

in favour of sticking to deficit target of 3.5 per cent of GDP for 2016-17, indicating some room for an upward revision.

While keeping the fiscal tar-

poor and vulnerable," he said.

Government has already introduced direct benefit transfer (DBT) in LPG and the scheme is linked to Aadhaar, he added.

the situation following the 2008 US financial crisis.

Gross non-performing assets (NPAs) of 39 listed banks surged to Rs4.38 trillion for the quarter

dian public sector banks will need to set aside upfront to provide for bad loans is likely to shoot up, leaving them exposed to possible downgrades.

Mixed response from Indian business community

Absence of schemes aimed at expatriates proves a dampener

DUBAI

Staff Report

The Indian business community in the UAE welcomed the rural focus of the Indian budget, while hailing it as a pro-poor spending plan with due consideration for fiscal discipline, but many expressed their disappointment as the budget did not have anything specific for the non-resident Indian community.

"Around 60 per cent of India's population belongs to the farming sector and doubling the income of farmers by 2020 is something to look forward to; it will change the face of the country," said James Mathew, Secretary-General of the Indian Business and Professional Council (IBPC) at a discussion on the budget in Dubai.

Kulwant Singh, President of IBPC, said the focus on rural development and electrification plans for rural houses was a plan long overdue.

There were also others who were candid about their disappointment. Lokesh Puthran, the treasurer for IBPC, agreed with several other members who held the view that NRIs had been ignored in the budget.

"We were expecting much more from the Budget 2016. It is not very encouraging and there are no extra privileges for industries. The coal price increase will affect all industries, spe-

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cifically the energy sector. The banking sector has been taken care of by the budget and there seems to be positive news for the infrastructure sector," said Bharat Bhatia, CEO and Managing Partner, Conares.

Standout proposals

Paras Shahdarpuri, IBPC Board Member, said the government has focused on the lower end of the pyramid and laid emphasis on the rural and agricultural sector.

"It is a farmer's budget. And it is Indian budget in true sense. And rightly so. For long, rural population has kept on moving to urban areas because of uncomfortable rural situation," said Ram Buxani, Chairman of ITL Group.

"I am happy that while the global economy is going through turmoil, International Monetary Fund (IMF) has named India a bright spot due to its strong financial grounding. India budget 2016 is well focused on rural development. The spotlight is also on infrastructure, agriculture and domestic development," said Dr. B.R. Shetty, Chairman, UAE Exchange.

K.V. Shamsudheen, IBPC Board Member, said, "The government has largely neglected the agriculture and farming sectors for the last two years. However, this year they have given great

importance to both sectors and this will certainly make a difference to the country's economy.

Kiran Sangani, Managing Partner, Sangani and Company - Chartered Accountants said the budget has tried to incorporate the various schemes related to Skilled India, Digital India, Start up India and Make in India.

"The fact that foreign exchange reserves are high reflects the significant contribution of NRIs too. The focus on rural India in terms of development in employment, infrastructure, cleanliness etc, will enable a great leap for the country," said Promoth Manghat, CEO of UAE Exchange.

Faizal E Kottikollon, Chairman of the UAE-based KEF Holdings said: "The budget for 2016-17 certainly looks at pressing challenges in India, especially in the area of rural development, which forms one of the nine reform pillars identified by the Finance Ministry."

Welcoming the budget 2016, Kamal Vachani, Regional Director of the Electronics and Computer Software Export Promotion Council (ESC) and Group Director, Al Maya Group said allowing 100 per cent foreign direct investment in food processing industry will attract more foreign investors.

Rizwan Sajan, Founder and Chairman, Danube Group, said: "Everyone was looking forward to three major areas - Taxation, Ease of doing business and markets. The proposal to simplify taxation structure coupled with ease of doing business along with long-term-gain plans for markets would go a long way in an investment surge."

Bakul Gala, Director, Brand-Mark Group, Dubai, said: "Overall, the budget has focused on making India even more attractive for overseas investment. It has focused on rural, agriculture, health and education, which is good."

The focus on education and skill development is widely welcomed as it will increase the employability of Indians within the country as well as overseas. "The budget mentions that in the next three years, ten million youth will be skilled - this could significantly increase the demand for potential Indian migrants," said Sudhesh Giriyan, chief operating officer of Xpress Money.

Foreign exchange

"Finance Minister expressed happiness over strong foreign exchange reserves in India, which have a significant contribution from NRIs too. Also Prime Minister's world tours have strengthened the trust of NRIs, who are positive about the future. Foreign Ministry is engaging with NRIs well and concerns are being addressed periodically," said Sudhir Kumar Shetty, President, UAE Exchange.