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**CURRENT ECONOMIC SCENARIO**

The Union Budget 2017-18 is definitely unique even historic in many ways. For starters, it will be presented on a much earlier date of 1st February as opposed to the usually date of 1st March. If this wasn't enough, this budget is also special, as for the first time, the Railway Budget will not be a separate event and will be incorporated into the General Budget. Railways will focus on passenger safety, capital works and cleanliness, among other issues. In the run up to this budget, the Indian economy was growing at a rapid pace registering GDP growth of around 7.6% and then the brakes came on as a result of the unexpected Demonetisation announcement. Arun Jaitley fourth budget gives push to rural sectors, housing for growth recovery. The government earlier set a fiscal deficit target of 3 % of GDP for FY17-18, compared to 3.5 % in the previous year. Jaitley also announced that the budget allocation for welfare of women and children under various ministries will be increased to Rs 1,84,632 crore. The recast is likely to speed up progress to a corporate tax rate of 25%, already a stated objective of the government, and offer substantial reliefs for small taxpayers who have backed Demonetization. The government had in its last budget introduced an additional 10% tax on dividends in excess of Rs 10 lakh per year in addition to the dividend distribution tax. Current expenditure in 2017 is estimated to be ₹1.5 billion or 3% higher than 2016. The subsidy bill on food, petroleum and fertilisers is estimated at Rs 2,40,338.6 crore for 2017-18 . Maximum amount of cash donation, a political party can receive, will be 2000/- from one person. Every political party would have to file its return within the time prescribed in accordance with the provision of the Income-tax Act.



□ **AGRICULTURE**

- ✍ Target for agricultural credit in 2017-18 has been fixed at a record level of ` 10 lakh crores.
- ✍ Micro-irrigation fund will be set up by NABARD to achieve the goal of 'Per Drop More Crop' will be Rs 5000 crore.
- ✍ NABARD will also set up dairy processing infrastructure fund with Rs 8,000 crore.
- ✍ The target for agricultural credit in 2017-18 has been fixed at a record level of Rs 10 lakh crore.
- ✍ The government provides short-term crop loans up to Rs 3 lakh at subsidised interest rate of 7 per cent per annum.
- ✍ 'Pradhan Mantri Fasal Bima Yojana', which was launched last year, has been increased to Rs 13,240 crore this fiscal from budgeted Rs 5,500 crore.
- ✍ MGNREGA has been increased to a record Rs 48,000 crore.
- ✍ Farmers will also benefit from 60 days' interest waiver announced on 31 Dec 2016.
- ✍ New mini labs in Krishi Vigyan Kendras (KVKs) and ensure 100% coverage of all 648 KVKs in the country for soil sample testing.
- ✍ Women participation in MGNREGA has increased to 55% from less than 48%.





## TAXATION

- ✍ Existing rate of taxation for individual assesses between income of 2.5 lakhs to 5 lakhs reduced to 5% from the present rate of 10%.
- ✍ Surcharge of 10% on individuals whose income is between 50 lakhs and 1 crore.
- ✍ Surcharge of 15% on individual income above Rs. 1 crore to remain.
- ✍ The extensive reach-out efforts to trade and industry for GST will start from 1st April, 2017 to make them aware of the new taxation system.
- ✍ Reduce tax for small companies with a turnover of up to Rs 50 crore to 25%.
- ✍ The government proposes to reduce basic customs duty for LNG to 2.5% from 5%.
- ✍ The Income Tax Act to be amended to ensure that no transaction above Rs 3 lakhs is permitted in cash.
- ✍ Holding period for long term capital gain lowered to two years.
- ✍ Out of 13.14 lakh registered companies, only 5.97 lakh firms have filed returns for 2016-17.
- ✍ Individuals numbering 1.95 crore showed an income between Rs. 2.5 lakh to Rs. 5 lakh.



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## INFRASTRUCTURE AND RAILWAY

- ✍ A total allocation of Rs. 39,61,354 crore has been made for infrastructure.
- ✍ Total allocation for Railways is Rs. 1,31,000 crore.
- ✍ No service charge on tickets booked through IRCTC.
- ✍ Raksha coach with a corpus of Rs. 1 lakh crore for five years (for passenger safety).
- ✍ 3,500 km of railway lines to be commissioned this year up from 2,800 km last year.
- ✍ By 2019 all trains will have bio-toilets.
- ✍ Five-hundred stations will be made differently-abled friendly.
- ✍ Rs. 64,000 crore allocated for highways.
- ✍ New Metro rail policy will be announced with new modes of financing.
- ✍ For transportation sector as a whole, including rail, roads, shipping, provision of 2,41,387 crores has been made in 2.





## HEALTH

- ✍ Under a nationwide scheme for pregnant women, Rs. 6000 will be transferred to each person.
- ✍ A sum of Rs. 1,84,632 crores allocated for women and children.
- ✍ Elimination of tuberculosis by 2025 targeted.
- ✍ Health sub centres, numbering 1.5 lakh, will be transformed into health wellness centres.
- ✍ Two AIIMS will be set up in Jharkhand and Gujarat.
- ✍ Will undertake structural transformation of the regulator framework for medical education.
- ✍ Aadhaar-based smartcards will be issued to senior citizens to monitor health.

## RENEWABLE ENERGY

- ✍ A strategic policy for crude reserves will be set up.
- ✍ Rs. 1.26,000 crore received as energy production based investments.
- ✍ Trade infra export scheme will be launched 2017-18.
- ✍ The Budget announced solar power supply at about 7,000 railway stations in the medium term but a beginning has already been made at 300 stations .



□ **EDUCATION**

- ✍ Focus will be on 3,479 educationally-backward blocks.
- ✍ Will take steps to create 5000 PG seats per annum.
- ✍ SWAYAM platform, leveraging IT, to be launched with at least 350 online courses.
- ✍ Next phase of Skill Strengthening for Industrial Value Enhancement (STRIVE) will also be launched in 2017-18 at a cost of 2,200 crores.
- ✍ Skill Acquisition and Knowledge Awareness for Livelihood Promotion programme (SANKALP) to be launched at a cost of 4000 crores.

**WELFARE SCHEMES**

- ✍ Funds amounting to Rs 1,84,633 crores will now be allocated to the welfare of women and children.
- ✍ The government would invest Rs. 500 crore towards establishing the Mahila Shakti Kendras in rural areas.
- ✍ Government will set up mini labs in Krishi Vigyan Kendras for soil testing.
- ✍ To utilise the Head Post Offices as front offices for rendering passport services.



**FINANCE**

- ✍ FDI policy reforms - more than 90% of FDI inflows are now automated.
- ✍ Shares of Railway PSE like IRCTC will be listed on stock exchanges.
- ✍ Bill on resolution of financial firms will be introduced in this session of Parliament.
- ✍ Foreign Investment Promotion Board will be abolished.
- ✍ Computer emergency response team for financial sector will be formed.
- ✍ Pradhan Mantri Mudra Yojana lending target fixed at Rs 2.44 lakh crore for 2017-18.
- ✍ Digital India - BHIM app will unleash mobile phone revolution. The government will introduce two schemes to promote BHIM App - referral bonus for the users and cash back for the traders.
- ✍ DBT to LPG consumers , Chandigarh is kerosene-free, 84 government schemes are on the DBT platform.
- ✍ In line with the 'Indradhanush' roadmap, ` 10,000 crores for recapitalisation of Banks provided in 2017-18.



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## SEBI REGISTRATION NO- INH100003274

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