

## COMMENTS

# Transformative, yet prudent

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The Interim Budget is a transformative yet prudent financial statement with enough indications of a detailed roadmap: that the present government hopes to outline and guide the country towards Viksit Bharat by 2047. The Centre's confidence is evident as the finance minister avoided big-bang

announcements, freebies or widening of tax base, which usually come in pre-election Budgets. Rather, she moved along the proven lines of increased capital expenditure and infra spending, fiscal prudence, welfarism and setting of ambitious goals to catch the imagination of the people while pushing the economy. The Budget laid stress on transformation, reforms and performance in a practical vein. With 11 per cent Y-o-Y, growth momentum on the capex front has been maintained. The growth picture on the revised estimate looks robust at about 17 per cent Y-o-Y (as last year's capex allocation was unutilised). Considering the magnitude of ₹11 trillion, it should be able to sustain the economic expectations in FY25 since the other pillar, i.e consumption, has been muted in the

current fiscal, and expectations of corrective measures on this aspect were missing in the Interim Budget.

The Finance Minister also meant business with an aggressive fiscal consolidation target. It is commendable that the fiscal deficit has been brought down to 5.8 per cent in the revised target, riding on better revenue mobilisation, as against the target of 5.9 per cent in the last Budget. The government continued on its prudent policy choices by setting an even lower fiscal deficit target for FY25 at 5.1 per cent when the markets were anticipating a 5.3 per cent handle. It is likely the government would meet its target again as the revenue expectations seem conservative for FY25 as well. Even with the conservative revenue estimates, it has managed to keep a tab on the borrowings (₹14.1 trillion vs ₹15.4 trillion in FY24).

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