

# A pragmatic Budget that manages to strike economic balance

**T**HIS YEAR'S Union Budget struck an astute economic balance between traditional and emerging sectors, with a strong focus on infrastructure, women, start-ups and technology. It stayed true to pragmatic and achievable targets through a systematic approach.

The finance minister reiterated the long-term vision of the government where the first elements are building physical and social infrastructure, digital economy, and Make in India. The Budget further stabilises the work of the government over its previous term and moves ahead to ensure that India reaches close to its \$5-trillion GDP objective.

It is laudable that the Budget



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has retained its fiscal glide path to remain at 3.3% fiscal deficit. The intent to move out of public sector enterprises and garner resources from disinvestment is laudable.

The finance minister has also refrained from raising resources from the general public and has given a fillip to the MSME sector by raising the 25% corporate income tax bracket to enterprises with over ₹400 crore turnover. There was also a strong emphasis on simplification of tax payments. Under the goods and services tax (GST), addressing legacy disputes for former central excise and service tax is welcome and will unlock money held in disputes.

Elevating the personal income tax level to ₹5 lakh will provide a boost to consumer confidence, and



build demand in the economy. On the investment front, the Budget takes up issues such as corporate bond markets, credit guarantee to high-rated pooled assets of sound NBFCs, and bank recapitalisation. The strong stress on infrastructure construction in projects such as Bharatmala, low-cost housing, Sagarmala, and waterways will provide upstream and downstream investment opportunities.

On the manufacturing sector, reduction in customs duties for specific capital goods in electronics manufacturing addresses a gap in the sector. Global companies are to be encouraged to set up mega manufacturing plants in sunrise sectors such as semiconductor fabs, lithium storage batteries, lap-

tops and servers, and so on.

Industry appreciates the government's focus on improving skill sets for the youth, with a target of skilling 10 million youth in the next five years. Emerging technologies such as Internet of Things (IoT), 3D printing, robotics and artificial intelligence will provide new jobs and entrepreneurship opportunities for the youth. The initiatives for women along with the intent to unlock their potential as key economic players is timely and welcome. However, more initiatives to create employment by addressing labour-intensive sectors, education and healthcare were expected.

A realistic Budget, it is to be commended for delivering on the Indian economy's promise.