

Job schemes not a mandate, but a nudge to firms: FM

SHRIMI CHOUDHARY, RUCHIKA CHITRAVANSHI, ASIT RANJAN MISHRA & NIVEDITA MOOKERJI

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The government's ambitious employment-linked incentive schemes and the internship programme announced in the 2024-25 Budget are not enshrined as rights, and the private sector will only be nudged to adopt them, Union Finance Minister Nirmala Sitharaman said on Wednesday.

"There is no compulsion. There is no bureaucratic intervention. I am not enshrining it as a right. As the central government, I have the convening power to nudge people towards it. Companies can optimally use their CSR (corporate social responsibility) funds and make sure that when they talk about employable skills in people who come out from, let's say, engineering colleges, they can give opportunities to those people for apprenticeship on their shop floor," said Sitharaman in an



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interview with *Business Standard*.

The finance minister said the private sector shouldn't feel the pressure as it is not mandatory. "Equally, I am not asking you to pay him. I am giving him ₹5,000 every month (₹6,000 over and above that in advance). All that they (companies) have to do is use their CSR money to get trainers for these interns," she added.

When asked whether the underwhelming performance of the Bharatiya Janata Party in the just concluded general elections was a reason for the massive push for job creation in the economy, Sitharaman denied it, holding that election issues are not common across the country. "Some issues are across a couple of states, some other issues are across a couple of other states. So

one issue runs across all the states," she added.

On increasing retail participation in derivatives and increased securities transaction tax in the Budget, the finance minister said the regulators are already dealing with the issue with a soft touch. "I don't think taxing anything can be a message. These are small increases in a very speculative area. We don't have an intention to undermine anything that is happening in the market. We are quite happy with people finding avenues to put their saved money for better returns. It is their business, their prerogative."

On the comprehensive review of the income tax act promised in the Budget, Sitharaman said a committee will look into the matter without revealing its composition. "I am not going to direct anything to them. Whether they want to take that (direct tax code), whether they want to go back as far as the

Parthasarathi Shome (report). It's up to them," she added.

On reviewing economic relations with China, she said as of now, the discussions may be in some parts of the government, but nothing is before her. "There are discussions on the visa issue. But (on) Press Note 3, there is nothing that I know of," the minister said, adding that she has not applied her mind whether a rethink is necessary on the land border regulations on FDI inflows notified through Press Note 3 of 2020.

On the labour intensive production-linked incentive (PLI) schemes, like for leather, footwear, and toys for which token allocations were made in the Interim Budget, not finding mention in the full Budget, Sitharaman said they have not been abandoned. "As and when the proposals come to me, that window is open," she said.

On the increase in long-term capital gain tax on financial assets to 12.5 per cent from 10 per cent, Sitharaman said that is only an effort to rationalise rates across asset classes.

When asked if the future Budgets would give a greater priority to education and health than infrastructure, the FM spoke about the need to revive the economy during Covid19 through infrastructure projects. She however stressed that areas like education and health have never been ignored.

And, was this her toughest Budget? Not really, she said.

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Nirmala Sitharaman
Union Finance Minister



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'Focus on value creation, not disinvestment'



Finance Secretary **TV SOMANATHAN** in conversation with Ruchika Chitravanshi, Shrimi Choudhary, and Asit Ranjan Mishra talks about the budgetary push to employment generation, skilling, and state-level reforms.

"THE TOP 500 FIRMS WILL FOCUS ONLY ON SKILLING, ANTICIPATING THAT THEY WILL BE RECRUITED BY THE NEXT 20,000-50,000 COMPANIES"

TV SOMANATHAN
Finance Secretary

'There is no sunset clause for old tax regime'



Revenue Secretary **SANJAY MALHOTRA** in an interview with Shrimi Choudhary says that the revised projection for corporate tax in 2024-25 reflects the decline in profits of the top 170 firms during the first quarter of the current financial year.

"THERE IS NO CHANGE WITH REGARD TO INHERITANCE — THERE WAS NO TAX ON INHERITANCE EARLIER, AND THERE IS NO TAX NOW"

SANJAY MALHOTRA
Revenue Secretary

'Govt need not incentivise bank savings'



Economic Affairs Secretary **AJAY SETH**, in a conversation with Ruchika Chitravanshi and Asit Ranjan Mishra, goes into the details of how the government is balancing between fiscal prudence and priority expenditure.

"GOLD IS THE MOST UNPRODUCTIVE INVESTMENT FROM THE MACROECONOMIC PERSPECTIVE... RETURNS ARE ONLY TO INDIVIDUAL"

AJAY SETH
Economic Affairs Secretary



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BUDGET IGNORED OPPN-RULED STATES? OUTRAGEOUS ALLEGATIONS, SAYS FM

GLOBAL RATING AGENCIES UPBEAT ON INDIA'S FISCAL CONSOLIDATION PLAN

Global credit rating agencies have given thumbs up to the FY25 Budget, lauding the government's firm commitment to deficit reduction, with Moody's Ratings noting that the Budget is credit positive. 9

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