

# Security Industry Reacts to Union Budget with Caution

The Union Budget 2012 was more about cosmetic changes and there was no surgery. The Security Industry has very little to gain from this inflammatory budget. The Electronic security Industry had big hope from UID Aadhaar program and this budget had reaffirmed that by allocating 1758 Crore budget for UID programme. The danger of this inflammatory budget is that security products prices could flare up soon. The hike in excise duties will have domino effect in the market and would dampen the market sentiments of The security industry. a & s India spoke to Security Industry representatives to know the impact Union Budget will have.



## No Hard Policy Decisions Taken

"The budget has focused on resource mobilization through indirect taxes. My initial thought, at this point is that it could lead to inflationary pressures in the economy and work against growth in the manufacturing sector. Besides, the will to take hard policy decisions was missing and this may hurt business confidence just when it is needed the most." - Suresh Rao, Group CFO, Mindteck

## Inflationary Budget

"With Excise duty increase the required stimulus for growth has been curtailed and would be inflationary. This puts pressure on the already slow manufacturing sector. Initiatives to bring down Subsidies from current 2.5% of GDP to 2% in 2012-13 and 1.75% in 2013-14 is welcoming. GST & DTC reforms still not aggressively pursued as expected by the Industry and People. Another welcome aspect is the 12th Plan period promises 50 Lakh Crore Investment in Infrastructure with 50% private participation-implementation would still remain a major challenge. Overall not a very clear and definitive growth budget." - Sandeep Nair, the President and MD of Emerson Network Power.



## Hoping Against Hope

Every year when the Union Budget is presented, professionals in the safety and security business get mentally stimulated hoping the budget will offer relief by reduction in custom and excise duty. This year instead of reducing duties, service tax has been increased with nil sops given to our industry. On several occasions we have requested the Hon. FM to support the industry like IT industry was given sops in the middle nighties, without any luck. Its been a frustrating wait. I continue to remain optimistic, hoping against hope. - Pramoud Rao, Director, Zicom

## Security Product Prices to go up

My stance towards the Union Budget 2012-13 is quite neutral. The GDP is expected to grow by 7.9% in 2012-13 which is not too promising as the two preceding years (2008-09 and 2009-10) it was 8.5% but it still has a positive aspect if we compare this growth to other countries so India's growth is still in the forefront. I believe, if India can build on its economic strength, it can be a source of stability for world economy and a safe destination for restless global capital. Our industry products pricing will be hiked being a service based industry and the Union Budget of 2012-13 has raised taxation on excise, custom and service tax. The positive side of the picture is the massive provision of 1,93,407 crore made for Defence services including 79,579 crore for capital expenditure. Otherwise our Industry has a high growth rate so the Budget does not really play that big a role as growth is always on the table for the Security Industry. The budget for the Agriculture, Health, Manufacturing and Infrastructure sectors seem promising. The budget while targeting improvements in specific sectors seems to be a little evasive for the common man. - Prateek Verma, Sales Director Vantage Integrated Security Solutions.



## Rise in Excise will Affect Indigenous Manufacturers

Union Budget will affect the complete market including the Indian security market. The rise in excise will affect indigenous manufacturers like us, however we take this as a challenge and continue to provide our customers the best technological products at competitive price. - Jatinder Desai, Product Engineer-Security Products Matrix Comsec.