


[Jairaj Purandare: Budget2019 Expectations](#)



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Jairaj Purandare: Budget2019 Expectations

Growth, rural distress, employment are three big challenges for the government, and we may expect certain policies to generate more employment.

ETBFSI • July 01, 2019, 15:49 IST

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On the banking side, there are two things the Budget 2019 should address. One, [recapitalization](#) due the NPA problem in the banking industry. Second, Consolidation of PSU banks, while it may take time as it's not a short term fix.

On NBFCs, I think Government can, on a short-term basis, alleviate the problem by injecting liquidity on a short-term basis before regulators and government tightens the regulatory framework for NBFCs.

The government has to jump start the economy and that's where the issue will be. It needs money to boost consumption, but how do you do that? Partly through rural distress being addressed, partly government expenditure being up. In the last six months, the government expenditure has been much lower than a year ago. If it spends more, it will trigger consumption.

Growth, rural distress, employment are three big challenges. The government can keep the employment rate growing by driving consumption, as one of the many solutions.

Secondly, the government could boost the construction and infrastructure projects, as it triggers more employment generation. For housing/real estate sector, the government will do something as lots of constructions have happened and there's an over supply and that needs to ease up. It may come up in the form of tax benefit or being recognised as a separate industry and benefits being provided.

When it comes to taxes, my own sense is that there won't be too many changes, but just a few because we have direct tax code coming out by the end of July.

[Interview: Jairaj Purandare On Taxation in Budget 2019](#)

I think the challenge for FM is to balance taxes. GST collections are being lower than budgeted, though advance tax collections have been high. The target will be low because the growth is slow. So government has constraints on the revenue side.

I think what will happen is not too many complicated changes as a part of the finance bill and we may see more of that next year.