

BUDGET 2018 HIGHLIGHTS

Fiscal Situation

*** Fiscal deficit is 3.5% of GDP at Rs 5.95 lakh crore in 2017-18.**

Projecting fiscal deficit to be 3.3% of GDP in the next fiscal

* GST revenue will be received only for 11 months, which will have an effect on balance sheets

* Rs 21.57 lakh crores transferred as net GST to states as against projection of Rs 21.47 lakh crores

Tax

*** 85.51 lakh new tax payers filed income tax returns in FY17**

*** NO PERSONAL INCOME TAX CHANGES PROPOSED IN BUDGET**

* Growth in direct taxes (till Jan 15) is 18.7 %

* 100% tax deduction is allowed to co-operative societies

*** Corporate Tax of 25% extended to companies with turnover up to Rs 250 cr in financial year 2016-17**

* Incentives for Senior citizens: Exemptions in income of Rs 10,000 from Banks FD and post offices

* Senior citizens to get Rs 50,000 per annum exemption for medical insurance under Sec 80D

* Standard deduction of Rs 40,000 allowed for transport, medical reimbursement for salaried tax payers

* Govt to reduce hardships faced in realty deals; no adjustment to be made in case circle rate does not exceed 5 pc of sale consideration

* Rs 8,000 crore revenue lost due to standard deduction allowed to salaried employees

* Rs 7,000 cr revenue forgone on account of lower corporate tax for Rs 250 cr turnover cos

* Rs 19,000 cr revenue loss on direct tax in last fiscal

*** LONG TERM CAPITAL GAINS EXCEEDING RS 1 L AKH WILL BE TAXED AT 10% WITHOUT INDEXING**

*** Short term capital tax remains at 15%**

* A tax on distributed income at 10%

Imports and Exports

* Customs Duty on certain products, such as mobile phones and televisions has been increased, to provide a fillip to 'Make in India'

* Social welfare surcharge of 10% on imported goods.

Agriculture

* The government's emphasis will be on generating higher incomes for farmers, by helping them produce more with lesser cost, and in turn, earn higher income for their produce.

* Mr. Jaitley stressed on the fact that India's agricultural production is at a record high level today. 275 million tonne food grains and 300 million tonne fruits and vegetable have been produced in the country.

* The FM said the government wants farmers to earn 1.5 times the production cost, and the Minimum Selling Price (MSP) for the Kharif Crops has been set at 1.5 times the produce price. Mr. Jaitley said the Centre will work with states to ensure that all farmers get a fair price.

- * Agricultural market and infra fund of Rs 2000 crore fund will be set up to strengthen the market connectivity.
- * A sum of Rs 500 cr will be allocated for Operation Green to be launched. It will promote agricultural products.
- * Extend the facility of Kisan credit card to fisheries and for animal husbandry
- * Rs 10,000 crore set aside for Fisheries and Aquaculture Development Fund
- * Rs 10,000 crore set aside for animal husbandry infra fund
- * Propose to launch a restructured bamboo mission with a fund of Rs 1200 crore. "Bamboo is green gold," Mr. Jaitley said.
- * Agricultural credit target increased from Rs 8.5 lakh crore to Rs 11 lakh core
- * Special scheme to manage crop reduce in Haryana, Punjab and Delhi to reduce pollution

Rural Economy

- * 8 crore poor women will get new LPG connections.
- * PM Saubhagya Yojana: 4 crore poor people will get power connection.
- * The government will spend Rs 16,000 crore on this scheme.
- * Govt plans to construct 2 crore toilets in next fiscal year under Swachh Bharat Mission
- * Government target house for all by 2022. 51 lakh houses have been constructed affordable houses in rural and further 50 lakh houses in urban areas.

* 1 cr houses to be built under Pradhan Mantri Awas Yojana in rural areas

* National livelihood scheme gets Rs 5,750 crore .

* In 2018-19, ministries will be able to spend Rs 14.34 lakh crores for creation of livelihood in rural areas.

* Govt gives Rs 9,975 crore for social security schemes for the next fiscal year.

Education

* Govt to increase digital intensity in education. Technology to be the biggest driver in improving quality of education: FM Jaitley

* Rs. 1 lakh crore allocated to revitalisation and upgradation of education sector. Promoting learning based outcomes and research.

* By 2022, every block with more than 50 per cent ST population will have Ekalvyas schools at par with Navodaya Vidyalayas

* Aims to move from black board to digital board schools by 2022.

* PM research fellows: Govt will identify 1000 Btech students each year and provide them to do PHDs in IIT and IISc, while also teaching undergraduate students once a week at that time.

Health

* Aayushman Bharat programme: 1.5 lakh centres will be set up to provide health facilities closer to home. Rs 1,200 crore to be allocated for this programme

* Flagship National Healthcare protection scheme, with approximately 50 crore beneficiaries. Up to Rs 5 lakh per family per year for secondary and tertiary care hospitalisation. World's largest government-funded healthcare programme.

- * Universal health coverage will be expanded after seeing the performance of the scheme
- * Rs 600 crore allocated for tuberculosis patients, at the rate Rs 500 per month during the course of their treatment.
- * Mr. Jaitley announces setting up of one medical college for every three parliamentary constituencies, with 24 new government medical colleges also being envisioned. Government also will work on upgrading hospitals to medical colleges

Social Security

- * PM Jivan Bhma Yojana has benefited 5.22 crore families
- * Govt will expand PM Jan Dhan Yojana: AI 16 crore accounts will be included under micro insurance and pension schemes
- * 1.26 cr accounts opened under Sukanya Samriddhi Scheme
- * Social inclusion schemes for Scheduled Castes – Rs 52,719 crore
- * Social inclusion schemes for Scheduled Tribes Rs 39,139 crore

MSME

- * Rs 3,794 crore allocated to the MSME sector in the form of capital support and interest subsidy By 2022, every block with more than 50 per cent ST population will have Ekalvya schools at par with Navodaya Vidyalayas
- * Rs 3 lakh crore target has been set for the Mudra Yojana
- * Rs 4.6 lakh cr sanctioned under MUDRA Scheme

Employee-centric schemes

- * Govt will contribute 12% of the wages of new employees in EPF in all sectors for next 3 years

- * Women contribution to EPF reduced to 8% for first 3 years

Infrastructure

- * India needs investment of Rs 50 lakh crore in the infrastructure sector
- * Construction of new tunnel in Sera Pass to promote tourism
- * Out of 100 smart cities 99 cities have been selected, with an outlay of Rs 2.04 lakh crore
- * 10 prominent tourist sites will be made iconic tourist destinations, with an amalgamation of private funding, marketing and branding
- * Bharatmala project: To develop 35,000 KM under phase 1 with an outlay of Rs 5.35 lakh crore
- * Govt to introduce pay-as-you-use system for toll payments

Railways

- * Railway capex has been pegged at Rs 1.48 lakh crore , up from Rs 1.31 lakh crore last year
- * Eliminate unmanned railway crossing
- * All stations with footfall of greater than 25,000 will have escalators.
- * More stations and trains will progressively be built with WiFi and CCTV camera
- * Govt to eliminate 4267 unmanned rail crossing in broad gauge in 2 years
- * Allocates Rs 11,000 crore Mumbai rail network and Rs 17,000 crore for the Bengaluru metro

* 150 km of additional suburban railway networks to be set up in Bengaluru at the cost of Rs 17,000 cr.

Aviation

* Airport Authority of India (AAI) has 124 airports. Propose to increase the number by at least 5 times 1 billion trips a year, Rs 60 cr has been allocated to kickstart the initiative

* UDAN Scheme to connect 64 unconnected airports across the country

Markets

* Govt to take additional measures to strengthen environment for venture capitalists and angel investors.

* SEBI to consider mandating large corporations to meet 1/4th of their debt needs

* SEBI to mull asking large cos to meet 25% debt from bond market

* RBI norms to nudge companies to access bond market for funds

Technology

* Allocation to Digital India scheme doubled to Rs 3073 cr

* 5 lakh WiFi HotSpots to provide Broadband access to 5 crore rural citizens, at the cost of Rs 10,000 cr.

* Government will take measures to stop crypto currency circulation, as it is not considered legal tender

* Government will explore the usage of Block chain technology.

Companies

- * **AADHAAR FOR CORPORATES?** Govt will evolve a scheme to assign a Unique ID for companies
- * Disinvestment target of Rs 80,000 crore for FY19
- * National Insurance Co, Oriental Insurance Co and United Assurance Co to be merged into one entity and subsequently listed
- * Govt revises divestment target for the current fiscal to Rs 1 lakh crore for FY 18.

Banking

- * Recapitalization will pave the way for public banks to lend an additional Rs 5 lakh crore

Industries

- * Rs 7,148 cr allocated for textile sector

Miscellaneous

- * Emoluments for President set at Rs 5 lakh, Rs 4 lakh for Vice President, Rs 3.5 lakh for governors
- * Emoluments for Parliamentarians: Law for increase in pay based on index to inflation
- * Govt earmarks Rs 150 cr to commemorate 150 years of birth of Mahatma Gandhi