

NEED TO GRADUALLY RATIONALISE ALL SUBSIDIES: FM ARUN JAITLEY

CHENNAI: Ahead of the 2015-16 Budget, Finance Minister Arun Jaitley today said there was a need to rationalise all subsidies and ensure stability in policies to attract investment and drive growth.

"From January 1 LPG subsidy is going through banks...We have to gradually rationalise all possible subsidies," the Minister said while addressing a CII function here.

The government is expected to incorporate the suggestions of the Expenditure Finance Commission headed by former RBI Governor Bimal Jalan in the budget proposals for 2015-16.

Jalan is reported to have submitted interim recommendations to the Finance Ministry suggesting various steps to rationalise subsidies and public expenditure.



The government's subsidy bill towards oil, fertilisers runs into lakhs of crores of rupees.

The Minister also underline the need for stability in tax and other policies to make India an attractive place for investment.

The implementation of the Goods and Services Tax (GST), he added, will help in improving the business climate in the country.

The GST, the Minister said, was welcomed by different states and that "none of them will lose a single rupee" following the implementation of the new indirect tax regime.

Referring to the proposed changes in land acquisition laws, Jaitley said that it would eventually help farmers to get better price for their land.

Moreover, he added, establishment of rural infrastructure and industrial corridors would increase the price of land and generate employment for rural youth.