

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

**BUDGET 2015-16 MARKS THE BEGINNING OF CO-OPERATIVE FEDERALISM AND  
EMPOWERMENT OF THE STATES.  
SEVERAL NEW SCHEMES ANNOUNCED  
MICRO UNITS DEVELOPMENT REFINANCE AGENCY (MUDRA) BANK TO REFINANCE  
MICRO FINANCE INSTITUTIONS  
PRADHAN MANTRA SURAKSHA BIMA YOJANA TO COVER ACCIDENTAL DEATH RISK  
OF Rs. 2 LAKH FOR JUST Rs. 12 PER YEAR PREMIUM  
ATAL PENSION YOJANA FOR DEFINED PENSION, GOVERNMENT TO CONTRIBUTE 50%  
OF THE PREMIUM  
PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA TO COVER BOTH NATURAL AND  
ACCIDENTAL DEATH RISK  
PROPOSAL TO CREATE SENIOR CITIZEN WELFARE FUND  
NATIONAL INVESTMENT AND INFRASTRUCTURE FUND PROPOSED  
TAX FREE INFRASTRUCTURE BONDS FOR PROJECTS IN RAIL, ROAD AND  
IRRIGATION SECTORS  
SETU(SELF-EMPLOYMENT AND TALENT UTILISATION) MECHANISM TO SUPPORT  
START-UP BUSINESSES  
5 NEW ULTRA MEGA POWER PROJECTS TO BE SET UP  
GOLD MONETISATION SCHEME TO REPLACE PRESENT GOLD DEPOSIT AND GOLD  
METAL LOAN SCHEMES  
ANOTHER RS. 1,000 CRORE FOR NIRBHAYA FUND  
NEW INSTITUTIONS INCLUDING AIIMS, IIT AND IIM TO BE SET UP  
TOTAL EXPENDITURE ESTIMATED TO BE Rs. 17,77,477 CRORE, FISCAL DEFICIT TO BE  
3.9% OF GDP  
OBJECTIVE OF STABLE TAXATION POLICY AND A NON-ADVERSARIAL TAX  
ADMINISTRATION  
FIGHT AGAINST SCOURGE OF BLACK MONEY TO BE TAKEN FORWARD  
EFFORTS ON VARIOUS FRONTS TO IMPLEMENT GST FROM NEXT YEAR  
NO CHANGE IN RATE OF PERSONAL INCOME TAX.  
PROPOSAL TO REDUCE CORPORATE TAX FROM 30% TO 25% OVER THE NEXT  
FOUR YEARS, STARTING FROM NEXT FINANCIAL YEAR.  
RATIONALIZATION AND REMOVAL OF VARIOUS TAX EXEMPTIONS  
INCENTIVES TO REDUCE TAX DISPUTES AND IMPROVE ADMINISTRATION  
EXEMPTION TO INDIVIDUAL TAX PAYERS TO CONTINUE TO FACILITATE  
SAVINGS**

New Delhi, 28<sup>th</sup> February, 2015  
Phalguna 9, 1936

Finance Minister Shri Arun Jaitley has said that the Indian Economy has turned around dramatically in the last nine months with the real GDP growth expected to accelerate to 7.4% making India the fastest growing large economy in the world. Presenting the General Budget for the year 2015-16 in Lok Sabha today, he said macro-economic stability has been restored and conditions have been created for sustainable poverty elimination, job creation and durable double digit economic growth. Shri Jaitley specifically talked about three key achievements of the Government, the Jan Dhan Yojana which brought over 12.5 crores families into financial mainstream in a short period of 100 days, transparent coal block auctions to augment resources of the states and 'Swachh Bharat' which has become a movement to regenerate India. Shri Jaitley said that India has now embarked on two more game changing reforms which are GST and the JAM Trinity-Jan Dhan, Aadhar and Mobile-to implement direct transfer of benefits. He added that GST will put in place a state-of-the-art indirect tax system by 1<sup>st</sup> April 2016 while the JAM Trinity will allow transfer benefits in a leakage-proof, well-targetted and cashless manner.

Describing the declining inflation as one of the major achievements of the Government, the Finance Minister said that this represents a structural shift. He said CPI inflation is expected to remain at close to 5% by the end of the year which will allow further easing of monetary policy. Shri Jaitley said a Monetary Policy Framework Agreement has been concluded with the RBI to keep inflation below 6%.

Stating that while based on the new series, estimated GDP growth for 2014-15 is 7.4%, Shri Jaitley said growth in the next financial year is expected to be between 8 to 8.5% and aiming for a double-digit rate seems feasible very soon. The Minister underlined that India has to think in terms of a quantum jump. He said the year 2022 will be the Amrut Mahotsav, the 75<sup>th</sup> year, of India's independence. He added the vision of what the Prime Minister has called 'Team India' led by the States and guided by the Central Government should include a roof for each family which will require to complete two crore houses in urban areas and four crore houses in rural areas with each house having 24 hour power supply, clean drinking water, a toilet and road connectivity. He said the vision includes that at least one member from each family should have access to the means of livelihood, substantial reduction in poverty, electrification of the remaining 20,000 villages including off-grid solar power by 2020, connecting each of the 1,78,000 un-connected habitation, providing medical services in each village and city, ensuring a Senior Secondary School within 5 km reach of every child, strengthening rural economy-increase irrigated area, ensuring communication connectivity to all villages, to make India, the manufacturing hub of the world through Skill India and the Make in India Programmes, encourage and grow the spirit of entrepreneurship and development of Eastern and North Eastern regions on par with the rest of the country.

The Finance Minister counted five major challenges faced by the Indian economy which are agricultural income under stress, weak private sector investment in infrastructure, decline in manufacturing, resource crunch in view of higher devolution in taxes to states and maintaining fiscal discipline. Shri Jaitley assured that the country will meet the challenging fiscal deficit target of 4.1% of GDP, that the Government had inherited. Talking about the fiscal roadmap Shri Jaitley said that the

Government is firm to achieve fiscal target of 3% of GDP. He added that the journey for fiscal deficit target of 3% will be achieved in three years rather than two years.

Stating that the Government is committed in its resolve, as Indians, to regain its pre-eminence as a just and compassionate country, Shri Jaitley said that what is needed is a well targeted system of subsidy delivery. He emphasized on need to cut subsidy leakages, to achieve which the Government is committed to the process of rationalizing subsidies. He said the direct transfer of benefits, started mostly in scholarship schemes, will be further expanded with a view to increasing the number of beneficiaries from the present 1 crore to 10.3 crore.

Reiterating that the Government's commitment to farmers runs deep, the Finance Minister proposed to fully support Agriculture Ministry's organic farming scheme – "Paramparagat Krishi Vikas Yojana". Stating that the Pradhanmantri Gram Sinchai Yojana is aimed at irrigating the field of every farmer and improving water use efficiency to provide 'Per Drop More Crop', Shri Jaitley proposed allocation of Rs. 5,300 crore to support micro-irrigation, watershed development and the Pradhan Mantri Krishi Sinchai Yojana.

In order to support the agriculture sector with the help of effective agriculture credit and focus on small and marginal farmers, the Finance Minister proposed to allocate Rs. 25,000 crore to the corpus of Rural Infrastructure Development fund (RIDF) set up in NABARD, Rs. 15,000 crore for Long Term Rural Credit Fund; Rs. 45,000 crore for Short Term Cooperative Rural Credit Refinance Fund; and Rs. 15,000 crore for Short Term RRB Refinance Fund. He said that the Government has set up an ambitious target of Rs. 8.5 lakh crore of agricultural credit. Stating the Government's commitment to supporting employment through MGNREGA, The Minister proposed an initial allocation of Rs. 34,699 crore for the programme.

The Finance Minister proposed to create a Micro Units Development Refinance Agency (MUDRA) Bank, with a corpus of Rs. 20,000 crore, and credit guarantee corpus of 3,000 crore, which will refinance Micro-Finance Institutions through a Pradhan Mantri Mudra Yojana,. He added that priority will be given to SC/ST enterprises in lending.

While showing concern over a large proportion of India's population being without any kind of insurance, Shri Jaitley said that the soon-to-be- launched Pradhan Mantri Suraksha Bima Yojana, will cover accidental death risk of Rs. 2 lakh for a premium of just Rs. 12 per year. Similarly, he said, the Government will also launch the Atal Pension Yojana, which will provide a defined pension, depending on the contribution, and its period. To encourage people to join this scheme, the Government will contribute 50% of the beneficiaries' premium limited to Rs. 1,000 each year, for five years, in the new accounts opened before 31<sup>st</sup> December, 2015. The third Social Security Scheme that the Minister announced is the Pradhan Mantri Jeevan Jyoti Bima Yojana which covers both natural and accidental death risk of Rs. 2 lakhs. The premium will be Rs. 330 per year, or less than one rupee per day, for the age group 18-50.

Mentioning about unclaimed deposits of about Rs. 3,000 crores in the PPF and approximately Rs. 6,000 crores in the EPF corpus, the Minister said that the amounts will be appropriated to a corpus,

which will be used to subsidize the premiums on these social security schemes through creation of a Senior Citizen Welfare fund in the Finance Bill. He reiterated the Government's commitment to the on-going schemes for the welfare of SCs, STs and Women.

The Finance Minister underlined the pressing need to increase public investment in infrastructure. He said that he proposes increased outlays on both the roads and the gross budgetary support to the railways, by Rs. 14,031 crore and Rs. 10,050 crore respectively. He said the CAPEX of the public sector units is expected to be Rs. 3,17,889 crore, an increase of approximately Rs. 80,844 crore over RE 2014-15. He also proposed to establish National Investment and Infrastructure Fund (NIIF) with an annual flow of Rs. 20,000 crore. He said that he also intends to permit tax free infrastructure bonds for the projects in the rail, road and irrigation sector. He said the PPP mode of infrastructure development has to be revisited and revitalized.

Shri Jaitley proposed to establish the Atal Innovation Mission(AIM) in NITI which will provide Innovation Promotion Platform involving academicians, and drawing upon national and international experiences. A sum of Rs. 150 crore is proposed to be earmarked for the mission.

The Finance Minister said that the Government is establishing a mechanism to be known as SETU (Self-Employment and Talent Utilisation) which will support all aspects of start-up businesses, and other self-employment activities, particularly in technology-driven areas. Rs. 1,000 crore have been initially earmarked in NITI Aayog for the purpose.

Shri Jaitley said the Government also proposes to set up 5 new Ultra Mega Power Projects each of 4000 MWs in the plug-and-play mode.

In order to promote investment in the country, the Minister proposed to set up a Public Debt Management Agency (PDMA) which will bring both India's external borrowings and domestic debt under one roof. He also proposed to merge the Forwards Markets Commission with SEBI to strengthen regulation of commodity forward markets and reduce wild speculation. He said enabling legislation, amending the Government Securities Act and the RBI Act is proposed in the Finance Bill, 2015.

Regarding the Employees Provident Fund (EPF), the Minister said the employees need to be provided two options, EPF or the New Pension Scheme (NPS). He said, for employees below a certain threshold of monthly income, contribution to EPF should be optional, without affecting or reducing the employer's contribution.

Stating that India is one of the largest consumers of gold in the world, Shri Arun Jaitley proposed to introduce a Gold Monetisation Scheme, which will replace both the present Gold Deposit and Gold metal Loan Schemes. The New scheme will allow the depositors of gold to earn interest in their metal accounts and the jewelers to obtain loans in their metal account. Banks/other dealers would also be able to monetize this gold. He also proposed a Sovereign Gold Bond, as an alternative to purchasing metal gold. He also announced commencing work on developing Indian Gold Coin, which will carry the Ashok Chakra on its face.

Highlighting need for increasing investments from all sources, the Finance Minister proposed to allow foreign investments in Alternate Investment Funds. He said in order to catalyze investments from the Indian Private Sector in South East Asia, a Project Development Company will set up manufacturing hubs in Cambodia, Myanmar, Laos and Vietnam.

In order to support Programmes for women security, advocacy and awareness, the Minister proposed to provide another Rs. 1,000 crore to the Nirbhaya Fund.

Shri Jaitley said resources will be provided to start work along landscape restoration, signage and interpretation centres, parking, access for the differently abled, visitors' amenities, including securities and toilets, illumination and plans for benefiting communities around them at various heritage sites.

Expressing concern over environmental degradation, the Minister said that the target of renewable energy capacity has been revised to 1,75,000 MW till 2022. He said the Government is also launching a Scheme for Faster Adoption and manufacturing of Electric Vehicles (FAME) with an initial outlay of Rs. 75 crore.

The Minister emphasized on formal skill training and said the Government will soon launch a National Skills Mission which will consolidate skill initiatives spread across several Ministries. He said Rs. 1,500 crore has been set apart for Deen Dayal Upadhyay Gramin Kaushal Yojana. He proposed to set up a fully IT based Student Financial Aid Authority to administer and monitor Scholarship as well Educational Loan Schemes, through the Pradhan Mantri Vidya Lakshmi Karyakram.

The Minister proposed to set up several New Institutions. An IIT will be set up in Karnataka and Indian School of Mines, Dhanbad will be upgraded in to a full-fledged IIT. New All India Institutes of Medical Sciences (AIIMS) will be set up in J&K, Punjab, Tamil Nadu, Himachal Pradesh and Assam. Another AIIMS like institution will be set up in Bihar. A post graduate institute of Horticulture Research & Education will be set up in Amritsar. Three new National Institutes of Pharmaceutical Education and Research will be set up in Maharashtra, Rajasthan and Chattisgarh and one institute of Science and Education Research will be set up in Nagaland and Odisha each. IIMs will be setup in J&K and Andhra Pradesh.

Shri Jaitley said India is making good progress towards digital India. He said the National Optical Fibre Network Programme (NOFNP) of 7.5 lakh kms networking 2.5 lakh villages is being further speeded up by allowing willing States to undertake its execution.

The Minister said that in spite of the large increase in the devolution to states, adequate provision is being made for the schemes for the poor with allocation of Rs. 68,968 crore to the education sector including mid-day meals, Rs. 33,152 crore to the health sector and Rs. 79,526 crore for rural development activities including MGNREGA, Rs. 22,407 crore for housing and urban development, Rs. 10,351 crore for women and child development, Rs. 4,173 crore for Water Resources and Namami Gange. The Minister said that adequate funds have been provided for the needs of the armed forces. As against likely expenditure of this year of Rs. 2,22,370 crore the budget allocation for 2015-16 is Rs. 2,46,727 crore.

Shri Arun Jaitley while giving the budget estimates for 2015-16 said Non-Plan expenditure estimates for the Financial Year are Rs. 13,12,220 crore. Plan expenditure is estimated to be Rs. 4,65,277 crore, which is very near to the R.E. of 2014-15. Total Expenditure has accordingly been estimated at Rs. 17,77,477 crore. Gross Tax receipts are estimated to be Rs. 14,49,490 crore. Devolution to the States is estimated to be Rs. 5,23,958 crore. Share of Central Government will be Rs. 9,19,842 crore. Non Tax Revenues for the next fiscal are estimated to be Rs. 2,21,733 crore. He said with the above estimates, fiscal deficit will be 3.9 percent of GDP and Revenue Deficit will be 2.8 percent of GDP.

## **TAX PROPOSALS**

The Finance Minister Shri Arun Jaitley has said that a very important dimension to our tax administration is the fight against the scourge of black money. He said that taxation is an instrument of social and economic engineering. Tax collections help the Government to provide education, healthcare, housing and other basic facilities to the people to improve their quality of life and to address the problems of poverty, unemployment and slow development. To achieve these objectives, it has been our endeavour in the last nine months to foster a stable taxation policy and non-adversarial tax administration.

Shri Jaitley said that Goods and Services Tax (GST) introduced in the last Session will play a transformative role in the way our economy functions. This transformative piece of legislation in indirect taxation needs to be matched with transformative measures in direct taxation. He said that the rate of corporate tax is proposed to be reduced from 30% to 25% over the next four years. This will lead to higher level of investment, higher growth and more jobs. The broad things adopted in finalizing the tax proposals include:-

- A. Measures to curb black money
- B. Job creation through revival of growth and investment and promotion of domestic manufacturing and 'Make in India';
- C. Minimum government and maximum governance to improve the ease of doing business;
- D. Benefits to middle class taxpayers;
- E. Improving the quality of life and public health through Swachch Bharat initiatives; and
- F. Stand alone proposals to maximize benefits to the economy.

Shri Jaitley said that a considered decision has been taken to enact a comprehensive new law on black money to specifically deal with such money stashed away abroad. The Bill in this regard is proposed to be introduced in the current Session of the Parliament. The key features of the bill will include punishment of rigorous imprisonment up to ten years for concealment of income and assets and evasion of tax in relation to foreign assets. This offence will be made non-compoundable and offenders will not be permitted to approach the Settlement Commission. Penalty for such concealment of income and assets at the rate of 300 per cent of tax shall be levied. Non-filing of return or filing of return with inadequate disclosure of foreign assets will be punishable with rigorous imprisonment up to seven years.

As regards curbing domestic black money, a new and more comprehensive Benami Transactions (Prohibition) Bill will be introduced in the current Session of the Parliament. Shri Jaitley said that this law will enable confiscation of benami property and provide for prosecution, thus, blocking a major avenue for generation and holding of black money in the form of benami property, especially in real estate. Quoting of PAN is being made mandatory for any purchase or sale exceeding the value of Rs.1 lakh. To improve enforcement, CBDT and CBEC will leverage technology and have access to information in each other's data-base.

Mentioning job creation as the second pillar of taxation proposals Shri Jaitley said that this will be ensured through revival of growth and investment and promotion of domestic manufacturing and 'Make in India'. The tax 'pass through' is proposed to be allowed to both Category-1 and Category-2 alternative investment fund so that tax is levied on the investors in these funds and not on the funds per se. To rationalize the capital gain regime for the sponsors exiting at the time of listing of the units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) subject to payment of Securities Transaction Tax (STT) is proposed, he said.

Permanent Establishment (PE) norm will be modified to encourage fund managers to relocate to India. The Finance Minister said that General Anti Avoidance Rule (GAAR) will be deferred by two years. It will apply to investments made on or after 01-04-2017, when implemented. In order to facilitate young entrepreneurs rate of income tax on royalty and fees for technical services will be reduced from 25 per cent to 10 per cent. To generate greater employment opportunities the benefit of deduction for employment of new regular workman to all business entities will be extended. The eligibility threshold of minimum 100 regular workmen will be reduced to 50.

Recognizing the importance of indirect taxes in the context of promotion of domestic manufacturing and 'Make in India', the Finance Minister said basic custom duty on certain inputs, raw materials, intermediates and components in 22 items is proposed to be reduced to minimize the impact of duty evasion. All goods except populated printed circuit boards for use in manufacture of ITA bound items are proposed to be exempted from SAD. Subject to actual user condition SAD will be reduced on import of certain other imports and raw materials.

Shri Jaitley said wealth tax is proposed to be abolished and replaced with an additional surcharge of 2 per cent on the super rich with the taxable income of over Rs.1 Crore. With this 2 per cent additional surcharge a collection of Rs.9,000 Crore is targeted against a tax sacrifice of Rs.1,008 Crore. To eliminate the scope for discretionary exercise of power and provide a hassle-free structure to the tax payers, Shri Jaitley proposed to increase the threshold limit from Rs.5 Crore to Rs.20 Crore. In order to rationalize the MAT provisions for FIIs, profits corresponding to their income from capital gains on transactions in securities which are liable to tax at a lower rate, shall not be subject to MAT, Shri Jaitley said.

Education cess and the Secondary and Higher education cess is proposed to be subsumed in central excise duty. The general rate of central excise duty of 12.36 per cent including the cesses will be rounded off to 12.5 per cent. The Ad-valorem rates of excise duty lower than 12 per cent and those higher than 12 per cent with a few exceptions are not proposed to be increased. Excise duty on

foot-wears with leather uppers and having retail price of more than Rs.1,000 per pair is proposed to be reduced to 6 per cent. Shri Jaitley said on-line central excise and service tax registration will be done in two working days. As a measure of business facilitation time limit for CENVAT credit on inputs and input services to be increased from 6 months to one year. Service tax plus education cess is proposed to be increased from 12.36 per cent to 14 per cent to facilitate transaction to GST.

Shri Jaitley said that cleanliness of households and clean environment are very important social causes. As an initiative to Swachh Bharat Abhiyan Shri Jaitley proposed 100 per cent reduction for contribution, other than by way of CSR contributions, to the Swachh Bharat Kosh. A similar tax treatment is also proposed for the Clean Ganga Fund, he said. Shri Jaitley proposed an increase in clean energy cess from Rs.100 to Rs.200 per metric tonne of coal, etc. to finance clean environment initiatives. He further said that excise duty of sacks and bags of polymers of ethylene other than for industrial use is proposed to be increased from 12 per cent to 15 per cent. He also mentioned an enabling provision to levy Swachh Bharat Cess at the rate of 2 per cent or less on all or certain services if need arises. Shri Jaitley said that services by common affluent treatment plant will be exempt from service tax. He also proposed concessions on customs and excise duty available to electrically operated vehicle and hybrid vehicle extended up to 31-03-2016.

The Finance Minister proposed no change in the rate of personal income tax and rate of tax for companies in respect of income earned in the finance year 2015-16, assessable in Assessment Year 2016-17. Shri Jaitley proposed to levy a surcharge @ 12 per cent on individuals, HUFs, AOPs, BOIs, artificial juridical persons, firms, cooperative societies and local authorities having income exceeding Rs.1 Crore. Surcharge in the case of domestic companies having income exceeding Rs.1 Crore and up to Rs.10 Crore is proposed to be levied @ 7 per cent and surcharge @ 12 per cent is proposed to be levied on domestic companies having income exceeding Rs.10 Crore.

He further proposed that in the case of foreign companies the surcharge will continue to be levied @ 2 per cent if the income exceeds Rs.1 Crore and is up to Rs. 10 Crore, and @ 5 per cent if the income exceeds Rs.10 Crore.

It is also proposed to levy a surcharge @ 12 per cent as against current rate of 10 per cent on additional income tax payable by companies on distribution of dividends and buyback of shares, or by mutual funds and securitization trusts on distribution of income.

The education cess on income tax @ 2 per cent for fulfilment of the commitment of the Government to provide and finance universalized quality based education and 1 per cent of additional surcharge called 'Secondary and Higher Education Cess' on tax and surcharge is proposed to be continued for the financial year 2015-16 for all taxpayers, the Minister said.

Describing the extension of benefits to middle class tax payers as the priority of the government, Shri Jaitley proposed the following concessions:-

- A. Increase in the limit of deduction in respect of health insurance premium from Rs.15,000 to Rs.25,000.



- (1) For senior citizens the limit will stand increased to Rs.30,000 from the existing Rs.20,000.
- (2) For very senior citizens of the age of 80 years or more, who are not covered by health insurance, deduction of Rs.30,000 towards expenditure incurred on the treatment will allowed.
- B. The deduction limit of Rs.60,000 towards expenditure on account of specified diseases of serious nature is proposed to be enhanced to Rs.80,000 in case of very senior citizens.
- C. Additional deduction of Rs.25,000 will be allowed for differently abled persons under Section 80DD and Section 80U of the Income-tax Act.
- D. The limit on deduction on account of contribution to a Pension Fund and the New Pension Scheme is proposed to be increased from Rs.1 lakh to Rs.1.5 lakh.
- E. To provide social safety net and the facility of pension to individuals and additional deduction of Rs.50,000 is proposed to be provided for contribution to the New Pension Scheme under Section 80 CCD. This will enable India to become a pensioned society instead of a pensionless society.
- F. Investments in Sukanya Samriddhi Scheme is already eligible for deduction under Section 80C. All payments to the beneficiaries including interest payment on deposit will also be fully exempt.
- G. Transport allowance exemption is being increased from Rs.800 to Rs.1,600 per month.
- H. For the benefit of senior citizens, service tax exemption will be provided on Varishta Bima Yojana.

Mentioning change, growth, jobs and genuine effective up-liftment of the poor and the under-privileged as Government's commitment and re-affirming its commitment to the Constitutional principles of equality and justice for all without concern for caste, creed or religion, Shri Jaitley ended his budget speech with the Upanishad-inspired mantra-

*Om Sarve Bhavantu Sukhinah.....*  
*(OM! May All Be Happy)....*

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DSM/GG/MA/DM/RV

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**ARUN JAITLEY SAYS DEVELOPMENT SHOULD BE AS GREEN AS POSSIBLE**

New Delhi, February 28, 2015

Phalgun 9, 1936

The Union Finance Minister Shri Arun Jaitley has said that the Government is committed to make development process as green as possible.

While presenting the General Budget 2015-16 in Parliament today, the Finance Minister Shri Jaitley stated that our de-facto ‘Carbon Tax’ on most petroleum products compares favourably with international norms. He said, with regard to coal, there is a need to find a balance between taxing pollution, and the price of power. Shri Jaitley also said that the government is launching a scheme for Faster Adoption and Manufacturing of Electric Vehicles. He proposed an initial outlay of Rs. 75 crore for the scheme in 2015-16. The Ministry of New and Renewable Energy has revised its target of renewable energy capacity to 1,75,000 MW till 2022, comprising 1,00,000 MW Solar, 60,000 MW Wind, 10,000 MW Biomass and 5,000 MW Small Hydro, he added.

Shri Arun Jaitley said that malfeasance in public procurement can be contained by having a procurement law and institutional structure. He urged the Parliament to take a view soon on whether we need a procurement law, and if so, what shape it should take.

The Finance Minister while stating that disputes arising in public contracts take a long to resolve, and the process is very costly, he proposed to introduce a Public Contracts (Resolution of Disputes) Bill to streamline the institutional arrangements for resolution of such disputes.

Shri Arun Jaitley has also proposed to introduce a Regulatory Reform Law that will bring about a cogency of approach across various sectors of infrastructure to tackle the lack of common approach and philosophy in the regulatory arrangements prevailing with different sectors.

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**FACILITIES AT CULTURAL WORLD HERITAGE SITES ARE TO BE RESTORED:  
ARUN JAITLEY**

**New Delhi, February 28, 2015**

**Phalguna 9, 1936**

The Union Finance Minister Shri Arun Jaitley has said that the facilities at India's 25 Cultural World Heritage Sites are still deficient and require restoration.

While presenting the General Budget 2015-16 in the Parliament today, the Finance Minister Shri Jaitley has stated that the facilities like landscaping restoration, signage and interpretation centres, parking, access for differently abled, amenities for visitors including securities and toilets, illumination and plans for benefiting communities around them would be restored. The Union Finance Minister Shri Jaitley has proposed to provide resources to start work along these lines for the following Heritage Sites:

1. Churches & Convents of Old Goa
2. Hampi, Karnataka
3. Kumbalgarh and other Hill Forts of Rajasthan
4. Rani ki Vav, Patan, Gujarat
5. Leh Palace, Ladakh, J&K
6. Varanasi Temple town, UP
7. Jalianwala bagh, Amritsar, Punjab
8. Qutub Shahi Tombs, Hyderabad, Telangana

Shri Jaitley proposed to extend the Visas on arrival facility to 150 countries, in stages, after the success of the same issued to travelers of 43 countries.

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**8 CENTRALLY SPONSORED SCHEMES DELINKED FROM SUPPORT OF THE  
CENTRE  
24 SCHEMES TO BE RUN WITH THE CHANGED SHARING PATTERN WHILE 31  
SCHEMES WILL GET FULL SUPPORT OF THE CENTRE**

**New Delhi, February 28, 2015**

**Phalgun 9, 1936**

The plan outlay of 2015-16 reflects the compositional shift in the allocations for various Programmes and Schemes in view of high devolution; 42% of Union Taxes, to States as per the recommendation of 14<sup>th</sup> Finance Commission. Making his Budget Speech while presenting the General Budget 2015-16, the Finance Minister, Shri Arun Jaitley said that consequent to this substantially higher devolution, many schemes on the State subjects are to be delinked from Central support. However, keeping in mind that some of these schemes represent national priorities especially those targeted at poverty alleviation, Centre has decided that it will continue to contribute to such schemes, the Minister added. Besides, the schemes mandated by legal obligations and those backed by Cess collection have been fully provided for.

As per the Budget 2015-16, centre has decided to support fully which are targeted to the benefits of socially disadvantaged group. In case of some Centrally Sponsored Schemes, the Centre: State funding pattern will undergo a change with States to contribute higher share. Details of changes in sharing pattern will have to be worked out by administrative Ministry/Department. The details of Plan outlays in 2015-16 are to be seen against this backdrop.

In the General Budget 2015-16, there are 31 Schemes to be fully sponsored by the Union Government, 8 Schemes have been delinked from support of the Centre and 24 Schemes will now be run with the changed sharing pattern.

To enhance public spending in the economy, Government has significantly enhanced the capital expenditure despite fiscal pressure. In comparison to capital spending of Rs. 192378

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**GOVERNMENT TO LAUNCH A NATIONAL SKILLS MISSION SOON  
AIIMS TO BE LAUNCHED IN J&K, PUNJAB, TAMIL NADU, HIMACHAL PRADESH  
AND ASSAM IN 2015-16  
STUDENT FINANCIAL AID AUTHORITY TO ADMINISTER SCHOLARSHIPS AND  
EDUCATIONAL LOAN SCHEMES FOR POOR STUDENTS**

**New Delhi, February 28, 2015**

**Phalguna 9, 1936**

The Government will soon launch a National Skills Mission through the Skill Development and Entrepreneurship Ministry. The Finance Minister, Shri Arun Jaitley, in his Budget Speech 2015-16 today, said that the Mission will consolidate skill initiatives spread across several Ministries. It will allow the Government to standardize procedures and outcomes across 31 Sector Skill Councils, he added.

Shri Arun Jaitley said "India is one of the youngest nations in the world with more than 54% of the total population below 25 years of age. Yet today less than 5% of our potential workforce gets formal skill training to be employable and stay employable".

The Finance Minister said that the Deen Dayal Upadhyay Grameen Kaushal Yojana was launched to enhance the employability of Rural Youth which is the key to unlocking India's demographic dividend. A sum of Rs. 1500 crore has been allocated for this scheme, he said, for which disbursement will be through a digital voucher directly into qualified student's bank account. A 100<sup>th</sup> Birth Anniversary Celebration Committee will be announced soon and adequate resources will be provided for the celebration of 100<sup>th</sup> Birth Anniversary of the Great Nationalist Shri Deen Dayal Ji Upadhyay, he added.

Shri Jaitley announced that the Government will launch all India Institute of Medical Sciences (AIIMS) in J&K, Punjab, Tamil Nadu, Himachal Pradesh and Assam in the fiscal year 2015-16. Similarly, to augment Medical Sciences in Bihar, another AIIMS like Institute is proposed to be set in the State.

PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA

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**EDUCATION SECTOR ALLOCATED RS. 68968 Cr WHILE RURAL DEVELOPMENT  
GETS RS 79526 Cr IN THE YEAR 2015-16  
NIRBHAYA FUND GETS ANOTHER RS 1000 Cr IN 2015-16**

**New Delhi, February 28, 2015**

**Phalgun 9, 1936**

The Finance Minister, Shri Arun Jaitley has said that adequate provision has been made for the schemes for the poor and disadvantaged in the Budget of 2015-16. Delivering his Budget Speech in the Parliament today, the Finance Minister said that an amount of Rs. 68,968 crore has been allocated to the Education Sector including Mid Day Meals, Rs. 33,152 crore to the Health Sector and Rs. 79,526 crore for Rural Development Activities including MGNREGA in the Budget for 2015-16. An amount of Rs. 22,407 crore has been provided for Housing and Urban Development, Rs. 10,351 crore for Women and Child Development and Rs. 4,173 crore for Water Resources and Namami Gange.

In order to support programmes for Women Security, Advocacy and Awareness, another Rs. 1000 crore have been allocated to the Nirbhaya Fund in the year 2015-16.

Shri Arun Jaitley said that the National Optical Fibre Network Programme of 7.5 lakh Kilometre, networking 2.5 lakh villages, is being speeded up as a part of progress towards making digital India.

The Finance Minister disclosed that an initial sum of Rs. 1200 crore has been given for the DMIC corridors in the current year. The Ahmedabad-Dholera investment region in Gujarat and the Shendra-Bidkin Industrial park near Aurangabad, in Maharashtra, are now in a position to start work on basic infrastructure. Additional funds will be provided for the Industrial Corridors as the pace of expenditure picks up, he added.

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**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**NO CHANGE IN THE RATE OF PERSONAL INCOME-TAX AND THE RATE OF TAX  
FOR COMPANIES ON INCOME IN FINANCIAL YEAR 2015-16**

**SURCHARGE @12% LEVIED ON INDIVIDUALS, HUFs, AOPs, BOIs, ARTIFICIAL  
JURIDICAL PERSONS, FIRMS, COOPERATIVE SOCIETIES AND LOCAL  
AUTHORITIES HAVING INCOME EXCEEDING RS 1 CRORE**

New Delhi, February 28,2015

Phalguna 9, 1936

The Union Finance Minister Shri Arun Jaitley in his Budget Speech in Lok Sabha today proposed no change in the rate of personal Income-tax. He announced the tax proposals with no change in the rate of tax for companies in respect of the income earned in the financial year 2015-16, assessable in the assessment year 2016-17.

However, Finance Minister Shri Arun Jaitley proposed to levy a surcharge at the rate of 12% on individuals, HUFs, AOPs, BOIs, artificial juridical persons, firms, cooperative societies and local authorities having income exceeding Rs 1 crore. Surcharge in the case of domestic companies having income exceeding Rs 1 crore and upto Rs 10 crore is proposed to be levied @ 7% and surcharge @ 12% is proposed to be levied on domestic companies having income exceeding Rs 10 crore.

Shri Jaitley further proposed that in the case of foreign companies the surcharge will continue to be levied @ 2% if the income exceeds Rs 1 crore and is upto Rs 10 crore, and @ 5% if the income exceeds Rs 10 crore.

It is also proposed to levy a surcharge @ 12% as against current rate of 10% on additional income-tax payable by companies on distribution of dividends and buyback of shares, or by mutual funds and securitization trusts on distribution of income.

The education cess on income-tax @ 2% for fulfillment of the commitment of the Government to provide and finance universalized quality based education and 1% of additional surcharge called 'Secondary and Higher Education Cess' on tax and surcharge is proposed to be continued for the financial year 2015-16 for all taxpayers.

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**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**BENEFITS TO MIDDLE CLASS TAX PAYERS IN THE BUDGET 2015-16**

**PAYMENTS TO THE BENEFICIARIES INCLUDING INTEREST PAYMENT ON  
DEPOSIT IN SUKANYA SAMRIDDHI SCHEME TO BE FULLY EXEMPT**

New Delhi, February 28, 2015

Phalguna 9, 1936

The Union Minister of Finance Shri Arun Jaitley in his Budget Speech in Lok Sabha today proposed rationalization of various tax exemptions and incentives to reduce tax disputes and improve tax administration. He said, with a view to encourage savings and to promote health care among individual tax payers, it is proposed to increase the limit of reduction of health insurance premium from Rs 15,000 to Rs 25,000 and for senior citizen this limit is increase from Rs 20,000 to Rs 30,000.

For senior citizen above the age of 80 years, not eligible to take health insurance, deduction is allowed for Rs 30,000 toward medical expenditure. Deduction limit of Rs 60,000 on expenditure on account of specified diseases is enhanced to Rs 80,000 in the case of senior citizens.

Additional deduction of Rs 25,000 is allowed for differently-abled persons, increasing the limit from Rs 50,000 to Rs 75,000. It is also proposed to increase the limit of deduction from Rs 1 lakh to Rs 1.25 lakh in case of severe disability.

The Finance Minister Shri Jaitley also proposed to provide that investment in Sukanya Samriddhi Scheme will be eligible for deduction under section 80C of the income-tax and any payment from the scheme shall not be liable to tax.

Limit on deduction on account of contribution to a pension fund and the new pension scheme is proposed to be increased from Rs 1 lakh to Rs 1.5 lakh.

Additional deduction of Rs 50,000 will be allowed for contribution to the new pension scheme u/s 80 CCD increasing from Rs 1 lakh to Rs 1.5 lakh.



Details of tax deductions proposed are as follows:

• Deduction u/s 80C	Rs 1,50,000
• Deduction u/s 80CCD	Rs 50,000
• Deduction on account of interest on house property loan (Self occupied property)	Rs 2,00,000
• Deduction u/s 80D on health insurance premium	Rs 25,000
• Exemption of transport allowance	Rs 19,200
Total	Rs 4,44,200

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GOVERNMENT OF INDIA**

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**SHRI JAITLEY ANNOUNCES MEASURES TO IMPROVE THE EASE OF DOING  
BUSINESS WITH SIMPLIFICATION OF TAX PROCEDURES IN FINANCE BILL 2015**

New Delhi, February 28, 2015

Phalgun 9, 1936

The Union Finance Minister Shri Arun Jaitley in his Budget Speech in Lok Sabha today announced measures to improve the ease of doing business so as to achieve 'Minimum Government and Maximum Governance'. He sought to bring about simplification of tax procedures in the Financial Bill 2015. Monetary limits for a case to be heard by a single member bench of ITAT is proposed to be increased from Rs 5 lakh to Rs 15 lakh. The proposed amendments in the Income-tax Act provide that:

- Penalty provision in indirect taxes are being rationalized to encourage compliance and early dispute resolution.
- Central excise/ Service tax assesses to be allowed to use digitally signed invoices and maintain record electronically.
- Wealth-tax replaced with additional surcharge of 2 per cent on super rich with a taxable income of over Rs 1 crore annually.
- Provision of indirect transfers in the Income-tax Act suitably cleaned up.
- Applicability of indirect transfer provisions to dividends paid by foreign companies to their shareholders to be addressed through a clarificatory circular.
- Domestic transfer pricing threshold limit increased from Rs 5 crore to Rs 20 crore.
- MAT rationalized for FIIs and members of an AOP.

- Tax Administration Reform Commission (TARC) recommendations to be appropriately implemented during the course of the year.
- Education cess and the Secondary and Higher education cess to be subsumed in Central Excise Duty.
- Specific rates of central excise duty in case of certain other commodities revised.
- Excise levy on cigarettes and the compounded levy scheme applicable to pan masala, gutkha and other tobacco products also changed.
- Excise duty on footwear with leather uppers and having retail price of more than Rs 1000 per pair reduced to 6 %.
- Online central excise and service tax registration to be done in two working days.
- Time limit for taking CENVAT credit on inputs and input services increased from 6 months to 1 year.
- Service-tax plus education cesses increased from 12.36% to 14% to facilitate transition to GST.
- Donation made to National Fund for Control to Drug Abuse (NFCDA) to be eligible for 100% deduction u/s 80G of Income-tax Act.
- Seized cash can be adjusted towards assesses tax liability.

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**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**FINANCE MINISTER SHRI ARUN JAITLEY OUTLINES MEASURES TO CURB  
BLACK MONEY IN BUDGET 2015-16**

**New, Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister, Shri Arun Jaitley signaled the government's intent to curb generation of black money in real estate in the Budget 2015-16. Presenting the Budget in the Lok Sabha today he proposed amendments in the Income Tax Act prohibiting acceptance or repayment of advance in cash of Rs. 20,000 or more for any transaction in immovable property. Penalties of equal amount will be imposed in case of contraventions.

In order to curb trade based money laundering, making false declarations/ documents in the transaction of any business relating to Customs (section 132, Customs Act) will be brought under the Prevention of Money Laundering Act as a “predicate offence”.

A Bill for a comprehensive new law to deal with black money parked abroad is likely to be introduced in the current session. Key features of the new law on black money are –

- Evasion of tax in relation to foreign assets to have a punishment of rigorous imprisonment upto 10 years, be non compoundable, have a penalty of 300 % and the offender will not be permitted to approach the Settlement Commission.
- Non filing of return/filing of return with inadequate disclosures to have a punishment of rigorous imprisonment upto 7 years.
- Undisclosed income from any foreign assets to be taxable at the maximum marginal rate.
- Mandatory filing of return in respect of foreign asset.
- Entities, banks, financial institutions including individuals all liable for prosecution and penalty.
- Concealment of income/evasion of income in relation to a foreign asset to be made a ‘predicate’ offence under PML Act, 2002
- PML Act, 2002 and FEMA to be amended to enable administration of new Act on black money.

Also, the Government proposes Benami Transactions (Prohibition) Bill to curb domestic black money to be introduced in the current session of Parliament.

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GOVERNMENT OF INDIA**

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**JAITLEY’S BUDGET TO CREATE JOBS THROUGH REVIVAL OF GROWTH AND  
INVESTMENT WITH PROMOTION OF DOMESTIC MANUFACTURING AND  
“MAKE IN INDIA”**

**New, Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister Shri Arun Jaitley presenting the Budget in Lok Sabha today proposed to defer the applicability of the General Anti Avoidance Rule (GAAR) by two years. Investments made up to 31.03.2017 shall not be subjected to GAAR.

Finance Minister Shri Jaitley proposed pass-through status to all sub-categories of Category I as well as Category II of Alternative Investment Funds (AIF) governed by regulations of Securities Exchange Board of India (SEBI) to streamline the taxation regime of AIFs.

Shri Jaitley proposed to modify the Permanent Establishment norms to facilitate relocation of fund managers of off-shore funds in India.

An additional investment allowance of 15% and additional depreciation of 15% to new manufacturing units set up in notified areas of Andhra Pradesh and Telangana from 01.04.2015 to 31.03.2020 is proposed by the Finance Minister in his Budget Speech.

With respect to the Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (INVITs), the Finance Minister proposed that the treatment granted to the sponsor on offloading of units at the time of listing will be the same as that granted if the shareholding of the Special Purpose Vehicle (SPV) had been offloaded at the stage of direct listing. Further, the Finance Minister said that rental income from real estate assets directly held by REITs are proposed to be allowed to pass through and taxed in the hands of the unit holders of the REIT.

Shri Arun Jaitley proposed to amend Section 194LD of the Income Tax Act to extend the period of applicability of reduced rate of tax at 5% for income of foreign investors including FIIs and QFIs from corporate bonds and government securities. The period of applicability is proposed to be extended from 31.05.2015 to 30.06.2017.

Seeking to address the problems faced by small companies and to facilitate the inflow of technology, the Finance Minister proposed to amend Section 115 of the Income Tax Act thereby reducing the rate of tax on royalty and fees for technical services from 25% to 10%.

To facilitate the generation of employment Shri Jaitley proposed that the tax benefit under section 80JJAA of the Income Tax Act will be available to a 'person' deriving profits from manufacture of goods in a factory and paying wages to new regular workmen. The amendment seeks to reduce the eligibility threshold from minimum 100 workmen to 50 workmen.

For new plant and machinery installed by a manufacturing unit or a unit engaged in generation and distribution of power an additional depreciation of 20 % is proposed by the Finance Minister. However, only 10 % of additional depreciation is proposed to be allowed if the asset is installed after 30<sup>th</sup> September of the previous year with the remaining 10 % to be allowed in the subsequent previous year.

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GOVERNMENT OF INDIA**

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**ELIGIBLE DONATIONS TO SWACHH BHARAT KOSH AND CLEAN GANGA FUND  
TO BE 100% DEDUCTIBLE**

**New, Delhi, February 28, 2015**  
**Phalguna 9, 1936**

The Finance Minister, Shri Arun Jaitley presenting the Budget for 2015-16 in Lok Sabha today, proposed that donations (other than CSR contributions under the Companies Act 2013) to the Swachh Bharat Kosh (by residents and non residents) and Clean Ganga Fund (by residents) will be 100 % deductible under section 80G of the Income-tax Act.

He emphasized on improving the quality of life and public health through Swachh Bharat initiatives. He increased the clean energy cess from Rs. 100 to Rs. 200 per metric tonne of coal etc. to finance clean environment initiatives. Shri Jaitley further raised excise duty from 12 % to 15 % on sacks and bags of polymers of ethylene other than for industrial use. He further introduced an enabling provision to levy Swachh Bharat cess at 2 % or less on all or certain services if required. Shri Jaitley proposed in the budget to exempt services by common effluent treatment plants from service tax. Concessions on custom and excise duty for electrically operated vehicles and hybrid vehicles are to be extended upto 31.03.2016, Shri Jaitley said.

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GENERAL BUDGET  
2015-16

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GOVERNMENT OF INDIA

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**INVESTMENT IN INFRASTRUCTURE TO GO UP BY RS.70,000 CRORE IN YEAR  
2015-16 OVER YEAR 2014-15**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has proposed an increase in investment in infrastructure by Rs. 70,000 crore in the year 2015-16 over the year 2014-15 from the Centre's funds and resources of CPSEs. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Finance Minister stated that the present state of infrastructure does not match the growth ambitions. Hence he has increased outlay on both the roads and the gross budgetary support to the Railways by Rs. 14,031 crore and Rs. 10,050 crores. The CAPEX of the public sector units is expected to be Rs.3,17,889 crores, an increase of approx. Rs. 80,844 crores over RE 2014-15.

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GENERAL BUDGET  
2015-16

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**NATIONAL INVESTMENT AND INFRASTRUCTURE FUND TO BE SET UP**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has announced the setting up of a National Investment and Infrastructure Fund (NIIF). Presenting the General Budget 2015-16 in the Lok Sabha here today, the Finance Minister stated that an annual flow of Rs.20,000 crore will be ensured for the NIIF. This will enable the Trust to raise debt, and in turn, invest as equity, in infrastructure finance companies such as IRFC and NHB. The infrastructure finance companies can then leverage this extra equity, manifold.

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GENERAL BUDGET 2015-16
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**ATAL INNOVATION MISSION (AIM) TO BE SET UP**

**New Delhi, February 28, 2015**  
**Phalguna 9, 1936**

The Union Finance Minister Shri Arun Jaitley has stated his intentions to establish the ATAL Innovation Mission(AIM) in NITI. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Finance Minister stated that AIM will be an Innovation Promotion Platform involving academics, entrepreneurs and researchers and draw upon national and international experiences to foster a culture of innovation, R&D and scientific research in India. Shri Jaitley said that the platform will also promote a network of world-class innovation hubs and Grand Challenges for India. Initially a sum of Rs.150 crore will be earmarked for this purpose.

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**SELF EMPLOYMENT AND TALENT UTILISATION (SETU) TO BE ESTABLISHED**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

Government has announced the setting up of a Self- Employment and Talent Utilisation (SETU) mechanism. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Union Finance Minister Shri Arun Jaitley stated that SETU will be a Techno-Financial, Incubation and Facilitation Programme to support all aspects of start up businesses, and other self-employment activities, particularly in technology-driven areas. An amount of Rs.1000 crore is being set up initially in NITI Aayog for SETU.

Shri Jaitley stated that “we are now seeing a growing interest in start-ups. Experimenting in cutting edge technologies, creating value out of ideas and initiatives and converting them into scalable enterprises and businesses is at the core of our strategy for engaging our youth and for inclusive and sustainable growth of the country.” He said concerns such as a more liberal system of raising global capital, incubation facilities in our Centres of Excellence, funding for seed capital and growth, and ease of Doing Business etc need to be addressed to create lakh of jobs and hundreds of billion dollars in value. The Minister said, with this objective in mind, SETU is being set up.

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GENERAL BUDGET  
2015-16

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**FIVE NEW ULTRA-MEGA POWER PROJECTS TO BE SET UP  
SECOND UNIT OF KUDANKULAM NUCLEAR POWER STATION WILL BE  
COMMISSIONED IN 2015-16**

**New Delhi, February 28, 2015  
Phalguna 9, 1936**

The Government proposes to set-up 5 new Ultra Mega Power Projects, each of 4000 MWs in the plug-and-play mode. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Union Finance Minister Shri Arun Jaitley stated that all clearances and linkages will be in place before the project is awarded by a transparent auction system. This shall unlock investments to the extent of Rs. 1 lakh crore. Shri Jaitley said the Government would also consider similar plug-and-play projects in other infrastructure projects such as roads, ports, rail lines , airports etc. The Finance Minister announced that the second unit of Kudankulam Nuclear Power Station will be commissioned in 2015-2016.

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GENERAL BUDGET 2015-16
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**FORWARDS MARKETS COMMISSION TO BE MERGED WITH SEBI**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has proposed to merge the Forwards Markets Commission with SEBI to strengthen regulation of commodity forward markets and reduce wild speculation. Enabling legislation, amending the Government Securities Act and the RBI Act is proposed in the Finance Bill, 2015.

It has also been proposed to amend through the Finance Bill, Section 6 of FEMA to provide that control on capital flows as equity will be exercised by the Government, in consultation with the RBI.

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**PUBLIC DEBT MANAGEMENT AGENCY (PDMA) TO BE SET UP**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

A Public Debt Management Agency (PDMA) will be set-up which will bring both India's external borrowings and domestic debt under one roof. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Union Finance Minister Shri Arun Jaitley stated that deepening of the Indian Bond market is one vital factor in promoting investment in India. The process of bringing the Indian Bond Market at the same level as India's world class equity market is proposed to be initiated by setting-up PDMA.

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**TASK FORCE TO ESTABLISH A SECTOR NEUTRAL FINANCIAL REDRESSAL  
AGENCY TO BE SET UP**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has proposed to create a task force to establish a sector neutral financial redressal agency that will address grievances against all financial service providers. Presenting the General Budget 2015-16 in the Lok Sabha here today, Shri Jaitley stated that a properly functioning capital market requires proper consumer protection.

The Finance Minister also informed that the work assigned to the Task Forces on the Financial Data Management Centre, the Financial Sector Appellate Tribunal, the Resolution Corporation, and the Public Debt Management Agency are progressing satisfactorily.

The Government has also received a large number of suggestions regarding the Indian Financial Code (IFC) which are currently being reviewed by the Justice SriKrishna Committee. The Finance Minister hoped that he would be able to introduce the IFC in Parliament for consideration in due course.

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**EMPLOYEES UNDER THE EMPLOYEES PROVIDENT FUND(EPF) TO BE  
PROVIDED TWO OPTIONS**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has announced that with respect to Employees Provident Fund (EPF), the employee needs to be provided two options. Firstly, the employee may opt for EPF or the New Pension Scheme (NPS). Secondly, for employees below a certain threshold of monthly income, contribution to EPF should be optional, without affecting or reducing the employer's contribution. He said, with respect to ESI, the employee should have the option of choosing either ESI or a Health Insurance product, recognized by the Insurance Regulatory Development Authority (IRDA).

The Finance Minister announced that he intends to bring amending legislation in this regard, after stakeholders' consultation.

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**PRESS INFORMATION BUREAU  
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**MONETISING GOLD**

**February 28, 2015**  
**Phalguna 9, 1936**

The Union Finance Minister Shri Arun Jaitley has announced several steps for monetizing gold. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Union Finance Minister Shri Arun Jaitley stated that stocks of gold in India are estimated to be over 20,000 tonne but mostly this gold is neither traded, nor monetized. Shri Jaitley proposed to introduce Gold Monetisation Scheme, which will replace both the present Gold Deposit and Gold metal Loan Schemes. The new scheme will allow the depositors of gold to earn interest in their metal accounts and the jewelers to obtain loans in their metal account. Banks/ other dealers would also be able to monetize this gold.

The Finance Minister also announced the development of an alternate financial asset, a Sovereign Gold Bond, as an alternative to purchasing metal gold. The Bonds will carry a fixed rate of interest, and also be redeemable in case in terms of the face value of the gold, at the time of redemption by the holder of the Bond.

Shri Arun Jaitley also announced that the Government shall commence work on developing an Indian Gold Coin, which will carry the Ashok Chakra on its face. Such an Indian Gold Coin would help reduce the demand for coins minted outside Indian and also help to recycle the gold available in the country.

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**DISTINCTION BETWEEN DIFFERENT TYPES OF FOREIGN INVESTMENTS DONE  
AWAY TO SIMPLIFY THE PROCEDURE FOR INDIAN COMPANIES TO ATTRACT  
FOREIGN INVESTMENT**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has proposed to do away with the distinction between different types of foreign investments, especially between foreign portfolio investments and foreign direct investments, and replace them with composite caps. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Union Finance Minister Shri Arun Jaitley stated that this was being done to further simplify the procedures for Indian companies to attract foreign investments. The sectors which are already on a 100 percent automatic route would not be affected.

The Finance Minister also proposed to allow foreign investments in Alternate Investment Funds keeping in view the need to increase investments from all sources.

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**'ACT EAST' POLICY OF THE GOVERNMENT**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley today announced setting-up of manufacturing hubs in CMLV countries, namely, Cambodia, Myanmar, Laos and Vietnam. Presenting the General Budget 2015-16 in the Lok Sabha here today, the Finance Minister stated that the 'Act East' policy of the Government endeavours to cultivate extensive economic and strategic relations in South-East Asia. In order to catalyse investments from the Indian private sector in this region, a project development company will set-up the manufacturing hubs in CMLV countries through separate Special Purpose Vehicles (SPVs).

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**Job creation through revival of growth and investment and promotion of domestic manufacturing and ‘Make in India’.**

New Delhi, February 28, 2015  
Falgun 9, 1936

To promote domestic manufacturing and ‘Make in India’ for creation of more jobs, the Union Finance Minister Shri Arun Jaitley announced a series of cuts in Customs and Excise duties in the Union Budget 2015-16 presented in Parliament.

Customs duties on certain inputs like Metal parts, insulated wires and cables, Refrigerators compressor parts, compounds used in catalytic converters, Sulphuric Acid for use in manufacture of fertilizers and compounds of Video Cameras have been reduced.

Similarly Basic Customs Duty is being reduced on certain raw materials used in lathe machines from 7.5%, to 2.5%, medical video endoscopes from 5% to 2.5 %, telecommunication grade optical fiber cables from 7.5% to Nil and LCD/LED TV panels from 10% to Nil. CVD and SAD are being fully exempted on specified raw materials for use in the manufacture of pacemakers.

SAD is reduced in Metal scrap of iron & steel, copper, brass and aluminum from 4% to 2% to address problem of CENVAT credit accumulation. For inputs for use in the manufacture of LED driver and MCPCB for LED lights, fixture and LED lamps SAD is reduced from 4% to Nil.

Basic Customs Duty is increased for metallurgical coke. Tariff rate is increased on iron & steel and articles of iron or steel. Tariff rate on Commercial Vehicles is increased from 10% to 40% and effective rate from 10% to 20%.

Excise duty is restructured on certain goods such as Wafers for use in the manufacture of integrated circuit (IC) modules for smart cards from 12% to 6%, inputs for use in the manufacture of LED lamps from 12% to 6%, specified raw materials for use in the manufacture of pacemakers to Nil , Solar water heater and system from 12.5% to Nil and Tablet computers from 12% to 2 %.

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**TAX MEASURES ANNOUNCED TO PROMOTE SWACHH BHARAT INITIATIVES  
AND PUBLIC HEALTH.**

New Delhi, February 28, 2015  
Phalgun 9, 1936

The Central Government will impose a Swachh Bharat Cess on all or certain taxable services at a rate of 2% from a date to be notified. The Finance Minister Shri Arun Jaitley announced in his Budget Speech that the proceeds from this Cess would be utilized for Swachh Bharat initiatives. In a related development, the Scheduled rate of Clean Energy Cess levied on coal lignite and peat is being increased from Rs. 100 per tonne to Rs. 300 per tonne. The effective rate of Clean Energy Cess is being increased from Rs. 100 per tonne to Rs. 200 per tonne. Similarly, Excise duty on sacks and bags of polymers of ethylene other than for industrial use is being increased from 12% to 15%.

Concessional customs and excise duty rates on specified parts of Electrically Operated Vehicles and Hybrid Vehicles, presently available up to 31.03.2015, is being extended up to 31.03.2016.

To promote public health, Excise duty on cigarettes is being increased by 25% for cigarettes of length not exceeding 65 mm and by 15% for cigarettes of other lengths. Similar increases are proposed on cigars, cheroots and cigarillos.

Maximum speed of packing machine is being specified as a factor relevant to production for determining excise duty payable under the Compounded Levy Scheme presently applicable to pan masala, gutkha and chewing tobacco.

Excise duty on chassis for ambulances is being reduced from 24% to 12.5%.

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GOVERNMENT OF INDIA

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**INDIRECT TAX PROPOSALS TO MAXIMIZE BENEFITS TO THE ECONOMY**

New Delhi, February 28, 2015  
Phalgun 9, 1936

The Finance Minister Shri Arun Jaitley while presenting the Budget announced in the Lok Sabha steps to broaden the Tax Base that will maximize benefits to the economy.

The Service Tax rate is being increased from 12% plus Education Cesses to 14%. The new service tax rate shall subsume the ‘Education Cess’ and ‘Secondary and Higher Education Cess’. Additionally the Service Tax Negative List has been reviewed to include Service Tax to be levied on the service provided by way of access to amusement. Service Tax to be levied on service by way of carrying out any processes as job work for production or manufacture of alcoholic liquor for human consumption. All service provided by the Government to business entities, unless specifically exempt, shall become taxable.

An Excise duty of 2% without CENVAT credit or 6% with CENVAT credit is being levied on condensed milk put up in unit containers. Excise duty of 2% without CENVAT credit of 6% with CENVAT credit is being levied on peanut butter.

The General Exemption under Service tax has been reviewed. Exemption to construction, erection, commissioning or installation of original works pertaining to an airport or port is being withdrawn. Exemption to services provided by a performing artist in folk or classical art forms will be limited only to such cases where amount charged is upto Rs 1,00,000 per performance (except brand ambassador). Exemptions to transportation of ‘food stuff’ by rail, or vessels or road will be limited to transportation of food grains including rice and pulses, flours, milk and salt only. Transportation of agricultural produce is separately exempt which would continue.

Exemptions are also being withdrawn on the following services: (a) services provided by a mutual fund agent to a mutual fund or assets management company (b) distributor to a mutual fund or AMC (c) selling or marketing agent of lottery ticket to a distributor of lottery (d) Departmentally run public telephone (e) Guaranteed public telephone operating only local calls and (f) Service by way of making telephone calls from free telephone at airport and hospital where no bill is issued

Existing exemption notification for service provided by a commission agent located outside India to an exporter located in India is being rescinded.

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**BLACK MONEY BILL IN THE CURRENT SESSION****New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley has said that a Bill to enact a new law to deal with black money is to be introduced in the current session of the Parliament. In his Budget Speech in the Lok Sabha here today, giving details of proposed key features of the law, the Finance Minister said this is the first and foremost pillar of his tax proposals. Shri Jaitley said there will be a provision for rigorous imprisonment upto 10 years for concealment of income and assets and evasion of tax in relation to foreign assets. Such offence will be made non-compoundable. A penalty for such concealment of income and assets at a rate of 300% of tax is also proposed. Non-filing of return/filing of return with inadequate disclosures is to attract a punishment of rigorous imprisonment upto 7 years. Entities, banks, financial institutions including individuals are liable for prosecution and penalty. Any date of opening of foreign account would be mandatorily required to be specified by the assessee in the return of income. The Foreign Exchange Management Act, 1999 (FEMA) and prevention of Money-laundering Act, 2002 (PMLA) are also to be amended.

The Minister asserted that tracking down and bringing back the wealth which legitimately belongs to the country is his government's abiding commitment to the country. He said several measures have been initiated in the last 9 month to effectively deal with the problem of black money.

Shri Jaitley said all this is aimed at job creation through revival of growth and investment in domestic manufacturing and 'Make in India', to benefit the middle class taxpayers and to improve the ease of doing business in a climate of minimum government and maximum governance.

The Finance Minister also said that a more comprehensive Benami Transactions (Prohibition) Bill will also be introduced in the current session of the parliament to achieve the objective of curbing black money. Elucidating details he said quoting of PAN is being made mandatory for any purchase or sale exceeding the value of Rs 1 lakh. There will be prohibition on acceptance or payment of an advance of Rs 20,000 or more in cash for purchase of any immovable property.

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**CORPORATE TAX TO BE REDUCED AND GST TO BE IMPLEMENTED**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister Shri Arun Jaitley has said that the Corporate Tax Rate is proposed to be reduced from the current 30% to 25% over the next 4 years. In his Budget Speech in the Lok Sabha here today, Shri Jaitley said this is expected to lead to higher level of investment, higher growth and more jobs. The Minister however said that the reduction has to be accompanied by rationalization and removal of various kinds of exemptions and incentives which is leading to a large number of tax disputes. He pointed out that the effective collection of Corporate Tax today is about 23%.

The Finance Minister said he did not start the process of reduction right away as he wanted to give advance notice that these changes will start from the next financial year.

Shri Arun Jaitley also said that his government is moving forward on various fronts to implement Goods and Services Tax (GST) from the next year. GST, on which his government introduced a Bill in the last session of the parliament, is expected to play a transformative role in the way our economy functions. It will add buoyancy to our economy by developing a common Indian market and reducing the cascading effect on the cost of goods and services, Shri Jaitley added. The Finance Minister said that as a part of the movement towards GST the Education Cess and the Secondary and Higher Education Cess are to be subsumed in the Central Excise Duty.

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**CORPORATE TAX TO BE REDUCED AND GST TO BE IMPLEMENTED;**

**GAAR DEFERRED BY TWO YEARS**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister Shri Arun Jaitley said that to give a fillip to growth, investment and promotion of domestic manufacturing and ‘Make in India’, aiming at job creation, a series of measures are included in the budget. In his Budget Speech in the Lok Sabha here today, Shri Jaitley said Tax ‘pass through’ is proposed to be allowed to both Category-I and Category-II Alternative Investment funds, so that tax is levied on investors in these funds and not on the funds per se.

The Finance Minister Shri Jaitley said the measure will step-up the ability of these funds to mobilize higher resources and make higher investments in small and medium enterprises, infrastructure and social projects and provide the much required private equity to new ventures and start-ups. He also said the Permanent Establishment (PE) norms are to be modified to encourage offshore fund managers to relocate to India. The modification will be to the effect that mere presence of a fund manager in India would not constitute PE of the offshore funds, as this is resulting in adverse tax consequences currently.

The Finance Minister also announced deferment of the General Anti Avoidance Rule (GAAR) by two years to accelerate the momentum of investment sentiment in the country, which he said, has turned positive now. Further, to facilitate technology inflow to small businesses at low costs, the rate of income tax on royalty and fees for technical services is to be reduced from 25% to 10%. Another step for boosting employment opportunities announced is that all business entities will be eligible for the benefit of deduction for employment of new regular workmen of 50 rather than 100 employees.

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**EFFECTIVE AND OPTIMAL ALLOCATION OF NATURAL RESOURCES AND  
FINANCIAL INCLUSION AMONG THE PRIORITIES OF THE GOVERNMENT  
ENUNCIATED IN BUDGET SPEECH**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister Shri Arun Jaitley highlighted some of the priorities of his Government in his Budget Speech in the Lok Sabha here today as follows:

- Effective & optimal allocation of Natural Resources like coal & minerals through auction for development of people;
- Financial Inclusion;
- Health and hygiene for all
- Care for the Girl Child and their Education
- Creation of Employment for the Youth
- Hassle Free Business Environment
- Delivery of benefits to the poor to be made more efficient
- Attracting Investments to create Jobs
- Expanding the job market and ensuring welfare of the labour
- Improving agri-productivity for generating more income to farmers
- Energizing the country using all resources including new and renewable energy sources
- Adoption of technology-from grass root to the Space
- Skill India programme
- Efficiency & better work culture in Government

- Red tape to Red carpet for 'Ease of Doing Business'
- To bring North-eastern parts of the country into the mainstream
- To promote Pride in the Nation and its Culture

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**PARAMPARAGAT KRISHI VIKAS YOJNA TO BE FULLY SUPPORTED  
PRADHANMANTRI GRAM SINCHAI YOJANA TO PROVIDE ‘PER DROP MORE  
CROP’**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister, Shri Arun Jaitely presenting the Union Budget 2015-16, here today, said that “Our commitment to farmers runs deep. We have already taken major steps to address the two major factors critical to agricultural production: soil and water”. In order to improve soil health, Union Minister propose to support Agriculture Ministry’s organic farming scheme – “Paramparagat Krishi Vikas Yojana”.

Shri Jaitely said the Pradhanmantri Gram Sinchai Yojana is aimed at irrigating the field of every farmer and improving water use efficiently to provide ‘Per Drop More Crop’.The Budget provides for allocation of Rs. 5,300 crore to support micro-irrigation, watershed development and the Pradhan Mantri Krishi Sinchai Yojana.The Minister urged the States to chip in substantially in this vital sector.

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**EFFECTIVE AND HASSLE-FREE AGRICULTURE CREDIT WITH A SPECIAL  
FOCUS ON SMALL AND MARGINAL FARMERS**

**TARGET OF RS. 8.5 LAKH CRORE OF AGRICULTURAL CREDIT**

**New Delhi, February 28, 2015**  
**Phalguna 9, 1936**

The Finance Minister, Shri Arun Jaitley presenting the Union Budget 2015-16 here today, supported the agriculture sector with the help of effective and hassle-free agriculture credit, with a special focus on small and marginal farmers, Shri Jaitley proposed the Budget allocation of Rs. 25,000 crore in 2015-16 to the corpus of Rural Infrastructure Development Fund (RIDF) set up in NABARD; Rs. 15,000 crore for Long Term Rural Credit Fund; Rs. 45,000 crore for Short Term Cooperative Rural Credit Refinance Fund; and Rs. 15,000 crore for Short Term RRB Refinance Fund.

Shri Jaitley said that “Farm credit underpins the efforts of our hard-working farmers, therefore an ambitious target of Rs. 8.5 lakh crore of credit during the year 2015-16 is set up, which the Minister was sure that the banks would surpass.

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**FOCUS TO IMPROVE QUALITY AND EFFECTIVENESS OF ACTIVITIES UNDER  
MGNREGA**

**NEED TO CREATE NATIONAL AGRICULTURE MARKET FOR FARMERS**

**New Delhi, February 28, 2015**  
**Phalguna 9, 1936**

The Finance Minister, Shri Arun Jaitley presenting the Union Budget 2015-16, here today, said that government is committed to supporting employment through MGNREGA and ensure that no one who is poor is left without employment. Shri Jaitley said that the focus is on improving the quality and effectiveness of activities under MGNREGA. Shri Jaitley proposed an initial allocation of Rs. 34,699 crore for the programme in the Budget.

Shri Jaitley said that “while the farmer is no longer in the clutches of the local trader, his produce still does not command the best national price. To increase the incomes of farmers, it is imperative that we create a National agricultural market, which will have the incidental benefit of moderating price rises”. The Minister intends this year to work with the States, in NITI, for the creation of a Unified National Agriculture Market.

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**MICRO UNITS DEVELOPMENT REFINANCE AGENCY (MUDRA) BANK SET UP  
FOR SMALL ENTERPRISES**

**IN LENDING PRIORITY WAS GIVEN TO SC/ST ENTERPRISES**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister, Shri Arun Jaitely presenting the Union Budget 2015-16, here today, said that our government firmly believes that development has to generate inclusive growth. While large corporate and business entities have role to play, this has to be complemented by informal sector enterprises which generate maximum employment the Minister added. There are some 5.77 crore small business units, mostly individual proprietorship, which run small manufacturing, trading or service businesses. 62% of these are owned by SC/ST/OBC.

Shri Jaitley further said that these bottom-of-the-pyramid, hard-working entrepreneurs find it difficult, if not impossible, to access formal systems of credit. Shri Jaitley therefore, proposed to create a Micro Units Development Refinance Agency (MUDRA) Bank, with a corpus of Rs. 20,000 crore, and credit guarantee corpus of Rs. 3,000 crore. MUDRA Bank will refinance Micro-Finance Institutions through a Pradhan Mantri Mudra Yojana. In lending, priority will be given to SC/ST enterprises. These measures will greatly increase the confidence of young, educated or skilled workers who would now be able to aspire to become first generation entrepreneurs; existing small businesses, too, will be able to expand their activities. The Finance Minister further said that just as we are banking the un-banked, we are also funding the un-funded.

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**A TRADE RECEIVABLES DISCOUNTING SYSTEM (TREDS) AN ELECTRONIC  
PLATFORM FOR FINANCING OF TRADE RECEIVABLES OF MSMEs**

**COMPREHENSIVE BANKRUPTCY CODE FOR EASE OF DOING BUSINESS**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister, Shri Arun Jaitley presenting the Union Budget 2015-16, here today said that a significant part of the working capital requirement of a MSME arises due to long receivables realization cycles and we are in the process of establishing an electronic Trade Receivables Discounting System (TReDS) financing of trade receivables of MSMEs, from corporate and other buyers, through multiple financiers. This should improve the liquidity in the MSME sector significantly.

Shri Jaitley said that Bankruptcy law reform that brings about legal certainty and speed, has been identified as a key priority for improving the ease of doing business. SICA (Sick Industrial Companies Act) and BIFR (Bureau of Industrial and Financial Reconstruction) have failed in achieving these objectives. We will bring a comprehensive Bankruptcy Code in fiscal 2015-16, that will meet global standards and provide necessary judicial capacity.

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**POSTAL NETWORK SPREAD ACROSS THE COUNTRY TO BE USED FOR  
INCREASING ACCESS TO FORMAL FINANCIAL SYSTEM**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Finance Minister, Shri Arun Jaitley presenting the Union Budget 2015-16, here today, said that the government is committed to increasing access of the people to the formal financial system. In this context, Government proposes to utilize the vast Postal network with nearly 1,54,000 points of presence spread across the villages of the country . The Minister hoped that the Postal Department will make its proposed Payments Bank venture successful so that it contributes further to the Pradhan Mantri Jan Dhan Yojana.

Shri Jaitley said that to bring parity in regulation of Non-Banking Financial Companies (NBFCs) with other financial institutions in matters relating to recovery, it is proposed that NBFCs registered with RBI and having asset size of Rs. 500 crore and above will be considered for notifications as ‘Financial Institution’ In terms of the SARFAESI Act, 2002.

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**UNIVERSAL SOCIAL SECURITY SYSTEM FOR ALL SPECIALLY THE POOR AND  
THE UNDER-PRIVILEGED:**

**SOON-TO-BE-LAUNCHED PRADHAN MANTRI SURAKSHA BIMA YOJANA**

**THE ATAL PENSION YOJANA LAUNCHED**

**THE PRAHAN MANTRI JEEVAN JYOTI BIMA YOJANA ANNOUNCED**

**SCHEME TO SUBSIDIZE THE PREMIUMS OF VULNERABLE GROUPS SUCH AS  
OLD AGE PENSIONERS, BPL CARD-HOLDERS, SMALL AND MARGINAL  
FARMERS AND OTHERS**

**INTEGRATED EDUCATION AND LIVELIHOOD SCHEME ‘NAI MANZIL’ WILL BE  
LAUNCHED FOR MINORITIES**

**New Delhi, February 28, 2015**  
**Phalgun 9, 1936**

The Union Finance Minister, Shri Arun Jaitely presenting the Union Budget 2015-16, here today said that a large proportion of India’s population is without insurance of any kind – health, accidental or life worryingly, as our young population ages, it is also going to be pensionless. Encouraged by the success of the Pradhan Mantri Jan Dhan Yojana, the Finance Minister proposed to work towards creating a universal social security system for all Indians, specially the poor and the under-privileged.

Shri Jaitley said that soon Pradhan Mantri Suraksha Bima Yojana will be launched to cover accidental death risk of Rs. 2 lakh for a premium of just Rs. 12 per year. Similarly, we will also launch the Atal Pension Yojana, which will provide a defined pension, depending on the contribution, and its period. To encourage people to join this scheme, the Government will contribute 50% of the beneficiaries’ premium limited to Rs. 1,000 each year, for five years, in the new accounts opened before 31<sup>st</sup> December, 2015.

The Finance Minister further said that the third Social Security Scheme that is to announce is the Pradhan Mantri Jeevan Jyoti Bima Yojana which covers both natural and

accidental death risk of Rs. 2 lakhs. The premium will be Rs. 330 per year, or less than one rupee per day, for the age group 18-50.

Shri Jaitley said that there are unclaimed deposits of about Rs. 3,000 crore in the PPF, and approximately Rs. 6,000 crore in the EPF corpus. The Finance Minister proposed the creation of a Senior Citizen Welfare Fund, in the Finance Bill, for appropriation of these amounts to a corpus which will be used to subsidize the premiums of vulnerable groups such as old age pensioners, BPL card-holders, small and marginal farmers and others. Shri Jaitley informed that a detailed scheme would be issued in March.

The Finance Minister further said that special regard needs to be paid to the population of senior citizens in the country which is now approximately 10.5 crore, out of which over one crore are above the age of 80 years. 70% live in rural areas and a large number are in the BPL category. A sizable percentage of them also suffer from age related disabilities. The Finance Minister proposed a new scheme for providing Physical Aids and Assisted Living Devices for senior citizens, living below the poverty line.

Shri Jaitley said that in sum, these social security schemes reflect our commitment to utilize the Jan Dhan platform, to ensure that no Indian citizen will have to worry about illness, accidents, or penury in old age. Being sensitive to the needs of the poor, under-privileged and the disadvantaged, my Government also remains committed to the ongoing welfare schemes for the SCs, STs and Women. Despite serious constraints on Union finances, allocations made this year are as follows:

SC	Rs. 30,851 crore
ST	Rs. 19,980 crore
Women	Rs. 79,258 crore

The Minister announced an integrated education and livelihood scheme called 'Nai Manzil' will be launched this year to enable Minority Youth who do not have a formal school-leaving certificate to obtain one and find better employment. Further, to showcase civilization and culture of the Parsis, the Government will support, in 2015-16, an exhibition, 'The Everlasting Flame'.

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