



STUDENTS' ECONOMIC FORUM

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To empower the student community...*

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JUNE 2015

Theme 283

**RAILWAY BUDGET, ECONOMIC SURVEY AND
UNION BUDGET 2015-16 PART -I**

A monthly publication from South Indian Bank

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**Theme No: 283 :Railway Budget, Economic Survey and Union Budget
2015-16 Part -I**

A well informed customer will make the policy makers as well as organisations which produce goods and services more responsive to the customer needs. This will also result in healthy competition among organisations and improve the quality of goods and services produced.

The “SIB Students’ Economic Forum” is designed to kindle interest in economic affairs in the minds of our younger generation. We highlight one theme in every monthly meeting of the “Forum”. In this issue we discuss on Railway Budget, Economic Survey and Union Budget 2015-16

I. What are the highlights of 2015 -16 railway budget?

Budget season usually starts with presentation of the railway budget in the Lok Sabha. Important features of the 2015-16 railway budget are the following.

1. Advance booking period increased from present 60 days to 120 days.
2. Air-conditioned coaches will be introduced in suburban trains.
3. In order to improve catering services, E catering services to be introduced in 108 trains. The orders can be given on Web site of IRCTC.
4. Developing mobile applications so that complaints of people can be addressed quickly.
5. 400 railway stations will have Wi-Fi connectivity.
6. New toll free number -138 (nation wide).
7. Introduction of CCTVs in selected trains.
8. Toll free number 182 for women security.
9. Cleanliness & bed linen designs to be improved.
10. Jammu & Kashmir and North Eastern regions connectivity to be improved.
11. No major fare hike

II. What are the major highlights of 2015 -16 economic survey?

Before the presentation of union budget, economic survey, draft prepared by the Department of Economic Affairs cleared by Chief Economic Advisor and The Secretary Economic Affairs and vetted by Finance Secretary and Finance Minister Advisor will be published, which will give an overall picture (strength and weakness) of the economy. As per the economic survey indications, India is going to have a good growth in the coming years especially during 2015-16. The expected growth rate of the economy for the year 2015-16 is around 8%.

The other important features of the economic survey are the following.

1. Inflation is in a declining trend in the year 2014-15. The economy is likely to maintain the low inflationary trend.
2. Indian economy is on possible high growth trajectory .Low inflation, lower oil prices, reforms impact etc will put India into higher orbit of growth.
3. The trinity of Jan Dhan, Aadhar, and mobile number (JAM trinity), will help government a lot in supporting the poor and less privileged people. Subsidy leakages can be checked to a great extent.
4. Problems of the public sector banks are identified in the survey.
5. In spite of government support, public sector banks are not able to compete with private sector. A 4D solution is proposed in the survey Diversification, Differentiation, Deregulation and Disinter
6. As per the economic survey GST introduction and direct benefit transfer expansion is very important for future.
7. Manufacturing and services exports share in GDP is not growing , rather for the last 4-5years it has stagnated.
8. Another important feature of survey is that it emphasis the need to aim at 3% of GDP as the medium term fiscal deficit target.

III. Explain briefly the target for various sectors of the economy in the Budget 15-16?

1. Housing Sector. A house for all by 2022 is the dream target for the housing sector and to achieve this ambitious target, it is estimated that 4 crore houses in rural sector and 2 crore houses in urban sector will be needed. Each houses should have 24 hour power, clean drinking water, a toilet and be connected to a road. The importance of housing sector is well recognized by the government. A Housing sector growth will help cement, steel, paint, hardware, glass industries etc .In addition to it the employment and income generated will help to increase the demand for various products of different sectors. A faster growth of housing sector is very much needed because of the social need and the various forward and backward linkages housing sector has with various others sectors.
2. Employment. One member from each family should at least have meaningful employment.
3. Poverty. The objective of all our schemes should be substantial reduction in poverty.
4. Electrification. By 2020 all villages in India should have electricity supply either by grid supply or by solar power generation.
5. Roads. 1,78,000 unconnected habitations will be connected by all weather road. This requires constructions of additional 1,00,000 K.M. of road and completion of 1,00,000 K.M. of road already under construction
6. Health. Medical facility in each village and town is an absolute necessity.
7. Education. There should be a senior secondary school within a 5 K.M. range of a student/child. In order to achieve this 80,000 secondary schools to be upgraded

and add or upgrade 75,000 junior / middle schools to the senior secondary level.

8. Employment. 2/3rd of Indian population is below the age of 35 years. In order to generate employment for the young Indians, India should become the manufacturing hub of the world. The skill India and Make In India programmes should target to achieve this goal.
9. Balanced growth of regions. Special efforts should be taken to develop Eastern and North Eastern Regions which at present are lagging behind other areas.

IV. What are the five major challenges faced by India?

According to Finance Minister, Arun Jaitely following are the five major challenges currently faced by the Indian Economy.

1. Income from the agricultural sector is under severe stress.
2. Increasing requirement of infrastructural sector investment
3. Contribution to GDP by manufacturing sector is declining
4. Maintaining fiscal discipline in spite of increasing demand for public investment.
5. Target of maintaining fiscal deficit of around 4% GDP .The fiscal deficit target fixed for 2015-2016 is 3.9%, for 2016-2017 it is 3.5% and 3% for the financial year 2017-2018.

V. What are the steps taken/suggested for the development of agriculture especially the farmers?

Soil and water are the two important factors which are very critical for the agricultural production. To improve the soil fertility on a sustainable basis, soil health card scheme has been launched. The budget will also support the scheme by the Agriculture Ministry” Paramparagat Krishi Vikas Yojana” which aims at organic farming scheme. Budget also will support “The pradhanmantri Gram Sinchai Yojana”, the objective of which is irrigation of every farmer’s field and improving the water efficiency “PER DROP MORE CROP”. An amount ₹5,300 crores has been allocated to Micro irrigation and water shed development. Emphasis is also given to the financial needs of small and marginal farmers. An amount of ₹ 25,000 crores has been allocated to the corpus fund of Rural Infrastructure Development Fund (RIDF), ₹15,000 crores for long term Rural Credit Fund and ₹ 45,000 crores for short term Cooperative Rural credit Refinance Fund and ₹15,000/- crores for short term RRB Refinance Fund.

2015-2016 budgets also stress the importance of proper pricing of agricultural products so that that the farmers income will increase. With this objective in mind the budget proposes to create a National Agricultural market with active participation and cooperation of state governments.

VI. What are the budget proposals for helping the small/micro/entrepreneurs/ business people/manufactures.?

In order to give special emphasis for the development of micro entrepreneurs/

business/manufactures, it is proposed to create a Micro Units Development Refinance Agency (MUDRA) Bank with a corpus of ₹ 20, 000 crores and credit guarantee corpus of ₹3,000 crores. MUDRA Bank will refinance micro finance institutions through Pradhan Manthri Mudra Yojana. While lending MUDRA Bank will give priority to SC/ST entrepreneurs.

It is also proposed to establish an Electronic Trade Receivables Discounting System (TReDS) especially to cater the needs of MSMEs which help them to overcome the problem of receivable management to a large extent.

VII What is the new proposal for recovery of bad debts in the case of NBFC?

In order to improve the recovery of NBFC's bad debts, it is proposed that NBFC's registered with RBI, with asset size of Rs 500 crores and above will be considered for notification as "Financial Institution" in terms of SARFEASI Act.

VIII Briefly explain the various insurance schemes proposed in the budget?

Even today a large proportion of Indian population is not having any insurance protection-health, accident or life. Finance Minister in his budget speech has proposed a universal social security system for all Indians especially for the poor people. Pradhan Mantri Suraksha Bima Yojana will cover the accidental death risk at a very low premium of ₹12 per year and the maximum amount of coverage is ₹ 2,00,000.

Atal Pension Yojana is another pension scheme proposed in the budget .Government will contribute 50% of the beneficiaries premium, limited to ₹ 1,000 each year, for five years in the newly opened account before 31.12.2015 .

Pradhan Mantri Jeevan Jyothi Bima Yojana covers both natural and accidental death risk with a maximum coverage of ₹ 2,00,000/-lakhs. The age group covered is 18-50 and the premium is ₹ 300 per year.

IX What is the budget proposal regarding unclaimed deposit in PPF and EPF corpus?

According to Finance Minister about ₹ 3,000/- crores is unclaimed and outstanding in PPF and an amount of ₹ 6,000 crores (approximately) is unclaimed in EPF corpus. It is proposed to form a Senior Citizen Welfare Fund appropriating the unclaimed deposits and it will be utilized to subsidise the premium of vulnerable groups such as small and marginal farmers, BPL card-holders and old age pensioners.

*Your comments and feedback on this publication may be sent to Staff Training College,
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