

Lays roadmap towards a \$5-trillion economy

FINANCE MINISTER **NIRMALA** Sitharaman, in her maiden Budget, has set the ball rolling to make India a \$5-trillion economy in the next few years. The government has announced a slew of measures right from infrastructure development, initiatives for rural India, and start-ups to affordable housing for all—laying the roadmap for India's socio-economic transformation.

Towards the goal of becoming a \$5-trillion economy, the government will spend ₹100 lakh crore over five years on infrastructure development. This would give a boost to the economy and create jobs. The government has also adequately addressed the liquidity issue faced by the industry. PSU banks will be provided with ₹17,000 crore to boost credit, and there is a proposal to allocate ₹70,000 crore for PSU bank recapitalisation.

Then there are steps to revive NBFCs. Fundamentally strong NBFCs would continue to get funding from banks and mutual fund companies, which would be passed on to the industry. This is a major step that would infuse much-needed liquidity in the economy. Encouragement in FDI is another major step. Our FDI flows in 2018-19 remained strong as compared to global at \$54.2 billion—6% higher than the last year. The government will examine various options of opening 100% FDI in media, animation and some other sectors to improve further.

In addition, we all know that the nation is facing a water crisis and it is the need of the hour to highlight this issue and bring some suggestible initiatives for the same. While explaining water scarcity, finance minister men-



tioned about the 'Har Ghar Jal' scheme that will ensure water supply in all the houses of rural and urban India. Water management solutions like rainwater harvesting, sprinkler irrigation, etc, will be the focus of the government. We are aiming 'Har Ghar Jal' till 2024, which means providing safe drinking water to every household by 2024.

The government, with an aim to attract home-buyers and investors, has made an important announcement in this Budget. An additional deduction of ₹1.5 lakh for those people seeking home loans for affordable housing projects will be allowed till March 31, 2020. The tax deduction allowed under Section 24(b) of the Income-tax Act for the payment of interest on housing loan up to ₹3.5 lakh, up from ₹2 lakh earlier and over a 15-year period, this translates into a gain of ₹7 lakh. I believe this additional incentive would give a further boost to the real estate sector.

Overall, the Union Budget covered all the major sectors with minute detailing for the betterment and growth of the economy.



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