

# INDIA BUDGET 2017



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CHARTERED ACCOUNTANTS

## INDIA BUDGET 2017

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Finance Minister Arun Jaitley presented a **fiscally prudent, reformist and growth oriented budget**. More so, under the backdrop of Indian Economy post demonetisation, caution made in Economic Survey for challenging times ahead, shocking US election results and headwinds of protectionism in the developed world.

Mantra of the Union Budget 2017 is '**TEC – Transform, Energise and Clean**' India.

The budget largely focused on three themes – agriculture, digital revolution and eliminating corruption and war against black money.

The FM has made a **well-planned and multi aimed increased allocations** for key sectors of economy like rural economy (including irrigation & agriculture), infrastructure, affordable housing, education, youth, skill development and other social schemes for welfare of women, children and poverty alleviation.

These allocations would lead to more consumption and job creations – paving way for

the GDP growth trajectory of 8% -10% in coming years.

FM kick started the infrastructure engine, barring railways, with a total allocation of ₹2.75 lakh crores for infra sector, up 16% from the previous year.

Railways, roads, ports and rivers are the lifeline of our country, appropriately, **transportation / infra sector got lion's share of ₹3.96 lakh crores**. Similarly, total allocation for rural, agricultural and allied sectors is a record ₹1.87 lakh crores, up by 24% from the previous year.

Greater emphasis given to farmers and common man such as credit, insurance, e-platforms, per drop more crop, doubling farm income in 5 years and agriculture loan at concessional interest rate (4% to 7%).

**Biggest take away of the budget is infrastructure status to affordable housing**, easing norms to carpet area of 60 and 30 Sq. Mtrs instead built up area and extending project

completion time from 3 to 5 years. Surely, these measures will trigger multi-layer effects to boost the economy.

Another large **reformist move taken with an objective to clean the political funding**, root of corruption, is capping cash donation limit to **₹2,000** from existing ₹20,000 per individual and mulled a new way of donation through **Electoral Bonds**.

Not only this, a limit of **₹3 lakhs been set for cash transactions** and lower income tax rate for cash less transactions have paved the way for less cash intensive society and - narrowing down the incentives of generating and using black money.

With Government emphasising on **digital India**, Cyber security and effective Legal mechanism to deal with defaulters (changes proposed in **Bankruptcy Code** and **Negotiable Instrument Acts**), will strengthen the financial ecosystem.

Cont...

**These steps are big signals about the Government's mind-set and show its determination to shed the skin of legacy and step firmly into the future...**

In terms of tax sops announced, budget in a sense belongs to Common Man as it benefits both the tax paying individual at the lower end of the income bands (**tax rate reduced to 5% from 10% for income between ₹2.50 to ₹5 lakhs**) and also small businesses lowering tax rate to 25% from 30%. These steps put more money in pockets of such individuals, much in line of expectations, partly as a response to the demonetisation disruption.

Boosting investor's confidence, FM proposed to **abolish FIPB** with an intent to create a conducive investment environment for FIIs. Also, **no tinkering to Capital Gain** tax on equity shares and **no Banking Transaction Tax** (BTT) was a sigh of relief for the industry.

Keeping in mind, **the GST in offing**, FM did not make any major changes in Indirect taxes but to

**boost the Make In India** program, unveiled fresh steps to remove anomalies in Indirect taxes to promote domestic manufacturing. These steps would **improve global competitiveness** by reducing manufacturing and compliance costs in crucial sectors such as IT & Hardware, Capital Goods, Defence, Textiles, Maintenance Repair & Overhauling (MRO) and Chemicals etc.

**Banking system** is the heart of the Indian Economy which is **clogged with increasing NPA**, Yet, the **Budget 2017 misses the much required push** for banking sector reforms in terms of BIC (Bank Investment Company) and formation of bad bank – PARA (Public Sector Assets Rehabilitation Agency) to deal with Twin Balance Sheet (TBS) problem of PSBs. Also, **no mention about reforming food & fertilizers subsidies** (₹2.15 lakh crores). Unless these are reformed boldly, Indian economy and agriculture will not get wings to take off.

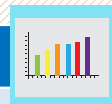
A lot depends on successful execution of these actions – **best of intention would not be good**

**enough – Govt. has to walk the tightrope skilfully.** No more Target Practice but shoot straight at Goalpost without fireworks!!

Yet, In the **Dangal of priorities** Mr. Jaitley turned up **pretty Kaabil** and ventured out to make **farmers and the middle class Raees!!**

Team RAMA is happy to present the summary of the Budget proposals.

*Happy Reading!!*



## Corporate

Corporate tax rate for MSME with annual turnover upto ₹50 crores reduced from 30% to 25%

Cash expenditure exceeding ₹10,000 shall be disallowed, both revenue and capital expenditure, in case of capital expenditure in cash above ₹10,000 depreciation will not be allowed

Carry forward of MAT credit extended to 15 years from 10 years giving some relief to corporate assessee

Domestic transfer pricing restricted to companies enjoying specified profit-linked deductions, hence payments to relative (Section 40A(2)(b)) shall not be subject to Specified Domestic Transactions provisions

Private trusts included under the provisions to pay 10% tax on dividend income above ₹10 lakhs affecting succession planning of Promoters holding shares through private / family trusts

Start-ups eligible for claiming profit linked deduction are allowed to select 3 years within a 7 years period instead of 5 years

Deduction of interest payment to non-resident Associated Enterprises restricted to lower of ₹1 crore or 30% EBDITA in a FY



## Individual

Tax rate reduced from 10% to 5% for taxpayers earning upto ₹5 lakhs and flat rebate of ₹12,500 for all other tax payers, however, compliance is stricter with penalties on delay in filing returns

Home loan interest benefit capped at ₹2 lakhs for property rented out affecting tax planning for higher income group assesses

TDS @ 5% is on rent payments of more than ₹50,000 per month from 1<sup>st</sup> Jun'17 if the receiver (individual or HUF) is not covered under section 44 AB (Section 194IB)

Holding period for LTCG reduced from 3 years to 2 years for immovable properties (encouraging investments in property) and base year for indexation shifted to 2001 from 1981

LTCG on equity shares in listed / unlisted companies without payment of STT to discourage use of shell companies for tax evasion (Section 10(38))

No cash transactions allowed above ₹3 lakhs affecting high-end consumption, 100% penalty for contravention





## General

Revision of income tax return curtailed to 12 months (earlier 24 months) from end of relevant FY

Scrutiny assessments to be completed within 18 months for AY 2018-19 & 12 months for AY 2019-20 onwards

Receipt of assets (money/ immovable property/ specified movable property) without/ inadequate consideration in excess of ₹ 50,000 to be taxable

Authority for Advance Rulings shall be merged for income-tax, central excise, customs duty and service tax for speedy rulings and ease of doing business

Secondary adjustment introduced in cases having primary adjustments under TP rules exceeding ₹1 crore deeming the differential profits to be an advance to AE and interest shall be computed unless the differential profits are repatriated to India within prescribed time limit

Ind-AS opening adjustments to be considered for computing the MAT liability of the year in which Ind-AS is to be adopted

No major changes in Indirect Taxes and affirmative comments on progress of GST assures that the revised implementation date of 1<sup>st</sup> Jul'17 would be achieved

Partial withdrawal of upto 25% of contribution from NPS to be tax exempt

Penalty of ₹10,000 on CA, Merchant Banker & Registered Valuer for each report / certificate furnishing incorrect information



## Policy Announcements

Significant reforms in the way Budget is presented by removing of classification of expenditure in planned and non-planned, non-classification reflects correct allocation for sectors and ministries

Abolishing of Foreign Investment Promotion Board a welcome step towards attracting Foreign Investments and promoting Ease of Doing Business in India

Cash donation to political parties reduced to ₹2,000 from ₹20,000 per person, also GOI will form a scheme with RBI to issue bearer Electoral Bonds, most important announcement to curb generation of black money

To generate true value from disinvestment listing of shares of PSUs like IRCTC, IRFC and IRCON is proposed, also a new ETF will be launched with diversified CPSEs

Proposal to integrate the Oil PSUs under single command to weather vagaries of the oil cycle better, consolidate strength areas and higher negotiation power

Rationalisation of existing labour laws into 4 Codes on (i) wages; (ii) industrial relations; (iii) social security and welfare; and (iv) safety and working conditions to improve ease of doing business while protecting rights of workers



## Policy Announcements

Giving Infrastructure status to “affordable housing” will boost private and foreign investment in the sector

Trade Infrastructure Export Scheme (TIES) to create infrastructure for exports, a move aimed at reducing transaction costs for traders

Model Shops and Establishment Bill to open up additional opportunities for employment of women

Negotiable Instruments Act to be amended to ensure realization of payments against dishonoured cheques

Introducing a system of measuring annual learning outcomes in schools, Innovation Fund for Secondary Education, National Testing Agency to conduct all entrance examinations for higher education institutions

Allocation of ₹10,000 crores for recapitalization of banks looks insufficient as compared to the expectations of the banks

100% village electrification by 1<sup>st</sup> May'18 is an ambitious target

To strengthen safety of rail passengers allocation of ₹1 lakh crore to Rashtriya Rail Sanraksha Kosh in next 5 years

To boost digital economy a new Payments Regulatory Board under RBI and a massive target of 2500 crore digital transactions in 2017 – 18

India announced a budget of ₹22 lakh crores which ranked it in the top 6 of the world



## Economic Indicators

Decline in CPI based inflation from 6% in Jul'16 to 3.4% in Dec'16 shows a decline in the rate of increase in prices for goods and services

Current Account Deficit remaining 0.3% of GDP for first half 2016 – 17 (1% last year) shows higher increase in the value of exports as compared to imports

Restricting Revenue Deficit to 1.9% will bring prudence in Fiscal Management and ensure optimal deployment of resources, fiscal deficit of 3.2% in FY18

Growth of FDI by 36% during first half 2016 – 17 over last year and Foreign Exchange Reserves are equivalent to 12 months trade (i.e. \$361 Bn)





## Transform

The quality of governance and  
quality of life of our people



## Energise

Various sections of society,  
especially the youth and the  
vulnerable and enable them to  
unleash their true potential



## Clean

The country from the evils of  
corruption, black money and  
non-transparent political funding

The agenda is further divided into 10 themes



Farmers



Rural  
Population



Youth



Poor & the  
Underprivileged



Infrastructure



Digital  
Economy



Financial  
Sector



Public  
Service



Prudent Fiscal  
Management



Tax  
Administration



## Rates of Taxes (For AY 2018 – 19)

Individuals / HUFs / AOPs / BOIs and Artificial Judicial Persons

Income Tax rate reduced from 10% to 5% for income upto ₹ 5 lakhs

Levy of Surcharge of 10% of tax for income between ₹50 lakhs to ₹1 crore and 15% for income above ₹1 crore.

## Taxation of Income Received as Dividend (For AY 2018 – 19)

Dividend Income above ₹ 10 lakhs earned by resident except Domestic company & certain funds, institutions trusts etc. shall be taxed @ 10% (Section 115 BBDA)

(Private Trusts now under the ambit of this provisions)

## Rebate (Section 87A) (For AY 2018 – 19)

Individuals / HUFs / AOPs / BOIs and Artificial Judicial Persons

Rebate reduced from ₹5,000 to ₹2,500 for earning between ₹2.5 lakhs to ₹3.5 lakhs

No change in rebate for earning between ₹3.5 lakhs- ₹5 lakhs

Flat ₹ 12,500 rebate for all other tax payers

## Refunds of Excess TDS (W.E.F. 1<sup>st</sup> Apr'17)

Interest @1.5 % for every month or part of month will be paid in case of delay in refund of excess payment of TDS

## Corporate Tax (For AY 2018 – 19)

Tax rate for MSME companies (having annual turnover upto ₹50 crores) is reduced to 25%, from existing 30%

## Income Tax Returns

Single Page return to be filed for income (Other than Business Income) upto ₹5 lakhs (W.E.F. 1<sup>st</sup> Apr, 2017)

No Scrutiny if assessee has filed income tax return for the first time

Revision of returns allowed within 12 months from completion of FY

Reduction in time limit for completion of scrutiny assessments from 21 to 18 months (AY 2018-19) and 12 months (2019 – 20 onwards)

Delay in filing return will attract fee of ₹5,000 if return is furnished after due date but before 31<sup>st</sup> Dec of AY (W.E.F. 1<sup>st</sup> Apr'18)

After 31<sup>st</sup> Dec, ₹10,000 will be charged (W.E.F. 1<sup>st</sup> Apr, 2018)

## Deduction of Interest on Housing Loan

Home loan interest benefit capped at ₹2 lakhs for property rented out affecting tax planning for higher income group assesseees

## TDS Provisions

Commission to Insurance Agent: No TDS if income within taxable limit & agent has filed the declaration (W.E.F. : 1<sup>st</sup> Jun'17)

Rent: TDS @ 5% required to deducted if rent paid to individuals and HUF (not covered under section 44AB) above ₹50,000 / month (Section 194IB) (W.E.F. : 1<sup>st</sup> Jun' 17)

Professional Fees: Reduced from 10% to 2% (section 194J) for Individual engaged in business of operation of Call Centre (W.E.F. : 1<sup>st</sup> Jun'17)

Interest on Foreign Borrowings (194LC): TDS @ 5% on interest on Foreign Currency borrowings to be extended upto 1<sup>st</sup> Jul'20

## TCS Provisions

It is compulsory to collect the PAN No., if not, TCS shall be collected at twice the TCS rate or 5% whichever is higher (section 206 C)

No TCS on cash sale of jewellery above ₹5 lakhs

## Capital Gains (W.E.F. AY 2018 – 19))

Holding period of immovable property for considering long term capital gains is reduced from 3 years to 2 years

Base year for indexation shifted from Apr-1981 to Apr-2001

Capital Gain investments can be made in any bonds redeemable after 3 years as notified by the Central Government without payment of any tax (Section 54 EC)

Joint Development Agreement (Property): Liability of Capital Gain will arise on Individual / HUF in year of completion (Section 45(5A))

In case of transfer of shares (other than Quoted Shares), if consideration of shares is less than Fair Market Value (FMV), FMV will be considered for computation of capital gains

Exemption under section 10(38) on transfer of Equity Shares acquired after 31st Mar'04, only if STT paid on acquisition of shares subject to notified category (to be prescribed)

No Capital Gain Tax in case of transfer of Rupee denominated Bonds from one non-resident to another non –resident

## **Presumptive Income under Section 44 AD (W.E.F. 1<sup>st</sup> Apr'17)**

Deemed total income is reduced to 6% for non-cash turnover, for cash transactions rate of 8% will continue

Threshold Limit for total turnover increased from ₹1 crore to ₹2 crores

Assesse under section 44 ADA (Professionals with receipts upto ₹50 lakhs under Presumptive Scheme) can pay Advance Tax in one instalment instead of 4

## **Maintenance of Books of Accounts under Section 44 AA (W.E.F. AY 2018 – 19)**

Threshold limit for maintenance of Books of Accounts for notified professions increased to ₹2.5 lakhs (Net Income) and ₹25 lakhs (Gross Turnover)

## **Cash Expenditure (W.E.F. AY 2018 – 19)**

Limit reduced from ₹20,000 to ₹10,000 (for both Revenue and Capital).

Cash donation to Charitable Trust is reduced from ₹10,000 to ₹2,000

Cash transactions for more than ₹3 lakhs is restricted for a single transaction or related to one event or occasion and in aggregate for a person in a day (Section 269ST)

Penalty equal to the amount of cash transaction is imposed (W.E.F. 1<sup>st</sup> Apr'17)

## **Carry Forward of Losses of Start Ups (W.E.F. AY 2018 – 19)**

Condition for continuous holding of 51% of voting rights is relaxed

Profit linked deductions available for 3 years out of 5 years is being changed to 3 years out of 7 years

## **Minimum Alternate Tax (MAT) (W.E.F. AY 2018 – 19)**

MAT credit (under section 115JAA) and Alternate Minimum Tax (AMT) credit (under section 115JD) is allowed to be carried forward upto 15 years instead of 10 years

Foreign Tax Credit (FTC) claimed against MAT liability exceeds FTC allowable for computing income under other provisions of act, shall be ignored for computing MAT credit to be carried forward

## **Transfer Pricing (W.E.F. AY 2018 – 19)**

Domestic Transfer pricing provisions now applicable only to entities enjoying specified profit linked deduction

Secondary Adjustment introduced in cases primary adjustments exceeding ₹10 Mn, either the differential profits due to secondary adjustments are repatriated to India within prescribed time limit or deemed to be an advance to foreign entity and interest shall be computed

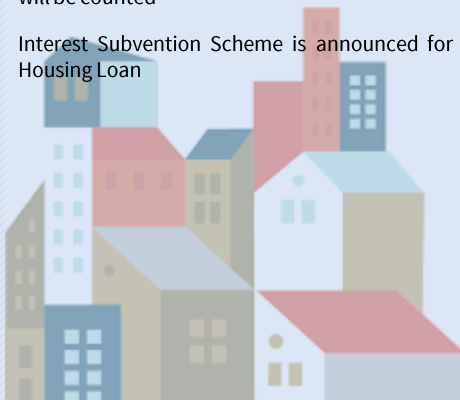
## Housing and Real Estate Sector (W.E.F. AY 2018 – 19)

No notional income for house property held as stock in trade and not let out for a period of 1 year from year of receipt of Completion Certificate

Time period for completion of projects under Affordable Housing scheme extended from 3 years to 5 years

Instead of Built up area of 30 sq. mtr and 60 sq. mtr, the carpet area of 30 sq.mtr and 60 sq. mtr will be counted

Interest Subvention Scheme is announced for Housing Loan



## Banking Sector (W.E.F. AY 2018 – 19)

Allowable Provision for NPA increased from 7.5% to 8.5%

Banks to pay tax on interest receivable on actual receipt basis instead of accrual basis in respect of NPA accounts

## Income from Other Sources (W.E.F. AY 2018 – 19)

Section 40(A) (IA) is now extended to Income from Other Sources, therefore, expense in relation to income from other sources will be disallowed if applicable TDS is not deducted



## Contribution to Political Parties (W.E.F. AY 2018 – 19)

Can receive maximum cash donation of upto only ₹2000 from one person

Electoral Bonds to be introduced by RBI, these bonds can be purchased against cheque and digital payment and to be redeemed by political party only in the designated bank account within the time limit

Need to file return within prescribed time limit

Exemptions to political party under existing law, only if above conditions are fulfilled



### Other Important Provisions

Interest paid by an Indian company or permanent establishment of a foreign company, in excess of 30% of EBITDA, shall not be allowed as deduction in computing its taxable profit. However the balance amount can be carried forward till 8 years

Donation given by an entity to another entity registered under section 12A, shall form part of corpus, shall not be treated as application of income for charitable purposes

In tax neutral demerger, the cost of acquisition of shares of Indian company in the hand of demerged foreign company shall be taken as cost of acquisition in the hands of resulting foreign company

Penalty of ₹10,000 in case of incorrect information in a report or certificate given by an accountant or a merchant banker or a registered valuer

Concessional rate of tax in respect of transfer of share of a private limited company shall be applicable retrospectively from assessment year 2013-14

Self-employed individual shall be eligible for deduction upto 20% of gross total income in respect of contribution made to National Pension System Trust

Any income from transfer of carbon credit shall be taxable at the concessional rate of 10% on gross amount of such income, no expenditure or allowance shall be allowed

Provisions related to computation of book profit for the purpose of levy of Minimum Alternate Tax (MAT) so as to align it with the Indian Accounting Standards (Ind AS)

## Service Tax

Levy of R & D Cess repealed and corresponding service tax exemption withdrawn (W.E.F. 1<sup>st</sup> Apr'17)

Job work services amounting to manufacture moved from Negative list to general exemption list

Retrospective amendments extending exemptions / benefits:

- Exclusion of land from taxable value of works contract (W.E.F. 1<sup>st</sup> Jul'10)
- Exemption on upfront payment for long term lease by State Industrial Development Corporations / Undertaking

Exemption to Airlines with regard to Govt. funding received under Regional Connectivity Scheme

## Customs and Central Excise

Duty rates tweaked to correct inverted duty structure in renewable energy, LNG and Chemicals sectors

Impetus to Make In India campaign:

- Export duty on aluminium ores and concentrates
- 2% SAD introduced on PCB for mobile handset
- Exemption from applicable CD and ED to miniaturized POS card reader, micro ATM, finger print reader / scanner, iris scanner and their parts
- ED reduced to 6% on all parts to be used in manufacturing of LED lights, fixtures including LED lamps, subject to actual user condition

Authority to Advance Ruling for Customs, Excise and Service tax merged with the Authority under Income Tax regulations

## Goods and Services Tax

FM announced substantial progress towards implementation of GST

Status-quo in ED, CD and ST rates indicative of GST roll out as per schedule

Development of GSTN also on schedule

Extensive industry reach out efforts planned from Apr'17





### Financial Sector

Abolition of FIPB for more reforms in FDI Policy owing to more than 90% of FDI through automatic route

DIPP's annual consolidated FDI policy circular by Mar'17 should put in place mechanism for sectors currently under approval route like retail, defence and non-cash FDI

Disinvestment target of ₹72,500 crores for 2017 – 18 with plans to list identified CPSEs like IRCTC, IRFC and IRCON and merger of oil PSUs along with setting up of new ETF with stocks of diversified CPSEs and Government holdings

Expert committee for creation of operational and legal framework through e-NAM to integrate spot and derivatives market for commodity trading

Integration will end uncertainty in the derivatives markets over delisting of commodities and would help farmers in getting the best price as well as to reduce risks by hedging on the derivatives platform

Financial resolution bill to curtail illicit deposit schemes and bring stability and resilience of our financial system

Amendment in Arbitration and Conciliation Act, 1996 to include mechanism for resolution of disputes related to construction contracts, PPP and public utility contracts

GOI has agreed to release 75% of amounts against margin-free guarantee in situations where awards have been given but are contested by the authorities

Lending target under Mudra Yojana is ₹2.44 lakh crores, being doubled from last year as lending under the scheme had exceeded the target of ₹1.22 lakh crores in 2016-17

Capital infusion of ₹10,000 crores for recapitalization of PSBs, in scenarios where PSBs are in dire need of capital for credit growth and Basel-III compliance – the allocation looks low, more infusion if the situation warrants fresh recapitalisation

Computer Emergency Response Team for our Financial Sector (CERT-Fin) will be established as Cyber security is critical for safeguarding the integrity and stability of financial sector

A common application form for registration, opening of bank and DEMAT accounts, and issue of PAN for Foreign Portfolio Investors (FPIs) to enhance operational flexibility and ease of access to Indian capital markets

NBFCs regulated by RBI and above a certain net worth, to be categorised as QIBs to strengthen the IPO market and channelize more investments

Listing and trading of Security Receipts issued by a securitisation company or a reconstruction company under the SARFAESI Act will be permitted in SEBI registered stock exchanges to enhance capital flows and help to deal with bank NPAs







### Farms

Target for agricultural credit in 2017-18 has been fixed at a record level of ₹10 lakh crores

Computerisation and integration of all 63,000 functional Primary Agriculture Credit Societies with the Core Banking System of District Central Cooperative Banks through NABARD in 3 years at estimated cost of ₹1,900 crores

Provision of ₹90,00 crores for Fasal Bima Yojana to cover cropped area upto 40% in 2017-18 and 50% in 2018-19

New mini labs in Krishi Vigyan Kendras (KVKs) and 100% coverage of all 648 KVKs in the country for soil sample testing

Long Term Irrigation Fund in NABARD to be augmented by 100% to take the total corpus of this Fund to ₹40,000 crores

Dedicated Micro Irrigation Fund in NABARD to achieve 'per drop more crop' with an initial corpus of ₹5,000 crores

Coverage of National Agricultural Market (e-NAM) to be expanded from 250 markets to 585 APMCs, assistance upto ₹75 lakhs to every e-NAM

A model law on contract farming to be prepared and circulated among the States for adoption

Dairy Processing and Infrastructure Development Fund to be set up in NABARD with a corpus of ₹2,000 crores and will be increased to ₹8,000 crores over 3 years



### Rural Population

Over ₹3 lakh crores spent in rural areas every year, for rural poor from Central Budget, State Budgets and Bank linkage for self-help groups etc.

Total allocation for Rural, Agriculture and Allied sectors is ₹1,87,223 crores

Aim to bring one crore households out of poverty and to make 50,000 Gram Panchayats poverty free by 2019, the 150<sup>th</sup> birth anniversary of Gandhiji

MGNREGA allocation to be the highest ever at ₹48,000 crores in 2017-18, women participation in MGNREGA has increased to 55% from less than 48%

Allocation for PMGSY, including the State's Share is ₹27,000 crores in 2017-18 to construct 133 km roads per day

Allocation for Pradhan Mantri Awaas Yojana – Gramin increased to ₹23,000 crores in 2017-18 with a target to complete 1 crore houses by 2019

Allocation for Prime Minister's Employment Generation Program and Credit Support Schemes has been increased three fold

Sanitation coverage in rural India has gone up from 42% in Oct 2014 to about 60%. Open Defecation Free villages are now being given priority for piped water supply

Proposed to provide safe drinking water to over 28,000 arsenic and fluoride affected habitations in the next 4 years - National Rural Drinking Water Programme (NRDWP)





### Youth

National Testing Agency to be set-up as an autonomous and self-sustained premier testing organisation to conduct all entrance examinations for higher education institutions

Innovation Fund for Secondary Education proposed to encourage local innovation for ensuring universal access, gender parity and quality improvement to be introduced in 3479 educationally backward districts.

SWAYAM platform, leveraging IT, to be launched with at least 350 online courses. This would enable students to virtually attend courses taught by the best faculty

Skill Acquisition and Knowledge Awareness for Livelihood Promotion programme (SANKALP) to be launched at a cost of ₹4,000 crores to provide market relevant training to 3.5 crores youth

Pradhan Mantri Kaushal Kendras to be extended to more than 600 districts and 100 India International Skills Centres will be established

Next phase of Skill Strengthening for Industrial Value Enhancement (STRIVE) will also be launched in 2017-18 at a cost of ₹2,200 crores

Incredible India 2.0 Campaign will be launched across the world to promote tourism and employment



### Infrastructure

For transportation sector as a whole, including roads, shipping, provision of ₹2,41,387 crores has been made in 2017-18

Total capital and development expenditure of Railways has been pegged at ₹1,31,000 crores

Elimination of unmanned crossings on Broad Gauge by 2020, commissioning 3,500 kms of railway lines, redevelopment of 25 stations and bio-toilets in coaches by 2019

500 stations will be made differently abled friendly and 7,000 stations with solar power in the medium term

New Metro Rail Policy focusing on innovative models and new Metro Rail Act rationalising the existing laws

Budget allocation for highways worth ₹ 64,900 crores

High speed broadband connectivity on optical fibre in more than 1,50,000 gram panchayats under BharatNet

₹20,000 crores to set up strategic crude oil reserves at 2 more locations, namely, Chandikhole in Odisha and Bikaner in Rajasthan

Second phase of Solar Park development to be taken up for additional 20,000 MW capacity.

A new and restructured Central scheme with a focus on export infrastructure, namely, Trade Infrastructure for Export Scheme (TIES) will be launched in 2017-18



### Poor & Underprivileged

Allocation of ₹500 crores for setting up Mahila Shakti Kendra in 14 lakhs ICDS Anganwadi Centres to provide one stop convergent support services for empowering rural women

Under Maternity Benefit Scheme ₹6,000 each will be transferred directly to the bank accounts of pregnant women who undergo institutional delivery and vaccinate their children

National Housing Bank will refinance individual housing loans of about ₹20,000 crores in 2017-18

Government has prepared an action plan to eliminate Kala-Azar and Filariasis by 2017, Leprosy by 2018, Measles by 2020 and Tuberculosis by 2025 is also targeted

Action plan has been prepared to reduce IMR from 39 in 2014 to 28 by 2019 and MMR from 167 in 2011-13 to 100 by 2018-2020

Additional 5,000 Post Graduate seats per annum to ensure adequate availability of specialist doctors and 2 new All India Institutes of Medical Sciences (AIIMS) in Jharkhand and Gujarat

The allocation for Scheduled Castes has been increased by 35% compared to BE 2016-17. The allocation for Scheduled Tribes has been increased to ₹31,920 crores and for Minority Affairs to ₹4,195 crores

For senior citizens, Aadhar based Smart Cards containing their health details will be introduced



### Public Service

Direct Benefit Transfer (DBT) to LPG and Kerosene consumers and 84 Government schemes have boarded the DBT platform

The Government e-market place for procurement of goods and services has been selected as one of the winners of the South Asia Procurement Innovation Awards of the World Bank

The Head Post Offices to be used as front offices for rendering passport services

Centralised Defence Travel System for booking travel tickets by soldiers and officers and Pension Disbursement System for Defence Pensioners to make payments centrally

Legislative changes to confiscate the assets located within the country of persons fleeing the country till they submit to the jurisdiction of the appropriate legal forum





### Digital Economy

Aadhar Pay, a merchant version of Aadhar Enabled Payment System to be launched.

Mission with a target of 2,500 crores digital transactions for 2017-18 through UPI, USSD, Aadhar Pay, IMPS and debit cards.

Banks have targeted to introduce additional 10 lakh new PoS terminals by March 2017 further to be encouraged to introduce 20 lakh Aadhar based PoS by September 2017.

Amendments to the Payment and Settlement Systems Act, 2007 based on structural reforms recommended by The Committee on Digital Payments

Payments Regulatory Board to be created in the Reserve Bank of India by replacing the existing Board for Regulation and Supervision of Payment and Settlement Systems

Amendments in Negotiable Instruments Act to ensure that the payees of dishonoured cheques are able to realise the payments

125 lakh people have adopted the BHIM app so far. The Government will launch two new schemes to promote the usage of BHIM; these are, Referral Bonus Scheme for individuals and a Cashback Scheme for merchants

Proposal under consideration to mandate all Government receipts through digital means, beyond a prescribed limit



### Prudent Fiscal Management

The total expenditure in Budget for 2017-18 has been placed at ₹21.47 lakh crores

Allocation for Capital expenditure increased by 25.4% over the previous year

The total resources transferred to the States and the Union Territories with Legislatures is ₹4.11 lakh crores, against ₹3.60 lakh crores in BE 2016-17

₹2,74,114 crores for Defence expenditure including ₹86,488 crores for Defence capital

Allocations to Scientific Ministries increased to ₹37,435 crores in 2017-18

Consolidated Outcome Budget covering all Ministries and Departments to improve accountability of Government expenditure

Net market borrowing of Government to be ₹3.48 lakh crores after buyback, much lower than ₹4.25 lakh crores of the previous year.

Revenue Deficit of 2.3% in BE 2016-17 stands reduced to 2.1% in the Revised Estimates for next year pegged at 1.9%

Ram Agarwal & Associates (RAMA) is established by the founder partner CA Ram Agarwal and four accomplished Partners / Directors having combined professional experience of almost 50 years in the field of Risk Advisory, ERP Implementations, Management Assurance and Corporate Finance & Business Advisory across varied industries for reputed corporates within India and Overseas.

RAMA has an edge of a blended resource pool of CA, MBA, ERP professionals and Subject Matter Experts, which enables to provide comprehensive services beyond the traditional way of auditing and consulting.

RAMA through its IT arm (RAMA Corporate & IT Solutions LLP) is a Microsoft Certified Partner for implementing and managing Microsoft Dynamics products like Microsoft AX, Navision and CRM etc. It is also a Sales & Implementation partner for KOCKPIT BI Tool (Business Intelligence).

#### **Focused Services:**

- |                                   |   |
|-----------------------------------|---|
| - Internal and Management Audits  | - Process Reviews & Re-engineering                      |
| - SOP Design and Documentations   | - GST Consulting (Study, Implementation and Assistance) |
| - ERP System Implementation       | - Financial Due Diligence & Data Room                   |
| - Fraud Detection & Investigation | - Cost Reduction & Profit Improvement Studies           |

#### **Contributions:**

CA Narayan R Pasari, Hon. Advisor to RAMA	CA Divya Bhandari
CA Ram Agarwal, Founder Partner	CA Sanjiv Roy
CA Kapil Bansal, Partner	Aman Patel
CA Arifa Gumani, Director - GST	Monil Shah

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