

*Panel Discussion on
Indian Budget 2015*

2nd March 2015

India Budget 2015 is a “ budget of low deficit and high risk” said Dr . S. Bisaliah in his speech on the Budget of the Union Government presented by Sri Arun Jaitley Hon’ble Finance Minister of India on 28th February 2015 at the annual panel discussion on the Union Budget organized by M. P. Birla institute of Management and Southern Economist, Bangalore.



Dr. Bisalaiah, a noted economist in the state and a world bank consultant said the Indian economy is not surging but recovering. In the recovery phase, any economy experiences not only growth as reflected by high employment and higher GDP. During the period 2014-15, the economy has experienced in real terms a growth rate of 5%.

In an economy where planned expenditure is low as compared to non- plan expenditure where government spending is weak, fiscal deficit is the only answer for higher borrowing. The present state of the economy is that of lower inflation and high risks. There are several new thoughts presented in the budget which is “**nothing of a big bang**”.



He opined that the present budget cannot be called either a reactionary or revolutionary. It is only a budget trying to meet all macroeconomic fundamentals.



Dr. K. Satyanarayana, former Commissioner of Income Tax, spoke on direct and indirect tax proposals. Revenue augmentation is the only answer for increased spending on welfare schemes. Domestic consumption can also be increased but tax cuts which is not a permanent solution. The Finance Minister has made prudent direct and indirect tax proposals which would finally lead to implementation of GST by 2016.

In the budget which has given emphasis on PM's vision of Make in India, Dr. Nagesh Malavalli, Dean, MPBIM was thrilled by the proposals to phase out wealth tax and reduction in corporate tax from 30% to 25% and for the supplemented by removal of exemptions. The budget is straight and offers simple proposals for developing infrastructure such as roads railways.



Dr. N.S. Viswanath Director & Principal made a presentation on the budget with special reference to paradigm shift in the preparation of the budget itself. The budget has made a shift from Agriculture in 1950's to Industry in 1955 and now to infrastructure and services in 2015.

He said that the Finance Minister does not believe in just building up economic blocks. His interest is in building social blocks by giving importance to health and education safety nets. Another paradigm shift is in an all-inclusive approach by giving importance to micro units in an economy. The beginning of Mudra Bank is a point in this direction. There is shift in budget allocation from public enterprises to corporates. The basic philosophy of the budget is to make growth happen 'in India for India'.



Mrs. Susheela Subrahmanya, Chief Editor, Southern Economist released the 'Birlaites' MPBIM's News Letter of February 2015. The discussion ended with a vote of thanks.

Prof. Navya welcomed the gathering and compered the programme which began with an melodious invocation by Rakesh.