

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

HIGHLIGHTS OF BUDGET 2018-19

New Delhi, 01th February, 2018

12 Magha, 1939

- Finance Minister Shri Arun Jaitley presents general Budget 2018-19 in Parliament.
- Budget guided by mission to strengthen agriculture, rural development, health, education, employment, MSME and infrastructure sectors
- Government says, a series of structural reforms will propel India among the fastest growing economies of the world. Country firmly on course to achieve over 8 % growth as manufacturing, services and exports back on good growth path.
- MSP for all unannounced kharif crops will be one and half times of their production cost like majority of rabi crops: Institutional Farm Credit raised to 11 lakh crore in 2018-19 from 8.5 lakh crore in 2014-15.
- 22,000 rural haats to be developed and upgraded into Gramin Agricultural Markets to protect the interests of 86% small and marginal farmers.
- “Operation Greens” launched to address price fluctuations in potato, tomato and onion for benefit of farmers and consumers.
- Two New Funds of Rs10,000 crore announced for Fisheries and Animal Husbandary sectors; Re-structured National Bamboo Mission gets Rs.1290 crore.
- Loans to Women Self Help Groups will increase to Rs.75,000 crore in 2019 from 42,500 crore last year.
- Higher targets for Ujjwala, Saubhagya and Swachh Mission to cater to lower and middle class in providing free LPG connections, electricity and toilets.
- Outlay on health, education and social protection will be 1.38 lakh crore. Tribal students to get Ekalavya Residential School in each tribal block by 2022. Welfare fund for SCs gets a boost.
- World’s largest Health Protection Scheme covering over 10 crore poor and vulnerable families launched with a family limit upto 5 lakh rupees for secondary and tertiary treatment.
- Fiscal Deficit pegged at 3.5 %, projected at 3.3 % for 2018-19.

Budget 2018-19

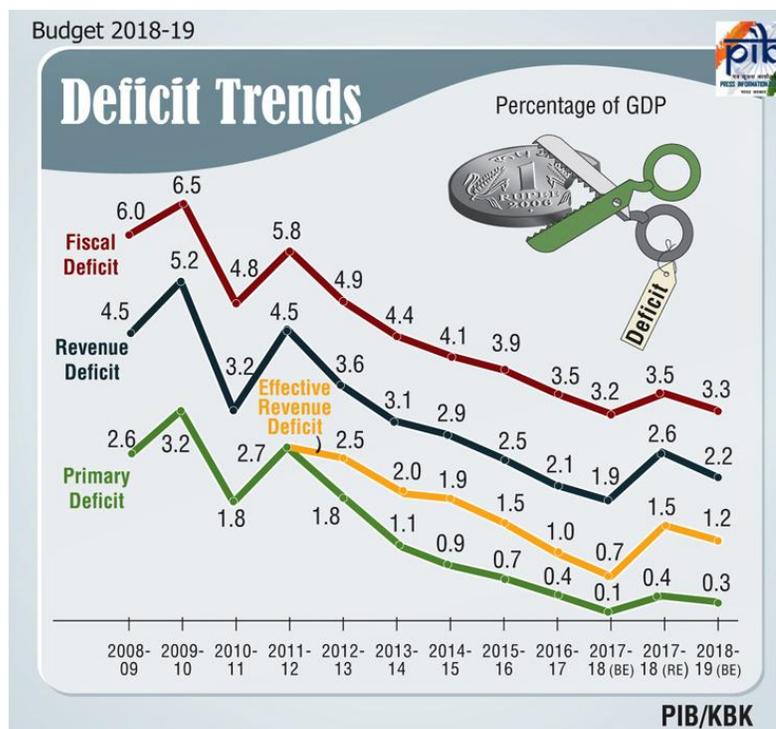
Budget Snapshot: Key Numbers

Figures in ₹ crore

	2016-17 Actuals	2017-18 Budget Estimates	2017-18 Revised Estimates	2018-19 Budget Estimates
Revenue Receipts	13,74,203	15,15,771	15,05,428	17,25,738
Capital Receipts*	6,00,991	6,30,964	7,12,322	7,16,475
Total Receipts	19,75,194	21,46,735	22,17,750	24,42,213
Total Expenditure	19,75,194	21,46,735	22,17,750	24,42,213
Revenue Deficit	3,16,381	3,21,163	4,38,877	4,16,034
Effective Revenue Deficit	1,50,648	1,25,813	2,49,632	2,20,689
Fiscal Deficit	5,35,618	5,46,531	5,94,849	6,24,276
Primary Deficit	54,904	23,453	64,006	48,481

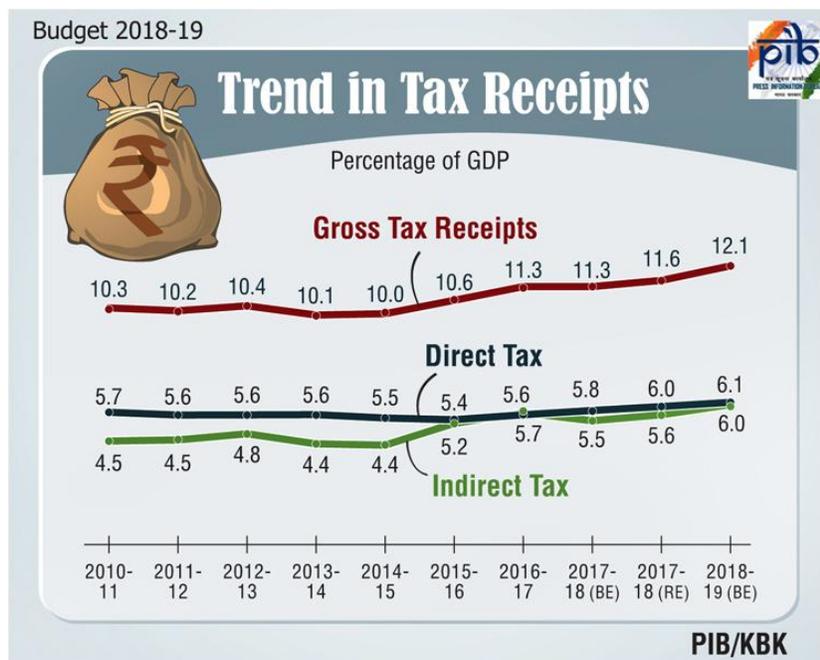
*Excluding receipts under Market Stabilisation Scheme

PIB/KBK



- Rs. 5.97 lakh crore allocation for infrastructure
- Ten prominent sites to be developed as Iconic tourist destinations
- NITI Aayog to initiate a national programme on Artificial Intelligence(AI)
- Centres of excellence to be set up on robotics, AI, Internet of things etc
- Disinvestment crossed target of Rs 72,500 crore to reach Rs 1,00,000 crore

- Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class
- 100 percent deduction proposed to companies registered as Farmer Producer Companies with an annual turnover upto Rs. 100 crore on profit derived from such activities, for five years from 2018-19.
- Deduction of 30 percent on emoluments paid to new employees Under Section 80-JJAA to be relaxed to 150 days for footwear and leather industry, to create more employment.
- No adjustment in respect of transactions in immovable property where Circle Rate value does not exceed 5 percent of consideration.
- Proposal to extend reduced rate of 25 percent currently available for companies with turnover of less than 50 crore (in Financial Year 2015-16), to companies reporting turnover up to Rs. 250 crore in Financial Year 2016-17, to benefit micro, small and medium enterprises.
- Standard Deduction of Rs. 40,000 in place of present exemption for transport allowance and reimbursement of miscellaneous medical expenses. 2.5 crore salaried employees and pensioners to benefit.
- Relief to Senior Citizens proposed:-
 - Exemption of interest income on deposits with banks and post offices to be increased from Rs. 10,000 to Rs. 50,000.
 - TDS not required to be deducted under section 194A. Benefit also available for interest from all fixed deposit schemes and recurring deposit schemes.
 - Hike in deduction limit for health insurance premium and/ or medical expenditure from Rs. 30,000 to Rs. 50,000 under section 80D.
 - Increase in deduction limit for medical expenditure for certain critical illness from Rs. 60,000 (in case of senior citizens) and from Rs. 80,000 (in case of very senior citizens) to Rs. 1 lakh for all senior citizens, under section 80DDB.
 - 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.



- More concessions for International Financial Services Centre (IFSC), to promote trade in stock exchanges located in IFSC.
- To control cash economy, payments exceeding Rs. 10,000 in cash made by trusts and institutions to be disallowed and would be subject to tax.
- Tax on Long Term Capital Gains exceeding Rs. 1 lakh at the rate of 10 percent, without allowing any indexation benefit. However, all gains up to 31st January, 2018 will be grandfathered.
- Proposal to introduce tax on distributed income by equity oriented mutual funds at the rate of 10 percent.
- Proposal to increase cess on personal income tax and corporation tax to 4 percent from present 3 percent.
- Proposal to roll out E-assessment across the country to almost eliminate person to person contact leading to greater efficiency and transparency in direct tax collection.
- Proposed changes in customs duty to promote creation of more jobs in the country and also to incentivise domestic value addition and Make in India in sectors such as food processing, electronics, auto components, footwear and furniture.

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GOVERNMENT OF INDIA

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SUMMARY OF BUDGET 2018-19

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Government says that it is firmly on course to achieve high growth of 8% plus as manufacturing, services and exports are back on good growth path. While GDP growth at 6.3% in the second quarter of 2017-18 signalled turnaround of the economy, growth in the second half is likely to remain between 7.2% to 7.5%. The Union Minister for Finance and Corporate Affairs Shri Arun Jaitley while presenting the General Budget 2018-19 in Parliament today said that Indian society, polity and economy had shown remarkable resilience in adjusting with the structural reforms. IMF, in its latest Update, has forecast that India will grow at 7.4% next year in the backdrop of services resuming high growth rates of 8% plus, exports expected to grow at 15% in 2017-18 and manufacturing back on good growth path.

Reiterating the pledge given to the people of India four years ago to give this nation an honest, clean and transparent Government and to build a strong, confident and a New India, Shri Jaitley said, the Government led by Prime Minister, Shri Narendra Modi, has successfully implemented a series of fundamental structural reforms to propel India among the fastest growing economies of the world.

The Finance Minister said that Government has taken up programmes to direct the benefits of structural changes and good growth to reach farmers, poor and other vulnerable sections of our society and to uplift the under-developed regions. He said, this year's Budget will consolidate these gains and particularly focus on strengthening agriculture and rural economy, provision of good health care to economically less privileged, taking care of senior citizens, infrastructure creation and working with the States to provide more resources for improving the quality of education in the country. He said, the Government has ensured that benefits reach eligible beneficiaries and are delivered to them directly and said that Direct Benefit Transfer mechanism of India is the biggest such exercise in the world and is a global success story.

Agriculture and Rural Economy

Referring to the Government's commitment to the welfare of farmers and doubling farmers' income by 2022, the Finance Minister announced a slew of new schemes and measures.

He said, that government has decided to keep MSP for all unannounced kharif crops at least one and half times of their production cost after declaring the same for the majority of rabi crops. He said, the volume of institutional credit for agriculture sector from year-to-year increased from Rs.8.5 lakh crore in 2014-15 to Rs.10 lakh crore in 2017-18 and he proposed to raise this to Rs.11 lakh crore for the year 2018-19. After the establishment of Dairy Infrastructure Fund, Shri Jaitley announced 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. On the lines of "Operation Flood" a new Scheme "Operation Greens" was announced with an outlay of Rs 500 Crore to address the challenge of price volatility of perishable commodities like tomato, onion and potato with the satisfaction of both the farmers and consumers. He also announced to develop and upgrade existing 22,000 rural haats into Gramin Agricultural Markets (GrAMs) to take care of the interests of more than 86% small and marginal farmers. These GrAMs, electronically linked to e-NAM and exempted from regulations of APMCs, will provide farmers facility to make direct sale to consumers and bulk purchasers. Moreover, an Agri-Market Infrastructure Fund with a corpus of Rs.2000 crore will be setup for developing and upgrading agricultural marketing infrastructure in the 22000 Gramin Agricultural Markets (GrAMs) and 585 APMCs. He said, so far 470 APMCs have been connected to e-NAM network and rest will be connected by March, 2018. Shri Jaitley announced Rs 200 crore for organized cultivation of highly specialized medicinal and aromatic plants and said that the organic farming by Farmer Producer Organizations (FPOs) and Village Producers' Organizations (VPOs) in large clusters, preferably of 1000 hectares each will be encouraged.

Similarly, allocation of Ministry of Food Processing has been doubled from Rs.715 crore in 2017-18 to Rs.1400 crore in 2018-19. Terming Bamboo as ‘Green Gold’, the Finance Minister announced a Re-structured National Bamboo Mission with an outlay of Rs.1290 crore to promote bamboo sector in a holistic manner. Under Prime Minister Krishi Sinchai Yojna-Har Khet ko Pani, 96 deprived irrigation districts will be taken up with an allocation of Rs 2600 crore. The Centre will work with the state governments to facilitate farmers for installing solar water pumps to irrigate their fields. He also proposed to extend the facility of Kisan Credit Cards to fisheries and animal husbandry farmers to help them meet their working capital needs. Shri Jaitley said India’s agri-exports potential is as high as US \$100 billion against current exports of US \$30 billion and to realize this potential, export of agri-commodities will be liberalized. He also proposed to set up state-of-the-art testing facilities in all the forty two Mega Food Parks. He also announced a special Scheme to support the efforts of the governments of Haryana, Punjab, Uttar Pradesh and the NCT of Delhi to address air pollution in the Delhi-NCR region by subsidizing machinery required for in-situ management of crop residue.

BUDGET 2018-19
Agriculture and Rural Economy

“ We consider agriculture as an enterprise and want to help farmers produce more from the same land parcel at lesser cost and simultaneously realize higher prices for their produce. ”

“ Our emphasis is also on generating productive and gainful on-farm and non-farm employment for the farmers and landless families. ”

Finance Minister Arun Jaitley

On the loans to Self Help Groups of women, the Finance Minister said it increased to about Rupees 42,500 crore in 2016-17, growing 37% over previous year and expressed confidence that loans to SHGs will increase to Rs.75,000 crore by March, 2019. He also

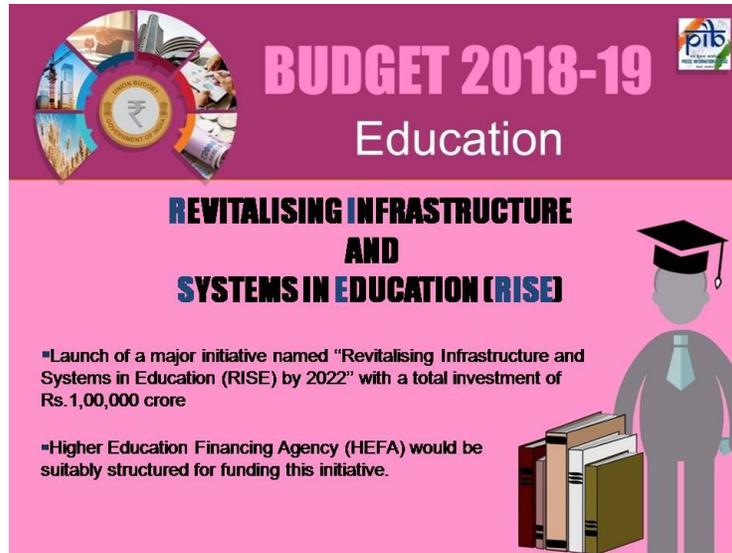
substantially increased allocation of National Rural Livelihood Mission to Rs 5750 crore in 2018-19.

Referring to the measures taken for the benefit of lower and middle class, the Finance Minister said, under Ujjwala Scheme distribution of free LPG connections will be given to 8 crore poor women instead of the previous target of 5 crore women. Under Saubahagya Yojana, 4 crore poor households are being provided with electricity connection with an outlay of Rs.16,000 crore. To fulfil target of housing for All by 2022 ,more than one crore houses will be built by 2019 in rural areas, besides already constructed 6 crore toilets under Swachh Bharat Mission.

Shri Jaitley stressed that the focus of the Government next year will be on providing maximum livelihood opportunities in the rural areas by spending more on livelihood, agriculture and allied activities and construction of rural infrastructure. He said, 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 Rs.11.98 lakh crore. Apart from employment due to farming activities and self employment, 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.

Education, Health and Social Protection

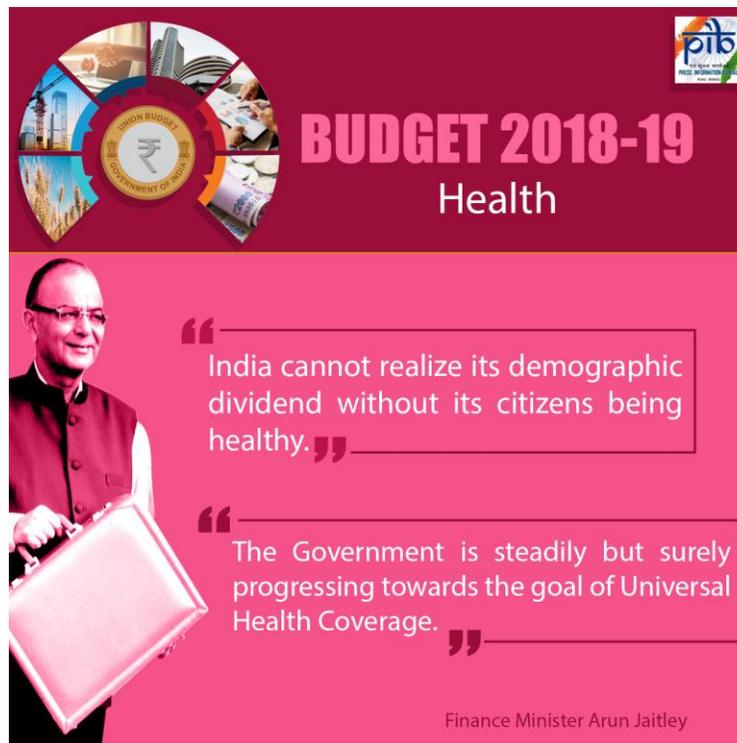
The Finance Minister said that estimated budgetary expenditure on health, education and social protection for 2018-19 is Rs.1.38 lakh crore against estimated expenditure of Rs.1.22 lakh crore in 2017-18 .



On education front, Shri Jaitley announced setting up of Ekalavya Model Residential School on par with Navodaya Vidyalayas to provide the best quality education to the tribal children in their own environment by 2022 in every block with more than 50% ST population and at least 20,000 tribal persons with 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, 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 was announced . He said that a survey of more than 20 lakh children has been conducted to assess the status on the ground, which will help in devising a district-wise strategy for improving quality of education. To improve the quality of teachers an integrated B.Ed. programme for teachers will be initiated. Shri Jaitley said, the Government would launch the “Prime Minister’s Research Fellows (PMRF)” Scheme this year. Under this, 1,000 best B.Tech students will be identified each year from premier institutions and provide them facilities to do Ph.D in IITs and IISc, with a handsome fellowship. Allocation on National Social Assistance Programme this year has been kept at Rs. 9975 crore.

The Finance Minister announced the world’s largest government funded health care programme titled National Health Protection Scheme to cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization. He also committed Rs 1200 crore for the National Health Policy, 2017, which with 1.5 lakh Health and Wellness Centres will bring health care system closer to the homes of people. The Government also decided to allocate additional Rs.600 crore to provide nutritional support to all TB patients at the rate of Rs.500 per

month for the duration of their treatment. Shri Jaitley said, the government will be setting up 24 new Government Medical Colleges and Hospitals by upgrading existing district hospitals in the country.



On cleaning the Ganga, the Finance Minister said, 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 Rs.16,713 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. He said, the government has identified 115 aspirational districts taking various indices of development in consideration for making them model districts of development.

Medium, Small and Micro Enterprises (MSMEs) and Employment

The Budget has given a big thrust to Medium, Small and Micro Enterprises (MSMEs) to boost employment and economic growth. A sum of Rs. 3794 crore has been provided for giving credit support, capital and interest subsidy and for innovations. MUDRA Yojana launched in April, 2015 has led to sanction of Rs.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 after having successfully exceeded the targets in all previous years.



BUDGET 2018-19
MSME

“ Massive formalization of the businesses of MSMEs is taking place in the country after demonetization and introduction of GST. This is generating enormous financial information database of MSMEs’ businesses and finances. This big data base will be used for improving financing of MSMEs’ capital requirement, including working capital. ”

Finance Minister Arun Jaitley

Employment Generation

Reiterating that creating job opportunities is at the core of Government policies, Finance Minister cited an independent study as showing that 70 lakh formal jobs will be created this year. To carry forward the momentum created by the measures taken during the last 3 years to boost employment generation, Shri Jaitley announced that the Government will contribute 12% of the wages of the new employees in the EPF for all the sectors for next three years. He 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 Budget proposed an outlay of Rs.7148 crore for the textile sector in 2018-19 as against Rs.6,000 Crore in 2016.

Infrastructure and Financial Sector Development

Emphasising that infrastructure is the growth driver of economy, the Finance Minister estimated that investment in excess of Rs.50 lakh crore is needed to increase growth of GDP and connect the nation with a network of roads, airports, railways, ports and inland waterways. He announced increase of budgetary allocation on infrastructure for 2018-19 to Rs.5.97 lakh crore against estimated expenditure of Rs.4.94 lakh crore in 2017-18.

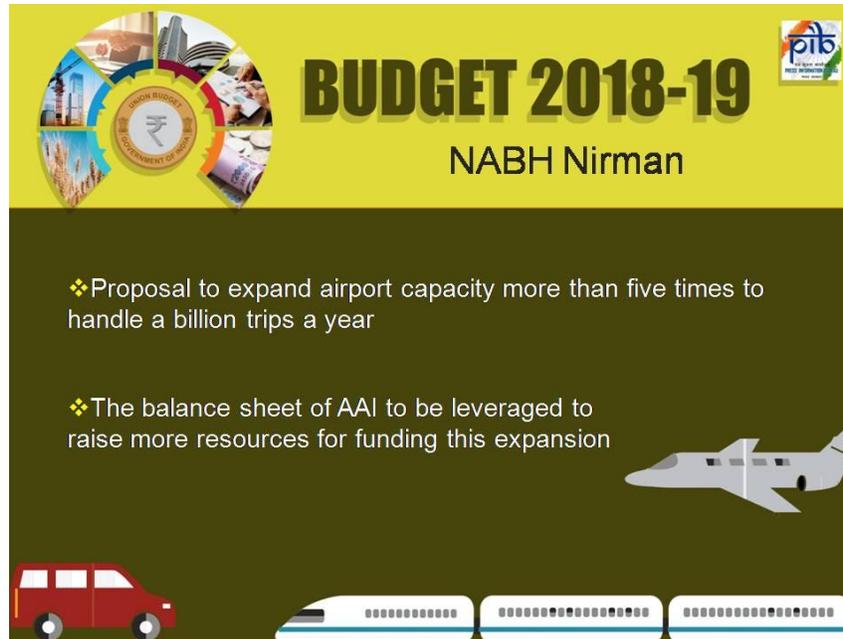
The Government has made an all-time high allocation to rail and road sectors and is committed to further enhance public investment. The Prime Minister personally reviews the targets and achievements in infrastructure sectors on a regular basis. Using online monitoring system of PRAGATI alone, projects worth 9.46 lakh crore have been facilitated and fast tracked.

To further boost tourism, the Budget proposes to develop ten 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.

Under the Bharatmala Pariyojana, about 35000 kms road construction in Phase-I at an estimated cost of Rs.5,35,000 crore has been approved.

Railways

Railways Capital Expenditure for the year 2018-19 has been pegged at Rs.1,48,528 crore. A large part of the Capex is devoted to capacity creation. 4000 kilometers of electrified railway network is slated for commissioning during 2017-18. Work on Eastern and Western dedicated Freight Corridors is in full swing. Adequate number of rolling stock – 12000 wagons, 5160 coaches and approximately 700 locomotives are being procured during 2018-19. Over 3600 kms of track renewal is targeted during the current fiscal. Redevelopment of 600 major railway stations is being taken up.



Mumbai's local train network will have 90 kilometers of double line tracks at a cost of over Rs.11,000 crore. 150 kilometers of additional suburban network is being planned at a cost of over Rs.40,000 crore, including elevated corridors on some sections. A suburban network of approximately 160 kilometers at an estimated cost of Rs.17,000 crore is being planned to cater to the growth of the Bengaluru metropolis.

Air Transport

The Budget proposes to expand the airport capacity more than five times to handle a billion trips a year under a new initiative - NABH Nirman. Under the Regional connectivity scheme of UDAN (Ude Desh ka Aam Nagrik) initiated by the Government last year, 56 unserved airports and 31 unserved helipads would be connected.

Finance

To encourage raising funds from bond market, the Finance Minister urged regulators to move from 'AA' to 'A' rating for investment eligibility. He said that the Government will establish a unified authority for regulating all financial services in International Finance Service Centre (IFSCs) in India.

Digital Economy

The Finance Minister said that NITI Aayog will initiate a national program to direct efforts in artificial intelligence.

Department of Science & Technology will launch a Mission on Cyber Physical Systems to support establishment of centres of excellence for research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and internet of things. The Budget doubled the allocation on Digital India programme to Rs 3073 crore in 2018-19.



BUDGET 2018-19
Initiatives in Gold Trading

- ❖ Policy to develop gold as an asset class to be formulated
- ❖ Consumer friendly and trade efficient system of regulated gold exchanges to be established
- ❖ Gold Monetization Scheme to be revamped to enable opening of a hassle-free Gold Deposit Account



BUDGET 2018-19
Reforms for Enterprises

- ❖ A National Logistics Portal as a single window online market place to link all stakeholders to be developed by the Ministry of Commerce
- ❖ A Scheme to be launched to assign every individual enterprise in India a unique ID



To further Broadband access in villages, the Government proposes to set up five lakh wi-fi hotspots to provide net connectivity to five crore rural citizens. The Finance Minister allocated Rs. 10000 crore in 2018-19 for creation and augmentation of Telecom infrastructure.

Defence

Recognizing the sacrifices made by the Armed Forces in meeting the security challenges, the Finance Minister proposed development of two defence industrial production corridors.



The infographic features a dark teal background with a circular collage of images on the left, including a rupee symbol, a gear, and various industrial and military scenes. The title 'BUDGET 2018-19' is in large yellow letters, with 'Defence' in white below it. The PIB logo is in the top right corner. The main content consists of three bullet points in white text, each preceded by a diamond symbol. The bottom of the infographic shows silhouettes of soldiers in a trench.

- ❖ Private investment in defence production opened up including liberalizing foreign direct investment.
- ❖ Measures being undertaken to develop two defence industrial production corridors in the country.
- ❖ Industry friendly Defence Production Policy 2018 to be brought out to promote domestic production by public sector, private sector and MSMEs.

Shi Jaitley announced that a scheme will be evolved to assign every individual enterprise in India a unique ID, on the lines of Aadhar.

Disinvestment

The Finance Minister announced that 2017-18 disinvestment target of Rs.72,500 crore has been exceeded and expected receipts of Rs.1,00,000 crore. He set disinvestment target of Rs.80,000 crore for 2018-19.

Three Public Sector Insurance companies- National Insurance Co. Ltd., United India Assurance Co. Ltd., and Oriental India insurance Co. Ltd., will be merged into a single insurance entity.

The Finance Minister announced that a comprehensive Gold Policy will be formulated to develop gold as an asset class. The Government will also establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country. Gold Monetization Scheme will be revamped to enable people to open a hassle-free Gold Deposit Account.

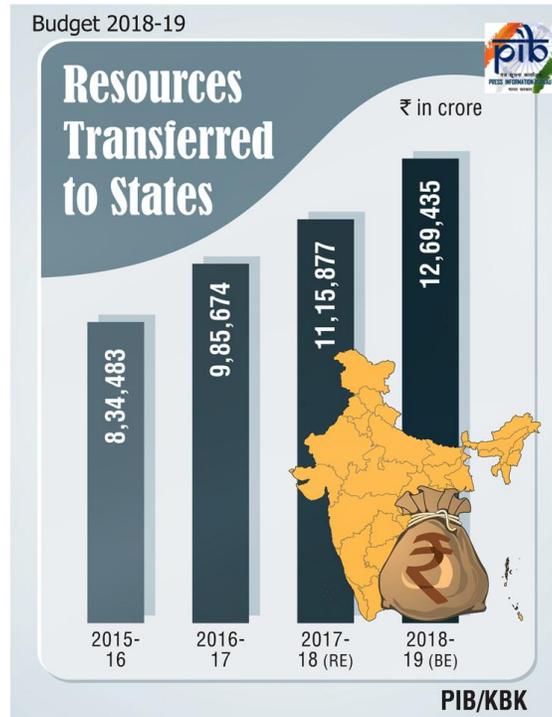
The Budget proposes to revise emoluments to Rs.5 lakh for the President, Rs 4 lakhs for the Vice President and Rs.3.5 lakh per month to Governor. These emoluments were last revised in 2006.

With regard to the emoluments paid to the Members of Parliament, the Finance Minister proposed necessary changes to refix the salary and allowances with effect from April 1, 2018. He said the law will also provide for automatic revision of emoluments every five years indexed to inflation and hoped that the Hon'ble Members will welcome this initiative.

To celebrate the 150 Birth Anniversary of Mahatma Gandhi, Father of the Nation from 2nd October 2019, the Budget set aside Rs.150 crore for the activities leading to the commemoration programme.

Fiscal Management

The Budget Revised Estimates for expenditure in 2017-18 are Rs.21.57 lakh crore (net of GST compensation transfers to the States) as against the Budget Estimates of Rs.21.47 lakh crore.



Continuing Government's path of fiscal reduction and consolidation, the Finance Minister projected a Fiscal Deficit of 3.3% of GDP for the year 2018-19. The Revised Fiscal Deficit estimates for 2017-18 were put at Rs. 5.95 lakh crore at 3.5% of GDP. He also proposed acceptance of key recommendations of the Fiscal Reform and Budget Management Committee to bring down Central Government's Debt to GDP ratio to 40%.

Budget 2018-19

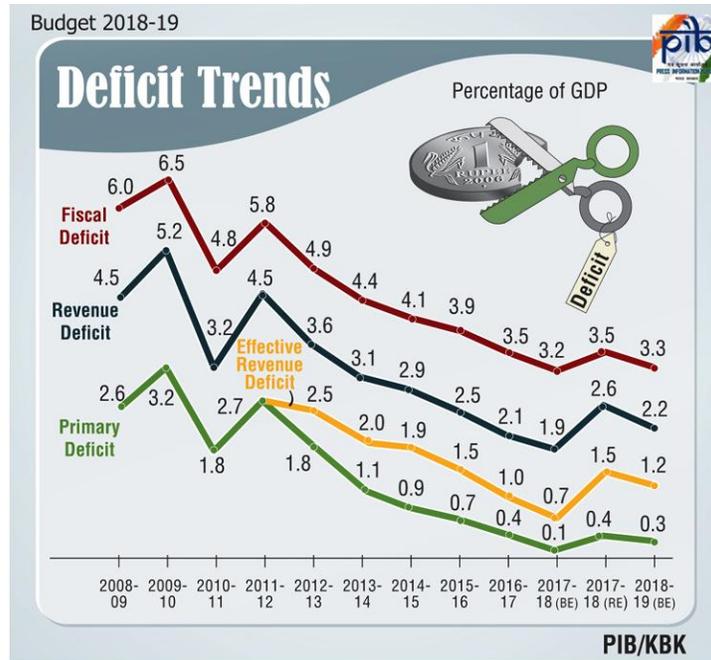
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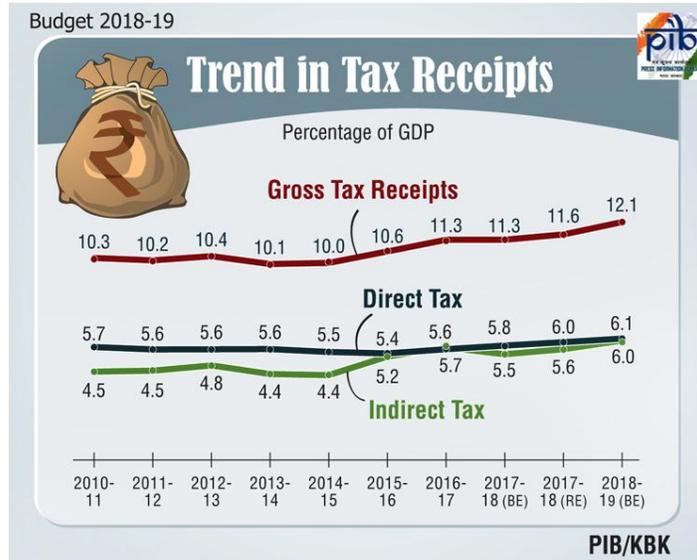
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PIB/KBK



Presenting his **direct tax proposals**, the Finance Minister said that attempts to reduce the cash economy and increase the tax net have paid rich dividends. The growth rate of direct taxes in financial years 2016-17 and 2017-18 have been significant, he said. The growth of direct taxes in financial year 2016-17 was 12.6 percent, and for financial year 2017-18 (upto 15th January, 2018) is 18.7 percent. Therefore Shri Jaitley said buoyancy in personal income tax for financial year 2016-17 and 2017-18 (RE) are 1.95 and 2.11 respectively. This the Finance Minister said, indicates that additional revenue collected in the last two financial years from personal income tax compared to average buoyancy for the pre 2016-17 period, amounts to a total of Rs. 90,000 crore, which is a result of a strong anti-evasion measures by the government.



The Finance Minister also said that there has been a huge increase in the number of returns filed by tax payers. The number of Effective Tax Payers has increased from 6.47 crore at the beginning of Financial year 2014-15 to 8.27 crore at the end of 2016-17.

BUDGET 2018-19
Taxation Initiatives

- ❖ The Central Board of Excise and Customs (CBEC) to be renamed as Central Board of Indirect taxes and Customs (CBIC)
- ❖ E-Assessment of Income Tax to be rolled-out across the country to transform age-old assessment procedure
- ❖ Changes proposed to the Customs Act to improve Ease of Doing Business
- ❖ To incentivise 'Make in India', Customs duty increased on mobile phones and TV parts

Shri Jaitley has proposed 100 percent deduction to companies registered as Farmer Producer Companies with an annual turnover upto Rs. 100 crore on profit derived from such activities, for a period of five years from financial year 2018-19. This he said will promote post

harvest agriculture activities and also encourage “Operation Greens” announced earlier and would give a boost to the Sampada Yojana.

In order to encourage creation of new employment the deduction of 30 percent Under Section 80-JJAA with a further relaxation to 150 days in the case of the apparel industry, has been proposed to be extended to the footwear and leather industry. The Finance Minister has also proposed to rationalise the deduction of 30 percent by allowing the benefit for a new employee employed for less than the minimum period during the first year, but continues to remain employed for the minimum period in the subsequent year.

Turning to the real estate sector, the Finance Minister has proposed that no adjustment shall be made in respect of transactions in immovable property, where the Circle Rate value does not exceed 5 percent of the consideration. This would minimize hardship in real estate transactions.

In fulfilment of the promise to reduce the corporate tax rate in a phased manner, Shri Jaitley has proposed to extend the reduced rate of 25 percent currently available for companies with turnover of less than 50 crore (in Financial Year 2015-16), also to companies reporting turnover up to Rs. 250 crore in Financial Year 2016-17. This would benefit the entire class of micro, small and medium enterprises, which account for almost 99 percent of companies filing tax returns, he said. The estimated revenue forgone during Financial Year 2018-19 will be Rs. 7,000 crore. This lower corporate income tax rate would leave such companies with higher investible surplus, which would create more jobs.

The Budget proposals also seek to provide relief to salaried tax payers by allowing a Standard Deduction of Rs. 40,000 in place of the present exemption allowed for transport allowance and reimbursement of miscellaneous medical expenses. However, transport allowance at enhanced rate is proposed to be continued for differently abled persons. Further, it is also proposed to continue medical reimbursement benefits in case of hospitalization etc. for all employees. The proposed Standard Deduction will help middle class employees even further in reducing their tax liabilities. It will also significantly benefit pensioners, who normally do not enjoy any allowance for transport and medical expenses, Shri Jaitley said. 2.5 crore salaried employees and pensioners would benefit from this proposal and the revenue cost would be approximately Rs. 8,000 crore.

Relief to Senior Citizens has also been proposed. The proposals are :-

- Exemption of interest income on deposits with banks and post offices are proposed to be increased from Rs. 10,000 to Rs. 50,000. TDS shall not be required to be deducted under section 194A. Benefit will also be available for interest from all fixed deposit schemes and recurring deposit schemes.
- Hike in deduction limit for health insurance premium and/ or medical expenditure from Rs. 30,000 to Rs. 50,000 under section 80D.
- Increase in deduction limit for medical expenditure for certain critical illness from Rs. 60,000 (in case of senior citizens) and from Rs. 80,000 (in case of very senior citizens) to Rs. 1 lakh for all senior citizens, under section 80DDB. Concessions will give extra tax benefit of Rs. 4,000 crore to senior citizen. It is also proposed to extend the Pradhan Mantri Vaya Vandana Yojana up to March, 2020. The current investment limit is also proposed to be increased to Rs. 15 lakh from the existing limit of Rs. 7.5 lakh per senior citizen.

It is proposed to provide more concessions for International Financial Services Centre (IFSC), in order to promote trade in stock exchanges located in IFSC. The concessions propose transfer of derivatives and certain securities by non- residents from capital gains tax, and non corporate tax payers operating in IFSC to be charged Alternate Minimum Tax (AMT) at concessional rate of 9 percent at par with Minimum Alternate Tax (MAT) applicable for corporates.

In a measure that proposes to control the cash economy, payments exceeding Rs. 10,000 in cash made by trusts and institutions shall be disallowed and would be subject to tax. In order to improve TDS compliance by these entities, the Finance Minister has proposed to provide that in case of non deduction of tax, 30 percent of the amount shall be disallowed and would be taxed.

Turning to rationalization of Long Term Capital Gains (LTCG), the Finance Minister noted buoyancy in the equity market, as a result of reforms and incentives given so far. The total amount of exempted capital gains from listed shares and units is around Rs. 3,67,000 crore (as per returns filed for A.Y. 2017-18). Shri Jaitley said that a major part of this gain has accrued to corporates and LLPs. This has also created a bias against manufacturing, leading to more

business surpluses being invested in financial assets. Due to attractiveness on return on investment on equity, even without tax exemption, there is a strong case for bringing Long Term Capital Gains from listed equities in the tax net, the Finance Minister said. He has however only proposed a modest change in the present regime, recognizing that a vibrant equity market is essential for economic growth. Shri Jaitley has proposed to tax such Long Term Capital Gains exceeding Rs. 1 lakh at the rate of 10 percent, without allowing any indexation benefit. However, all gains up to 31st January, 2018 will be grandfathered. The Finance Minister has also proposed to introduce a tax on distributed income by equity oriented mutual funds at the rate of 10 percent, to provide a level field across growth oriented funds and dividend distributing funds. The proposed change in Capital Gains Tax will bring marginal revenue gain of about Rs. 20,000 crore in the first year, in view of grandfathering.

In order to take care of the education and health care needs of Below Poverty Line (BPL) and rural families, The Budget proposes to increase the cess on personal income tax and corporation tax to 4 percent from the present 3 percent. The new cess will be called the “Health and Education Cess” and is expected to lead to a collection of an estimated additional amount of Rs. 11,000 crore.

The Finance Minister also announced a proposal to roll out E-assessment across the country to almost eliminate person to person contact leading to greater efficiency and transparency in direct tax collection. E-assessment had been introduced on a pilot basis in 2016 and extended to 102 cities in 2017.

On the indirect taxes side, this being the first budget after the roll out of the Goods and Services Tax (GST), the budget proposals are mainly on the customs side. The Finance Minister has proposed changes in customs duty to promote creation of more jobs in the country and also to incentivise domestic value addition and Make in India in sectors such as food processing, electronics, auto components, footwear and furniture. Therefore it is proposed to increase customs duty on mobile phones from 15 percent to 20 percent, on some of their parts and accessories to 15 percent and on certain parts of televisions to 15 percent.

Customs duty is proposed to be reduced on raw cashew from 5 percent to 2.5 percent, to help the cashew processing industry.

It is also proposed to abolish the Education Cess and Secondary and Higher Education Cess on imported goods. In its place it is proposed to impose a Social Welfare Surcharge at the rate of 10 percent of the aggregate duties of Customs, on imported goods, to provide for social welfare schemes of the government. However, goods which were so far exempt from Education Cesses on imported goods, will however continue to be so. In addition, certain specified goods, mentioned in Annexure 6 of the Budget speech, will attract the proposed Surcharge, at the rate of 3 percent of the aggregate duties of customs only.

With the roll of GST, the Budget also proposes to change the name of the Central Board of Excise and Customs (CBEC) to the Central Board of Indirect Taxes and Customs (CBIC).

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**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**BACKGROUND INFORMATION ON MAJOR INITIATIVES & ANNOUNCEMENTS
FOR RURAL DEVELOPMENT SECTOR IN THE GENERAL BUDGET 2018-19**

New Delhi, February 01, 2018

12 Magha, 1939

The Department of Rural Development has been continuously trying to improve the quality of lives of rural poor households. From Budget provision of Rs. 50,162 crore in 2012-13 the allocation for DoRD went up to Rs. 109042.45 crores in 2017-18. Besides this, higher Finance Commission grant and larger State share in PMGSY and PMAY (G) was also available for programmes of DoRD during 2017-18. All together it amounts to almost three times the total funds available in 2012-13. Besides increased financial provision, the Department of Rural Development has undertaken far reaching governance reforms for promoting transparency, using the Socio-Economic Caste Census- 2011 (SECC 2011), IT/DBT payment system, transaction-based programme MISs and space technology for geo-tagging of assets.

The PMGSY set out to provide all weather road connectivity to 1,78,184 habitations of 500 population in plain areas and 250 population in hilly areas. As of March, 2014, 97838 habitations (55%) were connected. Today 1,30,947 habitations stand connected under PMGSY and another 14,620 through State Governments' programmes bringing the total habitations connected to 82%. In 2016-17, a total of 47,447 kms roads were constructed at a speed of 130 kms per day. Efforts are being made to take this to 51,000 kms at a speed of 140 kms per day in 2017-18. This will enable achievement of completed all weather road connectivity to all the eligible habitations by March, 2019.

Realising the importance of good wide roads to agriculture market (mandis), we want to consolidate the rural road network by providing for upgradation of existing selected rural roads based on their economic potential and their role in facilitating the growth of rural market centres and rural hubs. This will further strengthen Phase-II which is already under implementation. 1,10,000 kilometers of upgradation is proposed as PMGSY-III. To do so, annual funding support of Rs. 19,000 crore will be maintained, from the Central Government upto 2022. Prime Minister's dream of "New India 2022" requires connectivity and also consolidations of roads that connect markets, to enable farmers to get the benefit of markets.

Realising the importance of improved road maintenance and GIS mapping of all roads, for States/UTs to qualify for Phase-III, they will have to necessarily ensure a robust maintenance policy and funding along with completion of GIS mapping of all roads. This will ensure maintenance of PMGSY roads at high standards. 15% of all PMGSY roads are now being taken up through use of innovative green technologies like use of waste plastic, geo-textiles, fly ash, iron and copper slag and cold mix. This not only reduces cost of construction, but also promotes use of local and 'waste' materials, thereby reducing carbon footprint.

For diversifying livelihoods the Deendayal Antyodaya Yojna-National Rural Livelihood Mission has successfully brought more than 4.5 crore women into the fold of SHGs. Through capacity development and skill training, the Bank linkages for economic activities have expanded considerably in the last few years. From Bank linkages of Rs. 23,953 crore in 2014-15 the current outstanding loans stands at nearly Rs. 60,000 crores. Women SHGs in Northern, Eastern and North-Eastern States are also diversifying livelihoods like the SHGs in Southern States did over the last few decades. This facilitates poor households coming out of poverty by increasing productivity assets and incomes. Work with over 32 lakh women farmers is also going on for sustainable agriculture moving towards development of 1000 organic clusters. DAY-NRLM and MGNREGS along with Ministry of Agriculture will provide support for developing market infrastructure for these women SHGs, Producer Groups and Producer Companies.

MGNREGS has provided the role of social insurance in times of need. The resources for wage employment have been effectively utilized over the last three years to improve livelihood security of poor households and also to promote climate resilient agriculture through effective water conservation, afforestation and asset development. Over 10 lakh farm ponds and 6.7 lakh compost pits have already been completed during this period besides over 1.6 lakh Liquid Resource Management soak pits and Solid Resource Management spread across many States. MGNREGS resources have also been used convergently with the PMAY(G) to provide 90/95 days of work and Rs. 12,000 either through Swachh Bharat Mission or MGNREGS for individual household latrines with the new homes of poor people. During the last three years over 71.50 lakh houses have already been completed which include 17.83 lakh PMAY(G) houses. Another 33 lakh PMAY(G) homes are expected to be completed by 31st March, 2018 as they are already at an advanced stage. MGNREGS has been used as a livelihood resource and a range of individual beneficiary schemes like farm ponds, irrigation wells, goat sheds, dairy sheds, poultry sheds etc. has been constructed for poor households using these resources.

The DoRD hopes to continue this resolve to eliminate rural poverty in the new India of 2022 through concerted action for livelihood diversification and improved infrastructure. The Department already started work on 5,000 Clusters spread over 50,000 Gram Panchayats in partnership with the State Governments to simultaneously address all the dimensions of poverty effectively. The DoRD develops skill for wage employment under DDUGKY and self employment through Rural Self Employment Training Institutes (RSETI) for over 7 lakh poor households every year. Efforts to improve skill and capacity development for poor households significantly over the current level will be made using the Skill India initiatives more effectively along with even better implementation of DDUGKY and RSETI programmes.

In the last Budget, announcement had been made regarding Mission Antyodaya bringing one crore households in 50,000 Gram Panchayats out of poverty. The Department of Rural Development has done a ranking of these Gram Panchayats, purposively selected by the State Governments. The gaps on infrastructure, human development and economic parameters have been identified and our Government is committed to bridge these gaps and make a difference in the life of the poorest households.

Efforts to develop 300 Rurban clusters and nearly 1200 Saansad Adarsh Gram Panchayats is also part of the Mission Antyodaya thrust. Over 8000 Mission Antyodaya Gram Panchayats fall 115 aspirational districts. All efforts for their speedy development through livelihood diversification will be made. Under the Mahila Kisan Sashaktikaran Pariyojana (MKSP), work is going on with over 32 lakh women Self Help Group Members for sustainable agriculture. For promoting Indian Agricultural Exports, developing geographical areas which are certified as organic, in important, through its women Self Help Groups in Mission Antyodaya clusters, will work towards developing at least 1000 cluster for sustainable agriculture through convergence focused on water conservation, solid and liquid waste management linked to manufacture of organic compost for use in organic farming, skill development, banking linkage, livelihood infrastructure facilities etc.

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**GENERAL BUDGET
2018-19**

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**DOUBLING FARMERS' INCOME: GOVERNMENT KEEPS MSP OF ALL HITHERTO
UNANNOUNCED KHARIF CROPS AT LEAST AT ONE AND HALF TIMES OF
PRODUCTION COST**

**FINANCE MINISTER ANNOUNCES RAISING INSTITUTIONAL CREDIT FOR
AGRICULTURE SECTOR TO RS.11 LAKH CRORE FOR 2018-19 FROM RS.10 LAKH
CRORE IN 2017-18**

**RS. 500 CRORE 'OPERATION GREENS' ANNOUNCED TO ADDRESS PRICE
VOLATILITY OF PERISHABLE COMMODITIES LIKE POTATO, TOMATO AND
ONION AND BENEFIT BOTH PRODUCERS AND CONSUMERS**

**RS.200 CRORE ALLOCATED TO SUPPORT ORGANIZED CULTIVATION OF
HIGHLY SPECIALIZED MEDICINAL AND AROMATIC PLANTS AND
ASSOCIATED INDUSTRY**

**22,000 RURAL HAATS TO BE DEVELOPED AND UPGRADED INTO GRAMIN
AGRICULTURAL MARKETS (GRAMS) FOR FARMERS TO DIRECTLY SELL TO
CONSUMERS AND BULK PURCHASERS**

**RS.2000 CRORE FUND TO BE SET UP FOR DEVELOPING AND UPGRADING
AGRICULTURAL MARKETING INFRASTRUCTURE IN THE 22000 GRAMS AND
585 APMCS**

**DOUBLING ALLOCATION FOR FOOD PROCESSING SECTOR TO RS.1400 CRORE,
GOVERNMENT TO PROMOTE ESTABLISHMENT OF SPECIALIZED AGRO-
PROCESSING FINANCIAL INSTITUTIONS**

**FACILITY OF KISAN CREDIT CARDS EXTENDED TO FISHERIES AND ANIMAL
HUSBANDRY FARMERS TO HELP THEM MEET THEIR WORKING CAPITAL
NEEDS; RS.10,000 CRORE FUNDS ANNOUNCED CUMULATIVELY FOR
INFRASTRUCTURE DEVELOPMENT IN THE TWO SECTORS**

**RS.1290 CRORE RE-STRUCTURED NATIONAL BAMBOO MISSION ANNOUNCED
TO PROMOTE BAMBOO SECTOR IN A HOLISTIC MANNER**

**SPECIAL SCHEME TO BE IMPLEMENTED TO SUPPORT HARYANA, PUNJAB,
UTTAR PRADESH AND THE DELHI TO ADDRESS AIR POLLUTION AND TO
SUBSIDIZE MACHINERY REQUIRED FOR IN-SITU MANAGEMENT OF CROP
RESIDUE**

New Delhi, 1st February, 2018
12Magha, 1939

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, while announcing the General Budget 2018-19 in Parliament today said that Prime Minister, Shri Narendra Modi gave a clarion call to double farmers' income by 2022 when India celebrates its 75th year of Independence. "Our emphasis is on generating higher incomes for farmers. We consider agriculture as an enterprise and want to help farmers produce more from the same land parcel at lesser cost and simultaneously realize higher prices for their produce", the Minister added while announcing a slew of new initiatives for the farm sector in Budget 2018-19.

Shri Jaitley was pleased to announce that the Government has decided to keep **Minimum Support Price (MSP)** for all hitherto unannounced crops of Kharif at least at one and half times of their production cost. "This historic decision would prove an important step towards doubling the income of our farmers and NITI Ayog in consultation with Central and State Governments will put in place a fool proof mechanism so that farmers will get adequate price for their produce", the Minister said.

As a primary measure, the Government announced raising **institutional credit for agriculture** sector to Rs.11 lakh crore for the year 2018-19 from Rs.10 lakh crore in 2017-18. Taking Government's vision ahead, the Finance Minister, in Budget 2018-19, announced the launching of '**Operation Greens**' to address price volatility of perishable commodities like potatoes, tomatoes and onions, at an outlay of Rs. 500 crore. 'Operation Greens', on the lines of 'Operation Flood', shall promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management in the sector. Also, Shri Jaitley announced **100% deduction in respect of profits to Farmer Producer Companies (FPCs)**, having turnover up to Rs. 100 crore, for a period of 5 years from FY 2018-19, in order to encourage professionalism in post harvest value addition in agriculture.

BUDGET 2018-19
Agriculture and Rural Economy

'OPERATION GREENS'

- ❖ On the lines of “Operation Flood”; to address price volatility of perishable commodities like potato, tomato and onion
- ❖ Will promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management
- ❖ Allocation of Rs. 500 crore

Further, Shri Jaitley informed that the Government has promoted organic farming in a big way. **Organic farming** by Farmer Producer Organizations (FPOs) and Village Producers' Organizations (VPOs) in large clusters, preferably of 1000 hectares each, will be encouraged. Women Self Help Groups (SHGs) will also be encouraged to take up organic agriculture in clusters under National Rural Livelihood Programme. Also, a sum of Rs.200 crore have been allocated to support organized cultivation of highly specialized **medicinal and aromatic plants** and aid small and cottage industries that manufacture perfumes, essential oils and other associated products, the Minister added.

Announcing the development and upgradation of existing 22,000 rural haats into **Gramin Agricultural Markets (GrAMs)**, the Finance Minister said that more than 86% of farmers in India are small and marginal who are not always in a position to directly transact at APMCs and other wholesale markets. In these GrAMs, physical infrastructure will be strengthened using MGNREGA and other Government Schemes and would be electronically linked to e-NAM and exempted from regulations of APMCs. This would provide farmers facility to make direct sale to consumers and bulk purchasers, the Minister added.



BUDGET 2018-19
Agriculture and Rural Economy

GRAMIN AGRICULTURAL MARKETS (GrAMs)

- ❖ Rs.2000 crore Agri-Market Infrastructure Fund for developing and upgrading agricultural marketing infrastructure to be set up
- ❖ Electronically linked to e-NAM and exempted from regulations of APMCs
- ❖ Will provide facility to farmers to make direct sale to consumers and bulk purchasers




Shri Jaitley said that in the last Budget, the Government had announced strengthening of e-NAM and to expand coverage of e-NAM to 585 APMCs. Out of that, 470 APMCs have been connected to e-NAM network and rest will be connected by March, 2018. Further, 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, the Minister informed.

Announcing **doubling of allocation for Ministry of Food Processing** from Rs.715 crore in RE 2017-18 to Rs.1400 crore in BE 2018-19, Shri Jaitley said that the Prime Minister Krishi Sampada Yojana is our flagship programme for boosting investment in food processing and the sector is growing at an average rate of 8% per annum. With the increased allocation for the sector, the Government will promote establishment of specialized agro-processing financial institutions in this sector and to set up state-of-the-art testing facilities in all the forty two Mega Food Parks, the Minister added.

Announcing a major step to help small and marginal farmers in **fisheries and animal husbandry sector** to meet their working capital needs, the Finance Minister extended the facility of Kisan Credit Cards (KCC) to the sector. This would give benefit of crop loan and interest subvention, so far available to agriculture sector only under KCC, for rearing of cattle, buffalo,

goat, sheep poultry and fisheries. Further, the Finance Minister also announced setting up of a **Fisheries and Aquaculture Infrastructure Development Fund (FAIDF)** for fisheries sector and an **Animal Husbandry Infrastructure Development Fund (AHIDF)** for financing infrastructure requirement of animal husbandry sector. Total Corpus of these two new Funds would be Rs.10,000 crore.

Calling Bamboo as ‘Green Gold’, Shri Jaitley announced the launch of the Rs.1290-crore **Re-structured National Bamboo Mission**, which is based on a cluster based approach to address the complete bamboo value chain and promote bamboo sector in a holistic manner. With a focus on linking bamboo growers with consumers; creation of facilities for collection, aggregation, processing, marketing, MSMEs, skill building and brand building, this announcement would contribute in generating additional income for farmers, employment opportunities for skilled and unskilled youth especially in rural areas.

BUDGET 2018-19
Agriculture and Rural Economy

BAMBOO IS 'GREEN GOLD'

- ❖ Bamboo grown outside forest areas have been removed from the definition of trees
- ❖ Launch of Re-structured National Bamboo Mission
- ❖ An outlay of Rs. 1290 crore has been allocated to promote bamboo sector in a holistic manner

As a measure to tackle the challenge of **air pollution in the Delhi-NCR region**, Shri Jaitley said that a special Scheme will be implemented to support the efforts of the governments of Haryana, Punjab, Uttar Pradesh and the NCT of Delhi to address air pollution and to subsidize machinery required for in-situ management of crop residue.

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**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT UNDERTAKES VARIOUS PROGRAMMES TO BENEFIT FARMERS,
POOR AND OTHER VULNERABLE SECTIONS**

**SERIES OF FUNDAMENTAL STRUCTURAL REFORMS ARE HELPING INDIAN
ECONOMY ACHIEVE STRONGER GROWTH IN THE MEDIUM AND LONG RUN**

New Delhi, 01st February, 2018

12 Magha, 1939

The Union Finance Minister asserted that Shri Narendra Modi, Government had worked sincerely and without weighing political costs. Presenting the General Budget 2018-19 in Parliament here today, the Minister for Finance and Corporate Affairs Shri Arun Jaitley said that the Government had taken up programmes to benefit farmers, poor and other vulnerable sections and also to uplift the under-developed regions of the country.

Government is providing free LPG connections to the poor through Ujjwala Yojana. Under Saubhagya Yojna 4 crore households are being provided with electricity connections. More than 800 medicines are being sold at lower price, through more than 3 thousand Jan Aushadhi Centers. Cost of stents has been controlled. Special scheme for free dialysis of poor have been initiated. Persons belonging to poor and middle class are also being provided a great relief in interest rates on housing schemes. Efforts are being made to provide all government services, whether bus or train tickets or individual certificates on line. These include passports which may be delivered at doorstep in two or three days or Company registration in one day time. The Finance Minister has said that all these facilities have benefited a large section of our country. Certificate attestation is not mandatory; interviews for appointment in Group C and Group D posts have been done away with. These measures have saved time and money of lakhs of our youth. Our government by using modern technology is committed to provide a relief to those who suffer because of rigid rules and regulations, he said.

The Finance Minister Shri Jaitley said that four years ago, the present Government pledged to give an honest, clean and transparent Government. We promised a leadership capable of taking difficult decisions to restore strong performance of Indian economy. We promised to reduce poverty, expedite infrastructure creation and build a strong, confident and a New India, the Finance Minister said.

He said the Government has successfully implemented a series of fundamental Structural Reforms. The Indirect Tax system, with introduction of Goods and Services Tax (GST), has been made simpler. Benefits to the poor have been targeted more effectively with use of digital technology. The demonetization of high value currency has reduced the quantum of cash currency in circulation. It has increased the taxation base and spurred greater digitization of the economy. The Insolvency and Bankruptcy Code (IBC) has changed the lender-debtor relationship. The recapitalized banks will now have greater ability to support growth. All these structural reforms will help Indian economy achieve stronger growth in the medium and long run.

The Finance Minister said that the result, India stands out among the fastest growing economies of the world, IMF, in its latest Update, has forecast that India will grow at 7.4% next year, he added. Shri Jaitley asserted that India is firmly on course to achieve a high growth of 8% plus after Indian society polity and economy have shown remarkable resilience in adjusting to such structural reforms.

The Finance Minister said that India achieved an average growth of 7.5% in first three years of our Government. Indian economy is now 2.5 trillion dollar economy – seventh largest in the world. India is expected to become the fifth largest economy very soon. On Purchasing Power Parity (PPP) basis, we are already the third largest economy, the Finance Minister added.

Shri Jaitley said that this year's Budget will consolidate these gains and particularly focus on strengthening agriculture and rural economy, provisioning for good health care to economically less privileged, taking care of senior citizens, infrastructure creation and working with the States to provide more resources for improving the quality of education in the country.

Terming the Journey of Economic Reforms, during the past few years, as challenging, Shri Jaitley said they have led to growth of foreign direct investments and also making it much easier to do business in India. He said to further carry the business reforms for ease of doing business deeper and in every State of India; the Government of India has identified 372 specific business reform actions. All States have taken up these reforms and simplifications in a mission mode constructively competing with each other. Evaluation of performance under this Programme will now be based on user feedback.

Saying that the Prime Minister Shri Narendra Modi has always stressed importance of good governance, the Finance Minister said that such a vision has inspired Government agencies to carry out hundreds of reforms in policies, rules and procedures. He said Natural resources are now being allocated in a transparent and honest manner and there is a premium on honesty. This transformation is reflected in improvement of India's ranking by 42 places in last three years in the World Bank's 'Ease of Doing Business' with India breaking into top 100 for the first time.

The Finance Minister said that the Government is also ensuring that benefits of Governmental programmes are delivered directly to eligible beneficiaries. Aadhar which provided an identity to every Indian has eased delivery of so many public services to our people, he said. Many services and benefits are being delivered to the people at their doorsteps or in their accounts. It has reduced corruption and cost of delivery and has eliminated middlemen in the process. Direct Benefit Transfer mechanism of India is the biggest such exercise in the world and is a global success story. The Finance Minister pointed out that every enterprise, major or small, also needs a unique ID. He said that the Government will evolve a Scheme to assign every individual enterprise in India a unique ID.

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**GENERAL BUDGET
2018-19**

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**Rs.14.34 LAKH CRORE TO BE SPENT IN 2018-19 FOR CREATION OF LIVELIHOOD
AND INFRASTRUCTURE IN RURAL AREAS**

**Rs. 2600 CRORE ALLOCATED UNDER PRIME MINISTER KRISHI SINCHAI YOJNA
TO PROVIDE ASSURED IRRIGATION IN 96 DEPRIVED IRRIGATION DISTRICTS**

New Delhi, 1st February, 2018
12Magha, 1939

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, while announcing the General Budget 2018-19 in Parliament today announced important measures to give a boost to livelihoods in rural areas of the country. “As my proposals outlined indicate, focus of the Government next year will be on providing maximum livelihood opportunities in the rural areas by spending more on livelihood, agriculture and allied activities and construction of rural infrastructure”, the Minister said.

Shri Jaitley informed that in 2018-19, for creation of livelihood and infrastructure in rural areas, total amount to be spent by various Ministries will be Rs.14.34 lakh crore, including extra-budgetary and non-budgetary resources of Rs.11.98 lakh crore. Apart from employment due to farming activities and self employment, 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.

Further, the Government substantially increased the allocation of National Rural Livelihood Mission to Rs. 5750 crore in 2018-19. Shri Jaitley said that loans to Self Help Groups (SHGs) of women increased to about Rs. 42,500 crore in 2016-17, growing 37% over previous year. The Government is confident that loans to SHGs will increase to Rs.75,000 crore by March, 2019, the Minister added.

Strengthening the Ground water irrigation scheme under Prime Minister Krishi Sinchai Yojna - Har Khet ko Pani – the Government allocated Rs 2600 crore for this purpose. This would provide assured irrigation in 96 deprived irrigation districts where less than 30% of the land holdings get that presently, the Minister said.

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Government of India**

**TAX INCENTIVE FOR PROMOTING POST-HARVEST ACTIVITIES OF
AGRICULTURE**

New Delhi, 1st February, 2018

Magha 12, 1939

In order to encourage professionalism in post-harvest value addition in agriculture, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley proposed to allow hundred per cent deduction to companies registered as Farmer Producer Companies and having annual turnover up to Rs.100 crores in respect of their profit derived from such activities for a period of five years from financial year 2018-19. This was announced by the Finance Minister Shri Arun Jaitley while presenting the General Budget 2018-19 in Parliament here today.

The Finance Minister mentioned that at present, hundred per cent deduction is allowed in respect of profit of co-operative societies which provide assistance to its members engaged in primary agricultural activities. Over the last few years, a number of Farmer Producer Companies have been set-up along the lines of co-operative societies which also provide similar assistance to their members. Thus, Shri Jaitley said, such tax incentive will encourage “Operation Greens” mission announced earlier and it will give a boost to Sampada Yojana.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**LAUNCH OF GOBAR-DHAN SCHEME ANNOUNCED TO IMPROVE LIVES OF
VILLAGERS**

New Delhi, 01st February, 2018
12 Magha, 1939

In an effort to make the villages open defecation free and improving the lives of villagers, the Finance Minister in his budget speech today announced the launch of Galvanizing Organic Bio-Agro Resources Dhan (GOBAR-DHAN) . The Minister added that this will manage and convert cattle dung and solid waste in farms to compost, bio-gas and bio-CNG.

The Finance Minister also announced that 187 projects have been sanctioned under Namami Gange Programme for infrastructure development, reverse surface cleaning, rural sanitation and other interventions at a cost of Rs.16, 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.

To achieve the vision of an inclusive society, the Government has identified 115 aspirational districts taking various indices of development in consideration, aiming at improving the quality of life in these districts by investing in social services like health, education, nutrition, skill up gradation, financial inclusion and infrastructure like irrigation, rural electrification, potable drinking water and access to toilets at an accelerated pace and in a time bound manner. These 115 districts are expected to become model of development, the Finance Minister added.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INFRASTRUCTURE ALLOCATION ENHANCED TO RS.5.97 LAKH CRORE:
TRANSPORT SECTOR GETS AN ALL TIME HIGH ALLOCATION
NABH NIRMAN INITIATIVE ANNOUNCED TO EXPAND AIRPORT CAPACITY
10 ICONIC TOURISM DESTINATIONS TO BE DEVELOPED
ALLOCATION FOR DIGITAL INDIA PROGRAM DOUBLED : MISSION ON CYBER
PHYSICAL SYSTEMS TO BE LAUNCHED
RS. 10000 CRORE PROVIDED FOR CREATION AND AUGMENTATION OF
TELECOM INFRASTRUCTURE.
ONLINE MONITORING SYSTEM PRAGATI HELPS FAST TRACK INFRA
PROJECTS WORTH RS 9.46 LAKH CRORE**

**New Delhi, 01st February, 2018
12 Magha, 1939**

The Government has enhanced allocation for the Infrastructure Sector in the Union Budget 2018-19, recognizing its role as the growth driver of the economy. The budgetary and extra budgetary expenditure for the Sector has been increased from Rs.4.94 lakh crore in 2017-18 to Rs.5.97 lakh crore in 2018-19. An all time high allocation of Rs 1,34,572 crore has been made for the transport sector while the efforts to develop disaster resilient infrastructure is being given a push with an allocation of Rs. 60 crore in 2018-19. This was announced by the Union Finance Minister, Shri Arun Jaitley while presenting the General Budget 2018-19 in Parliament here today.

In the Urban Infrastructure Sector, the Government proposes to develop ten prominent tourist sites as Iconic Tourism destinations through holistic infrastructure and skill development. In addition, tourist amenities will be upgraded at 100 Adarsh monuments of the Archaeological Survey of India (ASI). The Finance Minister, Shri Arun Jaitley lauded the work being done under the government's inter linked programs – Smart Cities Mission and the AMRUT. He informed that 99 cities have been selected with an outlay of Rs. 2.04 lakh crore under the Smart Cities Mission. Projects worth Rs. 2350 crore have been completed and works of Rs. 20,852

crore are under progress. The National Heritage City Development and Augmentation Yojana (HRIDAY) has been taken-up to revitalize heritage cities.

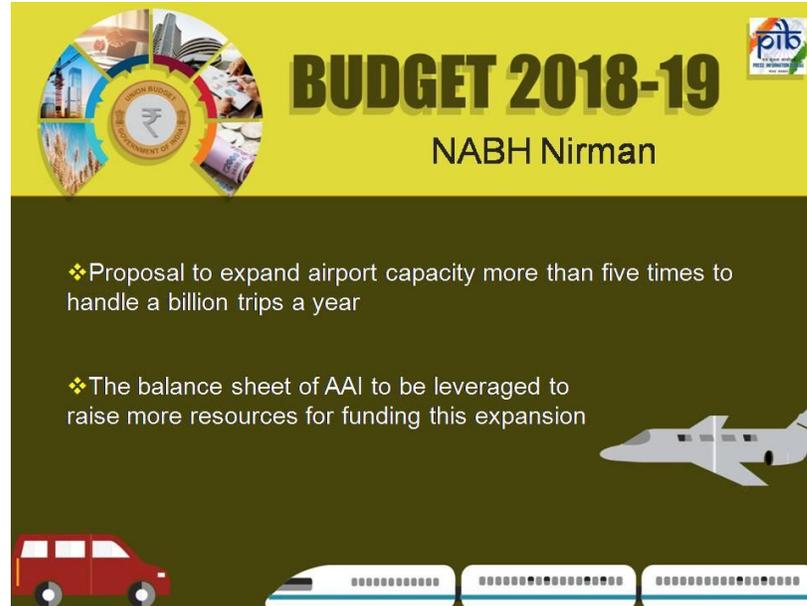
Under AMRUT program, State level plans of Rs. 77,640 crore for 500 cities have been approved. Water supply contracts for 494 projects worth Rs. 19,428 crore and sewerage work contract for 272 projects costing Rs. 12, 429 crore has been awarded. 482 cities have started Credit rating and 144 cities have got investment grade rating.

The Finance Minister announced that his Ministry will leverage the India Infrastructure Finance Corporation Limited (IIFCL) to help finance infrastructure projects including investment in education and health infrastructure.

In the Road sector, the recently approved Bharatmala Pariyojana aims to develop about 35,000 km of highways at a cost of Rs. 5,35,000 crore in Phase I. The National Highways Authority of India (NHI) 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) for raising funds.

In order to enhance connectivity in border areas, the Finance Minister announced that the Government will take up construction of tunnel under Sela Pass. He also announced that for promoting tourism and emergency medical care, the Government will make the necessary frame work for encouraging investment in sea plane activities.

In the Civil Aviation Sector, the Budget 2018-19 announced a new initiative NABH Nirman to expand airport capacity by more than five times to handle a billion trips in a year. The expansion will be funded by leveraging the balance sheet of Airports Authority of India. Domestic air passenger traffic has grown at 18% per annum and the regional connectivity Scheme UDAN, will connect 56 unserved airports and 31 unserved helipads across the country. Operations have already started at 16 airports.



In the sector of Digital Infrastructure the General Budget 2018-19 announced a doubling of allocation on Digital India Program to Rs.3073crore in 2018-19. Department of Science and Technology will launch a Mission on Cyber Physical Systems to support establishment of centers of excellence for research in training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis and quantum communication.

Rs. 10000 crore have been provided in Budget 2018-19 for creation and augmentation of telecom infrastructure. The Government proposes to set up 5 lakh wifi hot spots which will provide broadband access to 5 crore rural citizens. The Finance Minister informed that the Phase I of Bharatnet Project has already enabled broadband access to over 20 crore rural Indians.

Shri Jaitley also announced that NITI Aayog will initiate a national program to direct efforts in the area of artificial intelligence. To harness the benefit of emerging new technologies, the Department of Telecom will support establishment of an indigenous 5G Test Bed at IIT, Chennai.

The Government will take all measures to eliminate the use of crypto-assets in financing illegitimate activities. The Government will also explore the use of block chain technology for ushering in digital economy.

DSM/OK/RM/NP

GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**RAILWAY'S CAPEX FOR THE YEAR 2018-19 PEGGED AT Rs.1,48,528 CRORE
FIRST MODERN TRAIN-SETS TO BE COMMISSIONED DURING 2018-19
600 MAJOR RAILWAY STATIONS TO BE REDEVELOPED
MUMBAI AND BENGALURU RAIL NETWORKS BEING EXPANDED
INSTITUTE IN VADODARA TO TRAIN MANPOWER FOR HIGH SPEED RAIL
PROJECTS.**

**New Delhi, 01st February, 2018
12 Magha, 1939**

In keeping with the Government's focus on strengthening the Railways network in the country the General Budget 2018-19 has enhanced the allocation for the Ministry. Presenting the Budget in the Parliament here today, the Union Minister for Finance & Corporate Affairs, Shri Arun Jaitley said that Railways' Capex for the year 2018-19 has been pegged at Rs.1,48,528 crore. A large part of this will be devoted to capacity creation. 18,000 kilometers of doubling, third and fourth line works and 5000 kilometers of gauge conversion would augment capacity and transform almost the entire network into Broad Gauge. Shri Jaitley also said that 4000 kilometers of railway network are to be commissioned for electrification during 2017-18.

The Finance Minister, Shri Jaitley announced that 12000 wagons, 5160 coaches and approximately 700 locomotives are being procured during 2018-19, and the work on Eastern and Western dedicated Freight Corridors is in full swing. A major programme has been initiated to strengthen infrastructure at the Goods sheds and fast track commissioning of private sidings.

Shri Jaitley has assured that adequate funds will be available under Rashtriya Rail Sanraksha Kosh. Over 3600 kms of track renewal is targeted during 2018-19. There will be increasing use of technology like "Fog Safe" and "Train Protection and Warning System". 4267 unmanned level crossings in the broad gauge network will be eliminated in the next two years.

Modern train-sets with the 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. 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. All railway stations and trains will be progressively provided with wi-fi. CCTVs will be provided at all stations and on trains to enhance security of passengers.

The Finance Minister has informed that 90 kilometers of double line tracks are being added to Mumbai's transport system at a cost of over Rs.11,000 crore. 150 kilometers of additional suburban network is being planned at a cost of over Rs.40,000 crore, including elevated corridors on some sections. In Bengaluru, a suburban network of approximately 160 kilometers at an estimated cost of Rs.17,000 crore is being planned to cater to the growth of the metropolis.

Foundation for the 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.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

MSMEs PROVIDED Rs. 3794 CRORE FOR CREDIT SUPPORT & INNOVATION

**GOVERNMENT TAKES NEW INITIATIVES TO INCREASE EMPLOYMENT
OPPORTUNITY**

**STUDY SHOWS 70 LAKH FORMAL JOBS HAVE BEEN CREATED THIS YEAR,
SAYS FINANCE MINISTER**

New Delhi, 01st February, 2018
12 Magha, 1939

Announcing that a provision of Rs. 3794 crore has been provided in the General Budget 2018-19 for the Medium, Small and Micro Enterprises (MSMEs), the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley said that this has been done to provide credit support, capital and interest subsidy and innovations to this Sector. Presenting the General Budget 2018-19 in Parliament here today, Shri Jaitley added that an outlay of Rs.7148 crore has been provided for the Textile Sector.

Strongly emphasising that creation of job opportunities and facilitating generation of employment has been at the core of policy-making of the Government over the last three years, the Finance Minister mentioned that an independent study conducted recently has shown creation of 70 lakh formal jobs this year. Shri Jaitley pointed out that the Government will contribute 12% of the wages of the new employees in the Employee Provident Fund (EPF) for all the sectors for next three years. The Finance Minister also referred to the extension of the facility of fixed term employment to all sectors. He underlined that the Government will soon announce measures for effectively addressing non-performing assets and stressed accounts of MSMEs.

In an effort to reduce tax burden on MSMEs and to create large-scale employment, Shri Jaitley also announced measures to extend the benefit of reduced rate of 25% to companies who have reported turnover up to Rs.250 crore in the Financial Year 2016-17. “This will benefit the entire class of micro, small and medium enterprises which accounts for almost 99% of companies filing their tax returns,” the Finance Minister said. He expressed confidence that the lower Corporate Income Tax rate for 99% will leave companies with higher investible surplus, leading to creation of more jobs.

Shri Jaitley, the Finance Minister, laid emphasis on the effort to provide incentive to employment of more women in the formal sector. He added that this will lead to higher take-home salary. “Amendments have been proposed 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 in the Employees Provident Fund and Miscellaneous Provisions Act, 1952,” Shri Jaitley stated.

The Finance Minister announced that the Government is setting up a model aspirational skill centre in every district of the country under Pradhan Mantri Kaushal Kendra Programme. Shri Jaitley said that he proposed to onboard Public Sector Banks and corporates on Trade Electronic Receivable Discounting System (TReDS) platform and link it to GSTN. “Online loan sanctioning facility for MSMEs will be revamped for quick decision making by the banks,” he said.

Shri Jaitley referred to the review of the refinancing policy and eligibility criteria set by MUDRA for better refinancing of Non-Banking Finance Companies NBFCs. In this regard, he proposed setting a target of Rs.3 lakh crore for lending under MUDRA for 2018-19, as the targets had been exceeded in all previous years.

The Finance Minister also referred to a Group in the Finance Ministry that is examining the policy and institutional development measures needed for creating right environment for Fintech companies to grow. He also stated that additional measures will be taken to strengthen the environment for Venture Capital Funds and for their growth and successful operation of alternative investment funds in the country.

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**Press Information Bureau
Government of India

**99% MSMEs TO GAIN BY TAX INCENTIVES PROVIDED IN GENERAL BUDGET
2018-19**

GOVERNMENT TO FOREGO RS 7,000 CRORES DUE TO THIS INCENTIVE

New Delhi, 1st February, 2018
Magha 12, 1939

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley has proposed a reduced rate of 25% to companies that have reported turnover up to Rs 250 crores in financial year 2016-17. This will benefit the entire class of Micro, Small and Medium Enterprises which accounts for almost 99% of companies filing their tax returns. Accepting Rs 7,000 crores as the estimated revenue forgone due to this measure during the financial year 2018-19, the Finance Minister, while presenting the General Budget 2018-19 in Parliament here today, said, “This is towards fulfilment of my promise to reduce corporate tax rate in a phased manner.” He further added, “The lower corporate income tax rate for 99% of the companies will leave them with higher investible surplus which in turn will create more jobs.”

The Finance Minister recalled that in the Union Budget 2017, he had announced the reduction of corporate tax rate to 25% for companies whose turnover was less than Rs.50 crores in financial year 2015-16. This had benefitted 96% of the total companies filing tax returns. The Finance Minister also said that after this measure, out of about 7 lakh companies filing returns, about 7,000 companies which file returns of income and whose turnover is above Rs.250 crores will remain in 30% slab.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**A RECORD ONE LAKH CRORE RUPEES EXPECTED TO BE GENERATED
THROUGH DISINVESTMENT DURING THE PERIOD 2017-18**

**BANK RECAPITALIZATION PROGRAM WILL ENABLE PUBLIC SECTOR BANKS
TO LEND ADDITIONAL RUPEES 5 LAKH CRORE**

New Delhi, 01st February, 2018
12 Magha, 1939

The Government has initiated efforts to generate funds as well as undertake banking sector reforms. The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely, while presenting the General Budget 2018-19 in Parliament here today said that the Government has initiated the process of strategic disinvestment in 24 CPSEs including strategic privatization of Air India.

Highlighting the Government's effort to generate funds, the Finance Minister said that the Exchange Traded Fund Bharat-22 which was introduced to raise Rs. 14,500 Crore, was over-subscribed in all segments. Similarly, the 2017-18 Budget Estimates for disinvestment were pegged at the highest ever level of Rs.72,500 Crore and the estimated receipts from the same are expected to the tune of Rs.1,00,000 crore in 2017-18, far exceeding the target. The Finance Minister has also set the disinvestment target of Rs.80,000 crore for 2018-19.

Making his Budget Speech, the Finance Minister said that bank recapitalization program has been launched with bonds of Rs.80,000 crore being issued this year. This recapitalization will pave the way for the Public Sector Banks to lend additional credit of Rs.5 lakh crore. It is proposed to allow strong Regional Rural Banks to raise capital from the market to enable them to increase their credit to rural economy.

National Housing Bank Act is being amended to transfer its equity from the Reserve Bank of India (RBI) to the Government. Indian Post Offices Act, Provident Fund Act and National Saving Certificate Act are being amalgamated and certain additional people friendly measures are being introduced. To provide the Reserve Bank of India an instrument to manage excess liquidity, Reserve Bank of India Act is being amended to institutionalize an

Uncollateralized Deposit Facility. Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act 1956, and Depositories Act 1996, are being amended to streamline adjudication procedures and to provide for penalties for certain infractions.

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GENERAL BUDGET 2018-19

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

**GOVERNMENT TO MOVE AHEAD WITH REFORMS FOR BUILDING
INSTITUTIONS AND IMPROVING PUBLIC SERVICE DELIVERY**

EVERY INDIVIDUAL ENTERPRISE TO BE ASSIGNED A UNIQUE ID

**THREE PUBLIC SECTOR GENERAL INSURANCE COMPANIES TO BE MERGED
INTO ONE**

New Delhi, 01st February, 2018
12 Magha, 1939

The Government has taken up several important reforms for building institutions and improving public service delivery across the country over the last three and a half years. While presenting the General Budget 2018-19 in the Parliament today, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely said while AADHAR has provided identity to every Indian, every enterprise, big or small, also needs a unique ID. The Government will evolve a scheme to assign every individual enterprise in India a unique ID, the Finance Minister announced.

Further, 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. Budgeting of Government of India's contribution in equity and debt of the metro ventures floated by the State Governments will also be streamlined, the Finance Minister stated.

The Government has approved listing of 14 Central Public Sector Enterprises (CPSEs), including two insurance companies, on the stock exchanges. Shri Jaitely said that the process of acquisition of Hindustan Petroleum Corporation by the ONGC has been successfully completed. 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 Finance Minister also announced that the Government will formulate a comprehensive Gold Policy to develop gold as an asset class. The Government will also establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country. Gold Monetization Scheme will be revamped to enable people to open a hassle-free Gold Deposit Account.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**“EDUCATION WILL BE TREATED HOLISTICALLY FROM PRE-NURSERY TO
CLASS XII”, SAYS FINANCE MINISTER**

**RS. 1, 00, 000 CRORE INITIATIVE TO DRIVE RESEARCH AND INFRASTRUCTURE
OVER THE NEXT FOUR YEARS**

New Delhi, 01st February, 2018
12 Magha, 1939

Expressing concern over the quality of education, Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley has said that education will be treated in a holistic manner from pre-nursery to Class XII. Presenting the General Budget 2018-19 in Parliament here today, the Finance Minister expressed the Government’s resolve to increase the digital intensity in education. “The Government proposes to gradually move away from “black board” to “digital board,” he said. The Finance Minister underlined that a district-wise strategy for improving the quality of education is also being prepared. Emphasising the need to step up investment in research and related infrastructure in leading educational institutions, the Finance Minister announced the proposal to launch a major initiative named “Revitalising Infrastructure and Systems in Education (RISE)”. Shri Jaitley said that over the next four years, a total of Rs. 1, 00, 000 crore will be invested in the initiative.

Referring to higher education, Shri Jaitley announced the launch of “Prime Minister’s Research Fellows (PMRF)” Scheme. He pointed out that 1,000 best B.Tech students will be identified from premier institutions each year and facilities will be provided to them to undertake Ph.D in IITs and IISc with an attractive fellowship. Acknowledging the critical nature of the training of teachers during service, the Finance Minister also referred to the move to initiate an integrated B.Ed. programme for teachers.

The Finance Minister pointed to the need for best quality education to the tribal children in their own environment. “To realise this mission, 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”, Shri Jaitley said. He emphasised that Ekalavya schools will be treated at par with Navodaya Vidyalayas and will have special facilities for preserving local art and culture, besides providing training in sports and skill development.

Referring to the initiative of setting up Institutes of Eminence, Shri Jaitley said that more than 100 applications have been received. “We have also taken steps to set up a specialized Railways University at Vadodara”, the Finance Minister said. He added that 18 new Schools of Planning & Architecture (SPAs) will also be established in IITs and NITs as autonomous schools.

Stressing the need to reach out to every household of old, widows, orphaned children, divyaang and deprived as defined by the Socio-Economic Caste Census, the Finance Minister enumerated the implementation of a comprehensive social security and protection programme. He announced that a sum of Rs.9, 975 crore has been allocated for the National Social Assistance Programme this year.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

AYUSHMAN BHARAT FOR A NEW INDIA -2022, ANNOUNCED

TWO MAJOR INITIATIVES IN HEALTH SECTOR ANNOUNCED

RS. 1200 CRORE ALLOCATED FOR 1.5 LAKH HEALTH AND WELLNESS CENTRES

**NATIONAL HEALTH PROTECTION SCHEME TO PROVIDE HOSPITALISATION
COVER TO OVER 10 CRORE POOR AND VULNERABLE FAMILIES**

New Delhi, 01st February, 2018
12 Magha, 1939

The Government today announced two major initiatives in health sector , as part of Ayushman Bharat programme. The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely while presenting the General Budget 2018-19 in Parliament here today said that this was aimed at making path breaking interventions to address health holistically, in primary, secondary and tertiary care systems, covering both prevention and health promotion.

The initiatives are as follows:-

(i) **Health and Wellness Centre:-** The National Health Policy, 2017 has envisioned Health and Wellness Centres as the foundation of India's health system. Under this 1.5 lakh centres will bring health care system closer to the homes of people. These centres will provide comprehensive health care, including for non-communicable diseases and maternal and child health services. These centres will also provide free essential drugs and diagnostic services. The Budget has allocated Rs.1200 crore for this flagship programme. Contribution of private sector through CSR and philanthropic institutions in adopting these centres is also envisaged.

(ii) **National Health Protection Scheme:-** The second flagship programme under Ayushman Bharat is National Health Protection Scheme, which will cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) 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. Adequate funds will be provided for smooth implementation of this programme.

The Finance Minister further said, that these two health sector initiatives under Ayushman Bharat Programme will build a New India 2022 and ensure enhanced productivity, well being and avert wage loss and impoverishment. These Schemes will also generate lakhs of jobs, particularly for women.

The Finance Minister said, that in order to further enhance accessibility of quality medical education and health care, 24 new Government Medical Colleges and Hospitals will be set up, by up-grading existing district hospitals in the country. This would 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.

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Government of India

**RELIEF TO SENIOR CITIZENS: EXEMPTION OF INTEREST INCOME ON
DEPOSITS INCREASED TO Rs 50,000**

PRADHAN MANTRI VAYA VANDANA YOJANA EXTENDED UP TO MARCH 2020

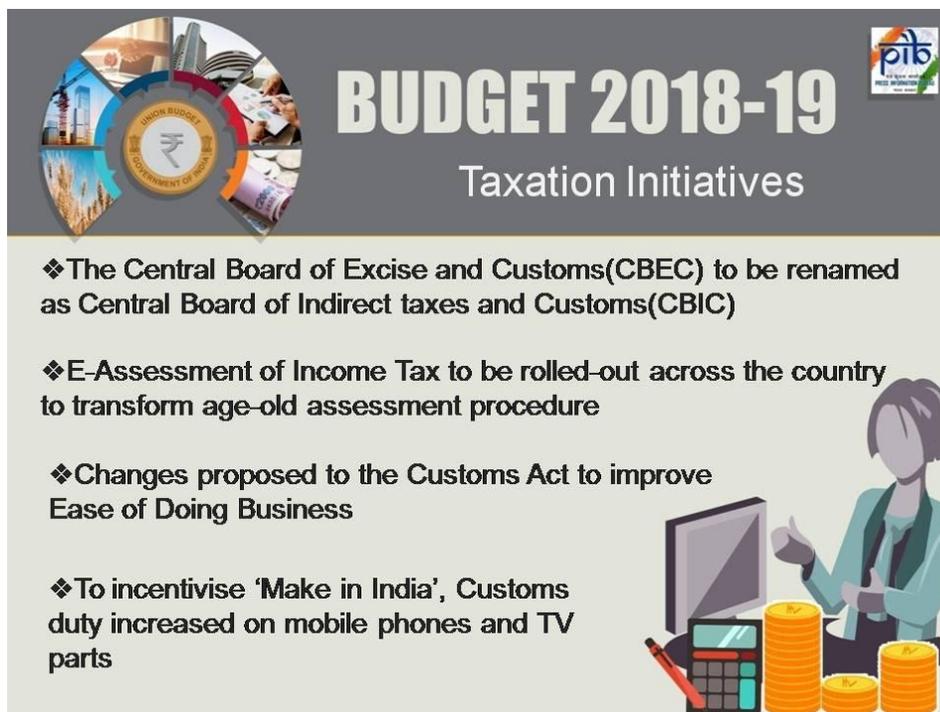
EXISTED LIMIT ON INVESTMENT UNDER PMVVY ENHANCED TO Rs 15 LAKHS

New Delhi, 1st February, 2018
Magha 12, 1939

With the objective of providing a dignified life to senior citizens, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, announced significant incentives for senior citizens.

Presenting the General Budget 2018-19 in Parliament here today, the Finance Minister said that the exemption of interest income on deposits with banks and post offices to be increased from Rs. 10,000/- to Rs. 50,000/- and TDS shall not be required to be deducted on such income, under section 194A. This benefit shall be available also for interest from all fixed deposits schemes and recurring deposit schemes.

The Finance Minister also announced raising the limit of deduction for health insurance premium and/ or medical expenditure from Rs. 30,000/- to Rs. 50,000/-, under section 80D. All senior citizens will now be able to claim benefit of deduction up to Rs. 50,000/- per annum in respect of any health insurance premium and/or any general medical expenditure incurred.



BUDGET 2018-19
Taxation Initiatives

- ❖ The Central Board of Excise and Customs (CBEC) to be renamed as Central Board of Indirect taxes and Customs (CBIC)
- ❖ E-Assessment of Income Tax to be rolled-out across the country to transform age-old assessment procedure
- ❖ Changes proposed to the Customs Act to improve Ease of Doing Business
- ❖ To incentivise 'Make in India', Customs duty increased on mobile phones and TV parts



Further, the Finance Minister proposed raising the limit of deduction for medical expenditure in respect of certain critical illness from Rs. 60,000/- in case of senior citizens and from Rs. 80,000/- in case of very senior citizens, to Rs. 1 lakh in respect of all senior citizens, under section 80DDB.

These concessions will give extra tax benefit of Rs. 4,000 crores to senior citizens.

In addition to tax concessions, the Finance Minister 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 Rs. 7.5 lakh per senior citizen under this scheme is also being enhanced to Rs. 15 lakh.

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**Press Information Bureau
Government of India

**RELIEF TO SALARIED TAXPAYERS: STANDARD DEDUCTION OF Rs 40,000
ALLOWED IN LIEU OF PRESENT EXEMPTIONS**

2.5 CRORES SALARIED EMPLOYEES AND PENSIONERS TO BENEFIT

**DIFFRENTLY-ABLED WILL CONTINUE TO GET TRANSPORT ALLOWANCE AT
ENHANCED RATE**

New Delhi, 1st February, 2018
Magha 12, 1939

In order to provide relief to salaried taxpayer, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, proposed to allow a standard deduction of Rs. 40,000/- in lieu of the present exemption in respect of transport allowance and reimbursement of miscellaneous medical expenses. However, the transport allowance at enhanced rate shall continue to be available to differently-abled persons. Also, other medical reimbursement benefits in case of hospitalisation etc., for all employees shall continue.

Presenting the General Budget 2018-19 in the Parliament here today, the Finance Minister said, “Standard deduction shall significantly benefit the pensioners also, who normally do not enjoy any allowance on account of transport and medical expenses. The revenue cost of this decision is approximately Rs.8,000 crores. The total number of salaried employees and pensioners who will benefit from this decision is around 2.5 crores.”

Shri Jaitley said, “The Government had made many positive changes in the personal income-tax rate applicable to individuals in the last three years. Therefore, I do not propose to make any further change in the structure of the income tax rates for individuals. There is a general perception in the society that individual business persons have better income as compared to salaried class.”

The Finance Minister further said, “Apart from reducing paper work and compliance, this will help middle class employees even more in terms of reduction in their tax liability.”

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

ALLOCATION FOR SCs AND STs INCREASED

New Delhi, 01st February, 2018
12 Magha, 1939

Presenting the General Budget 2018-19 in Parliament here today, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely said that the total earmarked allocation for SCs in 279 programmes has been increased from Rs.34,334 crore in 2016-17 to Rs.52,719 crore in RE 2017-18. Likewise, for STs, earmarked allocation has been increased from Rs.21,811 crore in 2016-17 to Rs.32,508 crore in RE 2017-18 in 305 programmes. The Finance Minister said that earmarked allocation has been further increased to Rs.56,619 crore for SCs and Rs.39,135 crore for STs in BE 2018-19.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**MORE THAN 1.26 CRORE ACCOUNTS OPENED ACROSS THE COUNTRY UNDER
SUKANYA SAMRIDDHI ACCOUNT SCHEME**

**5.22 CRORE FAMILIES BENEFITTED UNDER PRADHAN MANTRI JEEVAN JYOTI BEEMA
YOJANA**

New Delhi, 01st February, 2018

12 Magha, 1939

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely while presenting the General Budget 2018-19 in Parliament today stated that the Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) has benefitted 5.22 crore families with a life insurance cover of Rs.2 lakh on payment of a premium of only Rs.330/- per annum. Likewise, under Pradhan Mantri Suraksha Bima Yojana, 13 crore 25 lakh persons have been insured with personal accident cover of Rs.2 lakh on payment of a premium of only Rs.12 per annum. The Minister further added that the Government will work to cover all poor households, including SC/ST households, under these in a mission mode. The Government will expand the coverage under Prime Minister Jan Dhan Yojana by bringing all sixty crore basic accounts within its fold and undertake measures to provide services of micro insurance and unorganized sector pension schemes through these accounts.

Under “Beti Bachao Beti Padhao” , 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 girl-child securing an amount of Rs.19,183 crore, the Minister added.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**TOTAL EXPENDITURE FOR THE FISCAL YEAR 2018-19 IS ESTIMATED TO BE
OVER RS 24.42 LAKH CRORE**

FISCAL DEFICIT TO BE 3.3% OF THE GDP FOR THE COMING FISCAL YEAR

New Delhi, 01st February, 2018
12 Magha, 1939

Total expenditure during 2018-19 is estimated to be over Rs. 24.42 lakh crore.

Fiscal Deficit at 3.3% is expected to be Rs. 6,24,276 crore, to be financed through borrowings.

The Union Finance Minister Shri Arun Jaitley while presenting the General Budget for 2018-19 in Parliament here today, said that this Budget reflects the government's firm commitment to substantially boost investment in Agriculture, social sector, Digital Payments, Infrastructure and Employment Generation while simultaneously sticking to the path of fiscal rectitude. The Minister for Finance and Corporate Affairs Shri Arun Jaitley said that the government's commitment is substantiated by increase in expenditure of Rs 2,24,463 crores over RE (2017-18). He said the aim is for a reduction of Fiscal Deficit by 0.2% of GDP over RE 2017-18. He projected a Fiscal Deficit of 3.3% of GDP for the year 2018-19

The Finance Minister, Shri Arun Jaitley said that the present Government assumed office in May, 2014 when fiscal deficit was running at very high levels. Fiscal Deficit for 2013-14 was 4.4% of GDP. The Prime Minister and the Government have always attached utmost priority to prudent fiscal management and controlling fiscal deficit. He said that the present Government has embarked on the path of consistent fiscal reduction and consolidation in 2014. Fiscal Deficit was brought down to 4.1% in 2014-15 to 3.9% in 2015-16, and to 3.5% in 2016-17. Revised Fiscal Deficit estimates for 2017-18 are Rs. 5.95 lakh crore at 3.5% of GDP.

Budget 2018-19

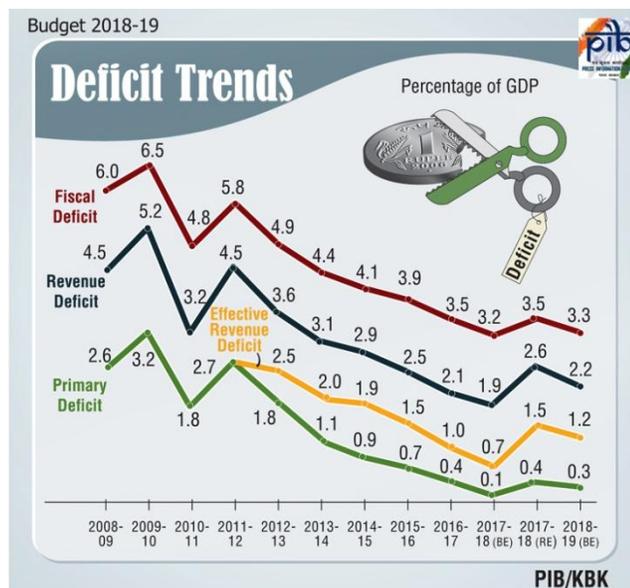
Budget Snapshot: Key Numbers

Figures in ₹ crore

	2016-17 Actuals	2017-18 Budget Estimates	2017-18 Revised Estimates	2018-19 Budget Estimates
Revenue Receipts	13,74,203	15,15,771	15,05,428	17,25,738
Capital Receipts*	6,00,991	6,30,964	7,12,322	7,16,475
Total Receipts	19,75,194	21,46,735	22,17,750	24,42,213
Total Expenditure	19,75,194	21,46,735	22,17,750	24,42,213
Revenue Deficit	3,16,381	3,21,163	4,38,877	4,16,034
Effective Revenue Deficit	1,50,648	1,25,813	2,49,632	2,20,689
Fiscal Deficit	5,35,618	5,46,531	5,94,849	6,24,276
Primary Deficit	54,904	23,453	64,006	48,481

*Excluding receipts under Market Stabilisation Scheme

PIB/KBK



The Finance Minister said that in order to impart unquestionable credibility to the Government's commitment for the revised fiscal glide path, he is proposing to accept key recommendations of the Fiscal Reform and Budget Management (FRBM) Committee relating to adoption of the Debt Rule and to bring down the Central Government's Debt to GDP ratio to 40%. The Government has also accepted the recommendation to use Fiscal Deficit target as the key operational parameter. Necessary amendment proposals are included in the Finance Bill, Shri Jaitley pointed out.

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GENERAL BUDGET 2018-19

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**372 SPECIFIC BUSINESS REFORM ACTIONS BEING IMPLEMENTED THROUGH
STATES**

**NATIONAL LOGISTICS PORTAL AS A SINGLE WINDOW ONLINE MARKET
PLACE TO BE DEVELOPED**

New Delhi, 01st February, 2018
12 Magha, 1939

The Government has been continuously working towards improving the ease of doing business across the country. The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely, while presenting the General Budget 2018-19 in Parliament today said that the Prime Minister, Shri Narendra Modi has always stressed the importance of good governance with the vision of “Minimum Government and Maximum Governance”. This vision has inspired Government agencies to carry out hundreds of reforms in policies, rules and procedures. This transformation is reflected in improvement of India’s ranking by 42 places in last three years in the World Bank’s ‘Ease of Doing Business’ with India breaking into top 100 for the first time.

The Finance Minister stated that to carry the business reforms for ease of doing business deeper and in every State of India, the Government of India has identified 372 specific business reform actions. All States have taken up these reforms and simplifications in a mission mode constructively competing with each other. Evaluation of performance under this Programme will now be based on user feedback.

The Finance Minister announced that the Department of Commerce will be developing a National Logistics Portal as a single window online market place to link all stakeholders.

Shri Jaitely stated that the Government is transforming method of disposal of its business by introduction of e-office and other e-governance initiatives in central Ministries and Departments. A web-based Government Integrated Financial Management Information System (GIFMIS), is being administered by Controller General of Accounts, for budgeting, accounting, expenditure and cash management of the Government.

A Central Public Procurement Portal provides a single point access for all information on procurement. Around 3.5 lakh contractors and vendors are registered on this platform. In November, 2017 alone, electronic bids for over one lakh tenders valued at around two lakh forty thousand crore were invited through this portal.

The Government E-Marketplace (GeM) facilitates procurement at the right price, in right quality and quantity in a transparent and efficient manner. The platform has seventy eight thousand buyers, fifty thousand sellers, three lakh seventy five thousand products and twelve services. Besides facilitating transaction of the value of Rs.3000 crore in about two lakh transactions, it could achieve savings of more than 25% over the base price.

For easier access, links to all Detailed Demand for Grants will be provided at india.gov.in. The Government will also consider feasibility of providing disclosed fiscal information in a machine readable form.

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GENERAL BUDGET
2018-19

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

**BUDGETARY SUPPORT TO DEFENCE SECTOR TO REMAIN GOVERNMENT'S
PRIORITY**

**TWO DEFENCE INDUSTRIAL PRODUCTION CORRIDORS TO BE DEVELOPED
GOVERNMENT TO BRING OUT INDUSTRY FRIENDLY DEFENCE PRODUCTION
POLICY 2018**

New Delhi, 01st February, 2018
12 Magha, 1939

Ensuring adequate budgetary support to the Defence Sector will be the priority of the Government. Presenting the General Budget 2018-19 in Parliament today, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitely said that a lot of emphasis has been given to modernizing and enhancing the operational capability of the Defence Forces over the last three and a half years. The Finance Minister appreciated the stellar role played by the Armed Forces in meeting the challenges on the country's borders as well as in managing the internal security environment both in Jammu and Kashmir and the North East.

A number of initiatives have been taken to develop and nurture intrinsic defence production capability to make the Nation self-reliant for meeting our defence needs, the Finance Minister explained.

Shri Arun Jaitely said that private investment in defence production has been opened up including liberalizing foreign direct investment. The Government will take measures to develop two defence industrial production corridors in the country. The Government will also bring out an industry friendly Defence Production Policy 2018 to promote domestic production by public sector, private sector and MSMEs, he said.

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**GENERAL BUDGET
2018-19**

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**SEBI TO CONSIDER MANDATING CORPORATES TO MEET ONE-FOURTH
FINANCING FROM BOND MARKET
GOVERNMENT WILL REFORM STAMP DUTY REGIME ON FINANCIAL
SECURITIES TRANSACTIONS**

**A UNIFIED AUTHORITY TO BE ESTABLISHED FOR REGULATING ALL
FINANCIAL SERVICES IN IFSCS IN INDIA**

**New Delhi, 01st February, 2018
12 Magha, 1939**

The Finance Minister Shri Arun Jaitley has said that his Ministry will leverage the India Infrastructure Finance Corporation Limited (IIFCL) to help finance major infrastructure projects, including investments in educational and health infrastructure, on strategic and larger societal benefit considerations. Shri Jaitley said this while presenting the General Budget 2018-19 in Parliament here today.

The Finance Minister Shri Arun Jaitley further said that the Government and market regulators have taken necessary measures for development of monetizing vehicles like Infrastructure Investment Trust (InvIT) and Real Investment Trust (ReITs) in India. The Government would initiate monetizing select CPSE assets using InvITs from next year. He said Reserve Bank of India has issued guidelines to nudge Corporates access bond market. SEBI will also consider

mandating, beginning with large Corporates, to meet about one-fourth of their financing needs from the bond market.

In India, most regulators permit bonds with the 'AA' rating only as eligible for investment. The Finance Minister Shri Arun Jaitley said it is now time to move from 'AA' to 'A' grade ratings. The government and concerned regulators will take necessary action for this. He also assured that the Government will take reform measures with respect to stamp duty regime on financial securities transactions in consultation with the states and make necessary amendments the Indian Stamp Act. The Government will establish a unified authority for regulating all financial services in IFSCs in India.

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**Press Information Bureau
Government of India**

RATIONALISATION OF LONG TERM CAPITAL GAINS PROPOSED

REVENUE GAIN OF ABOUT RS.20,000 CRORES EXPECTED IN THE FIRST YEAR

**New Delhi, 1st February, 2018
Magha 12, 1939**

The Union Finance and Corporate Affairs Minister Shri Arun Jaitley today proposed to tax long term capital gains exceeding Rs.1 lakh at the rate of 10% without allowing the benefit of any indexation. Presenting the General Budget 2018-19 in Parliament here today, Shri Jaitley said that all gains up to 31st January, 2018 will be grandfathered. Recognising that a vibrant equity market is essential for economic growth, Shri Jaitley proposed only a modest change in the present regime.

The Finance Minister also proposed to introduce a tax on distributed income by equity oriented mutual fund at the rate of 10% to provide level playing field across growth-oriented funds and dividend distributing funds. He elaborated that in view of grandfathering, this change in capital gain tax will bring marginal revenue gain of about Rs.20,000 crores in the first year 2018-19. The revenues in subsequent years may be more.

The Finance Minister Shri Jaitley added that currently, Long Term Capital Gains arising from transfer of listed equity shares, units of equity oriented fund and unit of a business trust are exempt from tax. With the reforms introduced by the Government and incentives given so far, the equity market has become buoyant. “The total amount of exempted capital gains from listed

shares and units is around Rs. 3,67,000 crores as per returns filed for A.Y.17-18. Major part of this gain has accrued to Corporates and Limited Liability Partnerships (LLPs). This has also created a bias against manufacturing, leading to more business surpluses being invested in financial assets. The return on investment in equity is already quite attractive even without tax exemption. There is therefore a strong case for bringing Long Term Capital Gains from listed equities in the tax net” the Minister explained.

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**Press Information Bureau
Government of India

**AMENDMENTS IN THE INCOME-TAX ACT PROPOSED TO NOTIFY A NEW
SCHEME FOR ASSESSMENT IN ELECTRONIC MODE.**

**E-ASSESSMENT TO BE ROLLED-OUT ACROSS THE COUNTRY TO TRANSFORM
AGE-OLD ASSESSMENT PROCEDURE**

New Delhi, 1st February, 2018
Magha 12, 1939

In the General Budget 2018-19 presented in Parliament today, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley proposed to amend the Income-tax Act to notify a new scheme for assessment. Shri Jaitley said the assessment will be done in electronic mode which will almost eliminate person to person contact leading to greater efficiency and transparency. The Finance Minister added that the e-assessment system was introduced in 2016 on a pilot basis. In 2017, it was extended to 102 cities with the objective of reducing the interface between the department and the taxpayers. “With the experience gained so far, we are now ready to roll out the E-assessment across the country, which will transform the age-old assessment procedure of the income tax department and the manner in which they interact with taxpayers and other stakeholders” Shri Jaitley said. .

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**TO INCENTIVISE DOMESTIC VALUE ADDITION AND MAKE IN INDIA, CUSTOMS
DUTY INCREASED ON MOBILE PHONES AND TV PARTS**

MEASURE WILL HELP PROMOTE CREATION OF MORE JOBS

CUSTOMS DUTY ON RAW CASHEW HALVED

New Delhi, 1st February, 2018
Magha 12, 1939

In the first General Budget 2018-19 after the roll-out of the Goods and Services Tax (GST), the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley, made a calibrated departure from the underlying policy in the last two decades, wherein the trend largely was to reduce the customs duty. In the General Budget 2018-19 presented in Parliament here today, Shri Jaitley acknowledged there is substantial potential for domestic value addition in certain sectors, like food processing, electronics, auto components, footwear and furniture. The Finance Minister thus proposed to reduce customs duty on raw cashew from 5% to 2.5% to help the cashew processing industry.

To further incentivise the domestic value addition and Make in India, the Finance Minister proposed to increase 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%.“This measure will promote creation of more jobs in the country’ Shri Jaitley added. In fact, this will make the domestic items cheaper than imported ones and will generate more demand which, in turn, will create more employment opportunities for the people at large.

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GENERAL BUDGET 2018-19

GENERAL BUDGET 2018-19

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**CHANGES PROPOSED TO THE CUSTOMS ACT TO IMPROVE EASE OF DOING
BUSINESS BY SMOOTHENING DISPUTE RESOLUTION PROCESS AND REDUCING
LITIGATION**

**New Delhi, 1st February, 2018
Magha 12, 1939**

With the aim of further improving Ease of Doing Business in cross border trade, and to align certain provisions with the commitments under the Trade Facilitation Agreement, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley announced certain changes to the Customs Act, 1962 while presenting the General Budget 2018-19 in Parliament today.

Shri Jaitley added that to smoothen dispute resolution processes and to reduce litigation, these amendments are being made to provide for pre-notice consultation, definite timelines for adjudication and deemed closure of cases if those timelines are not adhered to.

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**CENTRAL BOARD OF EXCISE AND CUSTOMS [CBEC] TO BE RENAMED
CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS (CBIC).**

New Delhi, 1st February, 2018
Magha 12, 1939

With the roll out of GST, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley while presenting the General Budget 2018-19 in Parliament today, announced that the name of Central Board of Excise and Customs [CBEC] will be changed to Central Board of Indirect Taxes and Customs (CBIC). The necessary changes in law for this are proposed in the Finance Bill, Shri Jaitley added

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**STRICTER CONTROLS OVER SMALL CASH FLOW BY COMPANIES;
PAYMENTS EXCEEDING RS. 10,000/- IN CASH MADE BY SUCH ENTITIES SHALL
BE DISALLOWED**

New Delhi, 1st February, 2018
Magha 12, 1939

In order to control the cash economy and increase TDS compliance, the Union Finance and Corporate Affairs Minister Shri Arun Jaitley proposed to impose restriction on entities incurring expenditure in cash without paying tax.

Presenting the General Budget 2018-19 in Parliament here today, the Finance Minister said, “Currently, the income of trusts and institutions is exempt if they utilise their income towards their objects in accordance with the relevant provisions of the Income-tax Act. However, there is no restriction on these entities for incurring expenditure in cash. In order to have audit trail of the expenses incurred by these entities, it is proposed that payments exceeding Rs. 10,000/- in cash made by such entities shall be disallowed and the same shall be subject to tax.”

Further, in order to improve TDS compliance by these entities, the Finance Minister proposed to provide that in case of non-deduction of tax, 30% of the amount shall be disallowed and the same shall be taxed.

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**SOCIAL WELFARE SURCHARGE, ON IMPORTED GOODS, TO PROVIDE FOR
SOCIAL WELFARE SCHEMES OF THE GOVERNMENT**

New Delhi, 1st February, 2018
Magha 12, 1939

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley proposed to abolish the Education Cess and Secondary and Higher Education Cess on imported goods, and in its place impose a Social Welfare Surcharge. While presenting the General Budget 2018-19 in Parliament today, Shri Jaitley elaborated that the Social Welfare Surcharge at the rate of 10% of the aggregate duties of Customs, on imported goods, will help provide for Social Welfare Schemes of the Government.

The Finance Minister said that Goods which were hitherto exempt from Education Cesses on imported goods will, however, be exempt from this Surcharge. In addition, certain specified goods (as mentioned in the Annexure 6 to the Budget speech) will attract the proposed Surcharge at the rate of 3% of the aggregate duties of customs only.

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**BENEFITS UNDER SECTION 80-JJAA OF THE INCOME-TAX ACT EXTENDED TO
FOOTWEAR AND LEATHER INDUSTRY TO HELP EMPLOYMENT GENERATION**

New Delhi, 1st February, 2018

Magha 12, 1939

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley has proposed to extend the benefits under Section 80-JJAA of the Income-tax Act to footwear and leather industry. While presenting the General Budget 2018-19 in Parliament here today, the Union Finance Minister said, “Currently, a deduction of 30% is allowed in addition to normal deduction of 100% in respect of emoluments paid to eligible new employees who have been employed for a minimum period of 240 days during the year under section 80-JJAA of the Income-tax Act.” He however, noted that the minimum period of employment is relaxed to 150 days in the case of apparel industry. Extending this relaxation of minimum period of 150 days to footwear and leather industry also, the Finance Minister hoped this would encourage creation of new employment in this sector.

Shri Jaitley further proposed to rationalise deduction of 30% by allowing the benefit for a new employee who is employed for less than the minimum period during the first year but continues to remain employed for the minimum period in subsequent year.

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Government of India**

**INCENTIVE FOR REAL ESTATE: NO ADJUSTMENT TO BE MADE IF THE CIRCLE
RATE VALUE DOES NOT EXCEED 5% OF THE CONSIDERATION**

**New Delhi, 1st February, 2018
Magha 12, 1939**

The Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley proposed that no adjustment shall be made in a case where the circle rate value does not exceed 5% of the consideration. While presenting the General Budget 2018-19 in Parliament here today, he said, “Currently, while taxing income from capital gains, business profits and other sources in respect of transactions in immovable property, the consideration or circle rate value, whichever is higher, is adopted and the difference is counted as income both in the hands of the purchaser and seller. Sometimes, this variation can occur in respect of different properties in the same area because of a variety of factors including shape of the plot and location.”

Thus in order to minimise hardship in real estate transaction, the Finance Minister proposed to provide that no adjustment shall be made in a case where the circle rate value does not exceed 5% of the consideration.

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**TAX INCENTIVES FOR INTERNATIONAL FINANCIAL SERVICES CENTRE
TRANSFER OF DERIVATIVES AND CERTAIN SECURITIES BY NON-RESIDENTS
EXEMPTED FROM CAPITAL GAINS TAX**

**NON-CORPORATE TAXPAYERS OPERATING IN IFSC TO BE CHARGED
ALTERNATE MINIMUM TAX AT CONCESSIONAL RATE OF 9% AT PAR WITH
MINIMUM ALTERNATE TAX APPLICABLE FOR CORPORATES**

New Delhi, 1st February, 2018
Magha 12, 1939

In order to promote trade in stock exchanges located in International Financial Services Centre (IFSC), the Union Finance and Corporate Affairs Minister Shri Arun Jaitley proposed to provide two more concessions for IFSC. Presenting the General Budget 2018-19 in Parliament here today, Shri Jaitley proposed to exempt transfer of derivatives and certain securities by non-residents from capital gains tax. Further, the Finance Minister added that non-corporate taxpayers operating in IFSC shall be charged Alternate Minimum Tax (AMT) at concessional rate of 9% at par with Minimum Alternate Tax (MAT) applicable for corporates.

The Government had endeavoured to develop a world class international financial services centre in India. In recent years, various measures including tax incentives have been provided in order to fulfil this objective.

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