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 sugettable initiatives for the same. While explaining water scarcity, finance minister men-

B K GOENKA
PRESIDENT, ASSOCHAM, AND CHAIRMAN, WELSPUN GROUP

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.
Budget to boost investment, rural demand: ASSOCHAM

IANS & SNS
NEW DELHI, 5 JULY

Union Finance Minister Nirmala Sitharaman's maiden budget is a mega investment-oriented initiative with a strong focus on scaling up rural infrastructure and demand along with a slew of tax simplification measures, aimed at boosting growth, and maintaining high level of fiscal discipline, industry body ASSOCHAM's President B.K. Goenka said.

Focus on affordable housing with higher tax benefits to end users, start-ups, sustainable development, and Make in India, is clearly visible, along with a firm assurance of ease of living for common citizens and businesses by the tax authorities, he said in a statement. Initiatives like e-assessment, inter-changeability of PAN and Aadhaar, and digital payment would make a big difference to tax payers. Likewise, increase in the threshold for lower corporate tax of 25 per cent to Rs 400 crore annual turnover would encourage higher investment which would also get a boost from proposals like further liberalisation of FDI norms in sectors like insurance intermediaries and aviation, Goenka said.

The roadmap for a huge investment in Railways with the involvement of the private sector would create a spill over for several sectors. Besides, the low hanging areas of tourism wherein several iconic sites are being identified would lead to immediate gains, the ASSOCHAM President said, adding that the next phases of affordable housing and national highway projects should also be growth drivers.

The disinvestment target of Rs 1.05 lakh crore along with the commitment to disinvest Air India would be good efforts to enhance the fiscal stability with fiscal deficit being pegged lower at 3.7 per cent of GDP. Likewise, the re-capitalisation of the public sector banks by Rs 70,000 crore should increase lending including to the stressed sectors of the economy, Goenka said.
REACTIONS

The Budget is a popular budget without being populist. It has announced initiatives which touch all segments of the society...
Chandrajit Banerjee, CII director general

The increase in the threshold for lower corporate tax of 25% to ₹400 crore annual turnover would encourage higher investment
BK Goenka, ASSOCHAM president

The proposal to revive zero budget farming is a well-thought-out plan as it can help millions of farmers, bring down their input cost
HK Bhanwala, NABARD chairman

The hike of ₹1 in diesel cess (and on petrol) and levy of 2% TDS on withdrawal of cash of over ₹1 cr will cripple the transport sector
Bal Malik Singh, AIMTC

The idea to provide affordable housing (to all) will be a possibility and is successful in almost all cities except Mumbai
Niranjan Hiranandani, NAREDCO
Sitharaman proposes 100% in insurance intermediaries

IANS
NEW DELHI, 5 JULY

In a bid to attract greater overseas capital into the country, Finance Minister Nirmala Sitharaman proposed in the Budget 2019-20, presented on Friday, to allow 100 per cent Foreign Direct Investment (FDI) into insurance intermediaries.

Besides, she proposed that local sourcing norms will be eased for FDI in 'Single Brand Retail' sector.

According to the minister, the government will examine suggestions of further opening up of FDI in aviation, media (animation, AVGC) and insurance sectors in consultation with all stakeholders.

India's FDI inflows in 2018-19 remained strong at $64.375 billion marking a 6 per cent growth over the previous year.

However, global FDI flows slid by 13 per cent in 2018, to $1.3 trillion from $1.5 trillion the previous year - the third consecutive annual decline, according to UNCTAD's World Investment Report 2019. On its part, it is clear that India needs investment dollars to drive growth.

VIVEK GUPTA
PARTNER AND NATIONAL HEAD - M&A, KPMG IN INDIA.

India Inc welcomed the FDI announcement with industry body Assocham President B.K. Goenka terming Sitharaman's maiden budget as a mega investment-oriented initiative.

"Currently, the FDI policy on 'Single Brand Retail Trade' provides for a 30 per cent local sourcing preferably from MSMEs, village and cottage industries, artisans and craftsmen where the FDI exceeds 51 per cent," said Paresh Parekh, Partner and National Tax Leader, Consumer Products and Retail, EY India.

"While there was a recent relaxation provided to offset the sourcing from India for global operations against the local sourcing, the same didn't have the expected impact to boost FDI in the sector." There was a lot of reluctance by the existing foreign JV players in the sector to increase FDI beyond 51 per cent to avoid coping with the sourcing norms and also reluctance shown by new foreign brands to enter the sector owing to the sourcing norms."

Accordingly, the budget proposal to relax the local sourcing conditions in the sector is expected have a "big positive impact for the existing players and also to the sector owing to the new FDI which should now enter the sector."

"It is clear that India needs investment dollars to drive growth," said Vivek Gupta, Partner and National Head - M&A, KPMG in India.

"The statement regarding easing FDI norms for aviation, media, single brand retail and insurance intermediaries is welcome and will spur investments - but the more interesting signals are on enabling further FPI participation in debt as well as the soundings around allowing more capital into REIT and INVIT platforms."
Sitharaman's Budget a blueprint for creating $5-trillion economy by 2025: India Inc

PTI NEW DELHI

Finance Minister Nirmala Sitharaman's maiden Budget is "mega investment-oriented" with a blueprint to transform India's economy to reach $5 trillion by 2025, India Inc said Friday.

While Vedanta Resources Chairman Anil Agarwal termed it a progressive Budget, RPG Enterprises Chairman Harsh Goenka said it was a blueprint to achieve exponential growth.

Presenting the first Budget of the Modi Government in its second term, she said the Indian economy, which stood at $1.85 trillion five years ago, has reached $2.7 trillion now, and is within capacity to reach $5 trillion in the next few years.

Agarwal said it was a progressive budget which focuses on core issues of health, sanitation, water, welfare of the people as well strengthens the foundation of New India that is prepared to ride the wave of mega technological changes.

"FM Sitharaman walked in with a red cloth bag carrying the budget vs the traditional briefcase. What came out was a new era in Indian history — a union budget that didn't talk granular numbers — rather laid a blueprint for exponential growth!" Goenka tweeted.

Lauding Sitharaman, Biocon Chairman Kiran Mazumdar-Shaw tweeted, "As a business woman I can't help but burst with pride to see a woman FM deliver such a confidence boosting budget 2019."

CII Director General Chandrjit Banerjee said the budget is a popular budget without being populist. "It has announced initiatives which touch all segments of the society — women, youth, farmers, entrepreneurs, students and industry. It benefits both rural and urban India — all within the limited fiscal space available to it," he said.

Assocham President BK Goenka said Sitharaman's maiden Budget is a mega investment-oriented initiative with a strong focus on scaling up rural infrastructure and demand along with a slew of tax simplification measures aimed at boosting growth and maintaining high level of fiscal discipline.

Goenka said the increase in the threshold for lower corporate tax of 25 per cent to 8400 crore annual turnover would encourage higher investment, which would also get a boost from proposals like further liberalisation of foreign direct investment (FDI) norms in sectors like insurance intermediaries and aviation.

Ficci President Sandip Somany said there are several positives in the budget, and it provides a set of benefits for most segments of the society. We see a clear action plan for realising the vision of making India a $5-trillion economy over the next few years with a focus on ease living.
ASSOCHAM President Balkrishnan Goenka and other business leaders listen to Finance Minister Nirmala Sitharaman tabling the Union Budget 2019-20 during ASSOCHAM budget viewing session, in New Delhi on Friday.
New Delhi: Finance Minister Nirmala Sitharaman’s maiden Budget is “mega investment-oriented” with a blueprint to transform India’s economy to reach $5 trillion by 2025, India Inc said on Friday.

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"This is a transformational budget, aimed at taking the Indian economy to $5 trillion by 2025," he added. Goenka said the increase in the threshold for lower corporate tax of 25 per cent to Rs 400 crore annual turnover would encourage higher investment, which would also get a boost from proposals like further liberalisation of FDI norms in sectors like insurance intermediaries and aviation.
बजट
एसोचैम लीडरशिप नई दिल्ली में शुक्रवार को टेली-व्यूंग सेमिनार में लाइव बजट देखते हुए।

संबोधन
भारत के जी-20 शेरपा एसोचैम आईपी कॉन्क्लेव को संबोधित करते हुए।
इंफ्रास्ट्रक्चर पर ध्यान
देना स्वामत योग्य कदम
है। अगले पांच साल में कोंक्लेव एक
लाख करोड़ रुपये के निवेश से
अर्थव्यवस्था में तेजी आएगी।
- बालकुल्ला गौरवका,
प्रेसिडेंट, एसोचेम
बजट पर कॉर्पोरेट जगत की प्रतिक्रिया
सरकारी बैंकों के लिए 70 हजार करोड़ रुपए का आवंटन अच्छा कदम

बजट पर कॉर्पोरेट सेक्टर की मिली-जुली प्रतिक्रिया आई है। फिक्कर, एसोचेम जैसे संगठनों ने बजट में लिए प्रावधानों का स्वागत किया है। बहुत सियाम ने आटो इंडस्ट्री की उपेक्षा की बात कही है।

कॉर्पोरेट टेंड्र कम होता है तो विदेशी निवेश बढ़ता

कॉर्पोरेट टेंड्र का रनआउट बढ़ना अच्छा कदम

ऑटोमोबाइल सेक्टर को पैकेज मिलना चाहिए था

एक्सडिए अक्षय अब्राहम

सरकारी बैंकों की कर्ज देने की क्षमता में इजाफा होगा

जमीनी हरकित को ध्यान में रखकर बनाना गया बजट
Navodaya Times
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