

## **BUDGET 2012-13-Post Budget reaction from Industrialists-Dinamalar**

**By GRK Reddy, Chairman & Managing Director, MARG Group**

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Annual Budget for the year 2012-13 has been designed to energize the basic infrastructure and power sectors. Amidst a backdrop of rising inflation, tight liquidity, high interest rates, and industrial slowdown, the budget can be at best described to a large extent as 'growth oriented' with long term perspective. The budget in particular, announces certain schemes for the growth of infrastructure by creating adequate funding mechanisms. Companies are permitted to mobilize funds through Tax-free infrastructure bonds. Custom duty exemption on import of capital goods for power plants is a welcome feature. However; increase in Service tax will adversely affect companies.