

EXPERT TAKE



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GOLD MONETISATION AND INVESTMENT IN THE NPS IS A PRUDENT MOVE TOWARDS CHANNELISING PUBLIC SAVINGS FOR ASSET CREATION

Jaitley attempts to set up sustainable regime

THE Budget attempts to achieve a sustainable and predictable regime by overhauling the legislative structure. It is commendable of the finance minister to have stayed on the path to fiscal discipline, albeit delaying it by a year.

A revival in the infrastructure sector is sought by increasing the planned capital expenditure. Having a pre-existing regulatory mechanism for approvals, introducing infrastructure bonds, re-modelling PPP mechanism and a comprehensive bankruptcy code are steps in the right direction.

Establishment of a National Investment & Infrastructure Fund for ₹20,000 crore will assist in funding infrastruc-

ture projects. A proposal to set up five new ultra mega power projects, each of 4,000 MWs in the plug-and-play mode with pre-clearances and linkages should unlock investments to the extent of ₹1 lakh crore. Mirroring this mechanism to other infra sectors is an added positive.

Clarity on the implementation of goods and services tax (GST), staggered reduction of corporate tax, deferring GAAR by two years and increasing defence expenditure is a welcome move for the Make in India initiative. Tweaking the customs duty on raw material augurs well in revamping the inverted duty structure.

A proposal to overhaul capital gains

taxes paves the way for the listing of Real Estate Investment Trusts (REITs). An autonomous Bank Board Bureau would help in overhauling the governance structure of public sector banks.

CLARITY ON THE IMPLEMENTATION OF GST, STAGGERED REDUCTION OF CORPORATE TAX, DEFERRING GAAR BY TWO YEARS AND INCREASING DEFENCE EXPENDITURE IS A WELCOME MOVE FOR THE MAKE IN INDIA INITIATIVE

Gold monetisation and investment in the National Pension Scheme (NPS) is a prudent move towards channelising public savings towards asset creation. A comprehensive bill for curbing black money and incentivising digital transfer of funds would encourage the inflow of liquidity in to the real economy.

Abolishing wealth tax with a surcharge on the super-rich is a judicious move to reduce inequality.

In retrospect, a targeted increase in the fledging savings rate accompanied by specific provisions to improve manufacturing would have been beneficial.

On the whole, a re-engineered India is what it strives to create.