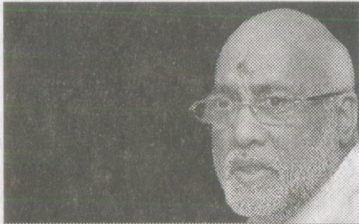


The nominal reliefs will not make much difference



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CMD,
Bajaj Electricals

■ The impact of excise duty increase will be felt more by high value consumer durable products

■ The shortages of energy will be main hindrance and therefore significant support needs to be given

WITH the increase of 2 per cent excise duty, looking at the competition and our continuous value engineering, we do expect to pass on this burden to the consumer.

The impact of excise duty increase will be felt more by high value consumer durable products like cars, refrigerators, etc in the long run. However in the case of Bajaj Electricals, whether it is fans or home appliances, the impact will not be felt, as many of these products have now become a necessity and the penetration levels are reasonably low. Besides, rural demand continues to show a very healthy growth.

The EPC projects and luminaries growth has been slowing down but with major thrust and support to the infrastructure sector, the demand should pick up. The UP election verdict and the seeming confusion and uncertainty, especially with the relationship UPA has with Mamta Banerjee is worrying. Therefore it can lead to early elections. If that happens, then the possibility of overall market sentiments being negative, cannot be ruled out. Overall for Bajaj Electricals the present year growth levels of 15-20 per cent should continue in future also." The exemption limit for income tax has been increased from Rs 1.80 lakh to Rs 2 lakh which is

not significant and will therefore have no impact in demand.

Every year the taxes on tobacco products are increasing but those addicted continue the use of tobacco and hence revenue goes up but the tobacco usage does not reduce. In addition to additional tax there is a need for a full programme to help support de-addiction. Special encouragement and incentive should be given to organisations who support such noble causes of anti-tobacco movement. There are millions who die or suffer miserably from tobacco usage. This also impacts other family members and passive smokers. This is one area where the government can

play a positive and encouraging role. The direct subsidy through the UID scheme is excellent for the BPL population for kerosene, fertiliser, LPG as the leakages will reduce and the beneficiary will get the money. I also expect subsidies should go down substantially in the near future. We need to have continuous industrial growth in the coming years. The shortages of energy will be main hindrance and therefore significant support needs to be given to promote sale of solar, LED, CFL products. The nominal reliefs will not make much difference. Other countries give substantial subsidies which are reduced over a period of time.