

36. Development for all

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Budget covers financial, development concerns

The Centre has not been bogged down by the resource constraints and has continued with its spending on infrastructure and asset creation. It has taken care to ensure that the social welfare schemes of the government have been allocated sufficient funds and are able to continue on their path of benefit to the last man. Though the fiscal deficit targets have been relaxed, the government has mapped out a fiscal consolidation path, annexed a list of off-budget borrowing, and settled a very significant debate about transparency in government borrowing. The Finance Minister has set a nominal GDP growth rate of 10 per cent for the coming year, a 4 per cent inflation target and a 6 per cent real GDP growth target.

The Budget focuses on wealth creation, but for resource generation, it has kept away from increasing taxes. The government has reiterated its commitment of recognising and honouring honest taxpayers and taking care of unwarranted harassment by the tax authority, bringing accountability in the tax administration. The announcement of the incorporation of the taxpayers' rights charter within the statute is an important step in this direction. Such a provision for taxpayers' rights exists only in three other countries world- wide.

Direct personal tax slabs have been changed to benefit the middle- income segment. Deposit insurance has been increased to 5 lakh, to help build more confidence in the banking sector.

The agriculture sector has been sufficiently provided for in 16 initiatives announced under the 'Aspirational India' theme.

The financial market's long- pending demand for the abolition of the dividend distribution tax has been met. Stressed assets under MSMEs have been given an one-year extension for resolution. The startup ecosystem gets several handholding measures, such as allowing for payment of taxes for ESOPs only at the point of sale.

The education sector saw several reforms for connecting academics to industries, providing them with industrial internship, online education facilities and a new 'police and cybercrime university'. Employment through the national recruitment agency will streamline the process and ensure transparency.

Under the theme of economic development, the government provides for all the important sectors, like technological textile centre's, power, renewable energy, and for connectivity through air- ports, seaports and railways. The Finance Minister has worked out a mechanism for the ambitious plan of investment in the 103-lakh crore National Infrastructure Pipeline (NIP), identifying 6,500 projects.

The Budget also provides for gap funding for new hospitals in aspirational districts for servicing the Ayushman Bharat healthcare scheme.

The government has also opened up its bond markets for foreign sovereign debt investments, in rupee denomination to secure against ex- change fluctuations, a concern shown for sovereign debt funds.

The government has also addressed the inverted duty structure that has seeped into the domestic industry under free trade agreements. It also protects domestic industries from dumping and clauses like value addition. The cooperative sector saw a lowering of taxes, similar to the corporate sector. Measures to remove discrimination and removing fear in the corporate sector have been hailed across every sections. The faceless appeal system, disinvestment roadmap and improvement of the primary and secondary bond markets will help reduce dependence of corporate sector on bank finance alone. MSMEs' demand for invoice financing under TReDS has also been met.

