# Key Highlights of the Union Budget 2015-16

• Budget 2015-16 marks the beginning of co-operative federalism and empowerment

of the states.

• GDP growth in 2015-16, projected to be between 8 to 8.5%.

• Government firm on journey to achieve fiscal target of 3% of GDP. Accordingly, journey for

fiscal deficit target of 3% will be achieved in 3 years rather than 2 years. The fiscal deficit targets

are 3.9%, 3.5% and 3.0% in FY 2015-16, 2016-17 & 2017-18 respectively.

• Need to view public finances from a National perspective and not just the perspective

of the Central Government. Aggregate public expenditure of the Governments, as a whole can

be expected to rise substantially.

• Non-Plan expenditure estimates for the Financial Year are estimated at Rs13,12,200 crore.

• Plan expenditure is estimated to be Rs4,65,277 crore, which is very near to the RE of 2014-15.

• Gross Tax receipts are estimated to be R14,49,490 crore.

• Devolution to the States is estimated to be R5,23,958.

• Share of Central Government will be R9,19,842.

• Fiscal deficit will be 3.9 per cent of GDP and Revenue Deficit will be 2.8 per cent of GDP.

• CPI inflation projected at 5% by the end of the year, consequently, easing of monetary policy.

• Monetary Policy Framework Agreement with RBI, to keep inflation below 6%.

• Public Debt Management Agency (PDMA) bringing both external and domestic borrowings

 under one roof to be set up this year.

• Proposed tax free infrastructure bonds for projects in rail, road and irrigation sectors.

• Gold monetisation scheme to replace present gold deposit and gold metal loan schemes.

Commence work on developing an Indian gold coin, which will carry the Ashok Chakra on its

face.

• Most growth forecasts have upgraded Indian economic growth while downgrading global

economic growth.

• Game changing reforms on the anvil:

 Goods and Service Tax (GST)

 Jan Dhan, Aadhar and Mobile (JAM) - for direct benefit transfer.

• Direct Transfer of Benefits to be extended further with a view to increase the number of

beneficiaries from 1 crore to 10.3 crore.

• Three Key achievements:

 Financial Inclusion–2.5 crores families financially mainstreamed in 100 days.

 Transparent Coal Block auctions to augment resources of the States.

 Swachh Bharat is not only a programme to improve hygiene and cleanliness but

has become a movement to regenerate India

• To make India, the manufacturing hub of the World through Skill India and the Make in India

Programmes.

• To meet these challenges public sector needs to step in to catalyse investment, make in india

programme to create jobs in manufacturing, continue support to programmes with important

national priorities such as agriculture, education, health, MGNREGA, rural infrastructure

including roads.

• Need to create a National Agriculture Market for the benefit farmers, which will also have the

incidental benefit of moderating price rises. Government to work with the States, in NITI, for the

creation of a Unified National Agriculture Market.

• Comprehensive Bankruptcy Code of global standards to be brought in fiscal 2015- 16 towards

ease of doing business.

• Sharp increase in outlays of roads and railways. Capital expenditure of public sector units to

also go up.

• National Investment and Infrastructure Fund (NIIF), to be established with an annual flow of

R20,000 crores to it.

• PPP mode of infrastructure development to be revisited and revitalised.

• Self-Employment and Talent Utilization (SETU) to be established as Technofinancial,

incubation and facilitation programme to support all aspects of start-up business. R1000 crore to

 be set aside as initial amount in NITI.

• India is one of the youngest nations in the world with more than 54% of the total population

below 25 years of age. Our young people have to be both educated and employable for the jobs

of the 21st Century.

• Forward Markets commission to be merged with SEBI.

• India Financial Code to be introduced soon in Parliament for consideration.

• A student Financial Aid Authority to administer and monitor the front-end all scholarship as well

Educational Loan Schemes, through the Pradhan Mantri Vidya Lakshmi Karyakram.

• An autonomous Bank Board Bureau to be set up to improve the governance of public sector

bank.

• Proposal to reduce corporate tax from 30% to 25% over the next four years, starting from next

 financial year.

• PML Act, 2002 and FEMA to be amended to enable administration of new Act on black money.

• Rental income of REITs from their own assets to have pass through facility.

• PAN being made mandatory for any purchase or sale exceeding Rupees 1 lakh.

• General Anti Avoidance Rule (GAAR) to be deferred by two years.

• Wealth-tax replaced with additional surcharge of 2 per cent on super rich with a taxable

income of over R1 crore annually.

• Tax Administration Reform Commission (TARC) recommendations to be appropriately

implemented during the course of the year.

• Service-tax plus education cesses increased from 12.36% to 14% to facilitate transition to

GST.

• 100% deduction for contributions, other than by way of CSR contribution, to Swachh Bharat

Kosh and Clean Ganga Fund.

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