

TAFE welcomes budget focus on agriculture and rural sector

February 29, 2016 | Chennai: Commenting on the Budget Speech of the Finance Minister, Ms. Mallika Srinivasan, Chairman & CEO, TAFE - Tractors and Farm Equipment Limited said:

"The Budget recognizes the serious rural distress in the country over the last two years and the need for a robust rural sector to achieve sustainable agricultural growth. Towards this, the strong emphasis on irrigation - particularly the focus on implementation of irrigation projects worth Rs. 17,000 crores during the current financial year and an outlay of Rs. 86,500 crores during the next five years - is very encouraging. In addition, a Rs. 60,000 crores initiative towards conservation of ground water is laudable. It is heartening to note that an emphasis on MNREGA has been retained although the increase in allocation is modest, as original budget allocation for 2015-16 was around Rs. 35,000 crores. We hope to see improved implementation on MNREGA, as the implementation on the ground during 2015-16 was disappointing. The e-platform initiative and online procurement by FCI will give a fillip to farmer realization and transparency. This will be a step towards Direct Benefit Transfer (DBT) for 100% of the subsidies to reach the farmers. Consistency of this approach and articulation of a clear roadmap has a clear potential to deliver on the Government's vision to double farm income by 2020.

The Rs. 2.87 lakh crores allocation to Gram Panchayats, electrification of villages, the emphasis on state and rural roads will all go towards strongly shifting the growth agenda back to a more holistic balanced approach for India.

It is somewhat disappointing that the budget veers away from the stated long-term objective of a reduction in corporate taxation and the enhancement of taxation on dividends is likely to be a dampener on entrepreneurship, investment in mutual funds and industrial growth.

Overall we welcome the agri and rural focus in the budget and we believe that with the support of a good monsoon we can look forward to a more robust agri and rural growth in 2016-17."

