

Highlights of Union Budget 2017-18

Following are the highlights of Union Finance Minister Arun Jaitley's 2017 Budget speech.

The Union Budget 2017 was broadly focused on 10 broad themes — farmers, rural population, youth, poor and health care for the underprivileged; infrastructure; financial sector for stronger institutions; speedy accountability; public services; prudent fiscal management; tax administration for the honest.

On demonetisation

1. Demonetisation is expected to have a transient impact on economy.
2. We will have a great impact on the economy and lives of our people . The effects of Dem. are not expected to spill over next year.
3. Demonetisation a bold and decisive measure and will lead to higher GDP growth.
4. The effects of demonetisation will not spillover to the next fiscal.

Agriculture

1. Sowing farmers should feel secure against natural calamities.
2. Rs. 10 lakh crore as credit to farmers with 60 days interest waiver says FM
3. NABARD fund to be increased to Rs. 40,000 crore
4. Govt will set up mini lab in Krishi Vigyan Kendras for soiling:
5. A dedicated micro irrigation fund will be set up for NABARD with Rs 5,000 cr initial corpus
6. Irrigation corpus increased from Rs 20,000 crores to Rs 40,000
7. Dairy processing infrastructure fund with be created initially with a corpus of Rs. 2000 cr
8. Issuance of Soil cards has gained momentum
9. A model law on contract farming will be prepared and shared with States

Rural sector

1. Government targets to bring 1 crore households out of poverty by 2019
2. During 2017-18, 5 lakh farm ponds to be taken up under MGNREGA

3. Over Rs 3 lakh cr spend for rural India. MGNREGA to double farmers income
4. Participation of women in mgnrega up to 55%
5. During 2017-18, 5 lakh farm ponds to be taken up under MGNREGA
6. Using space tech in a big way to plan MGNREGA works
7. We propose to complete 1 crore houses for those without homes
8. Allocating Rs. 19,000 cr for Pradhan Mantri Gram Sadak Yojana in 2017-18
9. We are well on our way of achieving 100% rural electrification by March 2018.
10. Swachh Bharat mission has made tremendous progress, sanitation coverage has gone up from 42% in Oct 13 to 60% now.
11. Sanitation coverage in rural areas gone up from 42% in Oct 2014 to 60% now.

For youth

1. Introduction of a system of measuring annual learning outcomes, innovation fund for secondary education.
2. There will be a focus on 3,479 educationally-backward blocks
3. Colleges will be identified based on accreditation
4. Skill India mission was launched to maximise potential. 100 India International centres across country.
5. Courses on foreign languages to be introduced.
6. Skill India Mission was launched in 2015 to maximise the potential of our youth. 100 India International Skill centres will be established across the country.
7. Steps to create 5000 PG seats per annum

For the poor; health care

1. Mahila Shakthi Kendras - Rs. 500 cr allocated.
2. Nationwide scheme for pregnant women - Rs. 6000 each will be transferred.
3. For women and Kids - Rs. 1,84,632 cr. allocation investment
4. Affordable housing to be given infrastructure status.

5. Surplus liquidity - banks have already started reducing lending rates for housing
6. Elimination of tuberculosis by 2025 targeted.
7. 1.5 lakh health sub centres to be transformed into health wellness centre.
8. Two new AIIMS in Jharkhand and Gujarat.
9. Structural transformation of regulator framework for medical education in India
10. Allocation for Scheduled Caste - Rs. 52,393 crore
11. Aadhaar-based smartcards for senior citizens to monitor health.

Infrastructure; railways

1. A total allocation of Rs. 39,61,354 crore
2. Total allocation for Railways — Rs. 1,31,000 crore
3. No Service charge while booked tickets with IRCTC
4. Raksha coach with a corpus of Rs. 1 lakh cr fore five years (for passenger safety)
5. Unmanned level crossings eliminated by 2020
6. 3,500 km of railway lines to be commissioned this year up from 2,800 km last year.
7. SMS based clean my coach service started
8. Coach mitra facility - to register all coach related complaints
9. 2019 - bio toilets for all trains
10. 500 stations to be made differently-abled friendly
11. Railways to partner with logistics players for front end and back end solutions for select commodities.
12. Railways will offer competitive ticket booking facility
13. 2,000 km for coastal connectivity of roads -
14. Rs. 64,000 crore allocation for highways.
15. Allocation of high speed Internet 1,50,000 gram panchayats

Energy sector

1. A strategic policy for crude reserves will be set up
2. Rs. 1.26,000 cr for energy production-based investments received
3. Trade infra export scheme will be launched 2017-18

Financial sector

1. FDI policy reforms - more than 90% of FDI inflows are now automated.
2. Shares of Railway PSE like IRCTC would be listed on stock exchanges.
3. Bill on resolution of financial firms to be introduced in this session of parliament.
4. Decided to abolish FIPB in 2017-18.
5. Foreign Investment Promotion Board to be abolished.
6. Revised mechanism to ensure time bound listing of CPSEs
7. Computer emergency response team for financial sector to be formed.
8. Pradhan Mantri Mudra Yojana lending target at Rs 2.44 lakh crore for 2017-18
9. Digital India - Bhim app will unleash mobile phone revolution - two new schemes to promote the app.
10. Govt to introduce two new schemes to promote BHIM App - referral bonus for users and cash back for traders: FM.
11. Negotiable Instruments Act might be amended.
12. DBT to LPG consumers , Chandigarh is kerosene free, 84 govt schemes are on the DBT platform.
13. Head post office as the central office for rendering passport services
14. Easy online booking system for Army, defence personnel
15. For big-time offences - including economic offenders fleeing India, the govt. will introduce a legislative change or new law to confiscate the assets of these people within the country

Fiscal situation

1. Total expenditure - Rs. 21, 47,000 crore
2. Abolition on plan, non-plan expenditure, focus on capital expenditure (Capital expenditure will be 25.4 per cent)
3. Rs. 3,000 crore under Dept of Economic Affairs for implementing Budget announcements.
4. Defence expenditure, excluding pension, at Rs 2,74,114 crore
5. Expenditure in science and technology — Rs. 37,435 crore
6. Total resources transferred to States and UTs is Rs 4.11 lakh crore

7. Recommended 3% fiscal deficit for three years with deviation of 0.5% of GDP.
8. Revenue deficit - 1.9 %
9. Pegged fiscal deficit of 2017-18 at 3.2% of GDP and remain committed to achieving 3% in the next year.

On funding of political parties

1. Maximum amount of cash donation for political parties will be Rs 2,000 from any one source from Rs 20,000
2. Political parties will be entitled to receive donations by cheque or digital mode from donors.
3. Amendment is being proposed to RBI Act to enable issuance of electoral bonds that government will scheme. Donor can purchase these bonds from banks or post office via cheque or digital transactions. They can be redeemed only by registered political parties.

Tax proposals

1. India's tax to GDP ratio is not favourable.
2. Out of 13.14 lakh registered companies, only 5.97 lakh companies have filed returns for 2016-17.
3. Proportion of direct tax to indirect tax is not optimal.
4. 1.95 crore individuals showed income between Rs 2.5 lakh to Rs 5 lakh.
5. Out of 76 lakh individual assessee declaring income more than Rs 5 lakh, 56 lakh are salaried.
6. Only 1.72 lakh people showed income of more than Rs 50 lakh a year.
7. Between Nov 8 to Dec 30: Deposits between Rs 2 lakh and Rs 80 lakh was made in 1.09 crore accounts.
8. Net tax revenue of 2013-14 was Rs 11.38 lakh crore.
9. Out of 76 lakh individual assessee declaring income more than Rs 5 lakh, 56 lakh are salaried.
10. 1.95 crore individuals showed income between Rs 2.5 lakh to Rs 5 lakh.
11. Rate of growth of advance tax in Personal I-T is 34.8% in last three quarters of this financial year.
12. Holding period for long term capital gain lowered to 2 years

13. Propose to have carry-forward of MAT for 15 years.
14. Capital gains tax to be exempted for persons holding land from which land was pooled for creation of state capital of Telangana.
15. Corporate tax: In order to make MSME companies more viable, propose to reduce tax for small companies of turnover of up to Rs 50 crore to 25%. About 67 lakh companies fall in this category. 96% of companies to get this benefit.
16. Propose to reduce basic customs duty for LNG to 2.5% from 5%
17. SIT on black money suggested no cash transactions of more than Rs 3 lakh. Govt has accepted this proposal.
18. Income Tax Act to be amended. No transaction above Rs 3 lakh to be permitted in cash.
19. Limit of cash donation by charitable trust reduced to Rs 2,000 from Rs 10,000.
20. Net revenue loss in direct tax could be Rs. 20,000 crore.

Personal Income Tax

1. Existing rate of tax for individuals between Rs. 2.5- Rs 5 lakh reduced to 5% from 10%
2. All other categories of tax payers in subsequent brackets will get benefit of Rs 12,500.
3. Simple one page return for people with annual income of Rs. 5 lakh other than business income.
4. People filing I-T returns for the first time will not come under govt. scrutiny.
5. 10% surcharge on individual income above Rs. 50 lakh and up to Rs 1 crore to make up for Rs 15,000 crore loss due to cut in personal I-T rate. 15 surcharge on individual income above Rs. 1 crore to remain.