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## UNION BUDGET (2018-19) HIGHLIGHTS

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Arun Jaitley presented Budget for the year 2018-19 in the parliament. This is the first budget after big economic reforms like the Goods and Services Tax, dynamic fuel pricing, mega PSU bank recapitalization etc. The Rail Budget, like last year, will be presented as part of the Union Budget.

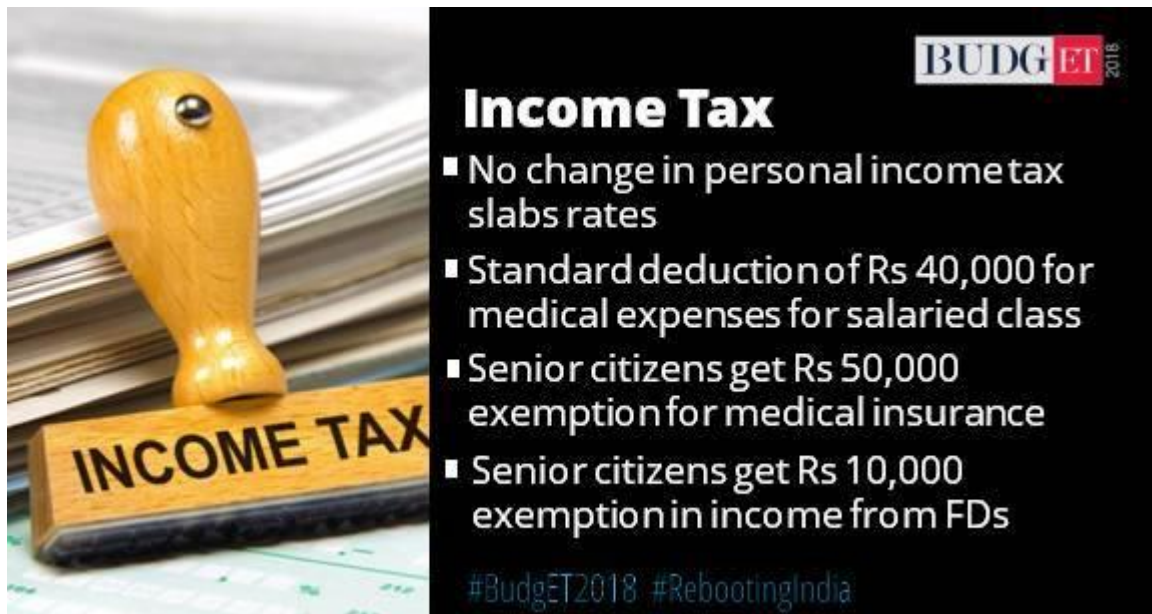
Some of the key highlights of the Budget are:

### 1. FISCAL SITUATION:

As per the Budget

- Fiscal deficit is 3.5% of GDP in 2017-18.
- For next fiscal year fiscal deficit is projected at 3.3% of GDP

### 2. TAX:



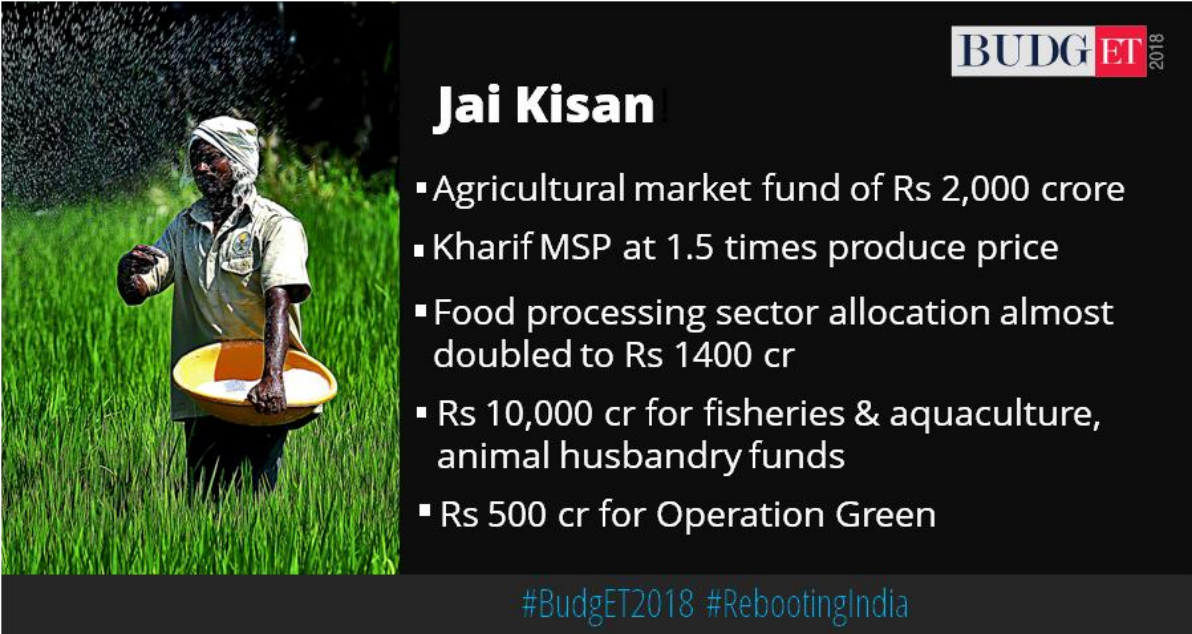
- The government proposes no change in personal income tax rates for salaried class.
- To boost MSME sector corporate tax reduced has been reduced from 30 per cent to 25 per cent for companies with turnover up to Rs 250 crore.
- Long term capital gains exceeding Rs. 1 lakh will be taxed at 10%
- Short term capital tax remains at 15%
- Govt makes PAN mandatory for any entity entering into a financial transaction of Rs 2.5 lakh or more.
- Central Board of Excise and Customs renamed as Central Board of Indirect Taxes and Customs
- Education cess increased to 4% from 3%
- All senior citizens will now be able to claim benefit of a deduction of ₹50,000 for any medical insurance.

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## AGRICULTURE:

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- In a major relief to farmers, minimum support price (MSP) for all upcoming Kharif crops has been raised to 1.5 times the cost of production. In case the market prices are lower than MSP, government would procure the produce or ensure farmers get right prices.
- To strengthen the market connectivity Agricultural market and infra fund of with corpus of Rs 2,000 will be created for 22,000 Gramin agricultural markets and 585 APMCs.



**BUDGET 2018**

### Jai Kisan

- Agricultural market fund of Rs 2,000 crore
- Kharif MSP at 1.5 times produce price
- Food processing sector allocation almost doubled to Rs 1400 cr
- Rs 10,000 cr for fisheries & aquaculture, animal husbandry funds
- Rs 500 cr for Operation Green

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- Operation Green will produce farmer producer organisation, logistics, warehousing etc allocation of Rs 500 crore.
- Export of agri commodity has been liberalised to meet India's agricultural exports potential of \$100 billion.
- To boost bamboo sector, government Proposed to launch a restructured bamboo mission "Bamboo is green gold" with a fund of Rs 1200 crore.
- Agricultural credit target increased from Rs 8.5 lakh crore to Rs 11 lakh core

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## HEALTH:

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- Under Aayushman Bharat program Rs. 5 lakh medical insurance cover per year is provided for 10 crore families
- 1.5 lakh centres will be setup to provide health facilities close to home
- Proposed to setup one medical college for every 3 parliamentary constituencies

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## RURAL ECONOMY:

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- Under PM Saubhagya Yojana 4 crore poor people will get power connection.
- Govt plans to construct 2 crore toilets in next fiscal year under Swachh Bharat Mission
- Government set target housing for all by 2022. 1 cr houses to be built under Pradhan Mantri Awas Yojana in rural areas
- setting up a Fisheries and Aqua culture Infrastructure Development Fund (FAIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector with a total corpus of Rs.10,000 crore for the two new funds

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## EDUCATION:

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- Rs. 1 lakh crore allocated to revitalization and upgradation of education sector.
- By 2022, every block with more than 50 per cent ST population will have Ekalvyas schools

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## DEFENCE:

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The total outlay for defence in budget 2018 is Rs 2.95 lakh crore up from Rs 2.74 lakh crore last year

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## TECHNOLOGY:

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- Rs. 3,073 cr allocated for Digital India scheme
- 5 lakh WiFi hotspots will be installed to give access of broadband services to 5 crore rural citizens.
- Govt is planning to explore the usage of Blockchain technology

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### **EMPLOYEE-CENTRIC SCHEMES:**

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- Government will contribute 12% of the wage of new employees in Employee provident Fund in all sectors for next three years
- Women contribution to EPF reduced to 8% for first 3 years

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### **SOCIAL SECURITY:**

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- Under Ujwala Yojana 8 cr women would get free LPG
- For boosting livelihood opportunities and private enterprise, target for loans to self-help group for women has been increased to Rs 75,000 crore

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### **RAILWAYS:**

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- For the year 2018-19, Rs. 1.48 lakh crores have been allocated for Railways.
- Redevelopment of 600 major railway stations will take up

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### **AVIATION:**

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- Government plans to expand airport capacity by as much as five times and aims to take the trip count to 1 billion per year.
- Under UDAN scheme, 64 airports will be connected across the country to boost low cost flying.

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### **MISCELLANEOUS:**

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- The food subsidy has been increased for the from Rs 1.4 lakh crore in 2017-18 to Rs 1.69 lakh crore in 2018-19.
- Union Trust of India, Oriental insurance and National insurance will be merged
- Proposed to extend Pradhan Mantri Vaya Vandana Yojana up to March, 2020.
- Current investment limit proposed to be increased to Rs. 15 lakh from the existing limit of Rs. 7.5 lakh per senior citizen.
- NITI Aayog to initiate a national programme on Artificial Intelligence(AI)
- Budget proposed to set a target of Rs.3 lakh crore for lending under MUDRA for 2018-19 after having successfully exceeded the targets in all previous years.