

# BUDGET COMMENT

## Towards sustainable growth



**Y M DEOSTHALEE**

Chairman,  
L&T Finance

The Budget strives to attain a balance in the government's agenda to maintain fiscal discipline and simultaneously bolster growth. It plans to achieve its goals through increasing the tax base and Plan capital expenditure while digitising subsidy transfers.

Infrastructure and manufacturing are the two sectors where it emphasises its attention on. It resolves systemic issues in this spectrum by providing holistic solutions. Having a pre-existing regulatory mechanism for approvals, infrastructure bonds, re-modelling public private Partnership mechanism and a comprehensive bankruptcy code are steps in the right direction. Increased renewable energy allocation and focus is commendable. Clarity on the implementation of the goods and services tax, staggered reduction of corporate tax and measures for a non-retrospective tax regime is a welcome move for the Make in India initiative.

Necessary regulatory changes of setting up a Public Debt Management Agency, followed by changes in the SEBI & RBI Act would help the cause of deepening bond markets. 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 go a long way in overhauling the governance structure of public sector banks.

Gold monetisation and investment in the National Pension Scheme is a prudent move towards channelising public savings towards asset creation. Overall, it ensures India stays on the track of sustainable growth.