

## COMMENTS

# Fine balance between stimulus and reforms



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The Budget depicts a fine balance between the stimulus and reforms, as it is trying to manage growth with increasing application of analytics and digitalization.

It has appropriately focused on core sectors that have

tremendous potential to create jobs and generate incomes like agriculture, dairy farming, fishery, fodder farms, MSMEs, textiles and the social sectors like health and education.

A reduction in personal income taxes for middle and lower middle classes is strongly positive for demand revival. A specific focus towards creation of warehouses along with steps to boost different allied agricultural activities would support cash flow prospects of rural people. Continued support to affordable housing in terms of extended tax holidays for developers along with continued interest deductions on housing loans, is a good remedial measure for the stressed real estate sector. Promotion of solar energy through solar pumps and linkage to power grids should help both energy sector and farmers. Similarly, advising RBI to consider extending MSME recast window by one more year fulfills the need of the hour.

Abolition of DDT, simplification of the tax regime and enhancement of deposit insurance cover are significant moves to improve the sentiment.

This 'expansionary orientation' is managed without causing a disproportionate increase in the government's market borrowings. If implemented astutely, this Budget has potential to transform India.