Key features of Union Budget 2015-16

**Inflation**

* Inflation declined - a structural shift
* 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%.
* GDP growth in 2015-16, projected to be between 8 to 8.5%. Amrut Mahotsav - The year 2022, 75th year of Independence Vision for “Team India” led by PM
* Housing for all - 2 crore houses in Urban areas and 4 crore houses in Rural areas.
* Basic facility of 24x7 power, clean drinking water, a toilet and road connectivity.
* Electrification of the remaining 20,000 villages including off-grid Solar Power- by 2020.

**Major Challenges Ahead**

* Five major challenges: Agricultural income under stress, increasing investment in infrastructure, decline in manufacturing, resource crunch in view of higher devolution in taxes to states, maintaining fiscal discipline.
* 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.
* Challenge of maintaining fiscal deficit of 4.1% of GDP met in 2014-15, despite lower nominal GDP growth due to lower inflation and consequent sub-dued tax buoyancy.

**Fiscal Roadmap**

* Government firm on journey to achieve fiscal target of 3% of GDP.

**TAXATION**

* Abolition of Wealth Tax.
* Additional 2% surcharge for the super rich with income of over Rs. 1 crore.
* Rate of corporate tax to be reduced to 25% over next four years.
* No change in tax slabs.
* Total exemption of up to Rs. 4,44,200 can be achieved.
* 100% exemption for contribution to Swachch Bharat, apart from CSR.
* Service tax increased to14 per cent.

**Agriculture**

* ‘Paramparagat Krishi Vikas Yojana’ to be fully supported.
* ‘Pradhanmantri Gram Sinchai Yojana’ to provide ‘Per Drop More Crop’.
* 5,300 crore to support micro-irrigation, watershed development and the ‘Pradhan Mantri Krishi Sinchai Yojana’. States urged to chip in.
* Rs. 25,000 crore for Rural Infrastructure Development Bank.
* Farmers credit - target of 8.5 lakh crore.

**Infrastructure**

* Rs. 70,000 crores to Infrastructure sector.
* National Investment and Infrastructure Fund (NIIF) – 20,000 crore
* Tax free infrastructure bonds for the projects in the rail, road and irrigation sectors.
* PPP mode of infrastructure development to be revisited and revitalised.
* Atal Innovation Mission (AIM) to be established in NITI to provide Innovation Promotion Platform involving academicians, and drawing upon national and international experiences – 150 crore
* Establishment of (SETU) Self-Employment and Talent Utilization) to support start-up business – 1000 crore
* Govt. proposes to set up 5 ultra mega power projects, each of 4000MW

**Financial Market**

* Public Debt Management Agency (PDMA) bringing both external and domestic borrowings under one roof to be set up
* Enabling legislation, amending the Government Securities Act and the RBI Act includedin the Finance Bill, 2015.
* Forward Markets commission to be merged with SEBI

**Safe India`**

* 1000 crores to the Nirbhaya Fund

**Tourism**

* Develpoment schemes for churches and convents in old Goa; Hampi, Elephanta caves, Forests of Rajasthan, Leh palace, Varanasi , Jallianwala Bagh, Qutb Shahi tombs at Hyderabad to be under the new toursim scheme.
* Visas on arrival to be increased to 150 countries in stages.

**Green India**

* Target of renewable energy capacity revised to 175000 MW till 2022, comprising 100000 MW Solar, 60000 MW Wind, 10000 MW Biomass and 5000 MW Small Hydro.

**EDUCATION**

* AIIMS in Jammu and Kashmir, Punjab, Tamil Nadu, Himachal Pradesh, Bihar and Assam.
* IIT in Karnataka; Indian School of Mines in Dhanbad to be upgraded to IIT.
* PG institute of Horticulture in Amritsar.
* Kerala to have University of Disability Studies
* Centre of film production, animation and gaming to come up in Arunachal Pradesh.
* IIM for Jammu and Kashmir and Andhra Pradesh.

**DEFENCE**

* Allocation of Rs. 2,46,726 crore; an increase of 9.87 per cent over last year.
* Focus on Make in India for quick manufacturing of Defence equipment.

**GOLD**

* Sovereign Gold Bond, as an alternative to purchasing metal gold.
* New scheme for depositors of gold to earn interest and jewellers to obtain loans on their metal accounts.
* To develop an Indian gold voin, which will carry the Ashok Chakra on its face, to reduce the demand for foreign coins and recycle the gold available in the country.

**Benefits to middle class tax-payers:**

* Limit of deduction of health insurance premium increased from 15000 to 25000, for senior citizens limit increased from 20000 to 30000.
* Senior citizens above the age of 80 years, who are not covered by health insurance, to be allowed deduction of 30000 towards medical expenditures.

**BUDGET ESTIMATES**

* Non-Plan expenditure estimates for the Financial Year are estimated at 13,12,200 crore.
* Plan expenditure is estimated to be
* 4,65,277 crore, which is very near to the R.E. of 2014-15.
* Total Expenditure has accordingly been estimated at 17,77,477 crore.
* The requirements for expenditure on Defence, Internal Security and other necessary
* expenditures are adequately provided.
* Gross Tax receipts are estimated to be 14,49,490 crore.
* Devolution to the States is estimated to be 5,23,958.
* Share of Central Government will be 9,19,842
* Non Tax Revenues for the next fiscal are estimated to be 2,21,733 crore.
* Fiscal deficit will be 3.9 per cent of GDP and Revenue Deficit will be 2.8 per cent of GDP.