

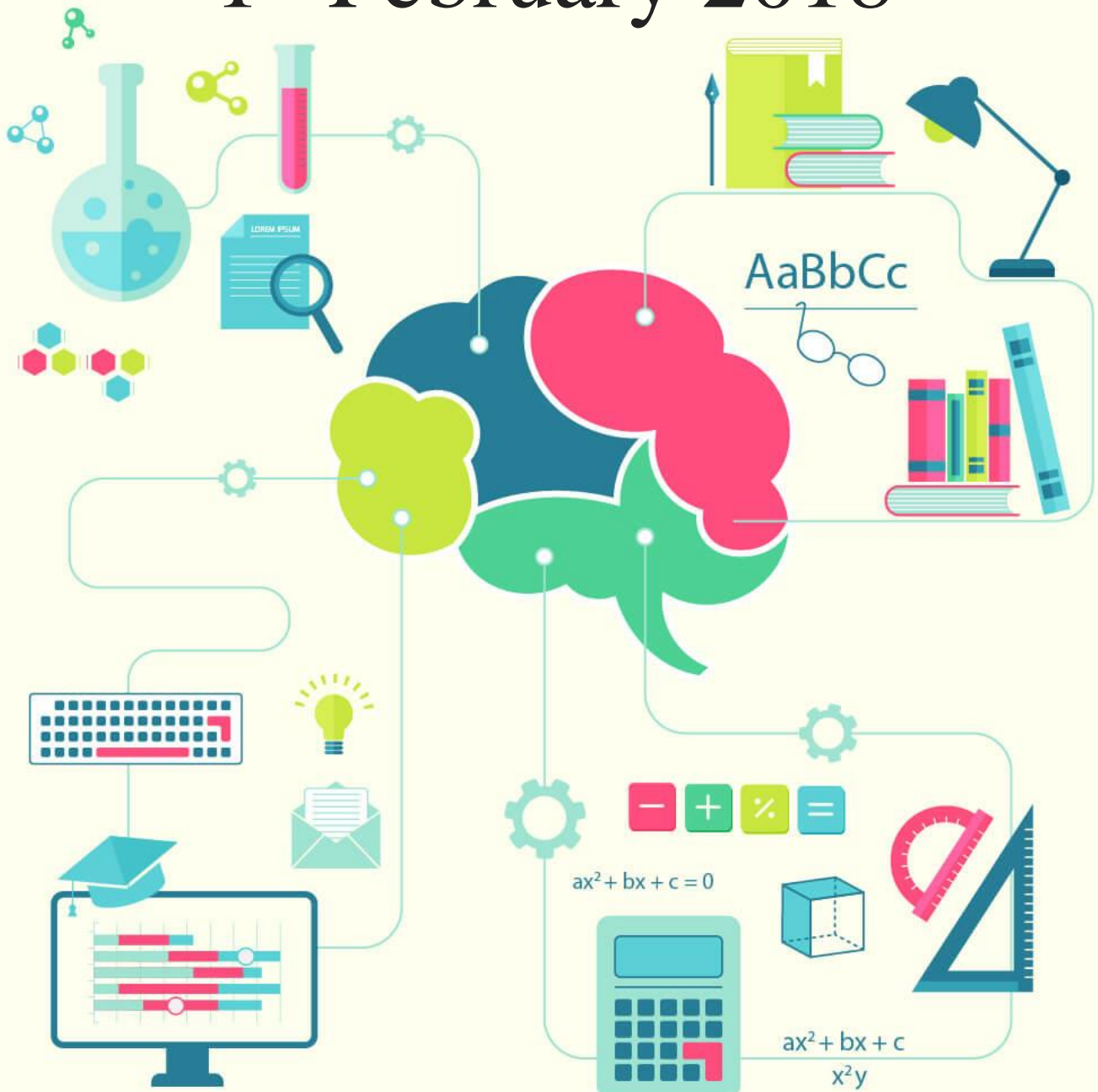
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## Union Budget

2018-2019

Key Details

### 1<sup>st</sup> February 2018



## Key Highlights of Union Budget 2018-19

- Finance Minister Shri Arun Jaitley presented the general budget 2018-19 in the Parliament. He has laid more emphasis on the Agricultural sector and stressed on the focus of government towards Employment Generation in 2018-19.
- The Key points mentioned by the Finance minister:
- Improvement in Foreign Direct Investment.
- Recent re-capitalization of Public Sector Banks is expected to extent great support to Growth.
- Service Sector at more than 8% growth rate. And the Manufacturing sector is on a good growth.
- Total Revised Estimates for **expenditure** in 2017-18 are **`21.57 lakh crore** (net of GST compensation transfers to the States) as against the Budget Estimates of `21.47 lakh crore
- Revised Fiscal Deficit estimates for 2017-18 are `5.95 lakh crore at 3.5% of GDP.
- Fiscal Deficit for 2016-17 was 3.5% of GDP. A Fiscal Deficit of **3.3%** of GDP is projected by the Finance Minister for the year 2018-19.

## AGRICULTURE AND ALLIED SECTORS

- Indian Agricultural Production achieved a record high level with **food grain production - 275 million tonnes** and **fruits and Vegetables - 300 million tonnes**
- **470** Agricultural Produce Market Committee have been connected to e-NAM network and rest will be connected by March, 2018.
- Existing **22,000** rural Haats will be upgraded and developed into Gramin Agricultural Markets (GrAMs). In these GrAMs, the physical infrastructure will be strengthened using MGNREGA and other Government Schemes.
- An **Agri-Market Infrastructure Fund** with a corpus of **Rs 2000 crore** will be set up for developing and upgrading agricultural marketing infrastructure in the **22000 Grameen Agricultural Markets (GrAMs)** and **585 APMCs**
- A sum of **Rs 200 crore** is allocated to support organized cultivation and associated industry
- **Prime Minister Krishi Sampada Yojana** is a flagship programme aimed at boosting investment in food processing
- **Allocation of Ministry of Food Processing** is being doubled to **1400 crore** in 2018-19
- Government proposed to launch an **“Operation Greens”** and a sum of **Rs 500 crore** is allocated for this purpose to promote Farmer Producers Organizations (FPOs), Agri-logistics, Processing facilities and professional management.

- India's agri-exports potential is as high as **US \$ 100 billion** against current exports of **US \$ 30 billion**.
- It is planned to liberalize the export of agri-commodities and also set up state-of-the-art testing facilities in all the **42 Mega Food Parks**
- Government proposed to extend the facility of **Kisan Credit Cards** to fisheries and animal husbandry farmers to help them meet their working capital needs.
- Bamboo is phrased as '**Green Gold**'.
- Bamboo grown outside forest areas has been **eliminated** from the definition of trees. It is proposed to launch a Re-Structured National Bamboo Mission with an outlay of **Rs 1290 crore** to promote bamboo sector in a holistic manner.
- It is planned to expand **the Scope of a Long-Term Irrigation Fund (LTIF)** would be to cover specified command area development projects.
- It is Proposed to set up a two funds with an outlay of **Rs 10,000 Crore**
- **Fisheries and Aquaculture Infrastructure Development Fund (FAIDF)** for Fisheries Sector
- **Animal Husbandry Infrastructure Development Fund** for financing infrastructure requirement of Animal Husbandry sector.
- The volume of institutional credit for agriculture sector from year-to-year from **Rs 8.5 lakh crore in 2014-15 to Rs 10 lakh crore in 2017-18**. It is proposed to raise this to **Rs 11 lakh crore for the year 2018-19**.

## RURAL DEVELOPMENT:

- It is proposed to increase the target of providing free LPG connection to **8 crore** poor women under **Prime Minister's Ujjwala Scheme** to make poor women free from the smoke of wood.
- An amount of **Rs 16,000 Crore** is being spent under **Prime Minister Saubhagya Yojana** for providing electricity to **4 Crore households** of the country free of charge.
- Government has already constructed more than **6 crore toilets** under Swacch Bharat Mission and is planning to further construct around **2 crore toilets**.
- **Under Prime Minister Awas Scheme** Rural Houses planned in 2017-18 is 51 lakhs and 51 lakh houses during 2018-19 which is more than one crore houses will be constructed exclusively in rural areas. In urban areas the assistance has been sanctioned to construct **37 lakh houses**
- It is proposed to establish a dedicated **Affordable Housing Fund (AHF) in National Housing Bank**, funded from priority sector lending shortfall and fully serviced bonds authorized by the Government of India

- Loans to Self Help Groups of women increased to about **Rs 42,500 crore** in **2016-17**.
- It is anticipated that the loans to SHGs will increase to **Rs 75,000 crore by March, 2019**. Substantially an increase in allocation of National Rural Livelihood Mission to **Rs 5750 crore in 2018-19** is proposed.
- An amount of **Rs 2,600 Crore** is allocated for **Ground water irrigation scheme** under **Prime Minister Krishi Sinchai Yojna**- Har Khet ko Pani will be taken up in **96 deprived irrigation districts where less than 30%** of the land holdings gets assured irrigation presently.
- In the year 2018-19, for creation of livelihood and infrastructure in rural areas, total amount to be spent by the Ministries will be **Rs 14.34 lakh crore**, including extra-budgetary and non-budgetary resources of **Rs11.98 lakh crore** it is anticipated that this expenditure will create employment of **321 crore person days, 3.17 lakh kilometers of rural roads, 51 lakh new rural houses, 1.88 crore toilets**, and provide **1.75 crore new household electric connections** besides boosting agricultural growth

## HEALTH AND SOCIAL BENEFITS

- Allocation on **National Social Assistance Programme** this year has been earmarked at **Rs 9975 crore**
- Two major Initiatives:  
**Ayushman Bharat programme**  
**National Health Protection Scheme**
- Ayushman Bharat programme is aimed at making path breaking interventions to address health holistically, in primary, secondary and tertiary care system covering both prevention and health promotion. **Rs 1200 Crore** is outlayed for this flagship programme.
- National Health Protection Scheme to cover over **10 crore poor and vulnerable families** providing coverage **upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization**. **This will be the world's largest government funded health care Programme.**
- Government Allocated additional **Rs600 crore** to provide nutritional support to all **TB patients** at the rate of **Rs500 per month** for the duration of their treatment.
- It is proposed to set up **24 new Government Medical Colleges** and Hospitals by upgrading existing district hospitals in the country to ensure that there is at least 1 Medical College for every 3 Parliamentary Constituencies and at least 1 Government Medical College in each State of the country.

## EDUCATION

- It is proposed to increase the digital intensity in education and move gradually from “**black board**” to “**digital board**”.
- It has been decided that by the year 2022, every block with more than **50% ST population** and **at least 20,000 tribal persons**, will have an **Ekalavya Model Residential School**. The proposed schools will be on par with **Navodaya Vidyalayas** and will have special facilities for preserving local art and culture besides providing training in sports and skill development.
- To step up investments in research and related infrastructure in premier educational institutions, including health institutions, it is proposed to launch a major initiative named “**Revitalising Infrastructure and Systems in Education (RISE) by 2022**” with a total investment of **Rs 1,00,000 crore in next four years**.
- The Government would launch the “**Prime Minister’s Research Fellows (PMRF)**” **Scheme this year**. Under this scheme, **1,000** best B.Tech students each year from premier institutions will be selected and will be provided with facilities to do Ph.D in IITs and IISc, with a handsome fellowship.
- Estimated schematic budgetary expenditure on **health, education and social protection** for 2018-19 is **₹1.38 lakh crore** against estimated expenditure of **₹1.22 lakh crore** in 2017-18.

## MSME :

- It is proposed to onboard Public-Sector Banks and Corporates on
- **Trade Electronic Receivable Discounting System (TReDS) platform** and
- link this with **GSTN**. Online loan sanctioning facility for MSMEs will be
- revamped for prompt decision making by the banks
- MUDRA Yojana launched in April, 2015 has led to sanction of
- **₹4.6 lakh crore in credit from 10.38 crore MUDRA loans. 76% of loan**
- **accounts are of women** and more than **50% belong to SCs, STs and**
- **OBCs**. It is proposed to set a target of **Rs 3 lakh crore for lending under MUDRA for 2018-19**
- The Government has proposed an outlay of **₹7148 crore** for the textile sector in **2018-19**.

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## EMPLOYMENT:

- It is proposed to make amendments in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to reduce women employees' contribution to **8%** for first three years of their employment against existing rate of **12% or 10%** with no change in
- employers' contribution
- The Government is setting up a **model aspirational skill centre** in every district of the country under **Pradhan Mantri Kaushal Kendra Programme**.
- **306** Pradhan Mantri Kaushal Kendra have been established for imparting skill training through such centers.

## INFRASTRUCTURE

- An estimated investment in excess of **`50 lakh crore** is expected in infrastructure to increase growth of GDP.
- **Smart Cities Mission** aims at building 100 Smart Cities with state-of-the-art amenities.
- **99 Cities have been selected with an outlay of `2.04 lakh crore**
- Projects worth **`2350 crore** have been completed and works of **`20,852 crore** are under progress
- It is proposed to develop **10** prominent tourist sites into **Iconic Tourism destinations** by following a holistic approach involving infrastructure and skill development, development of technology, attracting private investment, branding and marketing.
- **100 Adarsh monuments** of the Archaeological Survey of India will be upgraded to enhance visitor experience.
- The AMRUT Programme focuses on providing water supply to all households in **500 cities**. State level plans of **`77,640 crore** for 500 cities have been approved. Water supply contracts for 494 projects worth **`19,428 crore** and sewerage work contract for **272** projects costing **`12,429 crore** has been awarded.
- Government has targeted to complete National Highways exceeding **9000 kilometers** length during **2017-18**.
- Ambitious **Bharatmala Pariyojana** has been approved for providing seamless connectivity of interior and backward areas and borders of the country to develop about **35000 kms in Phase-I** at an estimated cost of **`5,35,000 crore**.
- To raise equity from the market for its mature road assets, **NHAI** will consider organizing its road assets into **Special Purpose Vehicles** and use innovative monetizing structures like **Toll, Operate and Transfer (TOT)** and **Infrastructure Investment Funds (InvITs)**.
- **Railways' Capex** for the year **2018-19** has been pegged at **`1,48,528 crore**
- **18,000 kilometers** of doubling, third and fourth line works and **5000 kilometers** of gauge



- **conversion** would eliminate capacity constraints and transform almost entire network into Broad Gauge - **4000 kilometers** are targeted for commissioning during 2017-18
- Adequate number of rolling stock – **12000 wagons, 5160 coaches** and approximately **700 locomotives** are being procured during 2018-19.
- A decision has been taken to eliminate **4267 unmanned level crossings** in the broad gauge network in the next two years.
- Redevelopment of **600** major railway stations is being taken up by Indian Railway Station Development Co. Ltd. All stations with more than **25000** footfalls will have escalators
- Modern trainsets with state-of-the-art amenities and features are being designed at
- **Integrated Coach Factory, Perambur**. First such train-set will be commissioned during 2018-19.
- Mumbai-Ahmedabad bullet train project, India's first high speed rail project was laid on September 14, 2017. An **Institute** is coming up at **Vadodara** to train manpower required for high speed rail projects
- In the last three years, the domestic air passenger traffic grew at **18% per annum** and. Regional connectivity scheme of UDAN (Ude Desh ka Aam Nagrik) initiated by the Government last year shall connect **56** unserved airports and **31** unserved helipads across the country
- Airport Authority of India (AAI) has **124** airports. It is proposed to expand our airport capacity more than **5** times to handle a **billion** trips a year under a new initiative – **NABH Nirman**.
- **Rs 10000 crore** has been out layed in 2018-19 for creation and augmentation of **Telecom Infrastructure**

## TECHNOLOGY

- Corpus for **Digital India Programme** is **doubled to Rs 3073 crore** in 2018-19
- To harness the benefit of emerging new technologies, particularly the '**Fifth Generation**' (**5G**) **technologies** and its adoption, the Department of Telecom will support **establishment** of an **indigenous 5G Test Bed at IIT, Chennai**.
- The Government **does not consider crypto-currencies legal tender or coin** and will take all measures **to eliminate use of these crypto-assets** in financing illegitimate activities or as part of the payment system
- Government's estimated budgetary and extra budgetary expenditure on **infrastructure for 2018-19 is being increased to `5.97 lakh crore against estimated expenditure of `4.94 lakh crore in 2017-18**.

## BANKING AND FINANCE

- **Capital** of the **Food Corporation of India** will be restructured to enhance equity and to raise **long-term debt for meeting its standing working capital requirement**
- **Department of Commerce** will be developing a **National Logistics Portal** as a **single window online market place** to link all stakeholders
- The Government has approved listing of **14 CPSEs**, including **2 insurance companies**, on the stock exchanges. The Government has also initiated the process of strategic disinvestment in 24 CPSEs. It includes **strategic privatization of Air India**
- **Three public sector general insurance companies** **National Insurance Company Ltd., United India Assurance Company Limited and Oriental India Insurance Company Limited** will be **merged** into a single insurance entity and will be subsequently listed.
- The Government introduced **Exchange Traded Fund Bharat-22** to raise **`14,500 crore**, which was over-subscribed in all segments.
- 2017-18 **Budget Estimates for disinvestment** were pegged at the highest ever level of **`72,500 crore**. Government has already exceeded the budget estimates. And assuming receipts of **`1,00,000 crore in 2017-18**. Disinvestment target for 2018-19 is **`80,000 crore**.
- Bank recapitalization program has been launched with bonds of **`80,000 crore** being issued this year. This recapitalization will pave the way for the Public Sector Banks to lend **additional credit of `5 lakh crore**.
- **Outward Direct Investment (ODI)** from India has grown to **US\$15 billion per annum**.
- **Indian Post Offices Act, Provident Fund Act and National Saving Certificate Act** are being **amalgamated** and certain additional people friendly measures are being introduced.

## TAXATION

- The growth rate of **direct taxes** up to 15th January, 2018 is **18.7%**.
- There has been huge increase in the number of returns filed by taxpayers.
- In financial year 2016-17, **85.51 lakhs** new taxpayers filed their returns of income as against **66.26 lakhs** in the immediately preceding year.
- The number of effective tax payer base increased from **6.47 crores** at the beginning of F.Y.14-15 to **8.27 crores** at the end of F.Y.16-17



- It is proposed to extend the benefit of reduction in corporate tax rate to 25% to companies who have reported **turnover up to 250 crore** in the financial year 2016-17 which was earlier applicable companies which reported **turnover up to 50 crore**.
- For assessment year 2016-17, **1.89 crore salaried individuals** have filed their returns and have paid total tax of **`1.44 lakh crores** which works out to average tax payment of **`76,306/- per individual salaried taxpayer**.
- It is proposed to allow a standard deduction of **`40,000/-** in lieu of the present exemption in respect of transport allowance and reimbursement of miscellaneous medical expenses
- The revenue cost of this decision is approximately `8,000 crores the government and the total number of salaried employees and pensioners who will benefit from this decision is around 2.5 crores.
- For senior Citizens Exemption of interest income on deposits with banks and post offices to be increased from **`10,000/- to `50,000/-** and TDS shall not be required to be deducted on such income, under section 194A
- Raising the limit of deduction for health insurance premium and/ or medical expenditure from **`30,000/- to `50,000/-**, under section 80D. All senior citizens will now be able to claim benefit of deduction up to **`50,000/-** per annum in respect of any health insurance premium and/or any general medical expenditure incurred.
- It is proposed to extend the **Pradhan Mantri Vaya Vandana Yojana up to March, 2020** under which an assured return of **8%** is given by **Life Insurance Corporation of India**. The existing limit on investment of **`7.5 lakh per senior citizen** under this scheme is also being enhanced to **`15 lakh**.
- It is proposed to tax long term capital gains **exceeding `1 lakh** at the rate of **10%** without allowing the benefit of any indexation.
- It is proposed to reduce customs duty on raw cashew from **5% to 2.5%** to help the cashew processing industry.
- Increased customs duty on mobile phones from **15% to 20%**, on some of their parts and accessories to **15%** and on certain parts of TVs to **15%** to promote creation of more jobs in the country
- It is proposed to abolish the **Education Cess and Secondary and Higher Education Cess on imported goods**, and in its place, imposing a **Social Welfare Surcharge, at the rate of 10% of the aggregate duties of Customs**, on imported goods, to provide for **social welfare schemes of the Government**.

## MISCELLANEOUS

- A Scheme will be launched called as **Galvanizing Organic Bio-Agro Resources Dhan (GOBAR-DHAN)** for management and conversion of **cattle dung and solid waste** in farms to compost, fertilizer, bio-gas and bio-CNG.
- Sukanya Samriddhi Account Scheme launched in January 2015 has been a great success. Until November, 2017 more than **1.26 crore** accounts have been opened across the country in the name of girlchild securing an amount of **`19,183 crore**
- Government has earmarked **`150 crore** for the year 2018-19 for the activities leading to the Commemoration of the 150th birth anniversary of Mahatma Gandhi, Father of the Nation, from 2nd October, 2019 to 2<sup>nd</sup> October 2020.
- With the roll out of GST, It is proposed to change the name of **Central Board of Excise and Customs [CBEC]** to **Central Board of Indirect Taxes and Customs (CBIC)**.
- A total of **187 projects** have been sanctioned under the Namami Gange programme for infrastructure development, river surface cleaning, rural sanitation and other interventions at a cost of **Rs16,713 crore**. **47 projects have been completed and remaining projects are at various stages of execution**. All **4465 Ganga Grams** – villages on the bank of river - have been declared open defecation free.

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