

Tax cut to boost demand



WITH THE GDP projected to grow at 7.1% and the industrial sector 5.2%, a well-defined Budget with a focus on boosting consumer confidence and reviving long-term business growth was the need of the hour. That's exactly what the finance minister presented.

Development of infrastructure is key to growth — the Budget echoed the same through its emphasis on railways, including passenger safety and cleanliness, the need for a new Metro policy, allocation of ₹64,000 crore for road connectivity, and mobilisation of broadband in rural areas through BharatNet. The Budget pushed for a digital economy through BHIM app, encouraging digital transactions and penalising cash transactions exceeding ₹3 lakh. By bringing itself under the transparency scanner vis-à-vis political funding, the government has led by example.

For agricultural sector, there was a commitment to ensure adequate flow of capital to underserved areas, with impetus



SHASHWAT GOENKA
SECTOR HEAD, SPENCER'S
RETAIL, RP-SANJIV
GOENKA GROUP

on Fasal Bima Yojna and soil-health cards. For the rural sector, there was a focus on reducing poverty, building one crore homes for the homeless, and 100% electrification of all villages by May 2018. The FM's emphasis on "quality education" through the Sankalp Mission was notable. Transformation was another key element, with references to changes in many Acts and legislations, such as the Negotiable Instruments Act, Payment & Settlement Systems Act, Labour Laws, Airports Act and abolishment of the FIPB. From a retail standpoint, changes in tax structures will allow consumers to have more disposable income, thereby increasing demand. For food and grocery, the FM urged states to de-notify perishables from the APMC Act, which will allow for greater sale at the first point, leading to better quality and more produce available in the market. Overall, the Budget listed out the ingredients required to prepare India as a growth engine.