

IIM TRICHY ORGANIZES A PANEL DISCUSSION ON 2017 UNION BUDGET

IIM Trichy constantly endeavors to provide its students with opportunities to stay updated with the current affairs and gain an insight into the events from multiple dimensions. In line with this, the **External Relations Team of IIM Trichy** in association with the **Hindu Business Line** organized a panel discussion on the **2017 Union Budget of India**, 20th February 2017.

The panelists were **Mr. Anand R**, Partner- E&Y Global Tax Advisory Services, **Ms. Rani Muralidharan**, Owner - GK Sons Engineering Enterprises Ltd, **Mr. Raghuvir Srinivasan**, Sr. Associate Editor - Business Line and **Prof. G Sethu**, Finance & Accounting, IIM Trichy. The event saw a wide participation from the students of IIM Trichy and other institutes. Also present were the faculty members of IIM Trichy, NIT Trichy and other dignitaries.

The panel discussion began with Mr. Raghuvir highlighting why **this 2017 budget is special – no distinction between planned and non-planned expenditure, merging of railway budget with the general budget, first budget after demonetization and last one before GST. He opined that the current budget stands on four legs – Focus on infrastructure, Social sector, Reforms and Conservative fiscal policy.** He spoke about how investment in infrastructure would provide more impetus to growth through public investment, the increasing role of electoral funding in reforms, how the technology is being leveraged and NREGA is linked with the asset creation on ground in the social sector and the benefits of absence of fiscal profligacy.

Sharing his thoughts on the current budget, Mr. Anand put forth the view that unlike earlier budgets, this one **focused both on generation and distribution of resources.** He urged the audience to go through the **implementation statement of the budgets** as it would give an insight into the number of projects implemented, in progress and unpicked. He suggested that, apart from the Union Budget, people should also be equally aware of their own State Budget, its revenue and deficit as the focus would be shifting from the former to the latter in the coming years. He highlighted that **the most crucial aspect of the current budget is putting more money in the hands of middle class which would trigger the economic cycle of growth, through their consumption and investment.** On a futuristic note, he stated that **Universal Basic Income and resolving the Twin Balance Sheet issue** will lead to better utilization of resources, which is the need of the hour.

Agreeing with Mr.Anand's thoughts on the increase in spend induced by the current budget, Ms. Rani was optimistic that in **the next three years, the economy would be robust and inducing more jobs.** She mentioned that the current budget has rightly focused on the Agriculture as the spending starts primarily from this sector. She **projected an analysis of the budget from her experience on ground level** and highlighted the impacts of the change in Government and its policies on SMEs. As an entrepreneur, **she felt that the reduction in corporate tax from 30% to 25% serves little purpose to the SMEs because it is the ease of access to funding that serves as a major challenge.** She also suggested that a subsidy of 2% to 3% in the the borrowing interest rate would help the SME sector significantly.

“Budget is not a driver but a catalyst of economy”, said Prof. Sethu. He put forth a view that **for an economy to perform well, the market must first do well.** From his exclusive analysis on the budget, he advocated that our country's expenditure can be almost met with our internal savings. He suggested that our **finance ministry should now look for ways to motivate and capitalize the private sector.** Also more **focus should be laid on agricultural sector and putting money in the hands of rural people** through subsidies, direct transfer of benefits etc. **He also expressed his opinion that the current budget has not focused on inducing equity funding for enterprises.**

The event ended with Prof Abhishek Totawar, Chairperson, Placement and External Relations, IIM Trichy giving away the mementoes to the panelists. The panel discussion served as a learning medium especially for the students as they got to interact with the highly eminent professionals from diverse sectors and appreciate their view points about the Union Budget. The event ended with vote of thanks proposed by Mrinal M, External Relations Secretary, IIM Trichy.