

Direct Taxes Code may come into force from April next year, says Pranab Mukherjee

Finance Minister Pranab Mukherjee today hoped that the Direct Taxes Code (DTC), which seeks to replace the Income Tax Act of 1961, would come into force from April 1, 2012.

"If we have it (the report of Standing Committee) in the Winter Session (of Parliament), I will have no problem in effecting it from April 1, 2012," Mukherjee said in an interview.

The DTC is an ambitious tax reform that will replace the half a century old direct tax laws.

On the Goods and Services Tax (GST), Mukherjee said, "We are on track ... there has been some progress".

He said both the Centre and the Empowered Committee of State Finance Ministers were in talks for implementation of the GST regime.

Besides Parliament, the GST Bill needs to be cleared by half of the state Assemblies. Once implemented, GST would subsume most of the indirect taxes, like excise duty.

On economic prospects this fiscal, Mukherjee said agricultural output is expected to be good. Besides, a better show by the core sector industries would help the country in achieving economic growth in the coming quarters.

"Growth scenario will move upwards from the second quarter or at least from the third quarter onwards," he said.

While the Reserve Bank has pegged the economic growth for 2011-12 at 8 per cent, the Prime Minister's Economic Advisory Council has estimated it at 8.2 per cent.

The Indian economy expanded at the slowest pace in six quarters by 7.7 per cent in the first (April-June) quarter of the current fiscal. It was 8.8 per cent in the corresponding period last fiscal.

The output of eight infrastructure industries rose at its fastest pace in 15 months in July at 7.8 per cent, against 5.7 per cent in the corresponding period last fiscal.

(PTI)