

# BUDGET 2015-16

## (Highlights)

### GENERAL :

- ❖ Total expenditure ₹ 46473 crore.
- ❖ Total receipts ₹ 42137 crore.
- ❖ Revenue Receipts ₹ 37814 crore.
- ❖ Capital Receipts ₹ 4323 crore.
- ❖ Own Tax Revenue estimated at ₹ 8006 crore.
- ❖ Share of Central Taxes up at ₹ 8088 crore as against figure of ₹ 4477 crore in Revised Estimates 2014-15.
- ❖ Revenue Deficit Grants of ₹ 9892 crore as against ₹ 2096 crore in 2014-15.
- ❖ Revenue Expenditure (RE) including Security Related Expenditure (SRE) to touch ₹ 35227 crore.
- ❖ Capital Expenditure (CAPEX) accounts for ₹ 11246 crore.
- ❖ ₹ 499 crore to be devolved to PRIs and ULBs under 14<sup>th</sup> FC grants.
- ❖ Earmarked provision of ₹ 2200 crore for DA to employees and pensioners.
- ❖ ₹ 154 crore provision in 2015-16 for 10% Employer's share under New Pension Scheme introduced from January, 2010.

- ❖ A provision of ₹ 25 crore for meeting cost of VRS/GHS in PSUs.
- ❖ ₹ 1017 crore allocation for District Sector Capital Expenditure.

### **Objectives:**

- ❖ Enlarge constituency of peace in the State.
- ❖ Sharing Dividends of peace with the people of J&K State.
- ❖ Sustainable Growth and balanced development.
- ❖ Self reliance and fiscal Autonomy.
- ❖ Elimination of the corruption.
- ❖ Rehabilitation and reconstruction of the State in distress and the economy in shambles.

### **Budgetary Reforms:**

- ❖ Change in the structure of state budget.
- ❖ The new structure organises the budget under two main accounts i.e Revenue and Capital.
- ❖ Plan and Non-Plan classifications discarded.
- ❖ Separate Power Budget from next Fiscal.
- ❖ Use of borrowings for creation of Capital Assets only.

### **Issues and Initiatives**

- ❖ Waiving off Demand Charges on electricity for seven months from September 2014 to March 2015.

- ❖ Exemption of Passenger Tax on vehicles which remained off road due to floods, from September to December, 2014.
- ❖ Remission of stamp duty chargeable in case of instruments/documents executed between borrowers and the lending financial institutions on the fresh loans advanced by such institutions to the persons affected by the floods to be extended up to March 31, 2016.
- ❖ Exemption under the GST in respect of lodging services provided by hotels, lodges and guest houses to be extended up to end March, 2016.
- ❖ Exemption to all hoteliers from payment of entry tax on furniture/office equipment/kitchen equipment/other goods imported into the state for replacement and refurbishment till June 2015.
- ❖ Waiving off 50 per cent of the KCC loans for the smallest and most vulnerable farmers who have an outstanding balance of less than ₹ 1 lakh, for this purpose ₹ 150 crore are earmarked.
- ❖ Introduction of Gold, Silver and Bronze Cards for certain categories of registered dealers, so as to recognize traders of repute.
- ❖ Contemplation of amnesty under GST Act, 1962 for waiving of interest and penalty.

- ❖ Setting up an Alternative Dispute Resolutions Tribunal (ADRT) which will be empowered to speed track the settlement of all these cases.
- ❖ VAT exemption on Paddy, Rice, Wheat, Pulses, Floor, Atta, Maida, Suji & Besan to continue upto March, 2016.
- ❖ Exemption of toll on export of fresh vegetables.
- ❖ VAT remission for local industry to continue for another year.
- ❖ Tax on Aluminium foil as packaging material reduced from 13.5% to 5%.
- ❖ "Tree Spray Oil" placed as an agriculture product @ zero percent tax rate.
- ❖ Exempt baby diapers, adult diapers and female sanitary napkins from VAT.
- ❖ Almonds and its kernels in zero per cent tax rate, on the analogy of walnut and walnut kernels.
- ❖ "**Aabiyana**" abolished.
- ❖ Business Process Re-engineering, financial restructuring and administrative reorganization of the ailing PSEs.
- ❖ Setting up of an Asset Reconstruction Company in partnership with the J&K Bank and formulate a revival package where it feels that the revival of stressed assets is possible.

- ❖ To float a Dal Development Bond for restoration of the Dal lake.
- ❖ Setting up of Pesticide Regulation Authority which will approve and monitor all the pesticides that go into J&K.
- ❖ Incentivization of any reputed international firm to set up a unit in the valley where most of this distress has been felt.
- ❖ Introduction of "loss of revenue insurance cover".
- ❖ Contribution of ₹ 1000 per month on behalf of every new born girl child for the next 14 years and on reaching 21 years she would receive around ₹ 6.5 lakhs. To begin with, a pilot in six districts with the most adverse child sex ratio.
- ❖ New Scheme "Aasra", only for widows or destitute women with no source of income. A zero balance saving account, life insurance of ₹ 25,000, an accident cover of ₹ 25,000, sickness and disease cover of ₹ 5000 and maturity/survival benefits of ₹ 25,000 after five years.
- ❖ A scheme to provide succor to 50,000 widows and destitute women of the state and to provide ₹ 100 crore for this purpose in the form of an insurance cum saving scheme.
- ❖ J&K State Family Benefit Scheme, wherein families whose income doesn't exceed ₹ 75,000 per annum and who lose their breadwinner and are not covered under any other benefits will get a one-time financial assistance of ₹ 40,000. A provision of ₹ 20 crore is being made for this scheme.

- ❖ Existing rate of sales tax in lieu of services enhanced by 2%.
- ❖ Levy of 5% VAT on computers and computer peripherals.
- ❖ A uniform tax rate of VAT of 13.5% on inverters and UPS.
- ❖ A modest increase of five paisa per Kilogram in the existing rates of toll.

## **EMPLOYEE WELFARE INITIATIVES**

- ❖ DA pending March 31, 2015 shall be credited into the G.P. Fund account of the employees while DA will be paid in cash from April onwards. All employees covered under the National Pension Scheme (NPS) and pensioners will, however, receive the arrears in cash.
- ❖ The Revenue Component of erstwhile Plan shifted on Revenue Account addressing the long pending demand of employees borne on Plan Budget.
- ❖ Women employees of the State should be treated at par with Central Government Employees with regard to admissibility of Child Care Leave.
- ❖ The Government will announce a High Power Committee of Ministers and some external experts, to confront with a gigantic problem of regularization of more than sixty one thousand workers engaged on casual basis.
- ❖ ₹ 2.00 crore for enhancement of the retainership of various classes of Law Officers.