

## **Need for environment to boost domestic, global investments and maintain fiscal discipline: FM Jaitley**

***Budget puts in place key enablers for higher growth, says FICCI President Neotia***

**New Delhi, 2 March 2016:** The Finance Minister, Mr. Arun Jaitley, today underlined the need for creating an environment to boost domestic and global investments and maintaining fiscal discipline if the Indian economy was to sustain and grow its pace of growth.

"It was extremely important for us maintain the discipline," he said and added that "I am quite sure, with all the steps we have taken, and hoped that in the next financial year we will be able to push through many more reforms."

The proposed reforms can help surpass the target of up to 7.75 per cent GDP growth as projected in the Economic Survey, he said.

Addressing the post-Budget interaction with Indian industry, Mr. Jaitley said banking was a stressed sector and so the government is professionalising public sector banks and recapitalising them.

Mr. Jaitley welcomed the easing of rules by the RBI to allow lenders to bolster capital ratios. Easing rules on what banks can count towards their core capital requirement under the upcoming Basel III rules, the RBI allowed reserves associated with property revaluations and foreign-currency translations to be considered as common equity tier I capital. The move is likely to free up as much as Rs 3,50,000 crore in capital of public sector banks, helping them boost buffers while complying with a deadline set to clean up their balance sheets.

In his observations, **Mr. Harshvardhan Neotia, President of FICCI**, said, "The Budget is clearly oriented towards inclusive development. It is a Budget that puts in place the key enablers for fostering higher growth. The focus on 'Bharat' has been brought to the forefront and budget proposals will have a direct bearing on the lives and livelihood security of some of the most vulnerable sections of our society."

Mr. Neotia said that despite the additional burden on account of Pay Commission recommendation and OROP, "you have enhanced the developmental expenditure and yet stuck to the fiscal deficit roadmap. This is commendable indeed and will send very positive signals to the global community. Going forward, healthy and robust fiscal management would enable widening the tax base beyond the existing taxpayers."

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