

Business Standard

HOME MARKETS COMPANIES OPINION POLITICS TECHNOLOGY SPECIALS PF PORTFOLIO MY PAGE GALLERY

Today's Paper Latest News **Economy** Finance Current Affairs International Management The Strategist Weekend Data Stories Chat

TRENDING ON BS #RoadToWhiteHouse

Search

News

You are here: [Home](#) » [Economy & Policy](#) » News



Sinha spells out four pillars of Budget '16

'Cannot say in an unalloyed way that the economy is moving', cautions MoS Finance

BS Reporter | New Delhi
December 2, 2015 Last Updated at 00:59 IST



Gartner Symposium/ITxpo

Know more on how to reorient systems and processes around the customer

Ad

Beyond Business GO



ALSO READ

Government confident of meeting fiscal targets

Centre: OROP, pay panel won't hit fiscal math

As the [finance ministry](#) begins drafting the [2016-17 Union Budget](#) - to be presented in a mere 12 weeks - Minister of State for Finance Jayant Sinha told Business Standard on Tuesday that "three or four themes" would guide the [finance ministry](#) through the lengthy and

LATEST NEWS

ALL

IN THIS SECTION

Modi's Japan visit: Deal to buy US-2i amphibious aircraft may be on cards

PNB Q2 net profit dips 11.5% to Rs 549 crore

At Samajwadi Party silver jubilee, Shivpal takes a dig at Akhilesh

NASA satellites break Guinness World Record

Hillary Clinton e-mail leak: Obama questions FBI's decision for disclosure

» [More](#)

Govt hopeful of GST Bill passage: Jayant Sinha

Seventh pay panel's term extended till December

Subramanian panel to submit GST report by December 5

Ads
Best Multibagger Stocks
Get Free Access to Two Recommended Multibagger Companies
www.researchandranking.com

Top SIP Mutual Funds
Compare & Invest in Top SIP Funds. Open Free A/c & Invest Online.
www.myuniverse.co.in/ZipSip

complex process.

The first, and major theme, he said, would be the expansion of universal social security, which he hoped would be a historic accomplishment for the National Democratic Alliance government. The roll-out of universal social security would be based on the direct benefits transfer platform, which he said was already working effectively in the employment guarantee programme, for the liquefied petroleum gas subsidy and for pensions and scholarships.

Read our full coverage on Union Budget

The second theme in the Budget would be agriculture, "an area where we can do much more". The minister singled out crop health cards, agricultural credit, funding for state-led irrigation schemes among others.

ALSO READ: [Open to get more private sector talent for PSBs: Jayant Sinha](#)

The third theme, Sinha said, would be job creation and the various associated programmes - 'Make in India', 'Skill India', 'Start-up India', and so on. The Union government's much-anticipated draft start-up policy, he indicated, would be finalised soon but probably not made public till the end of the year or in the New Year.

The Budget's final theme would be "simplifying the tax structure... Let us see if the committee we have formed has some suggestions by then that we can put in the Finance Bill".

The Budget drafting process would take place in the context of a recovery in economic growth that Sinha cautioned was "patchy" - there were as yet "not enough data points" to determine if it was broad-based and could be sustained. "The [recently-released] GDP numbers are good but I want to see a real trend before we can say that the economy is really and seriously on an upswing."

"You cannot say in an unalloyed way that the economy is moving", he added, adding that the government was facing some significant headwinds: successive below-par monsoons, a commodity meltdown that had hit sectors such as steel and metals, poor export demand and the overhang of stressed assets. Given the headwinds, he said 7.4 per cent growth was "creditable".

He argued that "every time the Indian economy has done over eight per cent... it has been when exports are strong". When both agriculture and exports were struggling, "to really power beyond 7.5 per cent is a tall task".

Nevertheless, he pointed to the government having turned around India's macro-economic indicators, including the fiscal deficit, in just over a year as an important component towards making a recovery possible. He added that there were several signs, including an increase in the number of hotel rooms booked for business travel, that domestic demand had begun to revive around Diwali. When asked if the government would meet its disinvestment targets - set at an ambitious Rs 69,500 crore for the ongoing fiscal year - Sinha said simply that "fiscal deficit targets would be met".

While granting that the quarterly growth numbers were partly driven by front-loaded government spending, he insisted that high public investment could be sustained into the new fiscal year, in spite of the [Seventh Pay Commission](#) award and other fiscal stresses: "We have modelled the

MORE NEWS

Sharekhan FirstStep program Ad



Maharashtra regulator okays only moderate rises till FY20

Super Saver Health Insurance for Whole Family Ad



Concern over securities transaction under GST

MOST POPULAR



[RIL fined \\$1.55 bn in ONGC gas dispute](#)

[Silver lining for RIL shareholders in \\$1.5 billion penalty](#)

[Flipkart's salary rejig makes employees jittery](#)

[Hillary Clinton as US President : What it means for India](#)

[Smaller Tata companies sparkled under Cyrus](#)

[How Nirmalya Kumar got fired from Tata Sons along with Cyrus Mistry](#)

[HDFC, ICICI Bank cut home loan rate by 0.15%](#)

[Wheels India net profit up by 40.99 % at Rs 13.07 crore in Q2](#)

[4 killed, 13 injured in phosgene gas leakage at GNFC plant in Dahej](#)

[As a start-up entrepreneur, you have enough funding options](#)

[India's recent moves are bound to provoke China](#)

[Opposition corners govt on ex-serviceman suicide](#)

[OROP suicide row: Rahul Gandhi detained again after meeting victim's kin](#)

[S&P rules out India upgrade for next 2 yrs, govt hits back](#)

[Suicide over OROP: Why ex-servicemen are still unhappy with Modi govt](#)

extra expenditure burden for next year. We can continue to make public investments that are necessary."

On the prospects for the Goods and Services Tax (GST) Constitution amendment Bill in this session of Parliament, the minister said that the government had earlier managed to build consensus - except for the Congress - in the Select Committee of Parliament, and was "in consultation with colleagues of the Opposition" in order to rebuild that consensus.

Sinha did indicate that the government viewed the GST as just one in a bouquet of broad structural reforms that it intended to undertake, which would create both hard and soft infrastructure, with the "right balance between regulation and market forces".

The finance ministry's legislative agenda for the winter session of Parliament extended beyond the GST, he said. The number two priority was the new bankruptcy bill. "Number three on our agenda is the legislative action required to form the Public Debt Management Agency and the Monetary Policy Committee. Apart from that we are working on arbitration and conciliation laws."

Discussing reform of state-controlled banks, Sinha said that each leadership position would be dealt with on a case-by-case basis, and that they were still open to private sector candidates - if the pipeline of executive directors within the public-sector banking system was not strong enough.

The bank board bureau to advise public-sector banks was a first step towards a holding company, but there were "several moving parts" to handle before a second step was taken, he indicated. It would require legislative approval, and some banks might need to be changed into corporations, which they at present were not.

Meanwhile, he stressed the government would continue to look at the non-performing asset situation, which he said was under control in absolute terms and would be settled through transparent processes.

READ MORE ON JAYANT SINHA FINANCE MINISTRY 2016-17 UNION BUDGET
MAKE IN INDIA SEVENTH PAY COMMISSION GST ECONOMY & POLICY NEWS

RECOMMENDED FOR YOU

Powered by Google



Best Multibagger Stocks Fiscal deficit in H1 balloons Offer on 3 BHKs in Thane A smart guy can now earn Rs 100 crore a year fr... India to rapidly urbanise over next 20 years: J...

Ad researchandrinking.com business-standard.com Ad Runwal™ Garden City business-standard.com business-standard.com

Business Standard Premium
Access the best of our content across devices.
Go premium now!
[Click here to know more](#)

- New to the stock market? Take your FirstStep
- Buy New Age Health Insurance with Added Benefits
- Everyone carves their own path to digital leadership
- Fiat Linea - 125PS Power & TouchScreen Navigation System.T&C.
- Learn the Art of Investing through Sharekhan
- Yet to open a Sharekhan Account?
- Open Free Demat A/c with low brokerage fee
- 6 mistakes to avoid while trading online

Advertisements

You Might Also Like



HDFC Top 200 to Reliance Growth, here is a list of the top wealth creating funds



Jayalalitha has fully recovered, say doctors



Smaller Tata companies sparked under Cyrus



Now watch 3D videos on smartphones without special eyewear



Three stocks you can buy today



Retail success could put Noel Tata in chairman race

Promoted Stories



An extensive Car Buying Guide for your dream car
Axis Bank



Baar Baar Dekho Trailer: Katrina Kaif And Sidharth Malhotra Shine As Lovers
Huffington Post India



Can a car run on the same battery as a smartphone?
CNN INTERNATIONAL



Tata says 'world-class' leader will replace Mistry
Nikkei Asian Review



Is Russia actually gearing up for war against the West?
PRI



Incredible Credit Cards Offers - Apply Now!
BankBazaar.com

Recommended by