



Dr. Ram Bajaj

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Union Budget 2010-11 is a Realistic Budget for "Aam Adami" & Farmers.

The Union Budget 2010-11 has been framed with Focus on "Aam Adam" (Common Man). The major issue before the Finance Minister was the rising food prices and continuance of economic stimulus packages. Where I believe that Budget 2010-11 will strive to achieve a balance between substance growth-paring Deficit and Controlling inflations at least for the inflationary expectations. Our finance minister has focused on investments required for boosting agricultural as well as important Agri-Supply chain productivity and to some extent he has given some extra status to such investments.

In the mind of our Finance Minister the two principal worries were "Inflations" and the "unsustainable" fiscal situation. While concurring with the RBI projection of 8.5% WPI inflation the EAC assesses that the high inflation now hovering over 18%. The Finance Minister has taken some of his corrective measure steps. Fiscal Deficits recorded over the last two years has not been allowed to be continued further. With adequate fiscal adjustment, our F.M has tried to reduce by 5.5% of the G.D.P. Disinvestment will boost revenues. There was a little scope for compressing expenditure while effecting fiscal correction. Infrastructure spending is encouraging for the G.D.P. A partial roll back of fiscal stimulus measures was expected-has been taken.

Significant change in duties and Taxes has taken in Budget, which is encouraging, specially reduction in Tax slab.

Goods & Services Tax (G.S.T) and Direct Tax code will be introduced w.e.f. 1, April 2011 which is very well welcome. GST & the Direct Taxes code was needed as both are significant for tax reforms.

The corporate surcharge has been reduced to 7.5% which will boost corporate profitability.

The overall Union Budget 2010-11 is a realistic Budget and our Finance Minister has taken all notes of our common-man specially the focus has been targeted on Energy, Infrastructure, Health, Education, Social sector & Farmers.

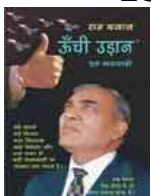
Allocation of the fund : Some Special Feature of this year's Budget

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|---|---------------------------------------|
| (a) Rs.1.73 Lakh crore for Infrastructure | (b) Rs.19894 crore for Road |
| (c) Rs.1.30 Lakh crore for Social Sector spending | (d) Rs.31600 crore for Primary School |
| (e) Rs.22,300 crore for Health | (f) Bank for all Villages |

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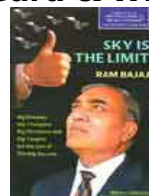
Economist, Finance Management Guru & Writer of Books Namely



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