

Madras Cements Ltd

Business Today

13 February 2013

Budget 2013 should rationalise the duty on cement: AV Dharmakrishnan



Madras Cements CEO A.V. Dharmakrishnan

*Business Today's N Madhavan spoke to **Madras Cements Ltd CEO A.V. Dharmakrishnan** on what changes he expects from Finance Minister P Chidambaram in Budget 2013 -*

Q. Given the current challenges, what, in your opinion, would make a good budget? What measures or proposals would you like to see?

A. There is a high level of uncertainty in the minds of business leaders, which needs to be addressed by the government.

Q. Given the constraints the government faces in raising revenue, do you see a case to increase income tax rates on the rich?

A. Taxing the rich at very high rates again takes us to an earlier era of non-compliance and black money. Businesses will be shifted to countries like Singapore, where tax rates are lower and policies are stable.

Q. If the budget does not meet expectations, do you fear that business sentiment would once again dip?

A. Already, different segments of the industry are facing the effects of the slowdown. They have low capacity utilisation and a high interest burden. Any negative impact budget will lead to lockouts, high unemployment and social problems.

Q. Specific to your sector, what could the current budget do to improve conditions?

A. Cement, even though a very low-value commodity, is highly taxed. The government should realise this and rationalise the duty on cement.