

Headline:

'GST will check tax evasion, it's now pay taxes or get out': Adi Godrej

Description: Our chairman Adi Godrej shares his take on the future of the Indian economy at the India Today Conclave 2017

Date: March 17, 2017

Publication: India Today

Author: IndiaToday.in

Link:

<http://indiatoday.intoday.in/story/india-today-conclave-2017-adi-godrej-deepak-parekh/1/906134.html>

Godrej Group Chairman Adi Godrej and Housing Development Finance Corporation (HDFC) Chairman Deepak Parekh battled for the Goods and Service Tax (GST).

Speaking on the day one of the India Today Conclave 2017 in Mumbai, the two industry leaders said that once the GST is rolled out, the economy is set to get a big boost.

HDFC Chairman Deepak Parekh said that once the initial confusion around GST is dealt with, economists have projected that the GDP will go up.

Adi Godrej concurred and said once the GST framework is in place, the situation on ground will change for the better. He said GST will check evasion of indirect taxes and reduce unaccounted money in the system. "Pay taxes or get out," the Godrej Group chairman said.

An ideal GST will give us a benefit of 100 per cent; the present system will still give us a benefit of 80 if not 100, said Adi Godrej, allaying fears that GST will hit entrepreneurs.

On fears of Inspector Raj coming back post-demonetisation, Deepak Parekh said cracking down on people holding black money is the right thing to do and such people ought to be penalised.

Adi Godrej, however, differed and said that whenever a government has tried to control things, it has failed.

Godrej said that while the objectives of the exercise were good but they should be achieved not just by cracking down but through incentivisation. "Whenever we have reduced the rate of taxes, we have had great success," he said.

On the government's November 8, 2016 decision to demonetise high-value currency, Deepak Parekh backed it while Adi Godrej said he would have been more cautious if he were to make a similar decision.

On the ease of doing business, both Deepak Parekh and Adi Godrej said India still has a long way to go. The reforms made at the Central level have not yet percolated to the state, said Deepak Parekh, asking states to shape up.

Both remained optimistic about the future growth of Indian economy with Adi Godrej predicting the scenario to further improve by second-half of next financial year.