



BUDGET OVERVIEW

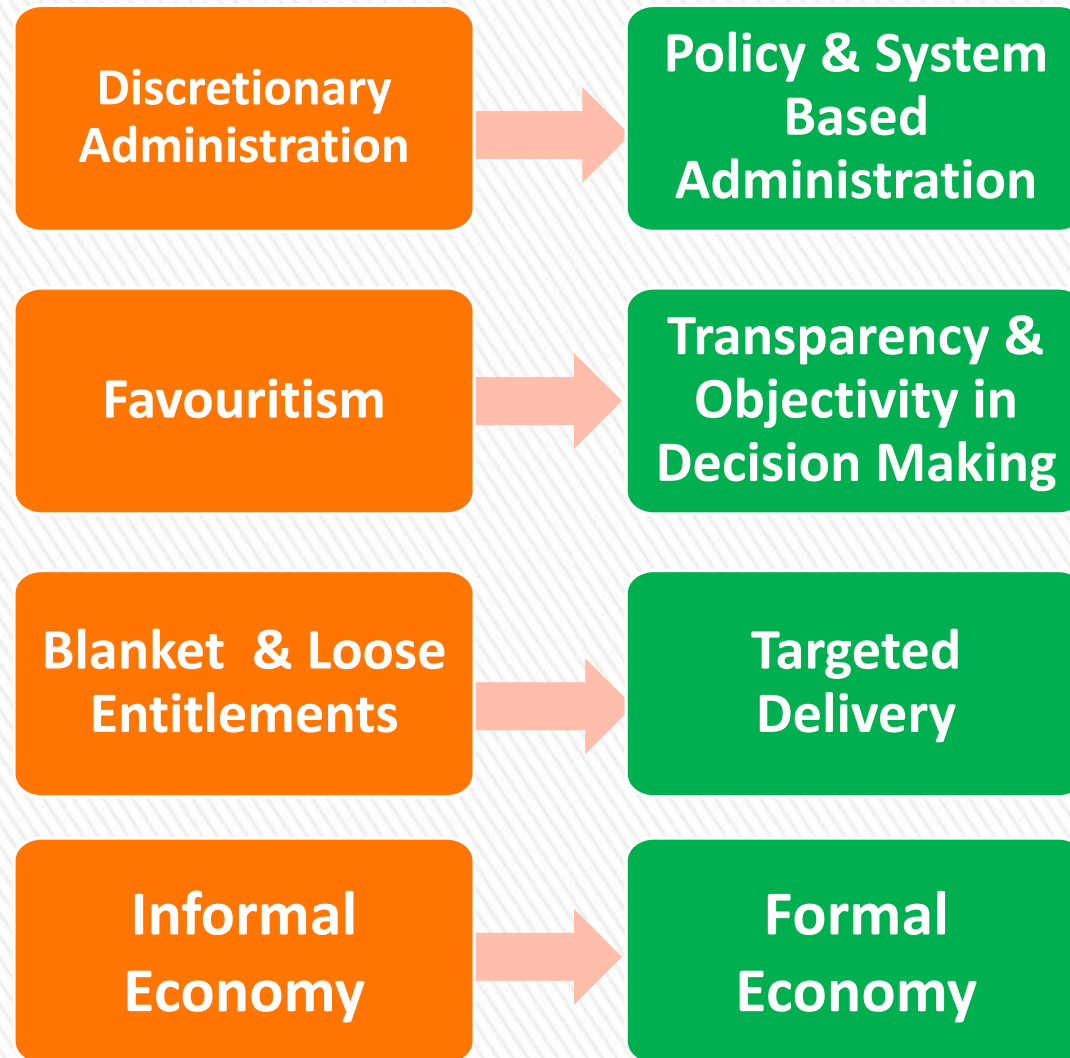
Budget Analysis 2017-18

CMA Ashok B Nawal



BUDGET OVERVIEW

TRANSITION





BUDGET OVERVIEW

» Mantras of Finance Minister's Speech

- **Transform** the quality of governance and quality of life of our people;
- **Energize** various sections of society, especially the youth and the vulnerable, and enable them to unleash their true potential; and
- **Clean the Country** from the evils of corruption, black money and non-transparent political funding.





BUDGET OVERVIEW

- Growth of India against World :**

	2015-16	2016-17
World GDP	3.1%	3.4%
Advanced Economies	1.6%	1.9%
Emerging Economies	4.1%	4.5%
Indian GDP		7.2% & 7.8% (2017-18)
Current Account Deficit	1%	0.3%
FDI	Rs 1,07,000 Cr (1 st Half)	Rs 1,45,000 Cr (1 st Half)





BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Farmer	To double the income in 5 years	<ul style="list-style-type: none">• Agricultural sector to Grow by 4.1%• Agricultural Credit in 2017-18 Rs. 10 Lacs Cr• 60 days' interest waiver during demonitization period• The Primary Agriculture Credit Societies (PACS) act - Computerisation & integration of all 63,000 functional PACS - Rs. 1900 Cr Allocations• <i>Fasal Bima Yojana</i>• Soil Health Cards - 1000 mini labs• Long Term Irrigation Fund – Rs. 40,000 crores• Micro Irrigation Fund – Rs. 5,000 crores.• National Agricultural Market (e-NAM) – Assistance of Rs. 75 Lacs for cleaning, grading and packaging facilities
---------------	--	---



BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Rural Population	Providing Employment & Basic Infrastructure	<ul style="list-style-type: none">• 50,000 gram panchayats poverty free by 2019,• Rs. 3 Lacs Cr spent every year• one crore households out of poverty• another 5 Lacs farm ponds – Over & above 10 lacs already done• Rs. 48,000 crores in 2017-18 under MGNREGA• The <i>Pradhan Mantri Gram Sadak Yojana</i>• Rs. 27,000 crores will be spent on PMGSY in 2017-18 – 133 km Road construction per day• 1 crore houses by 2019 - Rs. 23,000 crores in 2017-18.• 100% village electrification by 1st May 2018 - Rs 4,814 crores• Prime Minister's Employment Generation Programme (PMEGP) increased 3 times• Open Defecation Free villages• 28,000 arsenic and fluoride affected habitations in the next four years.• rural, agriculture and allied sectors in 2017-18 is Rs. 1,87,223 crores
-------------------------	--	---



BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Youth	Energizing them through Education, skills & jobs	<ul style="list-style-type: none">• SWAYAM platform with at least 350 online courses• Pradhan Mantri Kaushal Kendras - 600 districts• SANKALP will provide market relevant training to 3.5 crore youth – 4000 Cr allocations• Skill Strengthening for Industrial Value Enhancement (STRIVE) – Rs. 2,200 crores.
Poor & the Underprivileged	Strengthening the systems of Social Security, Health Care & Affordable Housing	<ul style="list-style-type: none">• Rs. 6,000 each will be transferred directly to the bank accounts of pregnant women• Rs. 500 crores in 14 Lacs ICDS Anganwadi Centres• refinance individual housing loans of about Rs. 20,000 crore in 2017-18.• Two new All India Institutes of Medical Sciences - Jharkhand & Gujarat• schemes for welfare of SC, ST & Minorities - Rs 52,393 Cr in 2017-18• Aadhar based Smart Cards - 15 districts : 2017-18.



BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Infrastructure	Efficiency, Productivity & Quality of Life	<ul style="list-style-type: none">• capital and development expenditure of Railways - Rs 1,31,000 crores.• <i>Rashtriya Rail Sanraksha Kosh</i> - Rs 1 Lacs crores over a period of 5 years• about 7,000 stations with solar power• accounting reforms, accrual based financial statements will be rolled out by March 2019• Road sector- Budget allocation for highways - Rs. 64,900 crores in 2017-18.• transportation sector - Rs 2,41,387 crores in 2017-18• BharatNet Project - Rs 10,000 crores in 2017-18.• eco-system - investment of Rs. 1.26 Lacs crores• Total allocation for Infrastructure development in 2017-18 stands at Rs.3,96,135 crores.
-----------------------	---	--



BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Financial Sector	Growth & Stability through Stronger Institutions	<ul style="list-style-type: none">• More than 90% of the total FDI inflows are now through the automatic route hence FIPB can be phased out in 2017-18• A Computer Emergency Response Team for our Financial Sector (CERT-Fin) will be established• Disinvestment policy announced last years will remain continued• Possibilities of such restructuring are visible in the oil and gas sector.• New ETF with diversified CPSE stocks and other Government holdings will be launched in 2017-18• enactment of the Insolvency and Bankruptcy Code and the amendments to the SARFAESI and Debt Recovery Tribunal Acts.• In line with the 'Indradhanush' roadmap, recapitalisation of Banks in 2017-18. , - Rs. 10,000 crores for The <i>Pradhan Mantri Mudra Yojana</i> - Rs. 1.22 Lacs crores was exceeded
-------------------------	--	---



BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Digital Economy	Speed, Accountability & Transparency	<ul style="list-style-type: none">• 125 Lacs people have adopted the BHIM App• A target of 2,500 crore digital transactions for 2017-18 through UPI, USSD, Aadhar Pay, IMPS and debit cards.• 2% Income Tax concession under Composition Scheme for the dealers upto Turnover of Rs. 50 Lacs (From 8% to 6%).
Public Service	Effective Governance and Efficient service Delivery through people's participation;	Direct Benefit Transfer (DBT) to LPG and kerosene consumers





BUDGET OVERVIEW

• Theme of the Budget and what is in the Budget

Prudent Fiscal Management	to ensure	<ul style="list-style-type: none">The total expenditure in Budget for 2017-18 has been placed at Rs.21.47 Lacs crores.provision of Rs. 3,000 crores under the Department of Economic Affairs to implement various Budget announcementsFor Defence expenditure excluding pensions, I have provided a sum of Rs 2,74,114 crores including Rs. 86,488 crores for Defence capitalThe FRBM Review Committee has favoured Debt to GDP of 60% for the General Government by 2023
	optimal	
	Deployment of resources & preserve fiscal stability	
Tax Administration	Honouring the Honest	



BUDGET OVERVIEW

- Why Demonitization was necessary ?

No. of persons engaged in Organised Sector Employment	4.2 Cr	Return filed by Employee under the head of Salary	1.74 Cr
informal sector individual enterprises	5.6 Cr	Returns filed by this category	1.81 Cr





BUDGET OVERVIEW

• Why Demonitization was necessary ?

No. of Companies registered under Companies Act upto 31.03.2014	13.94 lacs	Companies which has filed the return	5.97 Lacs	<ul style="list-style-type: none">• Out of which 2.76 lacs companies have shown losses or zero income• 2.85 lacs companies have shown profit before tax of less than Rs 1 Cr.• 28,667 companies have shown profit below Rs. 10 crore• 7781 companies have profit before tax above Rs. 10 crores.
--	------------	--------------------------------------	-----------	---





BUDGET OVERVIEW

- Why Demonitization was necessary ?**

No. of Returns	Income
99 Lacs	Below Exemption Limit of Rs. 2.5 Lacs
1.95 Cr	Between Rs 2.5 to Rs 5 Lacs
52 Lacs	between Rs 5 to Rs. 10 Lacs
24 Lacs	above Rs. 10 Lacs
76 Lacs (Individual)	above Rs 5 lacs
56 Lacs salaried Employees	
1.72 Lacs	More than 50 Lacs

No. of cars sold in last 5 years	: 1.25 Cr
No. of citizens who flew abroad for Tourism	: 2 Cr





BUDGET OVERVIEW

» Old Currency deposited during 8th November to 30th Dec 2016

Deposits	No. of Accounts	Average Deposit
between Rs. 2 Lacs & Rs 80 Lacs	1.09 Cr	Rs. 5.03. Lacs
More than 80 Lacs	1.48 lacs	Rs 3.31 Cr

Year	Tax Revenue Rs. In Lacs Cr	Growth %
2013-14	Rs 11.38	
2014-15	Rs. 12.45	9.4%
2015-16	Rs. 14.58	17%
2016-17	Rs. 17.04	17%





BUDGET OVERVIEW

» Direct Tax Collection

Year	Tax Revenue Rs. In Lacs Cr	Growth %
2013-14	Rs 11.38	
2014-15	Rs. 12.45	9.4%
2015-16	Rs. 14.58	17%
2016-17	Rs. 17.04	17%

No of Tax Payers	% of Tax Revenue
23932	26 %
195342	19%
415302	14%
1283509	18%
17179474	23%
19097559	100%





Measures for Promoting Affordable Housing & Real Estate Sectors

- » Capital Gain on Land & Building 36 months to 24 months
- » More Coverage : Carpet Area instead of Built up Area
- » Concession for land acquirement for Capital of Andhra Pradesh
- » Taxable Event for Joint Development Agreement
- » Index Calculation : Base 2001 instead of 1981
- » No Notional Income on unsold flats for one year
- » More options for investments in long term bonds for Capital Gain





Measures for Stimulating Growth

- » Extension in eligible period in case of ECB & Rupee dominated bonds – TDS @5% upto July 2020
- » Start up – 3 Years out of 7 years instead of 5 years
- » MAT / AMT : Carry forward for 15 years instead of 10 years





Promoting Digital Economy

- » Restricting cash donations : Rs. 2000
- » Discourage Cash Transactions : Rs. 20 K to Rs. 10 K
- » Tax Concession for dealers under Presumptive Income : 8% to 6% for digital payment
- » Transparency in Political Funding





Ease of Doing Business

- » Clarity relating to Indirect transfer provisions
- » Special Taxation Regime for off shore funds
- » Income from sale of leftover stock of Crud Oil after agreement
- » No TDS on Insurance Agents providing Certificates
- » Increasing the threshold limit for maintenance of books of accounts in case of Individuals & Hindu undivided family
- » Increasing the threshold limit of Tax Audit
- » Less TDS for Call Centres
- » Reduction in Time limit of Assessment, re-assessment, and re-computation and reducing the time for filing revised return





After Demonitization

- » Search, Seizure & Requisition Provision – Time limit for assessment
- » Fair Market value for full consideration
- » Loss on Property adjustable only upto Rs. 2 Lacs
- » Mandatory furnishing of returns for Trust, Political Parties & Charitable Institutions
- » Fee for delayed filing return
- » Penalty on Chartered Accountants, Valuers & merchant Bankers for submitting wrong information





After Demonitization

- » PAN number compulsory on TCS otherwise TCS at double the rate or 5%
- » Provision for attachment property
- » Extension of the powers to Survey
- » Income Declaration Scheme, 2016





THANK YOU.

Contact:

Email : nawal@bizsolindia.com

Mobile No: 9890165001