by the tax department for large unexplained cash deposits in November/December, 2016 after demonetization, will find this scheme to be attractive for settling pending litigation and getting immunity from penalties. Many real estate developers and those engaged in the gold, jewellery and other businesses may take advantage of this scheme.

Citizens who avail of the ***Liberalized Remittance Scheme*** which permits resident Indians to remit upto US$ 250,000 in a financial year, will be subjected to a 5% tax which will be collected at source by the bank making the remittance. Credit will be available for such tax collected at source against the tax liability of the remitter. Therefore, no additional burden is imposed on tax payers. The tax is sought to be collected on remittances in excess of Rs.7 lakhs in order to enable the tax department to monitor the flow of these remittances because it has been found that many such persons do not file their tax returns.

Further, the income earned from investments made out of such remittances is liable to tax in India as the remitter is a resident of the country who is liable to pay tax on his world income. It has also been found by the Enforcement Directorate that the Liberalized Remittance Scheme has been used by commodity traders to carry out *hawala* transactions.

Customs Duty rationalization

As part of its plan to protect domestic manufacturers, the Government has sought to amend the Customs law to prohibit uncontrolled import of goods which are detrimental to the local economy. A comprehensive review will be conducted pertaining to exemptions given to certain products as some of them have outlived their utility. The Government has reinforced its Make in India policy by introduction of a specific provision for claiming benefits under free trade agreements.

Basic customs duty on toys has been increased to 60% from 20% and duty on furniture, lamps and lighting fittings has been raised from 20% to 25%. A sharp rise in import duties on parts for electric vehicles and mobile phones will provide a special boost for local manufacturing at the component level.

Invigorating the financial architecture

To deepen the bond market, foreign portfolio investors will be able to invest their funds upto a limit of 15% of the outstanding stock of corporate bonds, as against 9% at present. A new debt based exchange traded fund is proposed to be floated which will consist primarily of Government securities. Retail investors will be able to purchase Government securities as an attractive investment option. Likewise, global pension funds which have deep pockets will also find this long term investment attractive.

The financial architecture is sought to be strengthened by infusing around Rs.3,50,000 crore by way of capital into public sector banks. This is being proposed to help consolidation of ten banks into four. To bring transparency and greater professionalism in public sector banks, it has been proposed that higher private capital should be invested. With this objective in mind, the balance shareholding of the Government in IDBI Bank is proposed to be sold through the stock exchange to retail and institutional investors.

Foreign investors subscribing to debt instruments listed on exchanges in an International Financial Services Centre will be subjected to a lower withholding tax at the rate of 4%. However, such investors will continue to pay tax at the 5% rate on the income earned. This would require them to file tax returns and pay the additional 1% tax. The filing of the returns would entail furnishing transaction details and other particulars mandated by law. Overseas investors had requested that the entire interest earned by them in rupee denominated bonds should be made exempt from tax. But this suggestion has not been accepted.

New Economy

For the first time, the budget document makes specific proposal for kick starting the new economy based on innovations which disrupt established business models. Artificial Intelligence, Internet-of-Things, 3-D printing, quantum computing, and DNA data storage are rewriting the world economic order. The Government has harnessed new technologies to promote financial inclusion and to enable direct benefit transfers. It is formulating a policy to enable the private sector to build Data Centre parks throughout the country which would enable entrepreneurs to incorporate data in every step of their value chain.

To expand the base for knowledge driven enterprises, intellectual property creation and protection will play an important role. A digital platform is being promoted to facilitate seamless application and capture of Intellectual Property Rights. Knowledge Translation Clusters are proposed to be set up across different technology sectors which should help small scale manufacturers.

This budget removes structural bottlenecks which have been hampering investments. It has given the right focus on moving towards the new world economy based on innovations in the fields of artificial intelligence, data storage, quantum computing, 3-D printing and internet-of-Things. It has laid the foundation for setting up data centre parks throughout the country. For the first time, the budget proposals have given an impetus to knowledge driven enterprises and intellectual property creation. Knowledge translation clusters will be set up across different technology sectors, giving emphasis to quantum technology which is opening up new frontiers in computing, communications and cyber security.

It is expected that the digital economy can support 60-65 million jobs. The true game changer would be the advent of the fifth generation cellular technology which will be transformational in more ways than one. It is estimated that the roll out of 5G services will have an impact of US$ 1 trillion on the Indian economy by 2025. Vibrant IT-BPM, e-commerce, telecom, electronics sectors, etc. will lead to an explosion of new digital start-ups equipped with technologies such as virtual reality (VR), augmented reality (AR), Blockchain, robotics, analytics, cloud, cyber security and mobile telephony could help to achieve close to US$ 250 billion in gross value addition. The country is witnessing a massive increase in internet users, especially in Tier 2 and Tier 3 cities. Increased availability of bandwidth and cheap data plans is bridging the digital gap between urban and rural India.

Internet-based e-commerce in India generates around US$ 30 billion merchandise annually, employing more than 100,000 people, which by 2025 is expected to create additional 500,000 direct jobs. This is also having a dramatic impact on the agricultural sector as a farmer can go online and learn everything he wants about improving yields of his land, increasing the market value of crops, optimizing agricultural inputs and getting direct access to markets. Digital applications, including use of satellites, drones and weather data, will play a significant role in doubling the farmer's income.

The vision of a 5 trillion dollar economy

India's aspiration of having a US$ 5 trillion economy in five years depends primarily on India's ability to adapt technology in all sectors and transform itself into a digital economy. The top five States of India, Maharashtra, Karnataka, Gujarat, Tamil Nadu and Uttar Pradesh, have to contribute substantially more by increasing their economic productivity.

The Indian economy is undergoing generational transformation. However, 43% of India's workforce is dependent on the agricultural sector which grows annually at 3.4%, whereas 57% of the workforce is dependent on the industrial and services sectors which are growing at 5.5% and 7.6% respectively. Therefore, it is imperative that workers must be incentivized by creating adequate opportunities to shift from agriculture to industry and services.

To become a manufacturing powerhouse, India needs to produce goods which meet international standards; this alone will boost exports. Enhancing trade in goods across various stages of a product's life cycle will fortify India's export profile and increase its share of international trade which is currently 41% of its GDP. The Government needs to take determined steps and make sustained efforts to move towards an export oriented economy. This will usher in a new wave of growth.

The level of urbanization has to be speeded up. Special incentives have to be given to develop smart cities in semi-urban areas. This will drive economic expansion uniformly all over India and reduce overcrowding of metros and big cities. Further, labour intensive industries need to be promoted in rural areas with large populations. Investments in industries like hardware assembly, 3D printing, medical devices, automobile assembly, garments, etc. have to be given special emphasis both by the Union and State Governments.

Scores pertaining to India's ease of doing business (EoDB) and cost of doing business (CoDB) need to be improved in order to sustain investment-led growth. International investors are also concerned about the country's risk of doing business (RoDB) score. While there is sufficient political stability at present, the legal and regulatory regimes need to be liberalized and brought in line with international practices. It is imperative to push through judicial reforms to reduce the time and costs involved in litigation, and for expeditious enforcement of contracts.

For India to achieve the potential in its own development and the contribution it makes to the world economy, there must be a determined effort by the Central and State Governments to innovate, incentivize and invigorate by instituting second generation reforms, both in policies and processes. To realize the vision of a five trillion dollar economy, an annual growth rate of around 9% for the next five years is necessary.

Conclusion

The budget proposals will stimulate demand and raise the level of capital formation which has fallen by 6 percentage points over the last eight years. If the expenditure programmes are put through with dedication and commitment, it will have the desired result of putting India again on a higher growth path.

India is on the brink of entering into the league of developed nations. It has emerged as the fifth largest economy by overtaking Britain and France in 2019. According to World Population Review, a US based think tank, India's GDP in 2019-20 was US$ 2.94 trillion, as against Britain's GDP of US$ 2.83 trillion and France's GDP of US$ 2.71 trillion. The report further states that in purchasing power parity (PPP) terms, India's GDP is US$ 10.51 trillion, exceeding that of Japan and Germany.

Setting up of world class infrastructure by 2025 will help the country to leapfrog to a higher growth trajectory. Apart from triggering a higher rate of growth, this Budget will usher India into the New World economy which will put the country in the top three amongst the developed nations of the world.

The views expressed in this booklet are not necessarily those of the Forum of Free Enterprise.

“People must come to accept private enterprise not as a necessary evil, but as an affirmative good”.

- Eugene Black
Former President,
World Bank

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The Forum of Free Enterprise is a non-political and non-partisan organisation started in 1956, to educate public opinion in India on free enterprise and its close relationship with the democratic way of life. The Forum seeks to stimulate public thinking on vital economic problems through booklets, meetings, and other means as befit a democratic society.

In recent years the Forum has also been focusing on the youth with a view to developing good and well-informed citizenship. A number of youth activities including elocution contests and leadership training camps are organised every year towards this goal.

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