

ET Q&A

SHAKTIKANTA DAS
ECONOMIC AFFAIRS SECRETARY

The budget is strong on reforms, built on strong macroeconomic parameters and is also strong with regard to fiscal numbers

'Govt Committed to Fiscal Prudence, No Giveaways Bordering on Populism'

Economic affairs secretary **Shaktikanta Das**, one of the key architects of the budget, said in an interview with ET's **Deepshikha Sikarwar** and **Vinay Pandey** that the government is committed to fiscal prudence and that he expects interest rates to decline. Edited excerpts:

There was a strong anticipation of giveaways after demonetisation. You have resisted that...

The government was and the government is committed to fiscal prudence. So giveaways bordering on populism are something which the government does not believe in. Instead of giving out doles, the government believes in spending that money in productive sectors like infrastructure, consisting of let's say the railways, the roads or irrigation. Productive expenditure has a multiplier effect to create more employment opportunity and augment growth. Once you give out a dole, it is one-time dole; it's finished; then what? If you have to pull people out of poverty, then you need to create productive assets, create an environment where there will be more job opportunities.

Do you think budget has set the stage for lower interest rates?

A lot of money has come into the system. We are looking forward to a regime of low interest rates and sufficient liquidity in the banking system thanks to demonetisation. And also now, government's open market borrowing has been reduced. If anything, I think interest rates will move southwards. The budget is strong on reforms, built on strong macroeconomic parameters and is also strong with regard to fiscal numbers.

You've deviated slightly from the fiscal deficit path. Since there was consensus on a fiscal boost, should you not have taken more space?

I would not look at it as a deviation from the fiscal deficit path. We have



ARINDAM

mentioned the NK Singh committee report. They say that debt sustainability, that is 60% debt, should be the underlying anchor. Based on that goal of 60% debt for general government in 2023, they have said it should be 3% deficit for the first three years, that is next year onwards. The debt to GDP for FY18 is 44.6 or 44.8% of GDP. Within this fiscal deficit, instead of 3% for three years, we have done 3.2% and 3%. So we are moving gradually in that direction with a clear commitment that it will be 3% in 2018-19 and even during the current year it will be our endeavour to improve upon the fiscal numbers. We would like to improve on 3.2% - it all depends on what kind of revenues we get out of this huge amount of cash which has come into the system. The quality of expenditure also has to be kept in mind. The implementation, the

execution of various works, have improved over the last two, two and a half years. In roads, we have given one example, like per day the average was so much. This year, it is 133 km in PMGSY (Pradhan Mantri Gram Sadak Yojana). So pace of execution, pace of implementation has improved, but that cannot be also exponentially multiplied in a single year. There is a certain capability to spend. So based on that, the allocations have been made - what can be fruitfully implemented in a manner that the quality is not compromised.

Private investment is yet to kick in. How will the budget help?

When the economy grows, naturally there should be more appetite for investment. Last two years we have been maintaining 7.2, 7.6% growth. This year, we will have to wait for the

JOURNEY AHEAD

We're looking forward to a regime of low interest rates, sufficient liquidity in banking thanks to demonetisation

numbers but next year the economy will come back to normal growth. The government's responsibility is to provide an enabling environment where private investors can invest. The government is continuously improving the ease of doing business. The hassle-free environment for industry, the abolition of FIPB (Foreign Investment Promotion Board) itself is a big step so that investments take place faster.

But many of the large companies have their own problem in terms of their own earlier borrowing and the debt burden. Slowly many of them are coming out of that kind of baggage. Also the railways' expenditure, the spending on highways should help. Corporate tax being brought down to 25% for companies with less than ₹50 crore turnover will improve their balance sheet, leave them more surplus resources, which they should be in a position to invest, modernise, expand capacity. That should play a positive role.

You have not budgeted for any upside in the revenue from the note-ban scheme. Will that come in before the end of the fiscal year?

Normally, people who come under the scheme, like the Garib Kalyan scheme, more than 90% do it on the last 10 days. So therefore, what is going to be the response we will know perhaps from March 15-20 onwards. Therefore, very difficult to estimate how much people are going to declare. Then of course, based on the data which is available after this period is over, the department will

initiate action. Depending on how much extra money comes before March 31, we could always sort of postpone some of the other receipts or we can decide on advancing some of the expenditure of next year also - that can be done.

The twin balance sheet issue of indebted corporates and bad loans of banks was flagged by the Economic Survey as well. The budget has only set aside ₹10,000 crore for banks...

There is another announcement with regard to listing of security receipts (securitised bad debt)... That will make it tradable and bring in additional resources to asset reconstruction companies which should be able to resolve many of the stressed accounts. Now the action lies with the banks to implement the various frameworks which RBI has offered.

FIPB has been abolished but what about overseas investment in sensitive sectors?

There will be some sectors up to some percentages which will require government approval. In such cases, the approvals can be delegated either to the concerned ministry or the regulator. There is already a list of countries which require security clearance - there are two or three sectors like defence or telecom where security clearance is required. In such cases, they will get security clearance directly from the agencies. It comes to MHA (ministry of home affairs), so they will get it from MHA.

The budget announced the idea of attaching the properties of economic offenders who leave the country. How is this going to work?

We are exploring two possibilities. One is amending some of the existing acts. The other option is to come out with a new legislation. The work has started. The idea is that (for) such persons, whatever assets they have in India will be confiscated till he comes and submits to the relevant legal authority.

Undeclared Assets Over ₹50L on CBDT Radar

5 lakh people to get SMSes & emails today seeking clarification; can reply on I-T portal

Our Bureau

New Delhi: Authorities will scrutinise 10 years of income-tax returns of only those who are found to be holding undeclared wealth or bank deposits of over ₹50 lakh, the Central Board of Direct Taxes chairman Sushil Chandra said.

"This provision is only for those cases where in a search tax authorities find undeclared wealth or asset over ₹50 lakh," Chandra said, trying to allay apprehensions of unbridled powers to taxmen leading to harassment of people.

"There are enough checks to ensure that no harassment happens, Chandra said.

The CBDT, he said, was moving on a fast track to ensure all untaxed were brought under the tax net as part of Operation Clean Money, or the Swachh Dhan Abhiyan.

He said the government had already sent mails and SMSes to 13 lakh individuals from a list of 18 lakh who had deposited ₹4.17 lakh crore in bank deposits or carried out transactions not matching with their tax profile.

"In fact, 5,000 (of those people) had already responded to the emails till today," he told reporters on the sidelines of an event organised by Institute of Chartered Accountants of India on Thursday.

The rest of the 5 lakh people would be receiving SMSes and emails on Friday seeking clarification. Chandra had earlier this week stated that 10

days would be given to people to reply to the e-communication, and replies could be filed by logging on to the e-filing portal of I-T department.

The CBDT has put up data about deposits and trans-

actions made after the announcement of demonetisation on a dedicated portal that can be accessed by individuals giving their permanent account number. Chandra said the department had another set of data of about 10 lakh individuals who were identified using data analytics and taxpayer profiling to detect potential tax evasion. It will send notices to them soon, he said.

CBDT chief says there are enough checks to ensure that no harassment happens

Ministries, Depts Told to Get Cracking on Budget Moves

Deepshikha.Sikarwar @timesgroup.com

New Delhi: A day after the budget, finance ministry has shot off a letter telling ministries and departments to get cracking with the execution of the budget proposals.

The letter asks all secretaries to start the process of implementation of budget proposals, especially the ones that need policy changes, such as merger of oil companies.

Other changes that require attention include the abolition of Foreign Investment Promotion Board, legal changes to confiscate the assets of big offenders, amendments to the Payment and Settlement Systems Act, 2007, and more foreign direct investment policy reforms.

The government is keen to get the programmes going with the very start of the new fiscal.

This year the government has advanced the presentation of the budget by a month to ensure that the budget process is completed before the new financial year starts.

"This would enable the ministri-

es and departments to operationalise all schemes and projects, including the new schemes, right from the commencement of the next financial year. They would be able to fully utilise the available working season before the onset of the monsoon," finance minister Arun Jaitley said in his budget speech.

The government has this year also brought out for the first time a consolidated outcome budget covering all ministries and departments.

Spending by ministries as also implementation on the ground of announcements would be monitored closely not just by the finance ministry but also by the prime minister's office.

The government is keen that departments that deal with infrastructure creation need to ensure implementation at the ground level. The finance ministry will hold monthly review meetings for this purpose.

Government is keen to get the programmes going with the very start of the new fiscal year

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016
A) UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016

Sl No.	Particulars	₹ in Lakhs		
		Quarter ending 31-Dec-16 Unaudited	Nine months ending 31-Dec-16 Unaudited	Quarter ending 31-Dec-15 Unaudited
1	Total Income from operations	60750	175351	51931
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	5863	18516	5946
3	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	3795	14634	4108
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(224)	9025	2879
5	Paid up Equity Share Capital	3142	3142	3142
6	Earnings Per Share (of Rs.2/- each) (for continuing and discontinued operations) -			
	Basic	2.42	9.32	2.61
	Diluted	2.39	9.24	2.60

B) UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016 (₹ in Lakhs)

Sl No.	Particulars	₹ in Lakhs		
		Quarter ending 31-Dec-16 Unaudited	Nine months ending 31-Dec-16 Unaudited	Quarter ending 31-Dec-15 Unaudited
1	Total Income from operations (net)	20996	66215	20529
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	1649	6995	2662
3	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	1186	4821	1794
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1173	4783	1781
5	Paid up Equity Share Capital	3142	3142	3142
6	Earnings Per Share (of Rs.2/- each) (for continuing and discontinued operations) -			
	Basic	0.76	3.07	1.14
	Diluted	0.75	3.06	1.14

Note:

- The above is an extract of the detailed format of Unaudited Financial Results for the quarter and nine months ended 31 December 2016 filed by the Company with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations & Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly financial results are available on the websites of the Stock Exchange(s) (www.bseindia.com and www.nseindia.com) and also on Company's website at www.esselpropack.com.
- The Company adopted Indian Accounting Standards (Ind AS) from 1 April 2016 and accordingly above financial results are prepared in accordance with the said Standards.
- The said financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 2 February 2017.

For Essel Propack Limited

Ashok Goel

Vice Chairman & Managing Director

Place : Mumbai
Date : 2 February 2017



GODFREY PHILLIPS INDIA LIMITED

CIN: L16004MH1936PLC008587:

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Extract of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2016

(Rs. in lakhs)

Sl. No.	Particulars	Quarter ended 31.12.2016	Nine Months ended 31.12.2016	Quarter ended 31.12.2015
1	Total Income from Operations	109065	305175	98222
2	Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	5558	11418	1489
3	Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	5558	11418	1489
4	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	3844	8052	1250
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	3776	7850	1111
6	Equity Share Capital	1040	1040	1040
7	Basic and Diluted Earnings per Share (of Rs.2 each) (Rs.)	7.40	15.49	2.40

Notes :

- The above is an extract of the detailed format of Statement of Standalone Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed financial results and this extract were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company at the meeting held on February 2, 2017. The full format of the Statement of Standalone Unaudited Financial Results are available on the Company's website (www.godfreyphillips.com) and on the websites of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).
- A Limited Review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed on the detailed financial results for the Quarter and Nine Months ended 31st December, 2016 and the Limited Review Report of the Auditors has been filed with the Stock Exchanges. This Report does not have any impact on the 'Results and Notes' for the quarter and nine months ended 31st December, 2016 which needs to be explained.

Registered Office: 'Macropolo Building', Ground Floor, Next to Kala Chowky Post Office, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai - 400 033.

For and on behalf of the Board

Sd/-

(K.K. Modi)

Managing Director

Place: New Delhi
Dated: 2nd February, 2017