

# Special focus on rural, agri & infra welcome

**T**HE ECONOMY had lost some momentum due to the demonetisation. Hence, all eyes were on the Budget to provide an antidote to the distress caused by the cash squeeze.

From the macro point of view, the Budget presented is a growth-oriented one with special focus on the rural, agriculture and infra sectors. There is a concerted effort to improve the welfare of farmers, by enhancing agricultural credit to record levels of ₹10 lakh crore, bring more area under irrigation and also improving their access to the markets through e-NAM. There is also greater focus on improving rural infrastructure, especially roads and electrification, with a 25% rise in MGNREGA allocation, with a vision to move 50,000 gram panchayats out of poverty by 2019. This will not only ease the pain in this sector but give it a fillip.



**RAGHUPATI SINGHANIA**  
CMD, JK TYRE & INDUSTRIES  
AND  
V-P, JK ORGANISATION



This is indeed a welcome move which should, in due course, improve the rural economy and thereby, rural spending. Nearly ₹4 lakh crore has been apportioned for investment on infrastructure, of which 2.5 lakh crore is for transportation alone. If executed well, this has the potential to provide a serious push to the economy.

To bring back the demand impetus to the economy, the FM has also ushered in significant reduction in tax rates from 10% to 5% for small taxpayers with an income of up to ₹5 lakh. Besides, in order to boost the MSMEs, the corporate tax rate for those with a turnover of up to ₹50 crore has been cut to 25%. These measures coupled with an emphasis to digitisation, will bring back the economy on a healthy growth path.

However, one area that India Inc was really looking forward to was reduction

in corporate tax rate as promised by the FM in his Budget speech two years ago, but there is no mention of it.

No doubt, the government has adopted a balanced approach by projecting a fiscal deficit of 3.2% of the GDP and diverting the liquidity arising out of the demonetisation to public spending with a view to spur growth. But for sustainable growth in the economy, private investments need a fillip.

Making political donations transparent is a welcome move. With regard to the tyre sector, we were immensely hopeful that the inverted duty on rubber will be addressed in this budget in view of the government's avowed move to increase value addition within India. But it is a matter of continuing concern that natural rubber again doesn't find mention among items on which duty inversion has been corrected.