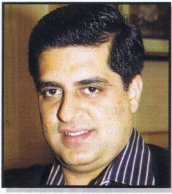

Mr. Amit Kapur,
Director

EVEREST BLOWERS

In your opinion, has the Budget 2010 met the aspirations of "Emerging India"?

The finance minister has demonstrated great rationality and responsibility while spending taxpayers' valuable money. India's budget propels growth and lays a foundation for the country to attract the investment needed, spur innovation and drive inclusive growth for all its citizens. Overall tone of the budget is heartening one as it has fairly balanced and included Industry, Agriculture & Services Sectors. For individuals, on one hand, there is more money in the form of tax savings to invest or spend and on the other hand, some part of the money will be taken away by inflation as excise duty on items which are used in day to day lives has been increased. For Industry, excise duty hike, minimum alternate tax hike has been compensated by lowering surcharge rate from 10% to 7%. The Finance Minister has maintained the same base rate for corporate tax of 30% and education cess of 3% while he has reduced the levy of surcharge from the existing rate of 10% to 7.5% for corporate tax payers. This makes it to be a fairly balanced budget on net basis both for individuals and Corporates. The budget has given a lot of emphasis on infrastructure development, social infrastructure (Education & Healthcare) and Rural Development.

Impact of the Budget on your industry.

Infrastructure development shall create additional demand for our products (Roots Blowers, Mechanical Vacuum Boosters, Dry Vane Pumps, Acoustic Hoods, Package Blowers & Industrial Vacuum Systems). However, increase in excise duty by 2% shall increase the product cost for our customers. The main segment of customers to get affected is always the smaller one, who do not avail input credit on excise paid.

Define the strengths and weaknesses of this budget.

The budget is consumption oriented and clearly leaves more money in the hands of the consumer through the revision in the tax slabs leaving more room for investments and consumption. In addition to Rs 30,900 that you save by investing in Section 80C instruments, you would now save an additional Rs 6,180 (30.9% of Rs 20,000) by investing in infrastructure bonds under Section 80CCF, assuming you are in the highest tax bracket. This will leave higher disposable surplus with the households to either splurge or save. This will give fillip to the consumption to continue and drive demand. The budget will also put more money in the hands of the consumer through the push to social and infrastructure sector allocation. Besides this the budget has also introduced 2-pager SARAL-II, which is a welcome step. It will result in easier understanding, preparation and filing of the tax returns. Targeting a growth rate of 9% is a very bold & positive move. However, there has been a rise in petrol, diesel, excise and customs duty and across the board hike in excise duty by 2%. This will push up inflation. Additionally, one could have expected a further clarity on the whole disinvestment process, how much money is going to be raised and so on.

In your opinion – do you think that the "Big Idea" is missing, and that Budget 2010 is merely "Cautious Vision"?

No, I do not think so.

How would you rate this Budget on a scale of one to ten?

I would rate it as EIGHT (8).