

# Expected More Funds to Boost Govt Banks



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Union Finance Minister Arun Jaitley's focus on the nine key pillars in Budget 2016-17 should revitalise the economy, strengthen the pace of reforms and set the country on a growth trajectory. The budget is timely and critical at a time when the global economy is in crisis. I think, the finance minister has done a fine balancing act by harmonising the need for higher capital expenditure on one hand and higher revenue spending on the other — even as he has stuck to the fiscal target of 3.5%.

The emphasis on agriculture,

farm welfare and rural sector, as evident from the increase in allocations to both capital creation and welfare schemes, is welcome. The allocation of ₹17,000 crore to irrigation and the fast-tracking of rural development projects will reduce dependence on monsoon in the long term. Besides, the allocation of ₹38,500 crore for NREGA will reduce short-term rural distress in light of deficient rainfall and drought situation in the last two years. The move towards the smooth resolution of disputes and contract renegotiations for Public-Private Partnership (PPP) projects indicates that the PPP regulatory regime in India is maturing. One was expecting a greater allocation for recapitalisation of public sector banks. Overall, Budget 2016-17 balances long-term vision and short-term stimulus measures, which the Indian economy so desperately needs in the current global environment.

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