



RESOURCE WORLD

GENERAL KNOWLEDGE



FREE

Union Budget of India (2018 - 19)

Book for Various Competitive Exams

(Like KPSC technical Post C, KSRTC, PDO, RRB, SSC, FDAA, SDAA, PSI, PC, CET, etc..)





www.amkresourceinfo.com



Union Budget of India (2018 – 19)

The Union Budget for 2018–19 has been announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. It focuses on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country.

Highlights of Union Budget 2018–19

Overview of the economy

- The GDP grew at 6.3 per cent in the second quarter of 2017–18 and is expected to grow at 7.2–7.5 per cent in the second half of 2017–18.
- Growth for 2018–19 is forecasted at 7.4 per cent by the International Monetary Fund (IMF).
- Exports are expected to grow at 15 per cent in 2017–18.
- Fiscal deficit target for 2018–19 is set at 3.3 per cent of the GDP.
- Fiscal deficit for 2017–18 is revised to Rs 5.95 lakh crore (US\$ 93.54 billion) at 3.5 per cent of the GDP.

Agriculture and Rural Economy

- The government is committed towards doubling the farmers' income by 2022.
- A total of Rs 14.34 lakh crore (US\$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas.
- Minimum Support Price (MSP) for all announced kharif crops will be at least one and half times of their production cost, similar to the majority of rabi crops.

- Institutional credit to the agriculture sector is targeted at Rs 11 lakh crore (US\$ 172.93 billion) for 2018-19, compared to Rs 10 lakh crore (US\$ 157.2 billion) for 2017-18.
- A Fisheries and Aqua culture Infrastructure Development Fund (FAIDF) and an animal Husbandry Infrastructure Development Fund (AHIDF) will be started with a total corpus of Rs 10,000 crore (US\$ 1.57 billion).
- An Agri-Market Infrastructure Fund will be started with a corpus of Rs 2,000 crore (US\$ 314.41 million).
- A restructured National Bamboo Mission will be launched with a total outlay of Rs 1,290 crore (US\$ 202.79 million).
- Allocation for the National Rural Livelihood Mission is increased to Rs 5,750 crore (US\$ 903.93 million) for 2018-19.

• Health, Education and Social Protection

- Budgeted expenditure on health, education and social protection for 2018-19 is Rs 1.38 lakh crore (US\$ 21.69 billion) which is expected to increase by Rs 15,000 crore (US\$ 2.36 billion) after additional allocations during the year.
- Role of technology in the education sector will be increased with a focus on increased digital intensity.
- A new initiative named 'Revitalising Infrastructure and Systems in Education (RISE) by 2022' will be launched with an investment of Rs 1 lakh crore (US\$ 15.72 billion) over the next four years.
- A total of Rs 1,200 crore (US\$ 188.65 million) is allocated for Health and Wellness Centres under the National Health Policy.
- National Health Protection Scheme will be launched, which will cover over 10 million poor families with a coverage of up to Rs 5 lakh (US\$ 7,860). This will be the world's largest government funded health care programme.
- A total of 24 new government medical colleges and hospitals will be set up.

• Medium, Small and Micro Enterprises (MSMEs)

- A total of Rs 3,790 crore (US\$ 596.43 million) has been provided for the MSME sector for credit support, capital and interest subsidy and innovations.
- Formalisation in the MSME sector is happening at a fast pace after the introduction of the Goods and Services Tax (GST) and demonetisation.
- Online loan sanctioning facility for MSMEs will be revamped and public sector banks and corporates will be brought on-board the Trade Electronic

Receivable Discounting System (TReDS) platform which will be linked with the GSTN.

- Lending under the MUDRA Yojana is targeted at Rs 3 lakh crore (US\$ 47.16 billion). At present 76 per cent of loan accounts under the scheme belong to women while more than 50 per cent belong to SCs, STs and OBCs.
- Additional measures will be taken by the government for growth and successful operation of alternative investment funds.

• Employment Generation

- As per an independent study conducted, over 7 million formal jobs will be created in the country during 2018-19.
- The Government of India will contribute 12 per cent of the wages of the new employees in the Employees' Provident Fund for all the sectors in the next three years.
- As per proposed amendments in the Employees Provident Fund and Miscellaneous Provisions Act, 1952, women employees' contribution to the EPF will be reduced to 8 per cent for the first three years of their employment with no change in employers' contribution. This is done to promote more women employment in the formal sector.
- A model aspirational skill centre is being set up in every district of the country.

• Infrastructure and Financial Sector Development

- Investments in excess of Rs 50 lakh crore (US\$ 786.02 billion) are required in the country's infrastructure to increase the growth of GDP and connect and integrate country's transport network.
- Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19.
- All-time high allocations have been made to the rail and road sectors.
- Through the use of online monitoring system of PRAGATI, projects worth Rs 9.46 lakh crore (US\$ 148.72 billion) have been facilitated and fast tracked.
- Under the Smart Cities Mission, projects worth Rs 2,350 crore (369.43 million) have been completed and projects worth 20,852 crore (US\$ 3.82 billion) are under progress. A total of 99 cities have been selected under the mission with an outlay of Rs 2.04 lakh crore (US\$ 32.07 billion).
- To promote tourism in the country, 10 prominent tourist sites will be developed into iconic tourism destinations

- Around 35,000 km of road construction has been approved under the Phase-1 of the Bharatmala Pariyojana at an estimated cost of Rs 5.35 lakh crore (US\$ 84.10 billion).

• Railways

- Capital expenditure in the railways sector for 2018-19 is set at Rs 148,528 crore (US\$ 23.35 billion).
- 12000 wagons, 5160 coaches and around 700 locomotives will be procured during 2018-19.
- Redevelopment of 600 major railway stations will be taken up.
- Electrification of around 4,000 km of railway tracks is expected to be commissioned in 2017-18.
- Work on eastern and western dedicated freight corridors is under progress.
- A dedicated institute to train manpower required for work on high speed rail projects will be established in Vadodara.

• Digital Economy

- Budgetary allocation of Rs 3,073 crore (US\$ 483.09 million) for the Digital India programme is made for 2018-19.
- A national program will be initiated by NITI Aayog to increase efforts in the area of artificial intelligence.
- Mission on Cyber Physical Systems will be launched by the Department of Science & Technology under which centres of excellence for research, training and skilling robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and internet of things will be established and promoted.
- Budgetary allocation of Rs 10,000 crore (US\$ 1.57 billion) is made in 2018-19 for telecom infrastructure.
- 500,000 Wi-Fi hotspots will be set up by government to provide internet connectivity to over 5 million rural citizens.
- Every individual enterprise in India will be assigned a unique ID.

• Disinvestment

- A target of Rs 80,000 crore (US\$ 12.58 billion) for disinvestment has been set for 2018-19.
- Target of 2017-18 has been exceeded and receipts have crossed Rs 1 lakh crore (US\$ 15.72 billion).

- National Insurance Co. Ltd., United India Assurance Co. Ltd., and Oriental India insurance Co. Ltd., will be merged into a single insurance entity.
- A comprehensive Gold Policy will be framed in order to develop gold as an asset class.
- A system for regulated gold exchanges across the country will be established.

• Fiscal Management

- Total budgeted expenditure for 2018-19 is set at Rs 2,442,213 crore (US\$ 383.93 billion).
- Central Government's debt to GDP ratio will be brought down to 40 per cent, as per the recommendations of the Fiscal Reform and Budget Management Committee.
- Growth in direct taxes for 2017-18 (up to January 15, 2018) has been 18.7 per cent while for 2016-17 it was 12.6 per cent.
- Number of effective tax payers increased to 80.27 million by 2016-17 end from 60.47 million in 2015-16 end.
- Companies registered as Farmer Producer Companies with an annual turnover up to Rs 100 crore (US\$ 15.72 million) will get 100 per cent deduction for a period of five year starting 2018-19. The move is proposed in order to promote 'Operation Greens' and 'Sampada Yojana'.
- Reduced tax rate of 25 per cent will be extended to companies which have reported a turnover of up to Rs 250 crore (US\$ 39.30 million) during 2016-17. This move is expected to benefit all the MSMEs operational in the country.
- Revenue loss from the reduction in the tax rate during 2018-19 is estimated at Rs 7,000 crore (US\$ 1.1 billion).
- A standard deduction of Rs 40,000 crore (US\$ 628.9) is proposed for salaried individuals which will replace the present exemption of transport allowance and reimbursement of miscellaneous medical expenses. The move will help middle class employees in reducing their tax liabilities. Revenue loss from the move is estimated at Rs 8,000 crore (US\$ 1.41 billion).
- Exempted interest income on deposits with banks and post offices is proposed to be increased from the present Rs 10,000 (US\$ 157.2) to Rs 50,000 (US\$ 786.02).
- Deduction limit for health insurance premium and/ or medical expenditure is proposed to be increased from the present Rs 30,000 (US\$ 471.6) to Rs 50,000 (US\$ 786.02).
- Pradhan Mantri Vaya Vandana Yojana will be extended till 2020.

- More concessions will be provided for the International Financial Services Centre (IFSC).
- Payments in excess of Rs 10,000 (US\$ 157.2) by trusts and institutions shall be disallowed and will be taxable. In case of non-deduction of tax by such entities, 30 per cent of the amount will be disallowed and taxed.
- Long Term Capital Gains (LTCG) after January 31, 2018, exceeding Rs 1 lakh (US\$ 1,572.04) will be taxed at 10 per cent without any indexation benefit.
- A 10 per cent tax is proposed on distributed income by equity oriented mutual funds.
- The proposed change in capital gains tax is expected to result in revenue gain of around Rs 20,000 crore (US\$ 3.14 billion).
- Cess on personal income tax and corporation tax is proposed to be increased from 3 per cent to 4 per cent. The new cess will be called 'Health and Education Cess'. The move is expected to result in additional tax revenue of Rs 11,000 crore (US\$ 1.73 billion).
- Rollout of e-assessment across the country is proposed for greater efficiency and transparency in direct tax collection.
- Customs duty on mobile phones will be increased from 15 percent to 20 percent and 15 percent on certain parts of televisions.
- Education Cess and Secondary and Higher Education Cess on imported goods will be abolished and will be replaced by a Social Welfare Surcharge at the rate of 10 percent of the aggregate duties of customs.
- The name of the Central Board of Excise and Customs (CBEC) to the Central Board of Indirect Taxes and Customs (CBIC).

Visit our Website



www.amkresourceinfo.com

-----JOIN US by CLICK here-----



Important Links in our Website

A M K – Free E Resources

<http://amkresourceinfo.com/free-e-resources/>

Daily Newspapers : <http://amkresourceinfo.com/daily-newspapers/>

Job Notifications : <http://amkresourceinfo.com/job-notifications/>

E Books : <http://amkresourceinfo.com/e-books-2/>

E Magazines : <http://amkresourceinfo.com/e-magazines-2/>

Online Buy Books : <http://amkresourceinfo.com/online-buy-books/>

RRB – Group D : <http://amkresourceinfo.com/rrb-group-d/>

And many more...

Keep visiting for more updates

"Your Success, Our Motto"