

Afternoon BUDGET 2010

Date: 27-02-2010 | Edition: Mumbai | Page: 14 | Source: Bureau | Clip size (cm): W: 15 H: 20

Clip: 1 of 2



BUDGET 2010

As far as the housing sector is concerned, the benefits under Section 80-IB of the Income Tax Act have been extended for a year. This will be beneficial to developers focusing on the affordable housing segment. The other welcome measure for housing has been the one year extension of the 1% interest subvention scheme on housing loans up to Rs. 10 lakhs and where the cost of the property is under Rs. 20 lakhs. It is encouraging that the government is increasingly focusing on the acute housing shortage.

Overall, the FM has delivered a well-balanced and pragmatic budget. The markets did not expect any 'big bang' measures and to that extent, the budget did not disappoint the markets either.

Renu Sud Karnad
Managing Director, HDFC



"Globally the trend is to lay emphasis on reducing fiscal deficit; India is following the trend which is very positive. There is nothing negative for the banking sector in the budget; in fact there are no surprises which are good for long term plans."

Stuart Davis
CEO, HSBC India

"Nothing has been mentioned on higher education. The Technology advisory board is welcome. GST looks good as far as administrative reforms are concerned. NREGA

is good. The budget looks like take some give some-kind of a budget. I would call it a flat budget."

Ashank Desai
Founder Mastek



"As far as consumer goods sector is concerned, profit margins will drop. I can see

poned. Not seen enough emphasis on housing sector. I also like the emphasis given on renewable energy sources and on solar energy. Reduction on duty from 8%-4% on LED will have positive impact."

R. Ramakrishnan
ED, Bajaj Electricals



"This is the first time that the real estate has been mentioned in the budget. Two star hotels will get tax benefits, which will have a positive impact, so has the emphasis on food ware housing scheme. Section 80 (B) (10) It is unfortunate that the date of 31st March, 2008 was commencement for the project has not been extended but the period for implementation has been extended by 1 year. We also need more clarification on STPI benefits. Increase in cement prices will not have much impact on real estate prices as cement cost constitute only 3%-4% of total developing cost."

Anuj Puri
Chairman & Country Head, JLLM

"The Finance Minister has shared the government's desire to open up the banking sector to NBFCs and the private sector. This is a significant step towards further strengthening and broadening the banking sector and bringing it closer to the aam admi."

Ajay Srinivasan
Chief Executive - Financial Services Aditya Birla Group



At a time when the Indian economy is firmly on the revival path, what was required from the Budget was a further push for consumption and investment. The Budget announcements have done just that. Overall, it is a positive budget and we would assign a rating of 8 on 10."

Kaushal Sampat
COO, Dun & Bradstreet India

This is a balanced and good budget. The affordable housing will get a boost for another year and overall industry will benefit from infrastructure push. There is a clear focus on rural and urban infrastructure. Which is going to help the real estate sector indirectly. More tax benefit to common middle class may also help housing which is the prime need for everybody. SEZ benefits will bring more cheers to real estate sector."

Ashok Kumar
MD, Cross Partners, India

were benign and in line with expectation with no negative surprises. The thrust on reforms and announcement like banking licenses for private sector non-banking companies were unexpected positive moves."

Gaurav Dua
Head Research, Sharekhan



The government's thrust to enhance the development of infrastructure, primarily in the roads, ports and power sector is a step in the right direction but much would dwell on implementation. While no efforts seem to have been made to contain the present food inflation, the increase in petrol price and the import duty of petroleum products would lead to higher cost of transportation, resulting in cascading effect on food prices further fuelling inflation."

Vijay Kalantri
President, AIAI

A progressive budget with a special focus on Infrastructure and rural growth."

We are thankful to the policy makers of the country who have created an encouraging environment of continuous economic growth and development by steadily introducing reforms and measures. Such supportive measures have helped the consumer durable industry in achieving high growth rate. The breeze of reforms has continued to be as impressive as in the past."

Moon B Shin
MD, LGEL



"The Union Budget was announced on the back of low expectations. It clearly outlined a road map for reduction in targeted fiscal deficit over the next few years. The government borrowing target of Rs3.45 lac crore meets expectations. A measured roll-back in stimulus and taxes as compared to expectations has been sentimentally positive. To summarize, the budget focuses on growth, inclusiveness and fiscal prudence."

Narayan SA
MD Kotak Securities

A good budget. The significant increase of 46% on infrastructure projects provision. The allocation for road transport is increased by over 13 per cent from Rs. 17,520 crore to Rs 19,894 crore. The emphasis on urban development was very much expected in this budget as it play key role in accelerating growth rate."



"I congratulate the Finance Minister for a very realistic budget. This budget goes on to prove present Government's pragmatic approach instead of a populist one. The Finance Minister, Pranab Mukherjee has chosen a very balanced approach in devising the Budget for 2010-11. Though there are not too many big bang reform-centric announcements, but what has come as a relief to the markets is the absence of major negatives, barring the hike in MAT, increase in excise duties and increase in the levy of oil prices."

All the measures taken will have positive impact on the real estate sector."

Sushanto Roy
CEO, Sahara Prime City

"Overall, it seems to be a positive budget, though one will have to study in depth to realize the actual impact. The reduction in Personal Income tax will give some relief to a large group of salaried people. As a corporate, the reduction in surcharge for Corporate Tax from 10% to 7.5% is welcome. The increase in MAT to 18% will discourage investment. The increase of weighted deduction from 150% to 200% of in house R&D investment is welcome. This will encourage innovation."

Deepak Pahwa
CMD, Pahwa Enterprises



It looks very promising especially with respect to the Health Sector. We are especially glad about the increase in fund allocation for the Health Sector to Rs.22,300 crore from Rs.19,534 crore. Also, the Finance minister's decision to improve the food security and healthcare systems in the country is highly commendable. In total the Union budget 2010 is a progressive and people-friendly budget."

Girish Rao
MD NOVA Medical Centers

With regard to the Power Sector, the focus on 'Clean Energy' and the decision to establish a National Clean Energy fund will indeed encourage companies like BPSL, to invest more in Renewable Energy including Solar Power. However, the decision to increase the Excise Duty from the current level of 8.24% to 10% will increase our cost and may lead to increase in price if the existing range of Power Products."

Kalyan Bhattacharya
President & CEO Birla Power Solutions

A pragmatic approach

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Ashank Desai
Founder Mastek



"As far as consumer goods sector is concerned, profit margins will drop. I can see quarterly result figures going down. Though I don't see much of an impact on the sales figures."

Sunil Alag
Chairman, SKA Advisors

"The Finance minister has played a very critical role. I am happy that service tax is not increased. GST should be rolled out on the specific mentioned date and should not be post-



Kaushal Sampat
COO, Dun & Bradstreet India

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Ashok Kumar
MD CresaPartners, India



The Finance Minister has addressed the key issues of containing fiscal slippage and outlined a clear roadmap for the next three years. The net government borrowing program for 2010-11 is also well under control and allays fears of crowding out of bank credit for private sector. Tax proposals related to corporate and capital markets

and taxes as compared to expectations has been sentimentally positive. To summarize, the budget focuses on growth, inclusiveness and fiscal prudence."

Narayan SA
MD Kotak Securities

A good budget. The significant increase of 46% on infrastructure projects provision. The allocation for road transport is increased by over 13 per cent from Rs. 17,520 crore to Rs 19,894 crore. The emphasis on urban development was very much expected in this budget as it play key role in accelerating growth rate.



The real estate segment has also gained good attention with provisions like extending 1% interest subsidy scheme for affordable housing to March 2011, continuing tax rebate on home loans and allowing additional investment in infra bonds. The middle class, got benefits with new taxation slab, have to bare the burden of the price hike in excise duty on petrol, cement.

Vinay Phadnis
CMD, Phadnis Infrastructure

With regard to the Power Sector, the focus on 'Clean Energy' and the decision to establish a National Clean Energy fund will indeed encourage companies like BPSL to invest more in Renewable Energy including Solar Power. However, the decision to increase the Excise Duty from the current level of 8.24% to 10% will increase our cost and may lead to increase in price if the existing range of Power Products.



Kalyan Bhattacharya
President & CEO Birla Power Solutions



A pragmatic approach based on intelligent thinking and Mukherjee's own political experience is the result of what can be considered as India's best budget so far. The ace is that he has managed to control the fiscal deficit. I am extremely bullish on the market for the long term. I would put my money in infrastructure, power and banking stocks.

Dr. Anil Lamba
Chairman, Lamcon