

Sticking to its priorities



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The Budget has focused on areas that have been important for the government from Day-One: Fiscal deficit, growth, improvement in infrastructure and Make in India.

Ensuring the fiscal deficit at or below 3.5 per cent for 2016-17 will not only garner support from global markets and rating agencies, but also bring long-term stability to the economy.

The second major thrust seems to be the social sector. There is rationalisation of subsidies and a focus on using Aadhaar to ensure benefits reach the needy. These steps are critical from a fiscal prudence perspective.

For the government's Make in India initiative, support to small sector enterprises in the form of robust programmes for providing skilled manpower will be a big boost.

The finance minister has also made a sincere effort to reduce pending litigation, lay out a taxation road map and clarify the government's intention on retrospective taxes. These steps will comfort investors. Another welcome move has been to allow foreign direct investment in asset reconstruction companies (ARCs). The move will enable ARCs to buy more non-performing assets than they can do now, especially from banks.