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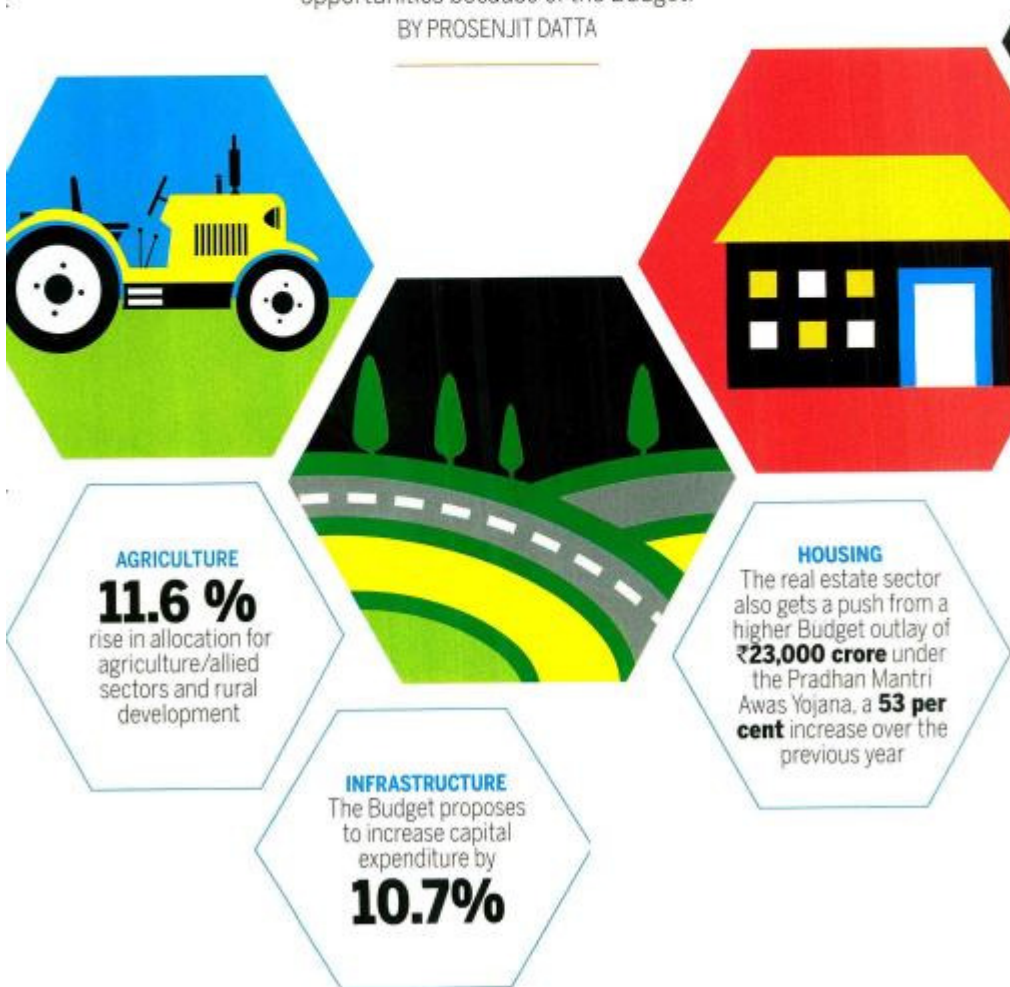




High Five

The five sectors that will throw up big business opportunities because of the Budget.

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Key Schemes And Their Allocations

	2016/17 RE	2017/18 BE	% CHANGE
MNREGA	47,499	48,000	1.05
Green Revolution	10,360	13,741	32.6
Pradhan Mantri Krishi Sinchai Yojana	5,189	7,377	42.1
Pradhan Mantri Awas Yojna (Rural)	20,936	29,043	38.7
Swachh Bharat Mission (Rural)	10,500	13,948	32.8
National Rural Health Mission	19,462	21,189	8.8
National Rural Livelihood Mission	3,000	4,500	50
Shyama Prasad Mukherjee Rurban Mission	300	1,000	233.3
Crop insurance scheme	13,240	9,000	-32.02
Deen Dayal Upadhyaya Gram Jyoti Yojana	3,350	4,814	43.7

In Crores. Source: Finance Ministry

To this end, the Budget talks about bringing one crore households out of poverty and make 50,000 gram panchayats poverty-free by 2019; it promises to build 15 lakh farm ponds under MNREGA by 2017/18. Every habitation with more than 100 people will have a road connection. The Pradhan Mantri Awas Yojana – Gramin, the allocation for which has been increased from ₹15,000 crore in 2016/17 BE to ₹23,000 crore in 2017/18, has a target to build one crore houses by 2019. All villages will be electrified by May 1, 2018. These are the targets. But has there been a matching increase in allocations?

Aruna Roy and her coalition of social organisations say the allocations hardly match the ambitions. “We will end the year with close to ₹13,482 crore pending MNREGA payments and a budgetary allocation that has not kept pace with the last year’s amount in real terms,” she says.

The allocations to the much-publicised crop insurance scheme fall in this category. The government has allocated only ₹9,000 crore (32 per cent less) for the scheme this year. “Our calculation is that ₹13,000 crore is the minimum that you will require in 2017/18,” says Gulati.

Still, industry is not complaining. “From earthmoving and construction equipment industry’s perspective, we have seen the roads and highway sector leading the momentum. However, for sustainable growth, other sectors needed attention. With this Budget, the focus has broadened, and now includes railways, agriculture and real estate,” says Vipin Sondhi, Managing Director & CEO, JCB India Ltd. The rural sector should provide business opportunities for agri-machinery firms, custom hiring entities, warehouse infrastructure operators, and many others, in the coming days. Higher rural earnings due to road, housing and pond construction projects will also attract fast moving consumer goods firms to the country’s hinterlands.

Anil Rai Gupta, Chairman and Managing Director of consumer durables company Havells India, says the balanced and inclusive Budget, with emphasis on rural India and infrastructure, will boost consumption-led demand in the economy. ♦

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Fasal Bima Yojana useful; the target is to increase the coverage from 30 per cent of the cropped area in 2016/17 to 40 per cent in 2017/18 and 50 per cent in 2018/19.

“A large budgetary allocation of ₹1.87 lakh crore to the agriculture and rural sector, an increase of 24 per cent over last year, reflects continued commitment to the progress of farmers,” says Raju Barwale, Managing Director, Maharashtra Hybrid Seeds Company Private Ltd (MAHYCO). His only complaint is that the seed sector did not get attention. “Seed innovations need to be encouraged and promoted as seeds are and will continue to be a critical part of the strategy to double farmers’ income through improved productivity,” he says.

The government wants to double the number of e-mandis from the 250 National Agricultural Markets (e-NAM). Assistance up to ₹75 lakh will be provided to every e-NAM market for building cleaning, grading and packaging facilities. “The initiative to set up processing units will reduce post-harvest losses,” says Sandeep Sabharwal, Group CEO, Sohan Lal Commodity Management.

RURAL SECTOR

In 2019, when the nation celebrates the 150th birth anniversary of the father of the nation, Mahatma Gandhi, is also the time when the Modi government will complete its five-year term and face general elections. Going by the budgetary targets for rural India, the majority of the country’s population should see a massive transformation in their lives, skill sets, health and hygiene by then. At least that is the plan.

40

per cent

Total area under crops that the government wants to insure in 2017/18